

City of  
**PICO RIVERA**  
California

**CAFR**

**Fiscal Year Ended June 30, 2019**



PICO RIVERA  
**R**

COMPREHENSIVE ANNUAL  
**FINANCIAL REPORT**

**2019**

**This page intentionally left blank.**

**CITY OF PICO RIVERA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Prepared by:**  
**Finance Department**

**This page intentionally left blank.**

**CITY OF PICO RIVERA, CALIFORNIA**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2019**  
**Table of Contents**

---

|  | <u>Page<br/>Number</u> |
|--|------------------------|
| INTRODUCTORY SECTION:  |                        |
| Letter of Transmittal  | i                      |
| City Officials   | vi                     |
| Organizational Chart   | vii                    |
| Certificate of Achievement for Excellence in Financial Reporting   | viii                   |
| FINANCIAL SECTION:   |                        |
| Independent Auditors' Report   | 1                      |
| Management's Discussion and Analysis<br>(Required Supplementary Information)   | 5                      |
| Basic Financial Statements:  |                        |
| Government-wide Financial Statements:  |                        |
| Statement of Net Position  | 19                     |
| Statement of Activities  | 20                     |
| Fund Financial Statements:   |                        |
| Governmental Funds:  |                        |
| Description of Major Funds   | 23                     |
| Balance Sheet  | 24                     |
| Reconciliation of the Governmental Funds Balance Sheet to the<br>Statement of Net Position   | 27                     |
| Statement of Revenues, Expenditures, and Changes in Fund Balances  | 28                     |
| Reconciliation of the Governmental Funds Statement of Revenues,<br>Expenditures, and Changes in Fund Balances to the Statement of Activities | 30                     |
| Proprietary Funds:   |                        |
| Statement of Net Position  | 31                     |
| Statement of Revenues, Expenses, and Changes in Net Position   | 32                     |
| Statement of Cash Flows  | 33                     |
| Fiduciary Funds:   |                        |
| Description of Fiduciary Funds   | 35                     |
| Statement of Fiduciary Net Position  | 36                     |
| Statement of Changes in Fiduciary Net Position   | 37                     |
| Notes to Financial Statements  | 38                     |

**CITY OF PICO RIVERA, CALIFORNIA**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2019**  
**Table of Contents**

---

|  | <u>Page<br/>Number</u> |
|--|------------------------|
| FINANCIAL SECTION (CONTINUED):   |                        |
| Required Supplementary Information:  | 95                     |
| Schedule of Changes in Net Pension Liability and Related Ratios -<br>Miscellaneous Plan  | 96                     |
| Schedule of Contributions - Miscellaneous Plan   | 97                     |
| Schedule of Changes in Net Pension Liability and Related Ratios - Council Plan           | 98                     |
| Schedule of Contributions - Council Plan   | 99                     |
| Schedule of Money-Weighted Rate of Return - Council Plan                                 | 99                     |
| Schedule of Changes in Net OPEB Liability and Related Ratios                             | 100                    |
| Schedule of Contributions - OPEB Plan  | 101                    |
| Budgetary Comparison Schedules:  |                        |
| General Fund   | 102                    |
| Housing Agency Section 8 Special Revenue Fund  | 103                    |
| Federal Grants Special Revenue Fund  | 104                    |
| Notes to Required Supplementary Information  | 105                    |
| Supplementary Information:   | 107                    |
| Other Major Fund - Budgetary Comparison Schedule:  | 109                    |
| Capital Improvement Capital Projects Fund  | 110                    |
| Other Governmental Funds:  |                        |
| Description of Other Governmental Funds  | 111                    |
| Combining Balance Sheet  | 114                    |
| Combining Statement of Revenues, Expenditures, and Changes<br>in Fund Balances           | 120                    |
| Schedules of Revenues, Expenditures, and Changes in Fund Balance -<br>Budget and Actual: |                        |
| Community Development Block Grant Special Revenue Fund                                   | 126                    |
| State Gas Tax Special Revenue Fund   | 127                    |
| Lighting Assessment District Special Revenue Fund  | 128                    |
| Prop A Special Revenue Fund  | 129                    |
| Prop C Special Revenue Fund  | 130                    |
| Measure R Special Revenue Fund   | 131                    |
| Measure M Special Revenue Fund   | 132                    |
| HOME Grant Special Revenue Fund  | 133                    |
| CalHOME Grant Special Revenue Fund   | 134                    |

**CITY OF PICO RIVERA, CALIFORNIA**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2019**  
**Table of Contents**

---

|  | <u>Page<br/>Number</u> |
|--|------------------------|
| FINANCIAL SECTION (CONTINUED):   |                        |
| Supplementary Information (Continued):   |                        |
| Other Governmental Funds (Continued):  |                        |
| Schedules of Revenues, Expenditures, and Changes in Fund Balance -             |                        |
| Budget and Actual (Continued):   |                        |
| Air Quality Improvement Special Revenue Fund                                   | 135                    |
| County Grants Special Revenue Fund   | 136                    |
| State Grants Special Revenue Fund  | 137                    |
| Economic Sustainability Special Revenue Fund                                   | 138                    |
| Image Enhancement Special Revenue Fund   | 139                    |
| Sewer Maintenance Special Revenue Fund   | 140                    |
| Reach Grants Special Revenue Fund  | 141                    |
| Cable/PEG Support Special Revenue Fund   | 142                    |
| Transportation Development Act Special Revenue Fund                            | 143                    |
| Paramount/Mines Landscape Maintenance Assessment Capital Projects Fund         | 144                    |
| Other Enterprise Funds:  |                        |
| Description of Other Enterprise Funds  | 145                    |
| Combining Statement of Net Position  | 146                    |
| Combining Statement of Revenues, Expenses, and Changes in Net Position         | 147                    |
| Combining Statement of Cash Flows  | 148                    |
| STATISTICAL SECTION (UNAUDITED):   | 149                    |
| Description of Statistical Section Contents                                    | 151                    |
| Financial Trends:  |                        |
| Net Position by Component - Last Ten Fiscal Years                              | 152                    |
| Change in Net Position - Expenses and Program Revenues - Last Ten Fiscal Years | 154                    |
| Change in Net Position - General Revenues - Last Ten Fiscal Years              | 156                    |
| Fund Balances of Governmental Funds - Last Ten Fiscal Years                    | 158                    |
| Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years         | 160                    |

**CITY OF PICO RIVERA, CALIFORNIA**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2019**  
**Table of Contents**

---

|   | <u>Page<br/>Number</u> |
|---|------------------------|
| STATISTICAL SECTION (UNAUDITED) (CONTINUED):                                  |                        |
| Revenue Capacity:   |                        |
| Governmental Activities Tax Revenues by Source - Last Ten Fiscal Years        | 162                    |
| Revenue Base by Category - Last Ten Fiscal Years                              | 164                    |
| Property Tax Levies and Tax Collections - Last Ten Fiscal Years               | 165                    |
| Direct and Overlapping Governments Property Tax Rates - Last Ten Fiscal Years | 166                    |
| Principal Property Taxpayers - Current Fiscal Year and Nine Fiscal Years Ago  | 168                    |
| Top 25 Sales Tax Producers - Current Fiscal Year and Nine Fiscal Years Ago    | 169                    |
| Debt Capacity:  |                        |
| Ratios of Outstanding Debt by Type - Last Ten Fiscal Years                    | 170                    |
| Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years              | 172                    |
| Direct and Overlapping Debt   | 173                    |
| Legal Debt Margin Information - Last Ten Fiscal Years                         | 174                    |
| Pledged Revenue Bond Coverage:  |                        |
| Water Authority Revenue Bonds - Last Ten Fiscal Years                         | 176                    |
| 2001 Tax Allocation Refunding Bonds - Last Ten Fiscal Years                   | 176                    |
| 2016 Lease Revenue Bonds  | 176                    |
| 2018 Certificates of Participation  | 176                    |
| Demographic and Economic Information:   |                        |
| Demographic and Economic Statistics - Last Ten Fiscal Years                   | 177                    |
| Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago           | 178                    |
| Operating Information:  |                        |
| Full-Time Equivalent City Employees by Function - Last Ten Fiscal Years       | 179                    |
| Operating Indicators by Function - Last Ten Fiscal Years                      | 180                    |
| Capital Asset Statistics by Function - Last Ten Fiscal Years                  | 182                    |



## **INTRODUCTORY SECTION**

**This page intentionally left blank.**



**Carlos Carrazco**  
Director

# City of Pico Rivera

## FINANCE DEPARTMENT

6615 Passons Boulevard · Pico Rivera, California 90660

**(562) 801-4391**

Web: [www.pico-rivera.org](http://www.pico-rivera.org) · e-mail: [eparedes@pico-rivera.org](mailto:eparedes@pico-rivera.org)

### City Council

Gustavo V. Camacho

*Mayor*

Raul Elias

*Mayor Pro Tem*

Gregory Salcido

*Councilmember*

Dr. Monica Sánchez

*Councilmember*

Brent A. Tercero

*Councilmember*

January 31, 2020

Honorable Mayor and City Council  
City of Pico Rivera, California

I am pleased to present the Comprehensive Annual Financial Report of the City of Pico Rivera for the fiscal year ended June 30, 2019. 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 and accounting best practices. This transmittal letter provides highlights from Fiscal Year 2018-19, as well as explains ongoing efforts to improve and maintain the City's sound financial footing.

The Comprehensive Annual Financial Report (CAFR) 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, 2019, 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 CAFR for the fiscal year ended June 30, 2018. Excluding 2007 (when there was significant management turnover), this was the 20<sup>th</sup> 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.

A Certificate of Achievement is valid for a period of one year. We believe that our Comprehensive Annual Financial Report for Fiscal Year 2018-19 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, just one more way to celebrate the City's glorious past and prosperous future.

### **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 as a whole.

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, recruitment, risk management budget preparation and monitoring and accounting. Police, fire and library services are provided by Los Angeles County.

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, 2019 was \$293.083 million, an increase from \$285.216 million as of June 30, 2018.

Focusing on the General Fund, total fund balance (restated) stood at \$62.455 million as of June 30, 2019. This was a \$1.702 million increase over Fiscal Year 2017-18. While operating revenues decreased by \$1.74 million during the year, the operating expenses decreased by \$5.254 million, leading to increase in overall fund balance in the General Fund.

Not all of the \$62.455 million in General Fund fund balance is spendable (i.e., liquid): \$28.003 million is nonspendable. This particular amount is related to the former Pico Rivera Redevelopment Agency and outstanding debt. Of the remaining spendable fund balance, \$10.284 million comprises the Emergency Reserve commitment, which represents the City Council policy of setting aside 25% of prior year operating revenues for use in case of emergencies or other economic uncertainties. There is \$1.061 million classified as "restricted"

See Management's Discussion and Analysis for additional information

representing cash and investments with fiscal agents. There is \$14.040 million classified as “assigned” for various other uses (i.e., self-insured retention, capital improvements, etc.). The remaining \$9.067 million is “unassigned.” See the section below on “Reserves and Fund Balance Policy” for a fuller discussion of the various reserves that have been created per City Council adopted policies.

### **Significant City Accomplishments and Initiatives**

The City of Pico Rivera can be proud of numerous significant accomplishments in Fiscal Year 2018-19. One of the significant accomplishments that the city entered into an agreement to purchase the streetlights throughout the city. The city will purchase approximately 2,937 streetlights and begin retrofitting the lights with led lights. The purchase of the streetlights has a forecasted saving of approximately \$1.28 billion dollars over 30 years after the initial purchase and system conversion, the succession of local control and expansive revenue opportunities. In addition, Pico Rivera Innovative Municipal Energy was awarded the Southern California Association of Governments Sustainability award for its collaborative effort with the City of Lancaster for exemplifying the regional growth vision principals of mobility, livability, prosperity and sustainability.

Another significant accomplishment was in economic development. The economic development team was proud to announce they helped open six significantly sized restaurants, one bank, one beauty retailer, one large baby furniture manufacturer and one 120, 000 square foot industrial development. The economic development team is also anticipating the opening of a large clothes retailer and the completion of a condominium development in the near future.

In addition, the City also:

- Trimmed approximately 4000 trees
- Removed 230,000 square feet of graffiti
- Repaired over 1,000 potholes
- Served over 29,000 summer meals
- Provided 79 special events through Parks and Recreation, serving over 147,000 people.

These are just a few examples of the initiatives and projects aimed at achieving and maintaining the City’s long-term organizational and financial success. In addition, initiatives were implemented in FY 2018-19 that further improved the City’s fiscal standing and overall financial stability: adoption of a budget with a General Fund operating surplus of \$263, 615, receiving the Government Finance Officers Association (GFOA) award for excellent in budget reporting for the first time in over ten years, improving information technology services, improving employee financial literacy by offering financial and retirement planning workshops, and many more tasks and projects.

### **Economic Condition and Outlook**

As can be seen in the following pages, the City’s financial condition is sound. The General Fund did see operating revenues exceed operating expenditures by \$2.2 million as of June 30, 2019.

See Management’s Discussion and Analysis for additional information

Total fund balance grew slightly (\$698 thousand) to \$62.455 million – an amount that represents 149% of operating revenue. Further details of these and related financial statistics can be found in the MD&A and the Notes sections in the following pages.

The relative health of the City’s finances can be attributed to three successive fiscal years of focused attention on improving the alignment of ongoing expenditures with ongoing revenues. While Pico Rivera has enjoyed positive financial health in the recent past, 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 show relative strength, no City is immune to 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, with an emphasis on maintaining and ensuring financial sustainability and security.

### **Internal Control Improvements**

Finance Department staff worked diligently over the past four fiscal years to address recommendations from our auditors to improve the administration, management and production of the City’s financial statements. The auditors recommendations from four fiscal years ago (FY 2015-16) 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.

All of these issues, save for one, were remedied in FY 2016-17. The auditors’ one remaining recommendation from the 2015-16 audit still needing to be addressed was the continued improvement in tracking capital projects, construction in progress and assets (i.e., equipment and vehicles). Staff continued the efforts begun in previous years by making improvements to asset tracking and classification in FY 2017-18.

For example, in FY 2016-17 staff conducted a physical inventory of all fleet vehicles and equipment, vastly improving the accuracy of this particular asset list. Also, closer attention was paid to monitoring capital projects and properly classifying them when completed, improving the “work in progress” value on the financial statements. The final step in overall improvement of asset tracking – begun in FY 2017-18 with full implementation anticipated in FY 2019-20 – is using the City’s new financial software (New Worlds Systems) to track and depreciate all capital assets, making the process easier and more accurate.

### **Reserves and Fund Balance Policy**

In an effort to further secure Pico Rivera’s long-term financial health, the City Council first adopted comprehensive reserve policies as part of the Fiscal Year 2016-17 budget adoption process. In June 2016, The City Council first adopted policies that solidified the City’s commitment to setting aside funds for economic uncertainty, while expanding the policy to allow for assignments of fund balance for capital projects, equipment replacement, leave accruals, and other expenses.

See Management’s Discussion and Analysis for additional information

These policies were further refined and updated as part of the FY 2017-18 budget process. This second version of the reserve policies created new assignments focused on setting aside funds for *economic development, facility maintenance and energy efficiency projects*.

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, have been classified in an effort 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 additional fund balance for anticipated uses (i.e., addressing long-term unfunded liabilities).

### **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, 2020.

### **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, Senior Accountant 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 the City's continued financial health.



Carlos Carrazco  
Director of Finance



## **CITY OF PICO RIVERA**

### **CITY OFFICIALS**

#### **City Council**

Brent A. Tercero, Mayor

Gustavo V. Camacho, Mayor Pro-Term

Raul Elias, Councilmember

Gregory Salcido, Councilmember

Monica Sanchez, Councilmember

#### **Executive Team**

City Manager

Steve Carmona

City Clerk

Anna M. Jerome

Community & Economic Development Director

Vacant

Finance Director

Carlos Carrazco

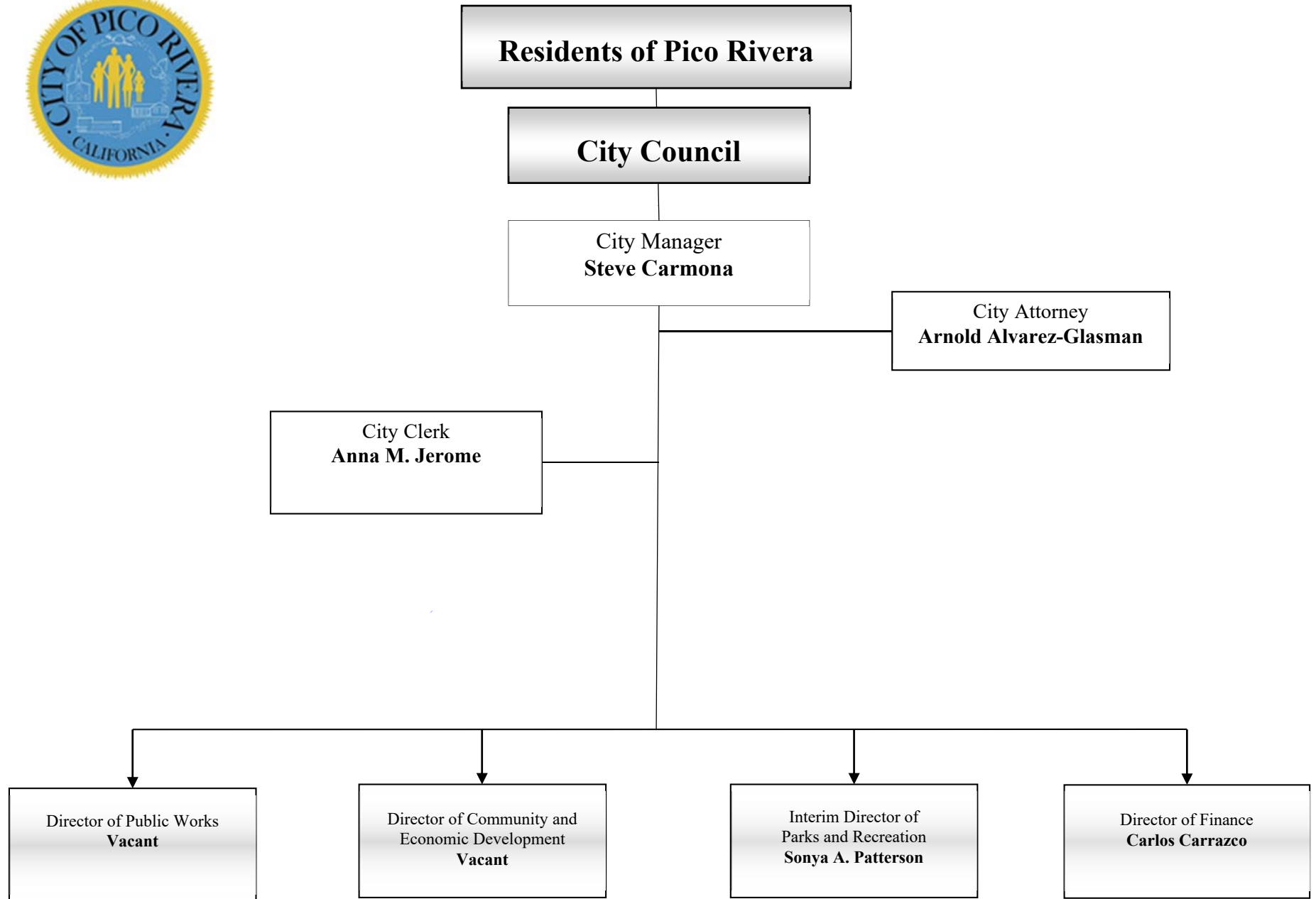
Parks and Recreation Interim Director

Sonya A. Patterson

Public Works Director

Vacant







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, 2018**

*Christopher P. Morrell*

Executive Director/CEO

## **FINANCIAL SECTION**

**This page intentionally left blank.**

## **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, 2019, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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, 2019, 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 and Council Plans, the schedules of contributions for the Miscellaneous and Council Plans, the schedule of money-weighted rate of return for the Council Plan, the schedule of changes in net OPEB liability and related ratios, the schedule of contributions - OPEB plan, and the budgetary comparison schedules for the general and major special revenue funds, 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 28, 2020, 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 Dick Evans LLP*

Irvine, California  
January 28, 2020

**This page intentionally left blank.**



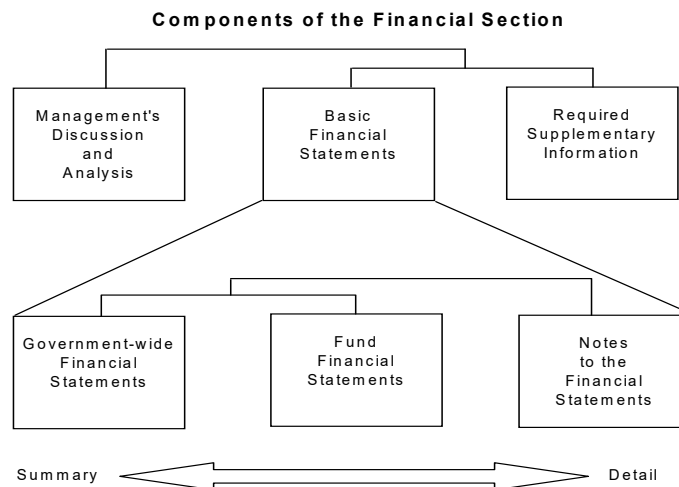
CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2019

The Management Discussion and Analysis (MD&A) 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, 2019, 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, 2019

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, Capital Improvement Fund, and the 2018 Series A COP Fund since these funds are considered major funds. Data from the additional twenty-two (22) 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 107.

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 102-104, 110 and 126-144. The governmental fund financial statements can be found on pages 24 through 29 of this report.

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2019

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 four enterprise funds: the Water Enterprise Fund, the Golf Course Fund the Sports Arena Fund and the Pico Rivera Innovative Municipal Energy (PRIME) fund. The PRIME fund was established during Fiscal Year 2017-18 and is utilized to capture activity of the City's Community Choice Aggregate enterprise function. The basic proprietary fund financial statements can be found beginning on pages 31 through 34 and pages 146 through 148 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 one Fiduciary funds: the Successor Agency to the City of Pico Rivera Redevelopment Agency Private-Purpose Trust Fund. This fund is not reflected in the government-wide financial statements because the resources of this fund is 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 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 (RSI) schedules further explain and support 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 (OPEB) program and the budgetary comparison for the general and major special revenue funds. The required supplementary information can be found on page 95 through 105 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 107 through 148 of this report.

### **FINANCIAL HIGHLIGHTS**

#### **Citywide**

- Comparing fiscal year ending June 30, 2019 with June 30, 2018, the City's total net position increased from \$285.261 million to \$293.083 million. Of this amount, there was an increase in total assets of \$22.816 million to \$442.152 million, an increase in total liabilities of \$13.391 million to \$156.779 million, a decrease of deferred outflows of resources of \$1.869 million and a decrease of deferred inflows of resource of \$265 thousand.
- Citywide revenues totaled \$88.269 million, an increase of \$9.13 million over the prior year.

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2019

Expenses were \$81.658 million, an increase of \$15.66 million over the prior year.

- Citywide capital assets, after depreciation, increased \$220 thousand to \$306.666 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

**Citywide – Governmental Activities**

Governmental Activities revenues increased \$743 thousand to \$61.523 million (prior to any transfers). This increase was primarily due to increase in investment earnings by 140%. Management engaged a third party firm to manage \$20 million in idle cash, which was invested at rates generally higher than those earned by the City's Local Agency Investment Fund (LAIF) deposit.

Governmental Activities expenditures increased \$7.561 million to \$58.005 million. The majority of this overall increase was in the General Government and Public Works categories (\$2.399 million and \$3.851 million, respectively).

**General Fund**

- General Fund revenues were \$41.859 million, a decrease of \$1.77 million over the prior year. Prior year miscellaneous revenue reflected a one-time sale of property.
- Taxes and Assessments revenue was also up compared to the prior fiscal year, with increases in property tax offsetting lower than projected sales tax revenue
- Investment and Rental revenue was also up compared to the prior fiscal year. Increased interest rates due to an improving economy provided additional pooled cash interest revenue.
- General Fund expenditures were \$39.657 million, a \$5.254 million decrease from the prior year. Absence of large private property purchase from the preceding year caused this decrease. In addition, there were savings in General Government related to vacant executive management positions.
- The fund balance of the General Fund increased \$1.701 million at June 30, 2019 to \$62.455 million.

**Fund Level – Proprietary Funds**

The City had four Enterprise Funds in Fiscal Year 2018-19.

Business-type Activities – Enterprise Funds – Overall, the total net position of these funds increased \$3.699 million to \$23.365 million.

- Total current and noncurrent assets increased \$2.916 million to \$68.820 million
- Total current and noncurrent liabilities decreased \$ 979 thousand to \$46.210 million
- Total operational revenues increased \$8.271 million to \$24.605 million and operating expenses increased \$7.7 million to \$23.254 million. Primary reason for these increases were the full

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2019

operation of Pico Rivera Innovative Municipal Energy (PRIME) in the current fiscal year. Partial operation started in the preceding year.

**Fund Level – Fiduciary Funds**

- The Fiduciary Fund is 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 pronouncements implemented by the City, GASB 68 and GASB 75, require the reporting of pension obligations and Other Post Employment Benefit (OPEB) obligations, respectively, on these financial statements. Shown on the next page is the schedule of Statement of Net Position for the years ended June 30, 2019 and 2018, covering Governmental Activities and Business-Type Activities (i.e., enterprise funds).

Net position serves as an indicator of a government's financial position over time. As of June 30, 2019, the City's combined net position (governmental and business-type activities) totaled \$293.083 million, an increase of \$7.822 million from the prior year.

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2019

City of Pico Rivera  
Statement of Net Position  
Fiscal Year ended June 30, 2019 and June 30, 2018

|                                   | Governmental Activities |                       | Business - Type Activities |                      | Total                 |                       |
|-----------------------------------|-------------------------|-----------------------|----------------------------|----------------------|-----------------------|-----------------------|
|                                   | 2019                    | 2018                  | 2019                       | 2018                 | 2019                  | 2018                  |
| <b>Assets:</b>                    |                         |                       |                            |                      |                       |                       |
| Current and Other Assets          | \$ 74,825,618           | \$ 56,870,821         | \$ 22,563,312              | \$ 16,070,537        | \$ 97,388,930         | \$ 72,941,358         |
| Internal Balances                 | 22,506,186              | 21,023,604            | (22,506,186)               | (21,023,604)         | -                     | -                     |
| Land held for resale              | 600,000                 | 600,000               |                            |                      | 600,000               | 600,000               |
| Receivables from Successor Agency | 14,604,507              | 14,933,276            | 22,892,448                 | 24,415,119           | 37,496,955            | 39,348,395            |
| Capital Assets                    | 260,796,361             | 260,004,047           | 45,869,926                 | 46,441,772           | 306,666,287           | 306,445,819           |
| <b>Total Assets</b>               | <b>\$ 373,332,672</b>   | <b>\$ 353,431,748</b> | <b>\$ 68,819,500</b>       | <b>\$ 65,903,824</b> | <b>\$ 442,152,172</b> | <b>\$ 419,335,572</b> |
| Deferred Outflow of resources     | \$ 7,731,287            | \$ 9,381,074          | \$ 875,020                 | \$ 1,094,387         | \$ 8,606,307          | \$ 10,475,461         |
| <b>Liabilities:</b>               |                         |                       |                            |                      |                       |                       |
| Current liabilities               | \$ 13,088,313           | \$ 11,114,705         | \$ 6,583,092               | \$ 3,088,743         | \$ 19,671,405         | \$ 14,203,448         |
| Long-term liabilities             | 45,343,788              | 33,483,347            | 32,565,783                 | 37,768,966           | 77,909,571            | 71,252,313            |
| Net OPEB Obligation               | 21,173,600              | 20,522,460            | 2,094,093                  | 1,857,540            | 23,267,693            | 22,380,000            |
| Net Pension Liabilities           | 30,962,654              | 31,078,035            | 4,967,451                  | 4,473,787            | 35,930,105            | 35,551,822            |
| <b>Total Liabilities</b>          | <b>\$ 110,568,355</b>   | <b>\$ 96,198,547</b>  | <b>\$ 46,210,419</b>       | <b>\$ 47,189,036</b> | <b>\$ 156,778,774</b> | <b>\$ 143,387,583</b> |
| Deferred Inflows of resources     | \$ 777,764              | \$ 1,019,279          | \$ 119,097                 | \$ 142,932           | \$ 896,861            | \$ 1,162,211          |
| <b>Net Position:</b>              |                         |                       |                            |                      |                       |                       |
| Net investment in capital assets  | \$ 232,291,558          | \$ 230,499,724        | \$ 33,680,356              | \$ 33,236,723        | \$ 265,971,914        | \$ 263,736,447        |
| Restricted                        | 19,565,580              | 16,360,144            | -                          | -                    | 19,565,580            | 16,360,144            |
| Unrestricted                      | 17,860,702              | 18,735,128            | (10,315,352)               | (13,570,480)         | 7,545,350             | 5,164,648             |
| <b>Total Net Position</b>         | <b>\$ 269,717,840</b>   | <b>\$ 265,594,996</b> | <b>\$ 23,365,004</b>       | <b>\$ 19,666,243</b> | <b>\$ 293,082,844</b> | <b>\$ 285,261,239</b> |

Net position consists of three categories: net investment in capital assets, restricted assets, and unrestricted assets. The largest amount of the net position (governmental and business-type activities), approximately \$265.972 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, 2019

At June 30, 2019, the City's restricted net position was \$19.566 million or 6.7% 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 \$7.545 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted amount increase \$2.381 million when compared to the June 30, 2018 amount.

**Governmental Activities** - Governmental activities' assets increased \$19.901 million to \$373.333 million, liabilities increased \$14.369 million to \$110.568 million, and total net position increased \$4.123 million to \$269.718 million when compared to the prior year.

- Cash and investments increased \$307 thousand to \$46.585 million.
- With the issuance of Pico Rivera Public Finance Authority a Local Transportation Sales Tax Revenue Certificates of Participation, Series 2018 (2018 Series A COP) of \$14.490 million, the long term liabilities, increased \$11.860 million to \$45.344 million.
- There was \$30.963 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.
- There was \$21.174 million in Other Post Employment Benefit (OPEB) liabilities included as part of the implementation of GASB 78, effective for FY 2017-18. Similar to GASB 68, OPEB liabilities, deferred outflows/inflows of resources and expenses related to post-employment benefits (i.e., retiree health care) must be recognized in the financial statements.

**Business-Type Activities** - Business-type activities assets increased \$2.916 million to \$68.820 million. Liabilities decreased \$979 thousand to \$46.210 million and the total net position increased \$3.699 million thousand to \$23.365 million.

- The share of Net pension liability – due to required GASB 68 reporting first effective for fiscal years ending June 30, 2015 – was \$4.967 million.
- There was \$2.094 million in Other Post Employment Benefit (OPEB) liabilities included as part of the implementation of GASB 78, effective for FY 2017-18.

The Statement of Activities for the Governmental Activities and Business-type Activities is shown on the following page.

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2019

City of Pico Rivera  
Statement of Activities  
Fiscal Year ended June 30, 2019 and June 30, 2018

|   | Governmental Activities |             | Business - Type Activities |            | Total       |             |
|---|-------------------------|-------------|----------------------------|------------|-------------|-------------|
|   | 2019                    | 2018        | 2019                       | 2018       | 2019        | 2018        |
| Revenues  |                         |             |                            |            |             |             |
| Program Revenues:   |                         |             |                            |            |             |             |
| Charges for services  | 4,376,094               | 4,526,104   | 24,604,997                 | 16,334,488 | 28,981,091  | 20,860,592  |
| Operating grants and contributions                                  | 13,168,680              | 16,678,586  | -                          | -          | 13,168,680  | 16,678,586  |
| Capital grants and contributions                                    | 3,604,445               | 2,874,341   | -                          | -          | 3,604,445   | 2,874,341   |
| General Revenues:   |                         |             |                            |            |             |             |
| Property taxes  | 11,734,058              | 11,173,640  | -                          | -          | 11,734,058  | 11,173,640  |
| Sales and use taxes   | 19,468,221              | 17,575,729  | -                          | -          | 19,468,221  | 17,575,729  |
| Franchise taxes   | 1,729,336               | 1,703,255   | -                          | -          | 1,729,336   | 1,703,255   |
| Utility users taxes   | 2,939,221               | 3,142,090   | -                          | -          | 2,939,221   | 3,142,090   |
| Other taxes   | 1,968,094               | 1,807,130   | -                          | -          | 1,968,094   | 1,807,130   |
| Investment earnings   | 1,528,199               | 637,086     | 2,140,163                  | 2,025,078  | 3,668,362   | 2,662,164   |
| Miscellaneous   | 1,007,091               | 662,225     | -                          | -          | 1,007,091   | 662,225     |
| Total Revenues  | 61,523,439              | 60,780,186  | 26,745,160                 | 18,359,566 | 88,268,599  | 79,139,752  |
| Expenses  |                         |             |                            |            |             |             |
| General Government  | 10,589,517              | 8,190,494   | -                          | -          | 10,589,517  | 8,190,494   |
| Public safety   | 11,998,792              | 11,885,957  | -                          | -          | 11,998,792  | 11,885,957  |
| Public works  | 16,339,812              | 12,488,922  | -                          | -          | 16,339,812  | 12,488,922  |
| Parks and recreation  | 7,958,749               | 7,146,278   | -                          | -          | 7,958,749   | 7,146,278   |
| Health and welfare  | 5,416,605               | 5,311,548   | -                          | -          | 5,416,605   | 5,311,548   |
| Community development   | 4,194,760               | 4,407,647   | -                          | -          | 4,194,760   | 4,407,647   |
| Interest and fiscal charges   | 1,507,430               | 1,013,498   | -                          | -          | 1,507,430   | 1,013,498   |
| Bond issuance costs   | 398,345                 | -           | -                          | -          | 398,345     | -           |
| Enterprise operations   | -                       | -           | 23,254,399                 | 15,553,619 | 23,254,399  | 15,553,619  |
| Total Expenses  | 58,404,010              | 50,444,344  | 23,254,399                 | 15,553,619 | 81,658,409  | 65,997,963  |
| Increase/Decrease in net position before transfers and special item | 3,119,429               | 10,335,842  | 3,490,761                  | 2,805,947  | 6,610,190   | 13,141,789  |
| Transfers   | -                       | 42,027      | -                          | (42,027)   | -           | -           |
| Special item  | -                       | -           | -                          | -          | -           | -           |
| Increase/Decrease in net position                                   | 3,119,429               | 10,377,869  | 3,490,761                  | 2,763,920  | 6,610,190   | 13,141,789  |
| Change in net position:   |                         |             |                            |            |             |             |
| Net position- beginning of year, as restated                        | 266,598,411             | 255,217,127 | 19,874,243                 | 16,902,323 | 286,472,654 | 272,119,450 |
| Net position- end of year   | 269,717,840             | 265,594,996 | 23,365,004                 | 19,666,243 | 293,082,844 | 285,261,239 |

**Governmental Activities** – Total revenues increased \$743 thousand and expenses increased \$7.960 million when compared to the previous year.



CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2019

- Program revenues decreased \$2.930 million. Charges for Services and Operating Grants and Contributions decreased.
- General revenues increased \$3.673 million. All revenue categories increased, mainly, there was an increase in Sales Use Tax revenue (\$1.892 million). The overall increase in General Revenues was offset by a decrease in Utility Users Tax revenues (\$203 thousand).
- Expenses increased \$7.960 million. These were increases in General Government and Public Works totaling \$6.250 million.

**Business-Type Activities** - The Water Fund is the primary enterprise fund. However, Pico Rivera Innovative Municipal Energy (PRIME) operated full year this fiscal year and most variances relate to this fund in particular.

- Revenue increased by \$8.386 million and expenses also increased by \$7.701 million.

## **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, 2019 the City's governmental funds reported a combined ending fund balance of \$94.786 million as shown on page 25. The fund balance categories of governmental funds displayed \$28.003 million as nonspendable, \$32.853 million as restricted, \$10.284 million as committed, \$14.640 million as assigned, and \$9.006 million as unassigned. (Please refer to Note Number 12 of the Notes to Financial Statements for a detailed breakdown.)

The City chooses to report five 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 and Capital Projects 2018 Series A COP 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 114.

**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 \$62.455 million, an increase of \$1.701 million from the previous year. The nonspendable amount is \$28.003 million, the restricted is \$1.061 million, the committed amount is \$10.284 million, the assigned amount is \$14.04 million and the unassigned amount is \$9.067 million.

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2019

*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, \$4.989 million in revenue was received and \$5.0888 million was spent. The ending fund balance was \$527 thousand.

The largest source of revenue to this fund is the actual Section 8 Federal Funding used to provide housing assistance to eligible residents. Actual revenue is a function of the number of housing vouchers issued. For FY 2018-19, \$82 thousand less was received when compared to the prior year. Overall expenditures were \$32 thousand higher when compared to the prior year.

*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, \$1.226 million in revenue was received, with \$1.039 million in expenses and \$651 thousand in Transfer Out to the Capital Improvement Fund where it was spent on capital projects. The ending fund balance was a negative \$365 thousand.

Revenue and expenditures will vary from year to year since the grants are reimbursable. That is, the City must expend its own funds on projects, then request and receive reimbursements for eligible expenses. Depending on the timeline, scope and progress of a given capital project, expenses will vary, which in turn means the revenue received will vary.

*Capital Improvement Fund* - The Capital Improvement Fund is a capital improvements fund that is utilized to account for General Fund capital projects. This is a change in methodology that began in Fiscal Year 2017-18 and was implemented in Fiscal Year 2018-19.

There was a one-time sale of property during the year of \$318 thousand. This was a remnant property that resulted from Passons Underpass project. There were \$1.143 million in expenditures, offset by \$2.546 million in non-operating Transfer In revenue. Expenditures were \$405 thousand less than the prior year, with Transfer In revenue \$1.556 million more. These fluctuations from prior years are due to the progress, size and timing of capital projects, hence expenses and non-operating revenue will vary from year to year depending on the projects.

*2018 Series A COP Capital Projects Fund* – This fund accounts for activity related to the City's capital projects that are financed with the 2018 Series A Certificates of Participation that were issued in the current fiscal year in the aggregate principal amount of \$14.695 million.

During the year, there was a revenue of \$251 thousand, mainly interest, transfer in of \$692 thousand, bond premium of \$703 thousand and \$1.706 million in expenditures. The ending fund balance was \$14.635 million.

**Business-type Activities – Enterprise Funds**

There are two major funds in the enterprise fund group, the Water Operations Enterprise fund and the Pico Rivera Municipal Energy (PRIME) fund, which are 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, \$9.904 million was received as revenue (the majority from charges for services) and expenses were \$6.341

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2019

million. There were additional monies received as investment income and transfers to other funds. The Water Fund's net position increased by \$3.489 million from the prior year to \$24.080 million.

*Pico Rivera Innovative Municipal Energy (PRIME) Fund* – This is a new fund in FY 2017-18. The City established a Community Choice Aggregation (CCA) operation. PRIME is operated as a modified Joint Powers Authority (JPA), with the City of Lancaster as the lead agency of the JPA. CCAs operate such that power purchase and rate setting authority is exercised locally. Southern California Edison (SCE) still provides transmission of all electricity as well as the billing. However, PRIME utilizes third party consultants to purchase power and answer billing inquiries from Pico Rivera residents. The benefit is that the overhead is lower, and those cost savings have been passed on to residential and commercial customers.

During its full year of operation, the PRIME fund realized \$13.581 million in revenue and incurred \$12.944 million in operating expenses, increases of \$8.266 million and \$8.043 million from prior year, respectively.

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

**Capital Assets Administration**

The City's investment in capital assets for its governmental activities at June 30, 2019 was \$260.796 million (net of accumulated depreciation of \$138.792 million). The investment in capital assets includes land, buildings, structures and improvements, infrastructure (roads, sidewalks, streetlights, etc.), furniture, vehicles and equipment, and construction in progress.

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2019

City of Pico Rivera  
Capital Assets(Net of Accumulated Depreciation)  
Fiscal Year ended June 30, 2019 and June 30,2018

|                                 | Governmental Activities |                | Business - Type Activities |               | Total          |                |
|---------------------------------|-------------------------|----------------|----------------------------|---------------|----------------|----------------|
|                                 | 2019                    | 2018           | 2019                       | 2018          | 2019           | 2018           |
| Land*                           | \$ 118,849,013          | \$ 118,849,013 | \$ 18,174,060              | \$ 18,174,060 | \$ 137,023,073 | \$ 137,023,073 |
| Structures & Improvements       | 25,576,925              | 25,576,925     | 5,013,838                  | 5,013,838     | 30,590,763     | 30,590,763     |
| Furniture, Equipment & Vehicles | 6,793,635               | 6,560,287      | 1,021,135                  | 995,023       | 7,814,770      | 7,555,310      |
| Infrastructure                  | 233,284,401             | 227,160,822    | 15,837,296                 | 15,067,466    | 249,121,697    | 242,228,288    |
| Construction in progress        | 15,084,643              | 14,376,872     | 247,826                    | 766,102       | 15,332,469     | 15,142,974     |
| Rights of Way                   | -                       | -              | 5,579,916                  | -             | 5,579,916      | -              |
| Utility Plant                   | -                       | -              | 21,785,673                 | 27,365,589    | 21,785,673     | 27,365,589     |
|                                 |                         |                |                            |               |                | -              |
| Total Capital Assets            | \$ 399,588,617          | \$ 392,523,919 | 67,659,744                 | 67,382,078    | 467,248,361    | 459,905,997    |
| Less depreciation               | (138,792,256)           | (132,519,872)  | (21,789,818)               | (20,940,307)  | (160,582,074)  | (153,460,179)  |
|                                 |                         |                |                            |               |                | -              |
| Net Capital Assets              | \$ 260,796,361          | \$ 260,004,047 | \$ 45,869,926              | \$ 46,441,771 | \$ 306,666,287 | \$ 306,445,818 |

\*Includes value of "Water Rights" for Business-Type Activities

Additional information on the City's capital assets can be found in Note 5 to the basic financial statements on pages 58 to 61 of this report.

### Debt Administration

As of June 30, 2019, the City had total indebtedness of \$142.765 million, an increase of \$13.581 million. Debt includes bonded, certificates of participation, 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.

**Governmental activities** - Governmental activities total indebtedness increased during the year by \$15.361 million. The increase is primarily due to issuance of Pico Rivera Public Finance Authority a Local Transportation Sales Tax Revenue Certificates of Participation, Series 2018 (2018 Series A COP) of \$14.490 million.

Overall, governmental activities total indebtedness at year end is \$100.445 million. Please refer to note 6 beginning on page 60 for further detail.

**Business-type activities** - Business-type activities total indebtedness decreased during the year by \$1.780 million. The decrease is primarily due to reductions in revenue bond debt. Overall, business-type debt at year end is \$42.320 million. Please refer to note 6 beginning on page 60 for further detail.

**CITY OF PICO RIVERA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2019

**City of Pico Rivera**  
**Outstanding Debt**  
**Fiscal Year ended June 30, 2019 and June 30, 2018**

|                               | Governmental Activities |                      | Business - Type Activities |                   | Total              |                    |
|-------------------------------|-------------------------|----------------------|----------------------------|-------------------|--------------------|--------------------|
|                               | 2019                    | 2018                 | 2019                       | 2018              | 2019               | 2018               |
| <b>Bonded Indebtedness:</b>   |                         |                      |                            |                   |                    |                    |
| Revenue bonds                 | \$ 27,740,000           | \$ 28,625,000        | 34,995,000                 | \$ 37,520,000     | 62,735,000         | 66,145,000         |
| Certificates of Participation | 14,490,000              | -                    | -                          | -                 | 14,490,000         | -                  |
| Bond premium                  | 3,360,194               | 2,814,322            | 391,940                    | 431,798           | 3,752,134          | 3,246,120          |
| Bond discount                 | -                       | -                    | (304,922)                  | (331,630)         | (304,922)          | (331,630)          |
| <b>Other long-term debt:</b>  |                         |                      |                            |                   | -                  | -                  |
| Net pension liabilities       | 30,962,654              | 31,078,035           | 4,967,451                  | 4,473,787         | 35,930,105         | 35,551,822         |
| Other post-employ. Benefits   | 21,173,600              | 20,522,460           | 2,094,093                  | 1,857,540         | 23,267,693         | 22,380,000         |
| Claims and Judgements         | 1,583,000               | 1,051,000            | -                          | -                 | 1,583,000          | 1,051,000          |
| Compensated absences          | 1,135,742               | 993,025              | 176,406                    | 148,798           | 1,312,148          | 1,141,823          |
| <b>Total Indebtedness</b>     | <b>\$ 100,445,190</b>   | <b>\$ 85,083,842</b> | <b>42,319,968</b>          | <b>44,100,293</b> | <b>142,765,158</b> | <b>129,184,135</b> |

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The General Fund realized a \$2.202 million operating surplus (operating revenues less operating expenditures) as of June 30, 2019. (When Transfer In/Transfer Out are included, the net change in fund balance was actually a positive \$698 thousand.)

Looking ahead, the City Council approved a Fiscal Year 2019-20 General Fund operating budget with a 1.723 deficit after transfer the City's budget was balanced. The City Council considers a mid-year budget review each fiscal year, and this may indicate savings and/or improved revenue streams for the 2019-20 fiscal year.

The relative health of the City's finances can be attributed to recent efforts that focus on proper alignment of ongoing expenditures with ongoing revenues. Part of this effort was the introduction of zero-based budgeting beginning with the 2015-16 fiscal year. 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. The focus

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2019

on overall financial health is both near-term and long-term: preparing annual budgets that are balanced while utilizing reserves to reduce future liabilities in a targeted and meaningful manner.

**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 Administrative Services, City of Pico Rivera, California.

CITY OF PICO RIVERA  
STATEMENT OF NET POSITION

June 30, 2019

|   | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
|---|----------------------------|-----------------------------|-----------------------|
| <b>ASSETS:</b>                                  |                            |                             |                       |
| Cash and investments                            | \$ 46,584,504              | \$ 14,859,197               | \$ 61,443,701         |
| Restricted cash and investments:                |                            |                             |                       |
| Cash and investments with fiscal agents         | 16,303,601                 | 4,078,114                   | 20,381,715            |
| Escrow deposits                                 | 21,199                     | -                           | 21,199                |
| Receivables, net                                |                            |                             |                       |
| Accounts  | 2,003,102                  | 3,568,054                   | 5,571,156             |
| Taxes   | 4,681,095                  | -                           | 4,681,095             |
| Interest  | 163,758                    | 33,942                      | 197,700               |
| Internal balances                               | 22,506,186                 | (22,506,186)                | -                     |
| Inventories                                     | -                          | 24,005                      | 24,005                |
| Prepaid items                                   | 74,577                     | -                           | 74,577                |
| Long-term receivables                           | 4,993,782                  | -                           | 4,993,782             |
| Land held for resale                            | 600,000                    | -                           | 600,000               |
| Receivables from Successor Agency               | 14,604,507                 | 22,892,448                  | 37,496,955            |
| Capital assets, not depreciated                 | 133,933,656                | 24,001,802                  | 157,935,458           |
| Capital assets, depreciated, net                | 126,862,705                | 21,868,124                  | 148,730,829           |
| <b>TOTAL ASSETS</b>                             | <b>373,332,672</b>         | <b>68,819,500</b>           | <b>442,152,172</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>          |                            |                             |                       |
| Deferred amount on refunding                    | 1,842,856                  | -                           | 1,842,856             |
| Amounts related to OPEB                         | 1,117,328                  | 110,505                     | 1,227,833             |
| Amounts related to pension plans                | 4,771,103                  | 764,515                     | 5,535,618             |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>     | <b>7,731,287</b>           | <b>875,020</b>              | <b>8,606,307</b>      |
| <b>LIABILITIES:</b>                             |                            |                             |                       |
| Accounts payable                                | 2,997,993                  | 2,723,810                   | 5,721,803             |
| Accrued interest payable                        | 393,097                    | 231,111                     | 624,208               |
| Accrued liabilities                             | 493,153                    | 250,541                     | 743,694               |
| Deposits  | 753,695                    | 667,587                     | 1,421,282             |
| Retention payable                               | 101,402                    | 17,402                      | 118,804               |
| Due to other agencies                           | 5,383,825                  | -                           | 5,383,825             |
| Long-term liabilities:                          |                            |                             |                       |
| Due within one year                             | 2,965,148                  | 2,692,641                   | 5,657,789             |
| Due in more than one year:                      |                            |                             |                       |
| Long-term liabilities                           | 45,343,788                 | 32,565,783                  | 77,909,571            |
| Net OPEB liability                              | 21,173,600                 | 2,094,093                   | 23,267,693            |
| Net pension liability                           | 30,962,654                 | 4,967,451                   | 35,930,105            |
| <b>TOTAL LIABILITIES</b>                        | <b>110,568,355</b>         | <b>46,210,419</b>           | <b>156,778,774</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>           |                            |                             |                       |
| Amounts related to OPEB                         | 53,513                     | 5,292                       | 58,805                |
| Amounts related to pension plans                | 724,251                    | 113,805                     | 838,056               |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>      | <b>777,764</b>             | <b>119,097</b>              | <b>896,861</b>        |
| <b>NET POSITION:</b>                            |                            |                             |                       |
| Net investment in capital assets                | 232,291,558                | 33,680,356                  | 265,971,914           |
| Restricted for community development            | 6,368,993                  | -                           | 6,368,993             |
| Restricted for transportation                   | 8,992,042                  | -                           | 8,992,042             |
| Restricted for low- and moderate-income housing | 2,577,535                  | -                           | 2,577,535             |
| Restricted for pension contribution             | 1,061,066                  | -                           | 1,061,066             |
| Restricted for other purposes                   | 565,944                    | -                           | 565,944               |
| Unrestricted                                    | 17,860,702                 | (10,315,352)                | 7,545,350             |
| <b>TOTAL NET POSITION</b>                       | <b>\$ 269,717,840</b>      | <b>\$ 23,365,004</b>        | <b>\$ 293,082,844</b> |

See accompanying notes to financial statements.

CITY OF PICO RIVERA  
STATEMENT OF ACTIVITIES  
For the year ended June 30, 2019

| Functions/Programs                      | Expenses      | Program Revenues           |  |  |
|---|---------------|----------------------------|--|--|
|   |               | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
| <b>Governmental Activities:</b>         |               |                            |  |  |
| General government                      | \$ 10,589,517 | \$ 657,280                 | \$ 1,675,791                             | \$ -                                   |
| Public safety                           | 11,998,792    | 1,114,647                  | 183,447                                  | -                                      |
| Public works                            | 16,339,812    | 836,847                    | 4,901,332                                | 3,604,445                              |
| Parks and recreation                    | 7,958,749     | 579,751                    | 933,041                                  | -                                      |
| Health and welfare                      | 5,416,605     | 205,328                    | 83,349                                   | -                                      |
| Community development                   | 4,194,760     | 982,241                    | 5,391,720                                | -                                      |
| Interest and fiscal charges             | 1,507,430     | -                          | -  | -                                      |
| Bond issuance costs                     | 398,345       | -                          | -  | -                                      |
| Total governmental activities           | 58,404,010    | 4,376,094                  | 13,168,680                               | 3,604,445                              |
| <b>Business-Type activities:</b>        |               |                            |  |  |
| Water                                   | 8,506,305     | 9,904,084                  | -  | -                                      |
| Pico Rivera Innovative Municipal Energy | 12,944,076    | 13,581,101                 | -  | -                                      |
| Sports arena                            | 232,363       | 266,610                    | -  | -                                      |
| Golf                                    | 1,571,655     | 853,202                    | -  | -                                      |
| Total business-type activities          | 23,254,399    | 24,604,997                 | -  | -                                      |
| Total                                   | \$ 81,658,409 | \$ 28,981,091              | \$ 13,168,680                            | \$ 3,604,445                           |

General revenues:

Taxes:

Property

Sales and use

Franchise

Utility users

Other

Unrestricted investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as restated

Net position - end of year



Net (Expense) Revenue and  
Changes in Net Position

| Governmental<br>Activities   | Business-Type<br>Activities | Total                        |
|------------------------------|-----------------------------|------------------------------|
| \$ (8,256,446)               | \$ -                        | \$ (8,256,446)               |
| (10,700,698)                 | -                           | (10,700,698)                 |
| (6,997,188)                  | -                           | (6,997,188)                  |
| (6,445,957)                  | -                           | (6,445,957)                  |
| (5,127,928)                  | -                           | (5,127,928)                  |
| 2,179,201                    | -                           | 2,179,201                    |
| (1,507,430)                  | -                           | (1,507,430)                  |
| (398,345)                    | -                           | (398,345)                    |
| <u>(37,254,791)</u>          | <u>-</u>                    | <u>(37,254,791)</u>          |
| -                            | 1,397,779                   | 1,397,779                    |
| -                            | 637,025                     | 637,025                      |
| -                            | 34,247                      | 34,247                       |
| <u>-</u>                     | <u>(718,453)</u>            | <u>(718,453)</u>             |
| <u>-</u>                     | <u>1,350,598</u>            | <u>1,350,598</u>             |
| <u>(37,254,791)</u>          | <u>1,350,598</u>            | <u>(35,904,193)</u>          |
| 11,734,058                   | -                           | 11,734,058                   |
| 19,468,221                   | -                           | 19,468,221                   |
| 1,729,336                    | -                           | 1,729,336                    |
| 2,939,221                    | -                           | 2,939,221                    |
| 1,968,094                    | -                           | 1,968,094                    |
| 1,528,199                    | 2,140,163                   | 3,668,362                    |
| 1,007,091                    | -                           | 1,007,091                    |
| <u>-</u>                     | <u>-</u>                    | <u>-</u>                     |
| <u>40,374,220</u>            | <u>2,140,163</u>            | <u>42,514,383</u>            |
| 3,119,429                    | 3,490,761                   | 6,610,190                    |
| <u>266,598,411</u>           | <u>19,874,243</u>           | <u>286,472,654</u>           |
| <u><u>\$ 269,717,840</u></u> | <u><u>\$ 23,365,004</u></u> | <u><u>\$ 293,082,844</u></u> |

See accompanying notes to financial statements.

**This page intentionally left blank.**

## CITY OF PICO RIVERA

### DESCRIPTION OF MAJOR FUNDS

June 30, 2019

#### 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 US Department of Housing and Urban Development.

**Federal Grants Special Revenue Fund** accounts for funds received from the US (federal) government for the rehabilitation of streets and intersections, bridge construction, 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 Fund.

**2019 Series A COP Capital Projects Fund** accounts for activity related to the City's capital projects that are funded by the 2019 Series A Certificates of Participation.

#### ENTERPRISE FUND

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

**Pico Rivera Innovative Municipal Energy (PRIME) Fund** accounts for the operations of the City's Community Choice Aggregation Program, which allows residents to choose their electric power provider and the source of their electricity.

#### INTERNAL SERVICE FUND (NONMAJOR)

This fund accounts for the financing of services provided from one department to another on a cost-reimbursement basis.

**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  
BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2019

|  |                      | Special Revenue Funds       |                   |
|--|----------------------|-----------------------------|-------------------|
|  | General              | Housing Agency<br>Section 8 | Federal<br>Grants |
| ASSETS   |                      |                             |                   |
| Cash and investments   | \$ 27,701,672        | \$ 602,759                  | \$ 15,321         |
| Restricted cash and investments:                                       |                      |                             |                   |
| Cash and investments with fiscal agents                                | 1,061,066            | -                           | -                 |
| Escrow deposits  | -                    | 21,199                      | -                 |
| Receivables:   |                      |                             |                   |
| Accounts   | 343,078              | -                           | 287,692           |
| Taxes  | 4,398,776            | -                           | -                 |
| Interest   | 122,019              | 1,028                       | -                 |
| Due from other funds   | 4,195,286            | -                           | -                 |
| Advance to other funds   | 21,056,349           | -                           | -                 |
| Long-term receivables  | -                    | -                           | -                 |
| Prepaid items  | 74,577               | -                           | -                 |
| Land held for resale   | -                    | -                           | -                 |
| Receivables from Successor Agency                                      | 13,201,586           | -                           | -                 |
| TOTAL ASSETS   | <u>\$ 72,154,409</u> | <u>\$ 624,986</u>           | <u>\$ 303,013</u> |
| LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES, AND FUND BALANCES       |                      |                             |                   |
| LIABILITIES:   |                      |                             |                   |
| Accounts payable   | \$ 1,768,409         | \$ 10,808                   | \$ -              |
| Accrued liabilities  | 446,555              | 18,162                      | -                 |
| Due to other funds   | 176,000              | 47,470                      | 424,649           |
| Deposits   | 732,496              | 21,199                      | -                 |
| Retention payable  | -                    | -                           | -                 |
| Due to other agencies  | -                    | -                           | -                 |
| TOTAL LIABILITIES  | <u>3,123,460</u>     | <u>97,639</u>               | <u>424,649</u>    |
| DEFERRED INFLOWS OF RESOURCES:   |                      |                             |                   |
| Unavailable revenue  | <u>6,575,993</u>     | <u>-</u>                    | <u>243,228</u>    |
| FUND BALANCES (DEFICIT):   |                      |                             |                   |
| Nonspendable   | 28,002,854           | -                           | -                 |
| Restricted   | 1,061,066            | 527,347                     | -                 |
| Committed  | 10,284,000           | -                           | -                 |
| Assigned   | 14,039,900           | -                           | -                 |
| Unassigned   | 9,067,136            | -                           | (364,864)         |
| TOTAL FUND BALANCES (DEFICIT)  | <u>62,454,956</u>    | <u>527,347</u>              | <u>(364,864)</u>  |
| TOTAL LIABILITIES, DEFERRED INFLOWS<br>OF RESOURCES, AND FUND BALANCES | <u>\$ 72,154,409</u> | <u>\$ 624,986</u>           | <u>\$ 303,013</u> |

| Capital Projects Funds |                      | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------|----------------------|--------------------------------|--------------------------------|
| Capital<br>Improvement | 2018 Series A<br>COP |                                |                                |
| \$ 2,545,317           | \$ -                 | \$ 15,719,435                  | \$ 46,584,504                  |
| -                      | 15,242,535           | -                              | 16,303,601                     |
| -                      | -                    | -                              | 21,199                         |
| -                      | -                    | 1,372,332                      | 2,003,102                      |
| -                      | -                    | 282,319                        | 4,681,095                      |
| -                      | -                    | 40,711                         | 163,758                        |
| -                      | -                    | -                              | 4,195,286                      |
| -                      | -                    | -                              | 21,056,349                     |
| -                      | -                    | 4,993,782                      | 4,993,782                      |
| -                      | -                    | -                              | 74,577                         |
| 600,000                | -                    | -                              | 600,000                        |
| -                      | -                    | 1,402,921                      | 14,604,507                     |
| <u>\$ 3,145,317</u>    | <u>\$ 15,242,535</u> | <u>\$ 23,811,500</u>           | <u>\$ 115,281,760</u>          |

|                     |                      |                      |                       |
|---------------------|----------------------|----------------------|-----------------------|
| \$ 31,911           | \$ 9,532             | \$ 1,108,133         | \$ 2,928,793          |
| 13                  | -                    | 28,423               | 493,153               |
| 1,295,219           | 598,325              | 114,733              | 2,656,396             |
| -                   | -                    | -                    | 753,695               |
| 101,402             | -                    | -                    | 101,402               |
| 600,000             | -                    | 4,783,825            | 5,383,825             |
| <u>2,028,545</u>    | <u>607,857</u>       | <u>6,035,114</u>     | <u>12,317,264</u>     |
| -                   | -                    | 1,359,538            | 8,178,759             |
| -                   | -                    | -                    | 28,002,854            |
| -                   | 14,634,678           | 16,629,468           | 32,852,559            |
| -                   | -                    | -                    | 10,284,000            |
| 600,000             | -                    | -                    | 14,639,900            |
| 516,772             | -                    | (212,620)            | 9,006,424             |
| <u>1,116,772</u>    | <u>14,634,678</u>    | <u>16,416,848</u>    | <u>94,785,737</u>     |
| <u>\$ 3,145,317</u> | <u>\$ 15,242,535</u> | <u>\$ 23,811,500</u> | <u>\$ 115,281,760</u> |

See accompanying notes to financial statements.

**This page intentionally left blank.**

## CITY OF PICO RIVERA

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

June 30, 2019

|   |                      |                              |
|---|----------------------|------------------------------|
| Fund balances (deficits) for governmental funds   |                      | \$ 94,785,737                |
| 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   | \$ 399,588,617       |                              |
| Less accumulated depreciation   | <u>(138,792,256)</u> | 260,796,361                  |
| 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.  |                      | 8,178,759                    |
| 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.   |                      | (158,253)                    |
| 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  | \$ (1,135,742)       |                              |
| Claims payable  | (1,583,000)          |                              |
| Accrued interest payable  | (393,097)            |                              |
| Revenue bonds payable   | (45,590,194)         |                              |
| Deferred amount on refunding  | <u>1,842,856</u>     | (46,859,177)                 |
| Pension and OPEB 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 and OPEB are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities: |                      |                              |
| Deferred outflows of resources related to OPEB  | \$ 1,117,328         |                              |
| Deferred inflows of resources related to OPEB   | (53,513)             |                              |
| Net OPEB liability  | (21,173,600)         |                              |
| Deferred outflows of resources related to pensions  | 4,771,103            |                              |
| Deferred inflows of resources related to pensions   | (724,251)            |                              |
| Net pension liability   | <u>(30,962,654)</u>  | (47,025,587)                 |
| Net position of governmental activities   |                      | <u><u>\$ 269,717,840</u></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, 2019

|  |               | Special Revenue Funds       |                   |
|--|---------------|-----------------------------|-------------------|
|  | General       | Housing Agency<br>Section 8 | Federal<br>Grants |
| REVENUES:  |               |                             |                   |
| Taxes and assessments  | \$ 34,528,658 | \$ -                        | \$ -              |
| Licenses and permits   | 2,861,711     | -                           | -                 |
| Intergovernmental  | 286,737       | 4,912,579                   | 1,225,815         |
| Charges for services   | 1,467,293     | -                           | -                 |
| Fines, forfeitures, and penalties                            | 1,109,430     | -                           | -                 |
| Investment and rental  | 882,362       | 500                         | -                 |
| Miscellaneous  | 722,989       | 76,287                      | -                 |
| TOTAL REVENUES   | 41,859,180    | 4,989,366                   | 1,225,815         |
| EXPENDITURES:  |               |                             |                   |
| Current:   |               |                             |                   |
| General government   | 7,098,901     | -                           | -                 |
| Public safety  | 11,971,740    | -                           | -                 |
| Public works   | 9,366,357     | -                           | 1,038,590         |
| Parks and recreation   | 5,862,032     | -                           | -                 |
| Health and welfare   | -             | 5,088,851                   | -                 |
| Community development  | 3,429,269     | -                           | -                 |
| Capital outlay   | -             | -                           | -                 |
| Debt service:  |               |                             |                   |
| Principal  | 885,000       | -                           | -                 |
| Interest and fiscal charges                                  | 1,043,650     | -                           | -                 |
| Bond issuance costs  | -             | -                           | -                 |
| TOTAL EXPENDITURES   | 39,656,949    | 5,088,851                   | 1,038,590         |
| EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES              | 2,202,231     | (99,485)                    | 187,225           |
| OTHER FINANCING SOURCES (USES):                              |               |                             |                   |
| Transfers in   | 1,233,262     | -                           | 192,155           |
| Transfers out  | (2,737,472)   | -                           | (651)             |
| Proceeds from bond issuance                                  | -             | -                           | -                 |
| Bond premium   | -             | -                           | -                 |
| TOTAL OTHER FINANCING SOURCES (USES)                         | (1,504,210)   | -                           | 191,504           |
| NET CHANGE IN FUND BALANCES                                  | 698,021       | (99,485)                    | 378,729           |
| FUND BALANCES (DEFICITS) - BEGINNING OF<br>YEAR, AS RESTATED | 61,756,935    | 626,832                     | (743,593)         |
| FUND BALANCES (DEFICITS) - END OF YEAR                       | \$ 62,454,956 | \$ 527,347                  | \$ (364,864)      |

See accompanying notes to financial statements.



| Capital Projects<br>Fund<br>Capital<br>Improvement | Debt Service<br>Fund<br>2018 Series A<br>COP | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--|--------------------------------|--------------------------------|
| \$ -   | \$ -   | \$ 4,124,885                   | \$ 38,653,543                  |
| -  | -  | -                              | 2,861,711                      |
| -  | -  | 6,547,931                      | 12,973,062                     |
| -  | -  | 352,017                        | 1,819,310                      |
| -  | -  | -                              | 1,109,430                      |
| -  | 242,535                                      | 308,079                        | 1,433,476                      |
| 317,612  | 8,292  | 311,184                        | 1,436,364                      |
| 317,612  | 250,827                                      | 11,644,096                     | 60,286,896                     |
| -  | -  | 802,582                        | 7,901,483                      |
| -  | -  | -                              | 11,971,740                     |
| 125,759  | -  | 4,996,847                      | 15,527,553                     |
| -  | -  | 1,131,438                      | 6,993,470                      |
| -  | -  | 327,754                        | 5,416,605                      |
| -  | -  | 727,883                        | 4,157,152                      |
| 1,016,914  | 616,149                                      | -                              | 1,633,063                      |
| -  | 205,000                                      | -                              | 1,090,000                      |
| -  | 486,846                                      | -                              | 1,530,496                      |
| -  | 398,345                                      | -                              | 398,345                        |
| 1,142,673  | 1,706,340                                    | 7,986,504                      | 56,619,907                     |
| (825,061)  | (1,455,513)                                  | 3,657,592                      | 3,666,989                      |
| 2,545,903  | 691,846                                      | 4,349                          | 4,667,515                      |
| -  | -  | (1,929,392)                    | (4,667,515)                    |
| -  | 14,695,000                                   | -                              | 14,695,000                     |
| -  | 703,345                                      | -                              | 703,345                        |
| 2,545,903  | 16,090,191                                   | (1,925,043)                    | 15,398,345                     |
| 1,720,842  | 14,634,678                                   | 1,732,549                      | 19,065,334                     |
| (604,070)  | -  | 14,684,299                     | 75,720,403                     |
| \$ 1,116,772                                       | \$ 14,634,678                                | \$ 16,416,848                  | \$ 94,785,737                  |

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, 2019

|  |                    |                     |
|--|--------------------|---------------------|
| Net change in fund balances - total governmental funds:  |                    | \$ 19,065,334       |
| Amounts reported for governmental activities in the statement of activities:<br>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   | \$ 7,670,841       |                     |
| Loss on disposal   | (280,583)          |                     |
| Depreciation expense   | <u>(6,597,944)</u> | 792,314             |
| 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 fund   | \$ 160,252         |                     |
| Grant and other revenue not available to pay for current-period expenditure:   | <u>1,054,868</u>   | 1,215,120           |
| 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   |                    |                     |
| Net change in claims payable   | \$ (532,000)       |                     |
| Net change in compensated absences   | <u>(142,717)</u>   | (674,717)           |
| Long-term liability activities are presented as financing sources and uses in the governmental funds but are reported as long-term liabilities in the statement of net position  |                    |                     |
| Proceeds from bonds and premium on bonds issued  | \$ (15,398,345)    |                     |
| Principal payments on long-term liabilities  | 1,090,000          |                     |
| Change in accrued interest   | <u>23,065</u>      | (14,285,280)        |
| 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.  |                    | (1,141,454)         |
| OPEB expense reported in the governmental funds includes the insurance premium paid. In the Statement of Activities, OPEB expense includes the change in the OPEB liability, and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.                        |                    | (636,868)           |
| Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources. |                    | <u>(1,215,020)</u>  |
| Change in net position of governmental activities:   |                    | <u>\$ 3,119,429</u> |

See accompanying notes to financial statements.

## CITY OF PICO RIVERA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2019

|  | Business-Type Activities - Enterprise Funds |  |                |               | Governmental<br>Activities                           |
|--|---|--|----------------|---------------|--|
|  | Water<br>Operations                         | Pico Rivera<br>Innovative<br>Municipal<br>Energy | Other<br>Funds | Total         | Equipment<br>Replacement<br>Internal Service<br>Fund |
| ASSETS:  |   |  |                |               |  |
| CURRENT ASSETS:                                      |   |  |                |               |  |
| Cash and investments                                 | \$ 10,874,405                               | \$ 3,410,690                                     | \$ 574,102     | \$ 14,859,197 | \$ -   |
| Receivables, net:                                    |   |  |                |               |  |
| Accounts   | 1,183,002                                   | 2,385,052  | -              | 3,568,054     | -  |
| Interest   | 32,681                                      | -  | 1,261          | 33,942        | -  |
| Due from other funds                                 | 176,000                                     | -  | -              | 176,000       | -  |
| Inventories, at cost                                 | -   | -  | 24,005         | 24,005        | -  |
| TOTAL CURRENT ASSETS                                 | 12,266,088                                  | 5,795,742  | 599,368        | 18,661,198    | -  |
| NONCURRENT ASSETS:                                   |   |  |                |               |  |
| Restricted cash and investments<br>with fiscal agent | 3,878,114                                   | 200,000  | -              | 4,078,114     | -  |
| Receivables from Successor Agency                    | 22,892,448                                  | -  | -              | 22,892,448    | -  |
| Capital assets, not depreciated                      | 23,959,489                                  | -  | 42,313         | 24,001,802    | -  |
| Capital assets, depreciated, net                     | 21,397,839                                  | -  | 470,285        | 21,868,124    | -  |
| TOTAL NONCURRENT ASSETS                              | 72,127,890                                  | 200,000  | 512,598        | 72,840,488    | -  |
| TOTAL ASSETS   | 84,393,978                                  | 5,995,742  | 1,111,966      | 91,501,686    | -  |
| DEFERRED OUTFLOWS OF RESOURCES:                      |   |  |                |               |  |
| Amounts related to OPEB                              | 100,682                                     | 9,823  | -              | 110,505       | -  |
| Amount related to pensions                           | 634,056                                     | 123,273  | 7,186          | 764,515       | -  |
| TOTAL DEFERRED OUTFLOWS<br>OF RESOURCES              | 734,738                                     | 133,096  | 7,186          | 875,020       | -  |
| LIABILITIES:   |   |  |                |               |  |
| CURRENT LIABILITIES:                                 |   |  |                |               |  |
| Accounts payable                                     | 441,532                                     | 2,207,025  | 75,253         | 2,723,810     | 69,200   |
| Accrued interest payable                             | 231,111                                     | -  | -              | 231,111       | -  |
| Accrued liabilities                                  | 77,187                                      | 142,293  | 31,061         | 250,541       | -  |
| Due to other funds                                   | -   | 1,625,837  | -              | 1,625,837     | 89,053   |
| Deposits   | 649,934                                     | -  | 17,653         | 667,587       | -  |
| Retentions payable                                   | 17,402                                      | -  | -              | 17,402        | -  |
| Bonds payable - current portion                      | 2,675,000                                   | -  | -              | 2,675,000     | -  |
| Compensated absences - current portion               | 16,141                                      | 1,500  | -              | 17,641        | -  |
| TOTAL CURRENT LIABILITIES                            | 4,108,307                                   | 3,976,655  | 123,967        | 8,208,929     | 158,253  |
| NONCURRENT LIABILITIES:                              |   |  |                |               |  |
| Advance from other funds                             | 18,260,812                                  | -  | 2,795,537      | 21,056,349    | -  |
| Bonds payable  | 32,407,018                                  | -  | -              | 32,407,018    | -  |
| Compensated absences                                 | 145,265                                     | 13,501   | -              | 158,765       | -  |
| Net OPEB liability                                   | 1,907,951                                   | 186,142  | -              | 2,094,093     | -  |
| Net pension liability                                | 4,119,788                                   | 800,970  | 46,693         | 4,967,451     | -  |
| TOTAL NONCURRENT<br>LIABILITIES                      | 56,840,834                                  | 1,000,613  | 2,842,230      | 60,683,676    | -  |
| TOTAL LIABILITIES                                    | 60,949,140                                  | 4,977,268  | 2,966,197      | 68,892,605    | 158,253  |
| DEFERRED INFLOWS OF RESOURCES:                       |   |  |                |               |  |
| Amounts related to OPEB                              | 4,822                                       | 470  | -              | 5,292         | -  |
| Amounts related to pensions                          | 94,385                                      | 18,350   | 1,070          | 113,805       | -  |
| TOTAL DEFERRED INFLOWS<br>OF RESOURCES               | 99,207                                      | 18,820   | 1,070          | 119,097       | -  |
| NET POSITION:  |   |  |                |               |  |
| Net investment in capital assets                     | 33,167,758                                  | -  | 512,598        | 33,680,356    | -  |
| Unrestricted   | (9,087,389)                                 | 1,132,750  | (2,360,713)    | (10,315,352)  | (158,253)  |
| TOTAL NET POSITION                                   | \$ 24,080,369                               | \$ 1,132,750                                     | \$ (1,848,115) | \$ 23,365,004 | \$ (158,253)   |

## CITY OF PICO RIVERA

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

For the year ended June 30, 2019

|  | Business-Type Activities - Enterprise Funds |  |                |               | Governmental<br>Activities                           |
|--|---|--|----------------|---------------|--|
|  | Water<br>Operations                         | Pico Rivera<br>Innovative<br>Municipal<br>Energy | Other<br>Funds | Total         | Equipment<br>Replacement<br>Internal Service<br>Fund |
| OPERATING REVENUES:                              |   |  |                |               |  |
| Charges for services                             | \$ 9,796,867                                | \$ 13,502,460                                    | \$ 1,119,812   | \$ 24,419,139 | \$ -   |
| Miscellaneous                                    | 107,217                                     | 78,641   | -              | 185,858       | 21,424   |
| TOTAL OPERATING REVENUES                         | 9,904,084                                   | 13,581,101                                       | 1,119,812      | 24,604,997    | 21,424   |
| OPERATING EXPENSES:                              |   |  |                |               |  |
| Cost of power                                    | -   | 10,729,539                                       | -              | 10,729,539    | -  |
| Salaries and benefits                            | 1,901,663                                   | 1,282,992  | 34,901         | 3,219,556     | -  |
| Contractual services                             | 266,653                                     | 870,285  | 557,027        | 1,693,965     | -  |
| Insurance claims and expenses                    | 268,734                                     | 786  | 184            | 269,704       | -  |
| Administrative                                   | 2,373,470                                   | 60,474   | 811,564        | 3,245,508     | -  |
| Utilities  | 233,056                                     | -  | 207,807        | 440,863       | -  |
| Repairs and maintenance                          | 554,707                                     | -  | 85,792         | 640,499       | 1,162,878  |
| Depreciation                                     | 742,769                                     | -  | 106,743        | 849,512       | -  |
| TOTAL OPERATING EXPENSES                         | 6,341,052                                   | 12,944,076                                       | 1,804,018      | 21,089,146    | 1,162,878  |
| OPERATING INCOME (LOSS)                          | 3,563,032                                   | 637,025  | (684,206)      | 3,515,851     | (1,141,454)  |
| NONOPERATING REVENUES<br>(EXPENSES):             |   |  |                |               |  |
| Investment income                                | 2,091,209                                   | 42,128   | 6,826          | 2,140,163     | -  |
| Interest expense                                 | (2,165,253)                                 | -  | -              | (2,165,253)   | -  |
| TOTAL NONOPERATING<br>REVENUES (EXPENSES)        | (74,044)                                    | 42,128   | 6,826          | (25,090)      | -  |
| INCOME (LOSS) BEFORE<br>TRANSFERS                | 3,488,988                                   | 679,153  | (677,380)      | 3,490,761     | (1,141,454)  |
| TRANSFERS IN                                     | -   | -  | -              | -             | -  |
| TRANSFERS OUT                                    | -   | -  | -              | -             | -  |
| CHANGES IN NET POSITION                          | 3,488,988                                   | 679,153  | (677,380)      | 3,490,761     | (1,141,454)  |
| NET POSITION - BEGINNING OF<br>YEAR, AS RESTATED | 20,591,381                                  | 453,597  | (1,170,735)    | 19,874,243    | 983,201  |
| NET POSITION - END OF YEAR                       | \$ 24,080,369                               | \$ 1,132,750                                     | \$ (1,848,115) | \$ 23,365,004 | \$ (158,253)   |

See accompanying notes to financial statements.

CITY OF PICO RIVERA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the year ended June 30, 2019

|  | Business-Type Activities - Enterprise Funds |  |                   |                      | Governmental<br>Activities                           |
|--|---|--|-------------------|----------------------|--|
|  | Water<br>Operations                         | Pico Rivera<br>Innovative<br>Municipal<br>Energy | Other<br>Funds    | Total                | Equipment<br>Replacement<br>Internal Service<br>Fund |
| CASH FLOWS FROM  |   |  |                   |                      |  |
| OPERATING ACTIVITIES:  |   |  |                   |                      |  |
| Receipts from customers and users                            | \$ 10,299,640                               | \$ 12,889,561                                    | \$ 979,421        | \$ 24,168,622        | \$ 21,424  |
| Payments to suppliers  | (3,692,237)                                 | (10,705,875)                                     | (1,756,515)       | (16,154,627)         | (1,157,454)  |
| Payments to employees  | (1,921,675)                                 | (258,728)  | (11,825)          | (2,192,228)          | -  |
| NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES          | 4,685,728                                   | 1,924,958  | (788,919)         | 5,821,767            | (1,136,030)  |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:          |   |  |                   |                      |  |
| Proceeds from receivable<br>from Successor Agency            | 1,615,000                                   | -  | -                 | 1,615,000            | -  |
| Cash paid to other funds                                     | -   | -  | -                 | -                    | -  |
| Cash received from other funds                               | -   | 455,339  | 1,027,243         | 1,482,582            | 89,053   |
| NET CASH PROVIDED BY<br>NONCAPITAL FINANCING ACTIVITIES      | 1,615,000                                   | 455,339  | 1,027,243         | 3,097,582            | 89,053   |
| CASH FLOWS FROM CAPITAL AND<br>RELATED FINANCING ACTIVITIES: |   |  |                   |                      |  |
| Acquisition of capital assets                                | (251,553)                                   | -  | (26,113)          | (277,666)            | -  |
| Principal retired  | (2,525,000)                                 | -  | -                 | (2,525,000)          | -  |
| Interest paid  | (2,294,400)                                 | -  | -                 | (2,294,400)          | -  |
| NET CASH USED BY CAPITAL AND<br>RELATED FINANCING ACTIVITIES | (5,070,953)                                 | -  | (26,113)          | (5,097,066)          | -  |
| CASH FLOWS FROM<br>INVESTING ACTIVITIES:                     |   |  |                   |                      |  |
| Interest received  | 2,082,411                                   | 42,128   | 6,115             | 2,130,654            | -  |
| NET INCREASE (DECREASE) IN<br>CASH AND CASH EQUIVALENTS      | 3,312,186                                   | 2,422,425  | 218,326           | 5,952,937            | (1,046,977)  |
| CASH AND CASH EQUIVALENTS -<br>BEGINNING OF YEAR             | 11,440,333                                  | 1,188,265  | 355,776           | 12,984,374           | 1,046,977  |
| CASH AND CASH EQUIVALENTS -<br>END OF YEAR                   | <u>\$ 14,752,519</u>                        | <u>\$ 3,610,690</u>                              | <u>\$ 574,102</u> | <u>\$ 18,937,311</u> | <u>\$ -</u>  |

(Continued)

See accompanying notes to financial statements.

## CITY OF PICO RIVERA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
(CONTINUED)

For the year ended June 30, 2019

|  | Business-Type Activities - Enterprise Funds |  |                     |                     | Governmental<br>Activities                           |
|--|---|--|---------------------|---------------------|--|
|  | Water<br>Operations                         | Pico Rivera<br>Innovative<br>Municipal<br>Energy | Other<br>Funds      | Total               | Equipment<br>Replacement<br>Internal Service<br>Fund |
| RECONCILIATION OF OPERATING INCOME<br>(LOSS) TO NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES:               |   |  |                     |                     |  |
| Operating income (loss)  | \$ 3,563,032                                | \$ 637,025                                       | \$ (684,206)        | \$ 3,515,851        | \$ (1,141,454)                                       |
| Adjustments to reconcile operating income (loss)<br>to net cash provided (used) by operating activities:           |   |  |                     |                     |  |
| Depreciation   | 742,769                                     | -  | 106,743             | 849,512             | -  |
| Changes in operating assets, deferred outflows<br>of resources, liabilities, and deferred inflows<br>of resources: |   |  |                     |                     |  |
| (Increase) decrease in accounts receivables  | 376,000                                     | (691,540)  | (140,391)           | (455,931)           | -  |
| (Increase) decrease in deferred outflows of<br>resources - amount related to OPEB                                  | (1,165)                                     | 18,109   | -                   | 16,944              | -  |
| (Increase) decrease in deferred outflows of<br>resources - amount related to pensions                              | 284,569                                     | (79,359)   | (2,787)             | 202,423             | -  |
| Increase (decrease) in accounts payable  | 4,383                                       | 955,209  | (110,536)           | 849,056             | 5,424  |
| Increase (decrease) in accrued liabilities   | 9,297                                       | 64,581   | 16,488              | 90,366              | -  |
| Increase (decrease) in deposits payable  | 19,556                                      | -  | -                   | 19,556              | -  |
| Increase (decrease) in retentions payable  | -   | -  | -                   | -                   | -  |
| Increase (decrease) in net OPEB liability  | 50,411                                      | 186,142  | -                   | (254,146)           | -  |
| Increase (decrease) in net pension liability   | (332,678)                                   | 800,970  | 25,372              | 493,664             | -  |
| Increase (decrease) in compensated absences  | 12,607                                      | 15,001   | -                   | 27,608              | -  |
| Increase (decrease) in deferred inflows of<br>resources - amounts related to OPEB                                  | 2,830                                       | 470  | -                   | 1,992               | -  |
| Increase (decrease) in deferred inflows of<br>resources - amounts related to pensions                              | (45,883)                                    | 18,350   | 398                 | (27,135)            | -  |
| TOTAL ADJUSTMENTS  | 1,122,696                                   | 1,287,933  | (104,713)           | 2,305,916           | 5,424  |
| NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES  | <u>\$ 4,685,728</u>                         | <u>\$ 1,924,958</u>                              | <u>\$ (788,919)</u> | <u>\$ 5,821,767</u> | <u>\$ (1,136,030)</u>                                |

See accompanying notes to financial statements.

CITY OF PICO RIVERA

DESCRIPTION OF FIDUCIARY FUND

June 30, 2019

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.

CITY OF PICO RIVERA

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

June 30, 2019

|  | Successor<br>Agency to the<br>City of Pico Rivera<br>Redevelopment<br>Agency<br>Private-Purpose<br>Trust Fund |
|--|---|
| ASSETS:  |   |
| Cash and investments                             | \$ 6,018,318  |
| Restricted cash and investments:                 |   |
| Cash and investments with fiscal agents          | 824   |
| Interest receivable                              | 22,417  |
| Loans receivable                                 | 349,544   |
| Land held for resale                             | 75,400  |
| Capital assets:                                  |   |
| Capital assets, not depreciated                  | 258,023   |
| Capital assets, depreciated, net                 | 70,949  |
| TOTAL ASSETS                                     | <u>6,795,475</u>  |
| LIABILITIES:                                     |   |
| Accounts payable                                 | \$ 9,501  |
| Accrued liabilities                              | 1,285   |
| Payable to City of Pico Rivera                   | 46,331,531  |
| Payable to Pico Rivera Housing Assistance Agency | 1,402,921   |
| Payable to City of Pico Rivera Water Authority   | 22,954,852  |
| Payable to the County of Los Angeles             | 49,478,985  |
| TOTAL LIABILITIES                                | <u>120,179,075</u>  |
| NET POSITION:                                    |   |
| Held in trust for Successor Agency               | <u>(113,383,600)</u>  |
| TOTAL NET POSITION                               | <u>\$ (113,383,600)</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, 2019

|                                  | Successor<br>Agency to the<br>City of Pico Rivera<br>Redevelopment<br>Agency<br>Private-Purpose<br>Trust Fund |
|----------------------------------|---|
| ADDITIONS:                       |   |
| Taxes                            | \$ 4,045,555  |
| Sale of property                 | (512,210)   |
| Investment earnings              | 110,504   |
| TOTAL ADDITIONS                  | 3,643,849   |
| DEDUCTIONS:                      |   |
| Administrative expenses          | 158,401   |
| Interest                         | 3,188,876   |
| Depreciation                     | 4,762   |
| TOTAL DEDUCTIONS                 | 3,352,039   |
| CHANGE IN NET POSITION           | 291,810   |
| NET POSITION - BEGINNING OF YEAR | (113,675,410)   |
| NET POSITION - END OF YEAR       | \$ (113,383,600)  |

See accompanying notes to financial statements.

**This page intentionally left blank.**

# **CITY OF PICO RIVERA, CALIFORNIA**

## **Notes to Basic Financial Statements**

**June 30, 2019**

---

### ***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 City 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 is the primary government unit. Component units are those entities that 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 Water Authority and Financing Authority (collectively, the Authorities) and the 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 (Housing Agency Section 8 Special Revenue Fund and Low and Moderate Income Housing Fund). Separate financial statements are not available.

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

- The members of the City Council also act as the governing body of the Authorities and the Agency.
- The Authorities and the 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.

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.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

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

**A. Description of the Reporting Entity (Continued)**

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.

**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 that 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."

# CITY OF PICO RIVERA, CALIFORNIA

## Notes to Basic Financial Statements

June 30, 2019

---

### 1. *REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

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

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

Property taxes, taxpayer-assessed taxes, such as sales taxes, gas taxes, and transient occupancy taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 to them upon conclusion of the loan programs.

The City’s fiduciary fund financial statements include a Private-Purpose Trust Fund. The Private-Purpose Trust Fund is reported using the “economic resources measurement focus” and the “accrual basis of accounting.”

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 fiduciary funds are excluded from the government-wide financial statements.

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 US Department of Housing and Urban Development.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

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

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

The Federal Grants Special Revenue Fund accounts for funds received from the US (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 2018 Series A COP Capital Projects Fund accounts for activity related to the City's capital projects that are financed with the 2018 Series A Certificates of Participation that were issued in the current fiscal year.

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.

The Pico Rivera Innovative Municipal Energy (PRIME) Fund accounts for the operations of the City's Community Choice Aggregation Program, which allows residents to choose their electric power provider and the source of their electricity.

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.

Internal Service Fund accounts for the financing of services relating to equipment replacement provided to one department from another on a cost-reimbursement basis.

Fiduciary Fund

Private-Purpose Trust Fund accounts for the Los Angeles County-Auditor Controller's semiannual 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.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

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

**D. New Accounting Pronouncements**

**Current Year Standards**

GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018. This standard did not impact the City.

GASB 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018. This standard did not significantly impact the City.

GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019. The City elected early application of this standard however it did not significantly impact the City.

**Pending Accounting Standards**

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

- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.
- GASB 90 - *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*, effective for periods beginning after December 15, 2018.
- GASB 91 - *Conduit Debt Obligations*, effective for periods beginning after December 15, 2020.

**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 are attached 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 (the County) 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 30.

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

# **CITY OF PICO RIVERA, CALIFORNIA**

## **Notes to Basic Financial Statements**

**June 30, 2019**

---

### ***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, is 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 then 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 cost and consist of expendable materials and supplies.

When payments to vendors reflect costs applicable to future accounting periods, they are recorded as prepaid items and the expense is recorded using the consumption method.

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

#### **J. Restricted Assets**

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

#### **K. Capital Assets**

Capital assets, which include lands, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are recorded at the lower of actual historical cost or acquisition 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.



**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

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

**K. Capital Assets (Continued)**

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. 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.

**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. Beginning annually 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 81 hours. Each year in December, employees may opt to cash out any or all vacation leave that exceeds 150 hours. Employees must maintain a balance of 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 these amounts have matured as a result of employee resignations and retirements. The 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.

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

**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 six items that qualify for reporting in this category for the fiscal year ended June 30, 2019. The first item is the deferred amount on refunding reported in the government-wide statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the deferred outflow related to pensions, which is equal to the employer contributions made after the measurement date of the net pension liability. The third item is a deferred outflow related to pensions resulting from the net differences in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years. The fourth and fifth items are also deferred outflows related to pensions resulting from changes in actuarial assumptions and differences between expected and actual experience. 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. The sixth item is the deferred outflow related to employer contributions made to the OPEB plan after the measurement date of the net OPEB 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 five types of items that qualify for reporting in this category. The first and second items are deferred inflows related to pensions resulting from the difference between expected and actual 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. The third 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. The fourth item is a deferred inflow related to OPEB resulting from the difference in projected and actual earnings on investments of the OPEB plan fiduciary net position. These amounts are amortized over five years. The fifth item is a deferred inflow related to pensions resulting from the net differences in projected and actual earnings on investments of the pension plan fiduciary net position. These amounts are amortized over five years.

**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.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

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

**P. Pensions**

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

**Q. Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the City's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**R. 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.

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 and external resource providers or through enabling legislation.

Committed - This classification includes amounts that can be used only for the specific purposes determined by 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.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

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

**R. Fund Balances (Continued)**

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 the 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 the committed fund balance first, then the assigned fund balance, and finally the unassigned fund balance.

**S. 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 City Council's discretion.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

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

T. 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.

U. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and related disclosures. Actual results could differ from those estimates.

**2. CASH AND INVESTMENTS**

**Cash and Investments**

Cash and investments at June 30, 2019, are classified in the accompanying financial statements as follows:

|   | Government<br>Wide<br>Statement of<br>Net Position | Fiduciary<br>Funds<br>Statement of<br>Net Position | Total                |
|---|--|--|----------------------|
| Unrestricted assets:                    |  |  |                      |
| Cash and investments                    | \$ 61,443,701                                      | \$ 6,018,318                                       | \$ 67,462,019        |
| Restricted cash and investments:        |  |  |                      |
| Cash and investments with fiscal agents | 20,381,715   | 824  | 20,382,539           |
| Escrow deposits                         | 21,199   | -  | 21,199               |
| Total cash and investments              | <u>\$ 81,846,615</u>                               | <u>\$ 6,019,142</u>                                | <u>\$ 87,865,757</u> |

Cash and investments at June 30, 2019, consisted of the following:

|                                      |                      |
|--------------------------------------|----------------------|
| Cash on hand                         | \$ 8,858             |
| Deposits with financial institutions | 8,666,904            |
| Investments                          | <u>79,189,995</u>    |
| Total cash and investments           | <u>\$ 87,865,757</u> |

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**2. CASH AND INVESTMENTS (CONTINUED)**

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

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

| Authorized Investment Type                | Maximum Maturity | Maximum Percentage Allowed* | Maximum Investment in One Issuer |
|---|------------------|-----------------------------|----------------------------------|
| US Treasury Obligations                   | 5 years          | None                        | None                             |
| US Government Sponsored Agency Securities | 5 years          | None                        | None                             |
| Banker's Acceptance Notes                 | 180 days         | 20%                         | 10%                              |
| Commercial Paper                          | 270 days         | 25%                         | None                             |
| Negotiable Certificates of Deposit        | 5 years          | 30%                         | None                             |
| Money Market Mutual Funds                 | N/A              | 20%                         | 10%                              |
| Cal Trust Investment Pool                 | N/A              | None                        | None                             |
| Local Agency Investment Fund              | 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**

Investments of debt proceeds held by a bond trustee are governed by the provisions of debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Investments authorized for funds held by a bond trustee include US Treasury Obligations, US Government Sponsored Agency Securities, Certificates of Deposit, Commercial Paper, Local Agency Bonds, Banker's Acceptance Notes, 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 Notes, which are limited to one year.

**Disclosures Relating to Interest Rate Risk**

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

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**2. CASH AND INVESTMENTS (CONTINUED)**

**Disclosures Relating to Interest Rate Risk (Continued)**

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

| Investment Type                     | Remaining Maturity (in Months) |                     |                     | Total                |
|-------------------------------------|--------------------------------|---------------------|---------------------|----------------------|
|                                     | 12 Months<br>or Less           | 13 to 24<br>Months  | 25 -60<br>Months    |                      |
| Local Agency Investment Fund        | \$ 38,255,394                  | \$ -                | \$ -                | \$ 38,255,394        |
| U.S. Government Sponsored           |                                |                     |                     |                      |
| Agency Securities                   | 3,100,096                      | 3,578,876           | 1,869,694           | 8,548,666            |
| U.S. Treasury Notes                 | 1,494,801                      | 1,245,469           | 855,151             | 3,595,421            |
| Money Market Mutual Funds           | 165,017                        | -                   | -                   | 165,017              |
| Commercial Paper                    | 412,043                        | -                   | -                   | 412,043              |
| Collateralized Mortgage Obligations | -                              | -                   | 1,272,837           | 1,272,837            |
| Medium-Term Notes                   | 249,924                        | 1,992,929           | 4,515,225           | 6,758,078            |
| Held by Fiscal Agent:               |                                |                     |                     |                      |
| Money Market Mutual Funds           | 19,121,473                     | -                   | -                   | 19,121,473           |
| PARS Trust Pooled Investments       | 1,061,066                      | -                   | -                   | 1,061,066            |
| Total                               | <u>\$ 63,859,814</u>           | <u>\$ 6,817,274</u> | <u>\$ 8,512,907</u> | <u>\$ 79,189,995</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:

| Investment Type                     | Minimum         | Total as of<br>30-Jun-19 | Rating as of Fiscal Year End |              |            |              |               |
|-------------------------------------|-----------------|--------------------------|------------------------------|--------------|------------|--------------|---------------|
|                                     | Legal<br>Rating |                          | AAA                          | AA+          | AA         | Other        | Not<br>Rated  |
| Local Agency Investment Fund        | N/A             | \$ 38,255,394            | \$ -                         | \$ -         | \$ -       | \$ -         | \$ 38,255,394 |
| U.S. Government Sponsored           |                 |                          |                              |              |            |              |               |
| Agency Securities                   | N/A             | 8,548,666                | -                            | 8,148,225    | -          | -            | 400,441       |
| U.S. Treasury Notes*                | N/A             | 3,595,421                | -                            | -            | -          | -            | -             |
| Money Market Mutual Funds           | N/A             | 165,017                  | 165,017                      | -            | -          | -            | -             |
| Commercial Paper                    | A               | 412,043                  | -                            | 412,043      | -          | -            | -             |
| Collateralized Mortgage Obligations | A               | 1,272,837                |                              |              |            |              | 1,272,837     |
| Medium-Term Notes                   | A               | 6,758,078                | 579,666                      | 277,373      | 219,692    | 4,467,182    | 1,214,165     |
| Held by Fiscal Agent:               |                 |                          | -                            | -            | -          | -            | -             |
| Money Market Mutual Funds           | N/A             | 19,121,473               | 19,121,473                   | -            | -          | -            | -             |
| PARS Trust Pooled Investments       | N/A             | 1,061,066                | -                            | -            | -          | -            | 1,061,066     |
| Total                               |                 | \$ 79,189,995            | \$ 19,866,156                | \$ 8,837,641 | \$ 219,692 | \$ 4,467,182 | \$ 42,203,903 |

\* U.S. Treasury Notes are not required to be rated.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**2. CASH AND INVESTMENTS (CONTINUED)**

**Disclosures Relating to Credit Risk (Continued)**

The ratings for the “Other” category above are as follows:

| Investment Type   | Total as of<br>30-Jun-19 | Rating as of Fiscal Year End |            |              |            |
|-------------------|--------------------------|------------------------------|------------|--------------|------------|
|                   |                          | AA-                          | A+         | A            | A-         |
| Medium-Term Notes | \$ 4,467,182             | \$ 1,053,668                 | \$ 531,955 | \$ 2,110,952 | \$ 770,607 |

**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, 2019, 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, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**2. CASH AND INVESTMENTS (CONTINUED)**

**Cash and Investments - Pension Trust:**

The City established a trust account with Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the City's pension plans. The Pension Trust's specific cash and investments are managed by a third-party portfolio manager and invested under a pool arrangement using certain investment guidelines offered by PARS and approved by the City.

**Fair Value Measurements**

The City categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

|  | Quoted<br>Prices<br>Level 1 | Observable<br>Inputs<br>Level 2 | Unobservable<br>Inputs<br>Level 3 | Total                |
|--|-----------------------------|---------------------------------|-----------------------------------|----------------------|
| Held by Trustee:                                 |                             |                                 |                                   |                      |
| Commercial Paper                                 | \$ -                        | \$ 412,043                      | \$ -                              | \$ 412,043           |
| Collateralized Mortgage Obligations              | -                           | 1,272,837                       | -                                 | 1,272,837            |
| Medium-Term Notes                                | -                           | 6,758,078                       | -                                 | 6,758,078            |
| US Treasury Notes                                | -                           | 3,595,421                       | -                                 | 3,595,421            |
| US Government Sponsored<br>Agency Securities     | -                           | 8,548,666                       | -                                 | 8,548,666            |
| Total Leveled Investments                        | <u>\$ -</u>                 | <u>\$ 20,587,045</u>            | <u>\$ -</u>                       | 20,587,045           |
| Investments not Subject to Fair Value Hierarchy: |                             |                                 |                                   |                      |
| Local Agency Investment Fund                     |                             |                                 |                                   | 38,255,394           |
| Money Market Mutual Funds                        |                             |                                 |                                   | 165,017              |
| Held by Trustee:                                 |                             |                                 |                                   |                      |
| Money Market Mutual Funds                        |                             |                                 |                                   | 19,121,473           |
| PARS Trust Pooled Investments                    |                             |                                 |                                   | <u>1,061,066</u>     |
| Total Investment Portfolio                       |                             |                                 |                                   | <u>\$ 79,189,995</u> |

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**3. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2019, is as follows:

**Advances To/From Other Funds**

| <u>Advances to Other Funds</u> | <u>Advances from Other Funds</u> | <u>Amount</u>        |
|--------------------------------|----------------------------------|----------------------|
| General Fund                   | Water Operations Enterprise Fund | \$ 18,260,812        |
|                                | Golf Course Enterprise Fund      | <u>2,795,537</u>     |
|                                |                                  | <u>\$ 21,056,349</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 2018-19. The balance of the advance at June 30, 2019, 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. 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. Management believes that the Water Authority will have the ability to pay this obligation in full prior to the advance's original maturity date in 2049.

During the fiscal year ended June 30, 2019, the General Fund made an advance to the Golf Course Enterprise Fund to fund operating expenses. No interest accrues on this advance. Payments will vary with the level of surplus revenues. No payments are expected on this advance in the near term and therefore the City has classified this advance as a noncurrent liability in the accompanying enterprise fund financial statements.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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

**Due To/From Other Funds**

The composition of interfund balances as of June 30, 2019, is as follows:

| Receivable Fund                  | Payable Fund                                  | Amount              |
|----------------------------------|---|---------------------|
| General Fund                     | Housing Agency Section 8 Special Revenue Fund | \$ 47,470           |
|                                  | Federal Grants Special Revenue Fund           | 424,649             |
|                                  | Capital Improvement Capital Projects Fund     | 1,295,219           |
|                                  | 2018 Series A COP Capital Projects Fund       | 598,325             |
|                                  | Other Governmental Funds                      | 114,733             |
|                                  | PRIME Enterprise Fund                         | 1,625,837           |
|                                  | Equipment Replacement Internal Service Fund   | 89,053              |
| Water Operations Enterprise Fund | General Fund                                  | 176,000             |
|                                  |   | <u>\$ 4,371,286</u> |

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

**Transfers**

| Transfers Out                       | Transfers In                                  | Amount              |
|-------------------------------------|---|---------------------|
| General Fund                        | Capital Improvement Capital Projects Fund (1) | \$ 2,545,252        |
|                                     | Federal Grants Special Revenue Fund (2)       | 192,155             |
|                                     | Other Governmental Funds                      | 65                  |
| Federal Grants Special Revenue Fund | Capital Improvement Capital Projects Fund (1) | 651                 |
| Other Governmental Funds            | General Fund (3)                              | 1,233,262           |
|                                     | 2018 Series A COP Capital Projects Fund (4)   | 691,846             |
|                                     | Other Governmental Funds (5)                  | 4,284               |
|                                     |   | <u>\$ 4,667,515</u> |

**3. INTERFUND RECEIVABLES, PAYABLES AND 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 Funds, Federal Grants Fund, etc.) to the Capital Improvement Projects Fund to record expenditure activity for each capital project (tracked by project number) based on the funding source. These amounts represent the actual expenditures recorded in the Capital Improvement Projects Fund and the transfer from the respective funds depending on the funding source for the project.
- (2) This was the transfer of City matching amounts for federal projects.
- (3) The Gas Tax Fund transfers funds to cover approved street maintenance activities.
- (4) This was the transfer of Measure M funds used to pay debt service on the 2018 Series A Certificates of Participation.
- (5) This was the correction of an accounting error; the funds were transferred from the Measure R Special Revenue Fund to the Proposition C Special Revenue Fund.

**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 outstanding principal balance at June 30, 2019, is \$3,098,506 and is included in the HOME Grant Special Revenue Fund. At June 30, 2019, the City has an allowance of \$834,486 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. The outstanding principal balance at June 30, 2019, totaled \$209,337. At June 30, 2019, the City has an allowance of \$53,387 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 outstanding principal balance at June 30, 2019, is \$1,398,889. At June 30, 2019, the City has an allowance of \$168,436 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 10 years or when borrowers sell their property, whichever comes first. The outstanding balances, net of an \$77,906 allowance, at June 30, 2019, were zero.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**4. LONG-TERM RECEIVABLES (CONTINUED)**

E. Loan receivable from a restaurant group, which was offered as a bridge loan for the purposes of establishing an upscale restaurant in the City was made from the Economic Sustainability Special Revenue Fund. The loan amount of \$287,050 bears interest at the rate of 3 percent per annum. The loan matures on the earlier of (a) 45 days after the borrower requested disbursement of the allowance in accordance with a lease agreement, (b) 45 days after the borrower has delivered all required documentation as outlined in the lease agreement, or (c) 365 days from the commencement date. The outstanding principal balance at June 30, 2019, is \$287,050.

F. Receivables from Successor Agency

| Description  | General Fund  | Other Governmental Funds | Water Operations Enterprise Fund |
|--|---------------|--------------------------|----------------------------------|
| Long-term loans to finance improvements and operations related to and within the former Redevelopment Agency's project areas | \$ 17,602,114 | \$ -                     | \$ 249,617                       |
| Sales tax deferral loan to allow former redevelopment Agency to meet its debt service obligations                            | 28,729,417    | -                        | -                                |
| Loans to make payments to Supplemental Educational Revenue Augmentation Fund   | -             | 1,402,921                | -                                |
| Purchase of former Redevelopment Agency's Tax Allocation Bonds, Series 2001 treated as a loan                                | -             | -                        | 22,705,235                       |
| Subtotal   | 46,331,531    | 1,402,921                | 22,954,852                       |
| Reserve on long-term loans   | (4,400,528)   | -                        | (62,404)                         |
| Reserve on sales tax deferral loan   | (28,729,417)  | -                        | -                                |
| Total  | \$ 13,201,586 | \$ 1,402,921             | \$ 22,892,448                    |

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

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019, was as follows:

Governmental Activities

|  | Balance at<br>July 1, 2018 | Additions    | Deletions    | Transfers of<br>Construction<br>In Progress | Balance at<br>June 30, 2019 |
|--|----------------------------|--------------|--------------|---|-----------------------------|
| Capital assets, not being depreciated:       |                            |              |              |   |                             |
| Land   | \$ 118,849,013             | \$ -         | \$ -         | \$ -  | \$ 118,849,013              |
| Construction in progress                     | 14,376,872                 | 6,831,350    | -            | (6,123,579)                                 | 15,084,643                  |
| Total capital assets, not being depreciated  | 133,225,885                | 6,831,350    | -            | (6,123,579)                                 | 133,933,656                 |
| Capital assets, being depreciated:           |                            |              |              |   |                             |
| Structures and improvements                  | 25,576,925                 | -            | -            | -   | 25,576,925                  |
| Furniture and equipment                      | 6,560,287                  | 839,491      | (606,143)    | -   | 6,793,635                   |
| Infrastructure                               | 227,160,822                | -            | -            | 6,123,579                                   | 233,284,401                 |
| Total capital assets, being depreciated      | 259,298,034                | 839,491      | (606,143)    | 6,123,579                                   | 265,654,961                 |
| Less accumulated depreciation for:           |                            |              |              |   |                             |
| Structures and improvements                  | (10,810,219)               | (597,629)    | -            | -   | (11,407,848)                |
| Furniture and equipment                      | (5,429,245)                | (161,673)    | 325,560      | -   | (5,265,358)                 |
| Infrastructure                               | (116,280,408)              | (5,838,642)  | -            | -   | (122,119,050)               |
| Total accumulated depreciation               | (132,519,872)              | (6,597,944)  | 325,560      | -   | (138,792,256)               |
| Total capital assets, being depreciated, net | 126,778,162                | (5,758,453)  | (280,583)    | 6,123,579                                   | 126,862,705                 |
| Governmental activities capital assets, net  | \$ 260,004,047             | \$ 1,072,897 | \$ (280,583) | \$ -  | \$ 260,796,361              |

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

|  |                     |
|--|---------------------|
| General government                                 | \$ 414,351          |
| Public safety                                      | 27,052              |
| Public works                                       | 5,153,654           |
| Parks and recreation                               | 965,279             |
| Community development                              | 37,608              |
| Total depreciation expense governmental activities | <u>\$ 6,597,944</u> |

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**5. CAPITAL ASSETS (CONTINUED)**

Capital asset activity for the year ended June 30, 2019, was as follows:

Business-Type Activities

|  | Balance at<br>July 1, 2018 | Additions    | Deletions | Transfers of<br>Construction<br>In Progress | Balance at<br>June 30, 2019 |
|--|----------------------------|--------------|-----------|---|-----------------------------|
| Capital assets, not being depreciated:       |                            |              |           |   |                             |
| Land   | \$ 18,174,060              | \$ -         | \$ -      | \$ -  | \$ 18,174,060               |
| Rights of way                                | 5,579,916                  | -            | -         | -   | 5,579,916                   |
| Construction in progress                     | 766,102                    | 251,554      | -         | (769,830)                                   | 247,826                     |
| Total capital assets, not being depreciated  | 24,520,078                 | 251,554      | -         | (769,830)                                   | 24,001,802                  |
| Capital assets, being depreciated:           |                            |              |           |   |                             |
| Structures and improvements                  | 5,013,838                  | -            | -         | -   | 5,013,838                   |
| Utility plant in service                     | 21,785,673                 | -            | -         | -   | 21,785,673                  |
| Equipment                                    | 995,023                    | 26,112       | -         | -   | 1,021,135                   |
| Infrastructure                               | 15,067,466                 | -            | -         | 769,830                                     | 15,837,296                  |
| Total capital assets, being depreciated      | 42,862,000                 | 26,112       | -         | 769,830                                     | 43,657,942                  |
| Less accumulated depreciation for:           |                            |              |           |   |                             |
| Structures and improvements                  | (3,849,432)                | (117,378)    | -         | -   | (3,966,810)                 |
| Utility plant in service                     | (6,905,027)                | (367,626)    | -         | -   | (7,272,653)                 |
| Equipment                                    | (989,709)                  | (8,414)      | -         | -   | (998,123)                   |
| Infrastructure                               | (9,196,138)                | (356,094)    | -         | -   | (9,552,232)                 |
| Total accumulated depreciation               | (20,940,306)               | (849,512)    | -         | -   | (21,789,818)                |
| Total capital assets, being depreciated, net | 21,921,694                 | (823,400)    | -         | 769,830                                     | 21,868,124                  |
| Business-type activities capital assets, net | \$ 46,441,772              | \$ (571,846) | \$ -      | \$ -  | \$ 45,869,926               |

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**5. CAPITAL ASSETS (CONTINUED)**

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

|   |                   |
|---|-------------------|
| Water Operations                                      | \$ 742,769        |
| Sports Arena  | 78,673            |
| Golf Course   | <u>28,070</u>     |
| Total depreciation expense - business-type activities | <u>\$ 849,512</u> |

**6. LONG-TERM LIABILITIES**

Changes in long-term liabilities activity for the year ended June 30, 2019, was as follows:

|                                 | Balance at<br>July 1,<br>2018 | Additions            | Deletions             | Balance at<br>June 30,<br>2019 | Due<br>Within<br>One Year | Due in<br>More Than<br>One Year |
|---------------------------------|-------------------------------|----------------------|-----------------------|--------------------------------|---------------------------|---------------------------------|
| Governmental Activities:        |                               |                      |                       |                                |                           |                                 |
| Other Debt:                     |                               |                      |                       |                                |                           |                                 |
| 2016 Lease Revenue              |                               |                      |                       |                                |                           |                                 |
| Bonds                           | \$ 28,625,000                 | \$ -                 | \$ (885,000)          | \$ 27,740,000                  | \$ 900,000                | \$ 26,840,000                   |
| Bond premium                    | 2,814,322                     | -                    | (134,028)             | 2,680,294                      | -                         | 2,680,294                       |
| 2018 Series A Certificates      |                               |                      |                       |                                |                           |                                 |
| of Participation                | -                             | 14,695,000           | (205,000)             | 14,490,000                     | 255,000                   | 14,235,000                      |
| Bond Premium                    | -                             | 703,345              | (23,445)              | 679,900                        | -                         | 679,900                         |
| Other Liabilities:              |                               |                      |                       |                                |                           |                                 |
| Compensated absences            | 993,025                       | 1,247,939            | (1,105,222)           | 1,135,742                      | 227,148                   | 908,594                         |
| Claims and judgements (Note 11) | <u>1,051,000</u>              | <u>742,192</u>       | <u>(210,192)</u>      | <u>1,583,000</u>               | <u>1,583,000</u>          | <u>-</u>                        |
| Total governmental activities   | <u>\$ 33,483,347</u>          | <u>\$ 17,388,476</u> | <u>\$ (2,562,887)</u> | <u>\$ 48,308,936</u>           | <u>\$ 2,965,148</u>       | <u>\$ 45,343,788</u>            |
| Business-type activities:       |                               |                      |                       |                                |                           |                                 |
| Other Debt:                     |                               |                      |                       |                                |                           |                                 |
| Revenue bonds payable           | \$ 37,520,000                 | \$ -                 | \$ (2,525,000)        | \$ 34,995,000                  | \$ 2,675,000              | \$ 32,320,000                   |
| Add (Less):                     |                               |                      |                       |                                |                           |                                 |
| Bond premium                    | 431,798                       | -                    | (39,858)              | 391,940                        | -                         | 391,940                         |
| Bond discount                   | <u>(331,630)</u>              | <u>-</u>             | <u>26,708</u>         | <u>(304,922)</u>               | <u>-</u>                  | <u>(304,922)</u>                |
| Subtotal revenue bonds payable  | 37,620,168                    | -                    | (2,538,150)           | 35,082,018                     | 2,675,000                 | 32,407,018                      |
| Other Liabilities:              |                               |                      |                       |                                |                           |                                 |
| Compensated absences            | <u>148,798</u>                | <u>172,445</u>       | <u>(144,837)</u>      | <u>176,406</u>                 | <u>17,641</u>             | <u>158,765</u>                  |
| Total business-type activities  | <u>\$ 37,768,966</u>          | <u>\$ 172,445</u>    | <u>\$ (2,682,987)</u> | <u>\$ 35,258,424</u>           | <u>\$ 2,692,641</u>       | <u>\$ 32,565,783</u>            |



**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**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 \$1,135,742 at June 30, 2019, 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. 2016 Lease Revenue Bonds

In July of 2016, the 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 requirement, purchase a municipal bond insurance policy, and 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.

Annual debt service for the 2016 PFA Bonds is as follows:

| Year Ending<br>June 30, | Principal            | Interest             | Total                |
|-------------------------|----------------------|----------------------|----------------------|
| 2020                    | \$ 900,000           | \$ 1,023,450         | \$ 1,923,450         |
| 2021                    | 925,000              | 998,225              | 1,923,225            |
| 2022                    | 955,000              | 965,250              | 1,920,250            |
| 2023                    | 995,000              | 926,250              | 1,921,250            |
| 2024                    | 1,030,000            | 888,775              | 1,918,775            |
| 2025 - 2029             | 5,655,000            | 3,946,500            | 9,601,500            |
| 2030 - 2034             | 6,830,000            | 2,681,056            | 9,511,056            |
| 2035 - 2039             | 8,570,000            | 959,981              | 9,529,981            |
| 2040                    | 1,880,000            | 28,200               | 1,908,200            |
|                         | <u>\$ 27,740,000</u> | <u>\$ 12,417,688</u> | <u>\$ 40,157,688</u> |

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**6. LONG-TERM LIABILITIES (CONTINUED)**

Governmental Activities (Continued)

C. 2018 Series A Certificates of Participation

In August of 2018, the Pico Rivera Public Finance Authority issued Local Transportation Sales Tax Revenue Certificates of Participation, Series 2018 (2018 Series A COP), in the aggregate principal amount of \$14,695,000. The certificates of participation pay interest at a rate from 3.375% to 5.000% payable semiannually on June 1 and December 1, commencing on December 1, 2018. The proceeds from the sale of the certificates of participation will be used to finance the design, acquisition, and construction of certain local roadway and street improvement projects within the jurisdiction of the City, to purchase a debt service reserve policy, and to pay costs incurred in connection with the execution, sale, and delivery of the certificates of participation.

Annual debt service for the 2018 Series A COP is as follows:

| Year Ending<br>June 30, | Principal            | Interest            | Total                |
|-------------------------|----------------------|---------------------|----------------------|
| 2020                    | \$ 255,000           | \$ 577,969          | \$ 832,969           |
| 2021                    | 265,000              | 567,769             | 832,769              |
| 2022                    | 275,000              | 557,169             | 832,169              |
| 2023                    | 290,000              | 546,169             | 836,169              |
| 2024                    | 300,000              | 531,669             | 831,669              |
| 2025 - 2029             | 1,760,000            | 2,415,594           | 4,175,594            |
| 2030 - 2034             | 2,240,000            | 1,930,594           | 4,170,594            |
| 2035 - 2039             | 2,765,000            | 1,402,238           | 4,167,238            |
| 2040 - 2044             | 3,280,000            | 887,775             | 4,167,775            |
| 2045 - 2048             | 3,060,000            | 272,475             | 3,332,475            |
|                         | <u>\$ 14,490,000</u> | <u>\$ 9,689,421</u> | <u>\$ 24,179,421</u> |

Business-Type Activities

A. Compensated Absences

The City's policies relating to compensated absences are described in Note 1M. The liability amount of \$176,406 at June 30, 2019, is expected to be paid in future years from future resources.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**6. LONG-TERM LIABILITIES (CONTINUED)**

Business-Type Activities (Continued)

B. Lease Revenue Bonds

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

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

| Enterprise Fund | Series | Interest Rate | Original<br>Amount | Outstanding<br>Balance | Maturity Date |
|-----------------|--------|---------------|--------------------|------------------------|---------------|
| Water Authority | 1999A  | 3.25% - 5.5%  | \$ 17,940          | \$ 12,340              | May 2029      |
| Water Authority | 2001   | 5.75% - 6.25% | 40,710             | 22,655                 | December 2032 |
|                 |        |               | <u>\$ 58,650</u>   | <u>\$ 34,995</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 Water Authority issued \$17,940,000 of Revenue Bonds (Series 1999 A) dated May 1, 1999. These bonds were issued to finance the lease and improvements of the Water Operations Enterprise Fund.

The Series 1999 A bonds are due in whole or in part through May 2029 and bear interest rates ranging from 3.25% to 5.5%. Interest is payable semiannually on May 1 and November 1 of each year. The bonds are subject to optional redemption in whole or in part on any interest payment due on or after May 1, 2009, by lot, with premiums ranging from 0% to 2%.

The bond indenture requires a Water Rate Stabilization Fund to be held and maintained by the trustee for the benefit of the owners of the bonds. The Water Rate Stabilization Fund is required to have a balance of not less than \$600,000. All funds in the Water Rate Stabilization Fund are pledged to secure payment of the bonds. The balance in the Water Rate Stabilization Fund at June 30, 2019, is \$600,000.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**6. LONG-TERM LIABILITIES (CONTINUED)**

Business-Type Activities (Continued)

B. Lease Revenue Bonds (Continued)

Annual debt service for the Series 1999 A bonds is as follows:

| Year Ending<br>June 30, | Principal            | Interest            | Total                |
|-------------------------|----------------------|---------------------|----------------------|
| 2020                    | \$ 960,000           | \$ 678,700          | \$ 1,638,700         |
| 2021                    | 1,010,000            | 625,900             | 1,635,900            |
| 2022                    | 1,065,000            | 570,350             | 1,635,350            |
| 2023                    | 1,125,000            | 511,775             | 1,636,775            |
| 2024                    | 1,190,000            | 449,900             | 1,639,900            |
| 2025 - 2029             | 6,990,000            | 1,194,050           | 8,184,050            |
|                         | <u>\$ 12,340,000</u> | <u>\$ 4,030,675</u> | <u>\$ 16,370,675</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 \$2,839,536, 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, 2019, amounted to \$2,269,336 and \$600,000, respectively.

The 2001 Series revenue bond indenture also requires 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 2019 was 1.85, which is greater than the required 1.25.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**6. LONG-TERM LIABILITIES (CONTINUED)**

Business-Type Activities (Continued)

B. Lease Revenue Bonds (Continued)

Annual debt service for the 2001 Series revenue bonds is as follows:

| Year Ending<br>June 30, | Principal            | Interest            | Total                |
|-------------------------|----------------------|---------------------|----------------------|
| 2020                    | \$ 1,715,000         | \$ 1,362,344        | \$ 3,077,344         |
| 2021                    | 1,825,000            | 1,251,719           | 3,076,719            |
| 2022                    | 1,940,000            | 1,134,063           | 3,074,063            |
| 2023                    | 2,060,000            | 1,009,063           | 3,069,063            |
| 2024                    | 2,190,000            | 876,250             | 3,066,250            |
| 2025 - 2029             | 8,455,000            | 2,560,469           | 11,015,469           |
| 2030 - 2033             | 4,470,000            | 579,688             | 5,049,688            |
|                         | <u>\$ 22,655,000</u> | <u>\$ 8,773,596</u> | <u>\$ 31,428,596</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:

| Gross<br>Revenue | Less:<br>Purchased<br>Security<br>Revenue (1) | Less:<br>Direct<br>Costs (2) | Less 1999<br>Debt Service<br>Payments | Secured<br>Revenue<br>(3) | Plus:<br>Rate<br>Stabilization<br>Fund | Total Pledged<br>Subordinate<br>Net Revenues<br>and Security<br>Revenues | 2001 Bonded<br>Debt Service<br>Payments | Coverage |
|------------------|---|------------------------------|---------------------------------------|---------------------------|--|--|---|----------|
| \$ 11,995,293    | \$ (2,091,209)                                | \$ (5,881,508)               | \$ (1,638,750)                        | \$ 3,330,525              | \$ 600,000                             | \$ 5,714,351   | \$ 3,081,406                            | 1.85     |

- (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 Series 1999 A and 2001 Series revenue bonds.
- (3) Principal and interest received on the investment in 2001 Tax Allocation Refunding Bonds.

**7. COMMITMENTS AND CONTINGENCIES**

A. Litigation

Various claims and lawsuits are pending against the City. Although the outcome of these claims and lawsuits is not presently determinable, in the opinion of the City's management, on advice of legal counsel, it is unlikely that they will have a material adverse effect on the accompanying financial statements.

**7. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**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 a 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 30 for the previous calendar years for the period from January 1, 2017 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. Payments made to this employer for the year ended June 30, 2019 totaled \$184,084.

**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, which is an agent multiple-employer defined benefit pension plan administered by 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 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 California Public Employees' Pension Reform Act (PEPRA) amendments, the City has closed this plan to any new City Council members elected or appointed on or after January 1, 2013.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**8. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

A. General Information about the Pension Plans (Continued)

**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, which is equal to one year of full-time employment. The City has three different retirement benefit tiers based on date of hire:

Tier I: 2.5% at 55 for employees hired on or before June 30, 2012

Tier II: 2.0% at 60 for employees after June 30, 2012

Tier III: 2.0% at 62 for all new members to CalPERS, as defined by Assembly Bill 340/PEPRA

All members are eligible for nonindustrial 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.

The CalPERS plans provisions and benefits in effect at June 30, 2018, the measurement date, are summarized as follows:

|  | Miscellaneous Plan        |                              |                                |
|--|---------------------------|------------------------------|--------------------------------|
|  |                           | On or After<br>June 26, 2012 |                                |
| Hire date  | Prior to<br>June 26, 2012 | Prior to<br>January 1, 2013  | On or After<br>January 1, 2013 |
| 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<br>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:                |                           |                              |                                |
| Normal cost rate                                     | 8.754%                    | 8.754%                       | 8.754%                         |
| Payment of unfunded liability                        | \$ 2,016,582              | \$ -                         | \$ -                           |

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**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 five years of continuous City Council service. Employees terminating employment with the City after five years of service but prior to age 55 will receive a deferred retirement benefit to commence at age 55.

The Council Plan provisions and benefits in effect at June 30, 2019, the measurement date, are summarized as follows:

|   | <u>Council Plan</u>         |
|---|-----------------------------|
|   | Prior to<br>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              | 0.0%                        |
| Required employer contribution rates              | 36.05%                      |

**Employees Covered**

As of the measurement date, 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        | 250                  | 3                   |
| Inactive employees entitled to but  |                      |                     |
| not yet receiving benefits          | 134                  | -                   |
| Active employees                    | 141                  | 5                   |
|                                     | <u>525</u>           | <u>8</u>            |
| Total                               |                      |                     |



**8. *DEFINED BENEFIT PENSION PLANS (CONTINUED)***

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

**Contributions**

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

**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, 2018, using an annual actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. The net pension liability of the Council Plan is measured as of June 30, 2019, using an actuarial valuation date of June 30, 2017. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**8. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Net Pension Liability (Continued)**

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2017, actuarial valuations were determined using the following actuarial assumptions:

|                                | Miscellaneous                   | Council Plan                    |
|--------------------------------|---------------------------------|---------------------------------|
| Valuation Date                 | June 30, 2017                   | June 30, 2017                   |
| Measurement Date               | June 30, 2018                   | June 30, 2019                   |
| Actuarial Cost Method          | Entry-Age Normal<br>Cost Method | Entry-Age Normal<br>Cost Method |
| Actuarial Assumptions:         |                                 |                                 |
| Discount Rate                  | 7.15%                           | 6.50%                           |
| Inflation                      | 2.50%                           | 2.75%                           |
| Projected Salary Increase      | (1)                             | 4.00%                           |
| Mortality Rate Table           | (2)                             | (3)                             |
| Post Retirement Benefit Income | (4)                             |                                 |

(1) Varies by entry age and service.

(2) The mortality table was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

(3) Preretirement: Consistent with the nonindustrial 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.

(4) Contract cost-of-living adjustments up to 2.00% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

All other actuarial assumptions used in the June 30, 2017, Miscellaneous 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.

**Change of Assumptions**

In fiscal year 2018-2019, the inflation rate was decreased from 2.75% to 2.50%. In addition, in the prior year, the post retirement benefit increase assumption for the contract COLA was 2.75% until purchasing power protection allowance floor on purchasing power applies and then 2.75% thereafter. In the current year, the post retirement benefit increase assumptions for the contract COLA was 2.00% until purchasing power protection allowance floor on purchasing power applies and then 2.50% thereafter.

There were no changes in the assumptions in the current year for the Council Plan.

**8. *DEFINED BENEFIT PENSION PLANS (CONTINUED)***

**B. Net Pension Liability (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15% for the Miscellaneous Plan and 6.5% for the Council Plan and reflects the long-term expected rate of return for each Plan net of investment expenses and without reduction for administrative expenses. The projection of cash flows used to determine the discount rate of Miscellaneous Plan assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Miscellaneous Plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on the plan investments was applied to all periods of projected benefit payments to determine the total pension liability. 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 6.5%.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund (PERF) cash flows. 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+ 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 adjusted to account for assumed administrative expenses.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**8. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Net Pension Liability (Continued)**

**Discount Rate (Continued)**

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by CalPERS Board of Directors effective on July 1, 2015.

| Asset Class (a)     | New Strategic Allocation | Real Return Years 1 - 10 (b) | Real Return Years 11+ (c) |
|---------------------|--------------------------|------------------------------|---------------------------|
| Global Equity       | 50.00%                   | 4.80%                        | 5.98%                     |
| Global Fixed Income | 28.00%                   | 1.00%                        | 2.62%                     |
| Inflation Sensitive | 0.00%                    | 0.77%                        | 1.81%                     |
| Private Equity      | 8.00%                    | 6.30%                        | 7.23%                     |
| Real Estate         | 13.00%                   | 3.75%                        | 4.93%                     |
| Liquidity           | 1.00%                    | 0.00%                        | -0.92%                    |
| Total               | 100.00%                  |                              |                           |

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

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 June 30, 2017.

| Asset Class              | Target Allocation | Expected Arithmetic Real Rate of Return (a) | Expected Geometric Real Rate of Return (a) |
|--------------------------|-------------------|---|--|
| US Cash                  | 2.67%             | 0.71%                                       | 0.71%                                      |
| US Core Fixed Income     | 36.28%            | 1.83%                                       | 1.73%                                      |
| US Equity Market         | 46.28%            | 4.71%                                       | 3.52%                                      |
| Foreign Developed Equity | 6.85%             | 6.06%                                       | 4.55%                                      |
| Emerging Markets Equity  | 5.19%             | 8.23%                                       | 5.43%                                      |
| US REITs                 | 2.73%             | 5.05%                                       | 3.42%                                      |
| Total                    | 100.00%           |   |  |

(a) An expected inflation of 1.65% used in calculating the long-term expected rate of return.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**8. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

B. Net Pension Liability (Continued)

**Discount Rate (Continued)**

**Subsequent Events**

There were no subsequent events that would materially affect the results in this disclosure.

C. Changes in the Net Pension Liability

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

|  | Increase (Decrease)           |                                   |                                     |
|--|-------------------------------|-----------------------------------|-------------------------------------|
|  | Total<br>Pension<br>Liability | Plan<br>Fiduciary<br>Net Position | Net Pension<br>Liability<br>(Asset) |
| <b>Balance at June 30, 2017</b><br><b>(Measurement Date)</b>     | <u>\$ 105,166,720</u>         | <u>\$ 69,632,276</u>              | <u>\$ 35,534,444</u>                |
| <b>Changes in the Year:</b>                                      |                               |                                   |                                     |
| Service cost   | 1,668,403                     | -                                 | 1,668,403                           |
| Interest on the total pension liability                          | 7,428,615                     | -                                 | 7,428,615                           |
| Differences between expected and<br>actual experience            | 1,411,957                     | -                                 | 1,411,957                           |
| Changes in assumptions   | (828,380)                     | -                                 | (828,380)                           |
| Plan-to-plan resource movement                                   | -                             | (171)                             | 171                                 |
| Contribution - employer  | -                             | 2,902,032                         | (2,902,032)                         |
| Contribution - employee  | -                             | 838,924                           | (838,924)                           |
| Net investment income  | -                             | 5,870,873                         | (5,870,873)                         |
| Administrative expenses  | -                             | (314,561)                         | 314,561                             |
| Benefit payments, including refunds<br>of employee contributions | <u>(5,375,555)</u>            | <u>(5,375,555)</u>                | <u>-</u>                            |
| <b>Net Changes</b>   | <u>4,305,040</u>              | <u>3,921,542</u>                  | <u>383,498</u>                      |
| <b>Balance at June 30, 2018</b><br><b>(Measurement Date)</b>     | <u>\$ 109,471,760</u>         | <u>\$ 73,553,818</u>              | <u>\$ 35,917,942</u>                |

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**8. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

C. Changes in the Net Pension Liability (Continued)

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

|  | Increase (Decrease)           |                                   |                                     |
|--|-------------------------------|-----------------------------------|-------------------------------------|
|  | Total<br>Pension<br>Liability | Plan<br>Fiduciary<br>Net Position | Net Pension<br>Liability<br>(Asset) |
| <b>Balance at June 30, 2018</b><br><b>(Measurement Date)</b>     | <u>\$ 172,282</u>             | <u>\$ 154,904</u>                 | <u>\$ 17,378</u>                    |
| <b>Changes in the Year:</b>                                      |                               |                                   |                                     |
| Service cost   | 6,794                         | -                                 | 6,794                               |
| Interest on the total pension liability                          | 11,243                        | -                                 | 11,243                              |
| Differences between actual and<br>expected experience            | -                             | -                                 | -                                   |
| Changes in economic/demographic                                  | -                             | -                                 | -                                   |
| Changes in assumptions   | -                             | -                                 | -                                   |
| Changes in benefit terms   | -                             | -                                 | -                                   |
| Contribution - employer  | -                             | 14,227                            | (14,227)                            |
| Contribution - employee  | -                             | -                                 | -                                   |
| Net investment income  | -                             | 9,833                             | (9,833)                             |
| Administrative expenses  | -                             | (808)                             | 808                                 |
| Benefit payments, including refunds<br>of employee contributions | <u>(12,399)</u>               | <u>(12,399)</u>                   | <u>-</u>                            |
| <b>Net Changes</b>   | <u>5,638</u>                  | <u>10,853</u>                     | <u>(5,215)</u>                      |
| <b>Balance at June 30, 2019</b><br><b>(Measurement Date)</b>     | <u>\$ 177,920</u>             | <u>\$ 165,757</u>                 | <u>\$ 12,163</u>                    |

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**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 pension 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 one percentage point lower or one percentage point higher than the current rate:

|                               | Miscellaneous | Council Plan |
|-------------------------------|---------------|--------------|
| 1% Decrease                   | 6.15%         | 5.50%        |
| Net Pension Liability         | \$ 50,558,322 | \$ 30,322    |
| Current Discount Rate         | 7.15%         | 6.50%        |
| Net Pension Liability         | \$ 35,917,942 | \$ 12,163    |
| 1% Increase                   | 8.15%         | 7.50%        |
| Net Pension Liability (Asset) | \$ 23,824,979 | \$ (3,493)   |

**Pension Plan Fiduciary Net Position**

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

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**8. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

For the year ended June 30, 2019, the City recognized pension expense of \$5,051,417 and \$7,818 for the miscellaneous and council plans, respectively. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date                      | \$ 3,152,687                      | \$ -                             |
| Differences between expected and actual experience                        | 907,687                           | (290,359)                        |
| Change in assumptions   | 1,371,476                         | (532,530)                        |
| Net differences between projected and actual earnings on plan investments | 96,103                            | -                                |
| <b>Total Miscellaneous Plan</b>   | <b>\$ 5,527,953</b>               | <b>\$ (822,889)</b>              |
| Differences between expected and actual experience                        | \$ -                              | \$ (14,175)                      |
| Change in assumptions   | 7,665                             | -                                |
| Net differences between projected and actual earnings on plan investments | -                                 | (992)                            |
| <b>Total Council Plan</b>   | <b>\$ 7,665</b>                   | <b>\$ (15,167)</b>               |

An amount of \$2,902,032 reported as deferred outflows of resources related to contributions to the miscellaneous plan subsequent to the measurement date will be recognized as a reduction of the net pension liability of the miscellaneous plan in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year<br>Ending<br>June 30, | Miscellaneous | Council    |
|----------------------------|---------------|------------|
| 2020                       | \$ 2,158,588  | \$ (1,895) |
| 2021                       | 337,313       | (3,464)    |
| 2022                       | (748,752)     | (1,987)    |
| 2023                       | (194,772)     | (156)      |
| 2024                       | -             | -          |
| Thereafter                 | -             | -          |



**8. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

E. Payable to the Pension Plans

At June 30, 2019, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2019.

**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 by Nationwide Retirement Solutions. 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 the 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, 2019, the City's payroll covered by the defined contribution plan was \$1,982,497. The City made employer contributions of \$74,345 (3.75% of current covered payroll), and employees contributed \$74,345 (3.75% of current covered payroll).

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 a 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. General Information about the OPEB Plan

Plan Description

The City has established an agent multiple-employer Defined Benefit Postemployment Healthcare Plan (DHP) that provides post-retirement medical benefits to retirees through the California Public Employees Medical and Hospital Care Act (PEMCHA) and managed through the California Employers' Retiree Benefit Trust (CERBT). The plan provides retiree medical benefits to eligible retirees and their eligible dependents. Employees must retire directly from the City under CalPERS. Employees must also meet basic retirement requirements per CalPERS. That is, employees must be at least age 50 and have at least five 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. 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 PEMCHA minimum. The PEMCHA minimum is updated annually by the CalPERS board. Regardless of hire date, the same benefit continues to the surviving spouse.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

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

A. General Information about the OPEB Plan (Continued)

Plan Description (Continued)

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. A separate financial report is not prepared for the plan.

Employees Covered

As of the measurement date of June 30, 2018, the following current and former employees were covered by the benefit terms under the plan:

|  |            |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits               | 116        |
| Inactive employees or beneficiaries entitled to but not yet receiving benefits | -          |
| Active employees   | <u>120</u> |
| Total  | <u>236</u> |

Contributions

The DPHP and its contribution requirements are established by City policy and may be amended by the City Council. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2018, the measurement period, the City's cash contributions were \$1,000,000 in payments to the trust and the estimated implied subsidy was \$196,000 and \$3,000 administrative expense paid by the city resulting in payments of \$1,199,000.

B. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

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

C. Total OPEB Liability

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|  |   |
|--|---|
| Valuation Date                               | June 30, 2017   |
| Measurement Date                             | June 30, 2018   |
| Actuarial Cost Method                        | Entry-Age Normal Cost Method                              |
| Actuarial Assumptions:                       |   |
| Discount Rate                                | 6.75%   |
| Inflation                                    | 2.75%   |
| Projected Salary Increase                    | 3.00% per annum, in aggregate                             |
| Expected long term investment rate of return | 6.75%   |
| Healthcare Cost Trend Rates                  | 7.5% Non-Medicare/6.5% Medicare, decreasing to 4% in 2076 |
| Mortality                                    | Derived from CalPERS 1997-2011 experience study           |

The actuarial assumptions used in the June 30, 2017 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

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

C. Total OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2018, the measurement date, are summarized in the following table:

| Asset Class   | New<br>Strategic<br>Allocation | Long-Term<br>Expected Real<br>Rate of Return |
|---------------|--------------------------------|--|
| CERBT         |                                |  |
| Global Equity | 57.00%                         | 4.82%  |
| Fixed Income  | 27.00%                         | 1.47%  |
| TIPS          | 5.00%                          | 1.29%  |
| Commodities   | 3.00%                          | 0.84%  |
| REITs         | 8.00%                          | 3.76%  |
| Total         | <u>100.00%</u>                 |  |

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the DPHP's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on DPHP plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Change of Discount Rate

There was no change to the discount rate utilized in the June 30, 2016 valuation as compared to the June 30, 2017 valuation discount rate.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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

**D. Changes in the net OPEB Liability**

The changes in the net OPEB liability are as follows:

|   | Increase (Decrease)        |                                   |                                  |
|---|----------------------------|-----------------------------------|----------------------------------|
|   | Total<br>OPEB<br>Liability | Plan<br>Fiduciary<br>Net Position | Net<br>OPEB<br>Liability (Asset) |
| <b>Balance at June 30, 2017</b>                       |                            |                                   |                                  |
| <b>(Measurement Date)</b>                             | <u>\$ 26,544,000</u>       | <u>\$ 4,164,000</u>               | <u>\$ 22,380,000</u>             |
| <b>Changes in the Year:</b>                           |                            |                                   |                                  |
| Service cost  | 614,912                    | -                                 | 614,912                          |
| Interest on the total OPEB liability                  | 1,792,862                  | -                                 | 1,792,862                        |
| Differences between actual and<br>expected experience | -                          | -                                 | -                                |
| Changes in assumptions                                | -                          | -                                 | -                                |
| Changes in benefit terms                              | -                          | -                                 | -                                |
| Contribution - employer                               | -                          | 1,199,000                         | (1,199,000)                      |
| Net investment income                                 | -                          | 331,815                           | (331,815)                        |
| Administrative expenses                               | -                          | (10,734)                          | 10,734                           |
| Benefit payments                                      | <u>(1,196,000)</u>         | <u>(1,196,000)</u>                | <u>-</u>                         |
| <b>Net Changes</b>                                    | <u>1,211,774</u>           | <u>324,081</u>                    | <u>887,693</u>                   |
| <b>Balance at June 30, 2018</b>                       |                            |                                   |                                  |
| <b>(Measurement Date)</b>                             | <u>\$ 27,755,774</u>       | <u>\$ 4,488,081</u>               | <u>\$ 23,267,693</u>             |

Change of Assumptions

There were no changes of assumptions.

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

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

**D. Changes in the net OPEB Liability (Continued)**

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current discount rate:

|                            | 1% Decrease<br>(5.75%) | Discount Rate<br>(6.75%) | 1% Increase<br>(7.75%) |
|----------------------------|------------------------|--------------------------|------------------------|
| Net OPEB Liability (Asset) | \$ 27,041,576          | \$ 23,267,693            | \$ 20,160,657          |

Sensitivity of the Net OPEB Liability to Changes in Health-Care Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (6.5% Non-Medicare/5.5% Medicare decreasing to 3.00%) or 1-percentage point higher (8.5% Non-Medicare/7.5% Medicare decreasing to 5.00%) than the current healthcare cost trend rates:

|                            | 1% Decrease<br>(6.5% Non-Medicare/<br>5.5% Medicare<br>decreasing to<br>3.0% Non-Medicare<br>and Medicare) | Current Healthcare<br>Cost Trend Rates<br>(7.5% Non-Medicare/<br>6.5% Medicare<br>decreasing to<br>4.0% Non-Medicare<br>and Medicare) | 1% Increase<br>(8.5% Non-Medicare/<br>7.5% Medicare<br>decreasing to<br>5.0% Non-Medicare<br>and Medicare) |
|----------------------------|--|---|--|
| Net OPEB Liability (Asset) | \$ 19,648,958  | \$ 23,267,693   | \$ 27,729,341  |

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

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

**E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the City recognized OPEB expense of \$2,121,498. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|--|--------------------------------------|-------------------------------------|
| OPEB contributions subsequent to measurement date                            | \$ 1,227,833                         | \$ -                                |
| Differences between actual and expected experience                           | -                                    | -                                   |
| Change in assumptions  | -                                    | -                                   |
| Net differences between projected and actual earnings<br>on plan investments | -                                    | (58,805)                            |
| Total  | <u>\$ 1,227,833</u>                  | <u>\$ (58,805)</u>                  |

The net difference between projected and actual earnings on plan investments is amortized over a five year period.

\$1,227,833 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

| Year<br>Ending<br>June 30, | Amount      |
|----------------------------|-------------|
| 2020                       | \$ (16,201) |
| 2021                       | (16,201)    |
| 2022                       | (16,201)    |
| 2023                       | (10,202)    |
| 2024                       | -           |
| Thereafter                 | -           |

**F. Payable to the OPEB Plan**

At June 30, 2019, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2019.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**11. RISK MANAGEMENT**

The City began its self-insured liability program with CSAC Excess Insurance Authority (CSAC) on July 1, 2017. Claims occurring prior to July 1, 2017 are fully covered by California Joint Powers Insurance Authority (CJPIA). The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City handled those risks with the purchase of commercial insurance. The City pays an annual premium to the CSAC pool for its general liability and workers' compensation insurance coverage. For its general liability insurance, the City, through CSAC has a self-insured retention amount of \$100,000 per occurrence. General claims above \$100,000 up to \$25,000,000 are shared by the pool. For its workers' compensation liability insurance, the City, through CSAC has a self-insured retention amount of \$125,000 per occurrence. Workers' compensation claims above \$125,000 up to statutory limits are shared by the pool. The City retains a risk of loss due to the fact that actual losses may exceed estimated claims or overage amounts. The City also maintained property coverage, pollution coverage, master crime coverage and cyber liability coverage with CSAC.

Claims, expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At June 30, 2019, \$572,000 has been accrued for general liability claims and \$1,011,000 has been accrued for workers compensation claims. This amount represents an estimate of amounts to be paid for reported claims and incurred but not yet reported claims based upon past experience, modified for current trends, and information. While the ultimate amount of losses incurred through June 30, 2019, is dependent on future developments, based upon information from the City Attorney, the City's claims administrators and others involved with the administration of the programs, City management believes the accrual is adequate to cover such losses.

Changes in the claims liability amount in fiscal years ended June 30, 2019 and 2018 (inception of current coverages) is as follows:

| <u>Fiscal Year</u> | <u>Beginning of<br/>Fiscal Year<br/>Liability</u> | <u>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claim<br/>Payments</u> | <u>End of<br/>Fiscal Year<br/>Liability</u> |
|--------------------|---|--|---------------------------|---|
| 2017 - 2018        | \$ -  | \$ 1,122,309                                   | \$ (71,309)               | \$ 1,051,000                                |
| 2018 - 2019        | \$ 1,051,000                                      | \$ 742,192                                     | \$ (210,192)              | \$ 1,583,000                                |

During fiscal year 2017-2018, the City changed insurance providers from CJPIA to CSAC, the City has recorded a receivable for refunds from annual retrospective adjustments assessed on the open claims prior to the transition of \$248,989, which is included in accounts receivable in the general fund.



**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

The City's governmental fund balances at June 30, 2019, are tabulated below, followed by explanations as to the nature and purpose of each classification.

|                                 |                      | Special<br>Revenue Funds       |                     | Capital<br>Projects Fund       |                         | Other                | Total                |
|---------------------------------|----------------------|--------------------------------|---------------------|--------------------------------|-------------------------|----------------------|----------------------|
|                                 |                      | Housing<br>Agency<br>Section 8 | Federal<br>Grants   | Capital<br>Improvement<br>Fund | 2018<br>Series A<br>COP | Govt.<br>Funds       | Govt.<br>Funds       |
|                                 | General              |                                |                     |                                |                         |                      |                      |
| Nonspendable:                   |                      |                                |                     |                                |                         |                      |                      |
| Long-term receivables/advances  | \$ 27,928,277        | \$ -                           | \$ -                | \$ -                           | \$ -                    | \$ -                 | \$ 27,928,277        |
| Prepaid items                   | 74,577               | -                              | -                   | -                              | -                       | -                    | 74,577               |
| Restricted for:                 |                      |                                |                     |                                |                         |                      |                      |
| Housing Agency                  | -                    | 527,347                        | -                   | -                              | -                       | -                    | 527,347              |
| State gas tax                   | -                    | -                              | -                   | -                              | -                       | 1,721,634            | 1,721,634            |
| HOME                            | -                    | -                              | -                   | -                              | -                       | 1,845,548            | 1,845,548            |
| CalHome Grant                   | -                    | -                              | -                   | -                              | -                       | 331,602              | 331,602              |
| Lighting assessment district    | -                    | -                              | -                   | -                              | -                       | 1,673,449            | 1,673,449            |
| Park development                | -                    | -                              | -                   | -                              | -                       | 226,729              | 226,729              |
| Prop A                          | -                    | -                              | -                   | -                              | -                       | 2,583,404            | 2,583,404            |
| Prop C                          | -                    | -                              | -                   | -                              | -                       | 1,546,509            | 1,546,509            |
| Measure R                       | -                    | -                              | -                   | -                              | -                       | 999,556              | 999,556              |
| Measure M                       | -                    | -                              | -                   | -                              | -                       | 906,657              | 906,657              |
| AQMD                            | -                    | -                              | -                   | -                              | -                       | 356,685              | 356,685              |
| State Grants                    | -                    | -                              | -                   | -                              | -                       | 467                  | 467                  |
| Economic Development            |                      |                                |                     |                                |                         |                      | -                    |
| Assistance Grant                | -                    | -                              | -                   | -                              | -                       | 1,376,458            | 1,376,458            |
| Image enhancement               | -                    | -                              | -                   | -                              | -                       | 170,192              | 170,192              |
| Sewer maintenance               | -                    | -                              | -                   | -                              | -                       | 396,361              | 396,361              |
| Reach Grants                    | -                    | -                              | -                   | -                              | -                       | 348,654              | 348,654              |
| Cable/PEG support               | -                    | -                              | -                   | -                              | -                       | 67,474               | 67,474               |
| Housing Agency LMIHF            | -                    | -                              | -                   | -                              | -                       | 2,050,188            | 2,050,188            |
| Paramount/Mines Landscape       |                      |                                |                     |                                |                         |                      | -                    |
| Maintenance District            | -                    | -                              | -                   | -                              | -                       | 27,815               | 27,815               |
| 2009 Bond capital projects      | -                    | -                              | -                   | -                              | -                       | 86                   | 86                   |
| Pension contribution            | 1,061,066            | -                              | -                   | -                              | -                       | -                    | 1,061,066            |
| Capital improvements            | -                    | -                              | -                   | -                              | 14,634,678              | -                    | 14,634,678           |
| Committed to:                   |                      |                                |                     |                                |                         |                      |                      |
| Emergency Reserve/              |                      |                                |                     |                                |                         |                      |                      |
| Economic stabilization/stimulus | 10,284,000           | -                              | -                   | -                              | -                       | -                    | 10,284,000           |
| Assigned to:                    |                      |                                |                     |                                |                         |                      |                      |
| OPEB Unfunded Liability         | 1,163,400            | -                              | -                   | -                              | -                       | -                    | 1,163,400            |
| Leave Liability                 | 533,700              | -                              | -                   | -                              | -                       | -                    | 533,700              |
| Equipment Replacement           | 842,800              | -                              | -                   | -                              | -                       | -                    | 842,800              |
| Self-insured Retention          | 500,000              | -                              | -                   | -                              | -                       | -                    | 500,000              |
| Bond Refinancing/Reserve        | 6,000,000            | -                              | -                   | -                              | -                       | -                    | 6,000,000            |
| Capital improvements            | 2,000,000            | -                              | -                   | 600,000                        | -                       | -                    | 2,600,000            |
| Deferred Maintenance            | 1,000,000            | -                              | -                   | -                              | -                       | -                    | 1,000,000            |
| Energy Efficiency               | 1,000,000            | -                              | -                   | -                              | -                       | -                    | 1,000,000            |
| Economic Sustainability         | 1,000,000            | -                              | -                   | -                              | -                       | -                    | 1,000,000            |
| Unassigned                      | 9,067,136            | -                              | (364,864)           | 516,772                        | -                       | (212,620)            | 9,006,424            |
| Total Fund Balances             | <u>\$ 62,454,956</u> | <u>\$ 527,347</u>              | <u>\$ (364,864)</u> | <u>\$ 1,116,772</u>            | <u>\$ 14,634,678</u>    | <u>\$ 16,416,848</u> | <u>\$ 94,785,737</u> |

**A. Nonspendable Fund Balances**

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

**12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS (CONTINUED)**

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

The City Council first adopted updated comprehensive reserve policies conforming to GASB Statement 54 on June 14, 2016. Annually, as part of the budget development process, these policies are updated and approved by the City Council.

The latest version of the policies reconfirmed a commitment for “Emergency Reserve/Economic Uncertainty Reserve” and established assignments.

**C. Committed Fund Balances**

Committed funds describe a portion of the fund balance that is constrained by limitations imposed by the 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 12, 2018, that established a commitment for emergencies/economic stabilization equal to an amount calculated as 25% of the General Fund’s annual operating revenues. For the fiscal year ending June 30, 2019, this commitment is equal to \$10,284,000.

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

- 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 the 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.

**12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS (CONTINUED)**

**D. Assigned Fund Balances**

Assigned funds describe the portion of the General Fund reserves that reflect the use of resources by the 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 Unfunded Liability
- Leave Liability
- Equipment Replacement
- Self-Insured Retention
- Bond Refinancing/Reserve
- Capital Improvement (Unfunded/Unprogrammed)
- Deferred Maintenance
- Energy Efficiency
- Economic Sustainability

For the fiscal year ended June 30, 2019, total assignments equal \$14,639,900.

**E. Unassigned Fund Balance**

The General Fund may have net resources in excess of what is classified in one of the four previous categories (nonspendable, 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 ended June 30, 2019, the General Fund unassigned fund balance is \$9,067,136.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**13. OTHER REQUIRED DISCLOSURES**

**Deficit Fund Balances or Net Position**

The following funds reported deficit fund balances or net position at June 30, 2019:

Major Funds:

|                                     |            |
|-------------------------------------|------------|
| Federal Grants Special Revenue Fund | \$ 364,864 |
|-------------------------------------|------------|

Other Governmental Funds:

|  |            |
|--|------------|
| Community Development Block Grant Special Revenue Fund | \$ 128,825 |
| County Grants Special Revenue Fund                     | \$ 71,956  |
| Transportation Development Act Special Revenue Fund    | \$ 11,839  |

|  |              |
|--|--------------|
| Other Enterprise Fund - Golf Course Fund | \$ 2,397,169 |
|--|--------------|

Management expects to eliminate the deficits with the collection of unavailable revenues or transfers from the General Fund. The Golf Course Enterprise Fund deficit will be eliminated through a combination of right-sizing of operations, improved revenue collection, and a long-term advance from the General Fund.

**Excess of Expenditures over Appropriations**

Expenditures exceeded budgeted appropriations in the following funds:

|  | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|---------------------|---------------|-----------------|
| Other Governmental Funds                     |                     |               |                 |
| Home Grant Special Revenue Fund              | \$ -                | \$ 104        | \$ (104)        |
| Economic Sustainability Special Revenue Fund | 263,491             | 387,895       | (124,404)       |
| REACH Grants Special Revenue Fund            | 981,800             | 1,015,041     | (33,241)        |

**14. PICO RIVERA INNOVATIVE MUNICIPAL ENERGY**

The City has registered as a Community Choice Aggregator (CCA) and established Pico Rivera Innovative Municipal Energy (PRIME) for the purpose of delivering electric services to certain customers located within the City of Pico Rivera. The City entered into an administrative services agreement with California Choice Energy Authority (CCEA), for administration, energy procurement, contract negotiation, contract administration, resource planning services and other services provided to the PRIME program. This contract has a term of the longer of three years from the effective date of April 11, 2017 or the longest term of any energy contract to which the CCEA is a party on behalf of the City. Payments to CCEA for the fiscal year ended June 30, 2019 totaled \$828,268.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**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:

|  | Balance at<br>July 1, 2018 | Additions  | Deletions | Balance at<br>June 30, 2019 |
|--|----------------------------|------------|-----------|-----------------------------|
| Capital assets, not being depreciated:           |                            |            |           |                             |
| Land   | \$ 258,023                 | \$ -       | \$ -      | \$ 258,023                  |
| Total capital assets, not being depreciated      | 258,023                    | -          | -         | 258,023                     |
| Capital assets, being depreciated:               |                            |            |           |                             |
| Structures and improvements                      | 162,237                    | -          | -         | 162,237                     |
| Furniture and equipment                          | 5,110                      | -          | -         | 5,110                       |
| Infrastructure                                   | 50,615                     | -          | -         | 50,615                      |
| Total capital assets, being depreciated          | 217,962                    | -          | -         | 217,962                     |
| Less accumulated depreciation:                   |                            |            |           |                             |
| Structures and improvements                      | (121,060)                  | (3,527)    | -         | (124,587)                   |
| Furniture and equipment                          | (5,110)                    | -          | -         | (5,110)                     |
| Infrastructure                                   | (16,081)                   | (1,235)    | -         | (17,316)                    |
| Total accumulated depreciation                   | (142,251)                  | (4,762)    | -         | (147,013)                   |
| Total capital assets, being depreciated, net     | 75,711                     | (4,762)    | -         | 70,949                      |
| Successor Agency activities, capital assets, net | \$ 333,734                 | \$ (4,762) | \$ -      | \$ 328,972                  |

**15. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

**B. Loans Receivable**

Two low-interest loans were issued by the former 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 10-26 years from the date of the loan. The amount of the loans outstanding at June 30, 2019, is \$349,544.

**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 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, 2019, the net advance balance was \$17,602,114, which included accrued interest of \$8,439,547 and a 25% reserve against this balance totaling \$4,400,528 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 the City of Pico Rivera

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, 2019, the balance of the City Deferrals including interest was \$28,729,417.

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 \$28,729,417 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.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**15. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

C. Payable to the City of Pico Rivera (Continued)

(2) Sales Tax Loan from the City of Pico Rivera (Continued)

AB 1484 specifies the actions to be taken and the method of repayment for advances and loans between the Successor Agency, the City, and the Water Authority. Upon application and approval by the Successor Agency and the oversight board, loan agreements (advances) entered into by the 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 LAIF. 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.

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 Redevelopment Agency in its capacity as the Successor Agency as follows:

| Loan # | Date     | Interest<br>Rate | Loan<br>Amount      | Repayment Terms  |
|--------|----------|------------------|---------------------|------------------|
| 1      | 12/08/09 | 0%               | \$ 1,059,553        | By June 30, 2017 |
| 2      | 03/08/11 | 0%               | 343,368             | By June 30, 2017 |
|        |          |                  | <u>\$ 1,402,921</u> |                  |

Although the repayment terms on these loans were due in a previous period, the City does not expect the Successor Agency to the former Redevelopment Agency to have enough residual for payment of these obligations, and therefore, 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.

**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

---

**15. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

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 LAIF rates. As a result, the balance of the advance was written down by \$89,272 during fiscal year 2012-13. At June 30, 2019, the net advance balance was \$249,617, which includes accrued interest of \$119,617.
- (2) In January 2001, the Water Authority used the proceeds of its Revenue Bonds, Series 2001 (see 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 Water Authority's debt service requirements on its Revenue Bonds, Series 2001. At June 30, 2019, the Water Authority's advances to the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund amounted to \$22,705,235 (including accrued interest of \$138,250).

The Tax Allocation Refunding Bonds 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<br>June 30, | Principal            | Interest             | Total                |
|-------------------------|----------------------|----------------------|----------------------|
| 2020                    | \$ 1,730,000         | \$ 1,598,450         | \$ 3,328,450         |
| 2021                    | 1,850,000            | 1,473,150            | 3,323,150            |
| 2022                    | 1,980,000            | 1,339,100            | 3,319,100            |
| 2023                    | 2,115,000            | 1,195,775            | 3,310,775            |
| 2024                    | 2,265,000            | 1,042,475            | 3,307,475            |
| 2025 - 2029             | 8,840,000            | 3,091,200            | 11,931,200           |
| 2030 - 2033             | 4,920,000            | 717,500              | 5,637,500            |
| Total                   | <u>\$ 23,700,000</u> | <u>\$ 10,457,650</u> | <u>\$ 34,157,650</u> |

At June 30, 2019, the balance of the advances from the Water Authority to the Successor Agency to the Redevelopment Agency Private Purpose-Trust Fund is composed of the following:

|   |                      |
|---|----------------------|
| Outstanding balance on revenue bonds    | \$ 23,700,000        |
| Less: unamortized revenue bond discount | (1,133,015)          |
| Plus: accrued unpaid interest           | <u>138,250</u>       |
|   | <u>\$ 22,705,235</u> |



**CITY OF PICO RIVERA, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**15. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

F. Payable to the County of Los Angeles

- (1) The former Redevelopment Agency and County entered into an agreement whereby the County will defer its 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 equal to 5% of the current year's annual deferral amount. 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, 2019, the balance of the County Deferral including interest was \$47,686,283. There is no fixed payment schedule for the repayment of the County Deferral.
- (2) Additionally at June 30, 2019, the Successor Agency also has a payable to the County of Los Angeles for the gross proceeds received on the sale of land totaling \$1,792,702.

**16. RESTATEMENTS**

Restatements of the Government-Wide financial statements' net position as of July 1, 2018 are as follows:

|  | Governmental<br>Activities | Business-type<br>Activities | Totals                |
|--|----------------------------|-----------------------------|-----------------------|
| Net position at July 1, 2018, as originally reported   | \$ 265,594,996             | \$ 19,666,243               | \$ 285,261,239        |
| To move fund balance related to Section 115 Pension Trust Fund to General Fund, treated as Fiduciary Fund in prior year in error | 1,003,415                  | -                           | 1,003,415             |
| Correct balance in accounts receivable at the beginning of the year  | -                          | 208,000                     | 208,000               |
| Net position at July 1, 2018, as restated  | <u>\$ 266,598,411</u>      | <u>\$ 19,874,243</u>        | <u>\$ 286,472,654</u> |

Restatements of the fund financial statements fund balances/net position as of July 1, 2018 are as follows:

|  | General<br>Fund      | Water Operations<br>Enterprise<br>Fund |
|--|----------------------|--|
| Fund balance/net position at July 1, 2018, as originally reported  | \$ 60,753,520        | \$ 20,383,381                          |
| To move fund balance related to Section 115 Pension Trust Fund to General Fund, treated as Fiduciary Fund in prior year in error | 1,003,415            | -                                      |
| Correct balance in accounts receivable at the beginning of the year  | -                    | 208,000                                |
| Fund balance/net position at July 1, 2018, as restated   | <u>\$ 61,756,935</u> | <u>\$ 20,591,381</u>                   |

**CITY OF PICO RIVERA, CALIFORNIA**

**Notes to Basic Financial Statements**

**June 30, 2019**

---

***17. SUBSEQUENT EVENTS***

Other events occurring after June 30, 2019, have been evaluated for possible adjustments to the financial statements or disclosure as of January 28, 2020, 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 PLAN

Last Ten Fiscal Years\*

|  | 2019                  | 2018                  | 2017                 | 2016                 | 2015                 |
|--|-----------------------|-----------------------|----------------------|----------------------|----------------------|
|  | June 30, 2018         | June 30, 2017         | June 30, 2016        | June 30, 2015        | June 30, 2014        |
| Measurement period:  |                       |                       |                      |                      |                      |
| Total Pension Liability:   |                       |                       |                      |                      |                      |
| Service cost   | \$ 1,668,403          | \$ 1,660,852          | \$ 1,410,606         | \$ 1,411,834         | \$ 1,447,138         |
| Interest on total pension liability  | 7,428,615             | 7,124,315             | 6,980,849            | 6,826,754            | 6,624,512            |
| Differences between expected and actual experience                         | 1,411,957             | (1,258,219)           | (1,495,731)          | (845,358)            | -                    |
| Changes in assumptions   | (828,380)             | 5,943,062             | -                    | (1,681,626)          | -                    |
| Changes in benefits  | -                     | -                     | -                    | -                    | -                    |
| Benefit payments, including refunds of employee contributions              | (5,375,555)           | (4,857,602)           | (4,769,549)          | (4,686,299)          | (4,544,162)          |
| Net Change in Total Pension Liability                                      | 4,305,040             | 8,612,408             | 2,126,175            | 1,025,305            | 3,527,488            |
| Total Pension Liability - Beginning of Year                                | 105,166,720           | 96,554,312            | 94,428,137           | 93,402,832           | 89,875,344           |
| Total Pension Liability - End of Year (a)                                  | <u>\$ 109,471,760</u> | <u>\$ 105,166,720</u> | <u>\$ 96,554,312</u> | <u>\$ 94,428,137</u> | <u>\$ 93,402,832</u> |
| Plan Fiduciary Net Position:   |                       |                       |                      |                      |                      |
| Plan-to-plan resource movement   | \$ (171)              | \$ -                  | \$ -                 | \$ 12                | \$ -                 |
| Contributions - employer   | 2,902,032             | 2,552,475             | 2,352,483            | 2,240,763            | 2,552,214            |
| Contributions - employee   | 838,924               | 741,941               | 681,785              | 716,687              | 671,298              |
| Net investment income  | 5,870,873             | 7,274,632             | 328,225              | 1,459,065            | 10,012,754           |
| Administrative expenses  | (314,561)             | (94,514)              | (39,896)             | (73,643)             |                      |
| Benefit payments   | (5,375,555)           | (4,857,602)           | (4,769,549)          | (4,686,299)          | (4,544,162)          |
| Net Change in Plan Fiduciary Net Position                                  | 3,921,542             | 5,616,932             | (1,446,952)          | (343,415)            | 8,692,104            |
| Plan Fiduciary Net Position - Beginning of Year                            | 69,632,276            | 64,015,344            | 65,462,296           | 65,805,711           | 57,113,607           |
| Plan Fiduciary Net Position - End of Year (b)                              | <u>\$ 73,553,818</u>  | <u>\$ 69,632,276</u>  | <u>\$ 64,015,344</u> | <u>\$ 65,462,296</u> | <u>\$ 65,805,711</u> |
| Net Pension Liability - Ending (a)-(b)                                     | <u>\$ 35,917,942</u>  | <u>\$ 35,534,444</u>  | <u>\$ 32,538,968</u> | <u>\$ 28,965,841</u> | <u>\$ 27,597,121</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 67.19%                | 66.21%                | 66.30%               | 69.32%               | 70.45%               |
| Covered payroll  | \$ 9,958,832          | \$ 9,605,299          | \$ 8,817,942         | \$ 8,675,393         | \$ 8,586,318         |
| Net pension liability as percentage of covered payroll                     | 360.66%               | 369.95%               | 369.01%              | 333.89%              | 321.41%              |

## Notes to Schedule:

## Benefit Changes:

There were no changes in benefits

## Changes in Assumptions:

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

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

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

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The accounting discount rate reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

Demographic assumptions and inflation rate were changed in accordance with CalPERS Experience Study and Review of Actuarial Assumptions December 2017

\* Fiscal year 2015 was the first year of implementation; therefore; only five years are shown.

CITY OF PICO RIVERA

SCHEDULE OF CONTRIBUTIONS  
MISCELLANEOUS PLAN

Last Ten Fiscal Years\*

|   | 2019               | 2018               | 2017               | 2016               | 2015               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Actuarially determined contribution                                   | \$ 3,152,687       | \$ 2,902,032       | \$ 2,552,475       | \$ 2,352,483       | \$ 2,240,763       |
| Contributions in relation to the actuarially determined contributions | <u>(3,152,687)</u> | <u>(2,902,032)</u> | <u>(2,552,475)</u> | <u>(2,352,483)</u> | <u>(2,240,763)</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |
| Covered payroll   | \$ 10,774,630      | \$ 9,958,832       | \$ 9,605,299       | \$ 8,817,942       | \$ 8,675,393       |
| Contributions as a percentage of covered payroll                      | 29.26%             | 29.14%             | 26.57%             | 26.68%             | 25.83%             |

Notes to Schedule:

|   |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
| Valuation Date  | 6/30/2018    | 6/30/2017    | 6/30/2016    | 6/30/2015    | 6/30/2014    |
| Methods and Assumptions Used to Determine Contribution Rates: |              |              |              |              |              |
| Actuarial cost method   | Entry age    | Entry age    | Entry age    | Entry age    | Entry age    |
| Amortization method   | (1)          | (1)          | (1)          | (1)          | (1)          |
| Asset valuation method  | Market Value | Market Value | Market Value | Market Value | Market Value |
| Inflation   | 2.50%        | 2.75%        | 2.75%        | 2.75%        | 2.75%        |
| Salary increases  | (2)          | (2)          | (2)          | (2)          | (2)          |
| Investment rate of return                                     | 7.15% (3)    | 7.375% (3)   | 7.50% (3)    | 7.50% (3)    | 7.50% (3)    |
| Retirement age  | (4)          | (4)          | (4)          | (4)          | (4)          |
| Mortality   | (5)          | (5)          | (5)          | (5)          | (5)          |

(1) Level percentage of payroll, closed

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

(3) Net of pension plan investment expense, including inflation

(4) 2.5% at 55 and 2% at 60 retirement age from 50-67, 2% at 62 retirement age 52-67

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by CalPERS Board of Directors.

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

## CITY OF PICO RIVERA

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

Last Ten Fiscal Years\*

|  | 2019              | 2018              | 2017              | 2016              | 2015              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Measurement period:  | June 30, 2019     | June 30, 2018     | June 30, 2017     | June 30, 2016     | June 30, 2015     |
| Total Pension Liability:   |                   |                   |                   |                   |                   |
| Service cost   | \$ 6,794          | \$ 6,533          | \$ 6,809          | \$ 6,547          | \$ 6,329          |
| Interest on total pension liability  | 11,243            | 11,848            | 11,642            | 11,117            | 10,751            |
| Differences between expected and actual experience                         | -                 | -                 | -                 | (9,032)           | -                 |
| Changes in economic/demographic  | -                 | (16,557)          | -                 | -                 | -                 |
| Changes in assumptions   | -                 | -                 | 8,226             | 7,389             | -                 |
| Benefit payments, including refunds of employee contributions              | (12,399)          | (10,426)          | (10,426)          | (10,426)          | (10,426)          |
| Net Change in Total Pension Liability                                      | 5,638             | (8,602)           | 16,251            | 5,595             | 6,654             |
| Total Pension Liability - Beginning of Year                                | 172,282           | 180,884           | 164,633           | 159,038           | 152,384           |
| Total Pension Liability - End of Year (a)                                  | <u>\$ 177,920</u> | <u>\$ 172,282</u> | <u>\$ 180,884</u> | <u>\$ 164,633</u> | <u>\$ 159,038</u> |
| Plan Fiduciary Net Position:   |                   |                   |                   |                   |                   |
| Contributions - employer   | \$ 14,227         | \$ 18,648         | \$ 17,266         | \$ 18,647         | \$ 17,957         |
| Contributions - employee   | -                 | -                 | -                 | -                 | -                 |
| Net investment income  | 9,833             | 10,214            | 13,784            | 83                | 2,392             |
| Administrative expenses  | (808)             | (762)             | (655)             | (575)             | (540)             |
| Benefit payments   | (12,399)          | (10,426)          | (10,426)          | (10,426)          | (10,426)          |
| Net Change in Plan Fiduciary Net Position                                  | 10,853            | 17,674            | 19,969            | 7,729             | 9,383             |
| Plan Fiduciary Net Position - Beginning of Year                            | 154,904           | 137,230           | 117,261           | 109,532           | 100,149           |
| Plan Fiduciary Net Position - End of Year (b)                              | <u>\$ 165,757</u> | <u>\$ 154,904</u> | <u>\$ 137,230</u> | <u>\$ 117,261</u> | <u>\$ 109,532</u> |
| Net Pension Liability - Ending (a)-(b)                                     | <u>\$ 12,163</u>  | <u>\$ 17,378</u>  | <u>\$ 43,654</u>  | <u>\$ 47,372</u>  | <u>\$ 49,506</u>  |
| Plan fiduciary net position as a percentage of the total pension liability | 93.16%            | 89.91%            | 75.87%            | 71.23%            | 68.87%            |
| Covered payroll  | \$ 39,460         | \$ 55,406         | \$ 57,622         | \$ 55,406         | \$ 57,622         |
| Net pension liability as percentage of covered payroll                     | 30.82%            | 31.36%            | 75.76%            | 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 first year of implementation; therefore, only five years are shown.

## CITY OF PICO RIVERA

## SCHEDULE OF CONTRIBUTIONS - COUNCIL PLAN

## Last Ten Fiscal Years\*

|   | 2019            | 2018            | 2017            | 2016              | 2015        |
|---|-----------------|-----------------|-----------------|-------------------|-------------|
| Actuarially determined contribution                                   | \$ 17,226       | \$ 17,900       | \$ 18,616       | \$ 17,266         | \$ 17,957   |
| Contributions in relation to the actuarially determined contributions | (14,227)        | (18,648)        | (17,266)        | (18,647)          | (17,957)    |
| Contribution deficiency (excess)                                      | <u>\$ 2,999</u> | <u>\$ (748)</u> | <u>\$ 1,350</u> | <u>\$ (1,381)</u> | <u>\$ -</u> |
| Covered payroll   | \$ 39,460       | \$ 55,406       | \$ 57,622       | \$ 55,406         | \$ 57,622   |
| Contributions as a percentage of covered payroll                      | 36.05%          | 33.66%          | 29.96%          | 33.66%            | 31.16%      |

## Notes to Schedule:

|                |           |           |          |          |           |
|----------------|-----------|-----------|----------|----------|-----------|
| Valuation Date | 6/30/2017 | 6/30/2017 | 7/1/2015 | 7/1/2015 | 6/30/2013 |
|----------------|-----------|-----------|----------|----------|-----------|

## Methods and Assumptions Used to

## Determine Contribution Rates:

|                               |                             |                             |                             |                             |                             |
|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Single employer plan          | Entry age normal            | Entry age normal            | Entry age normal            | Entry age normal            | Entry age normal            |
| Amortization method           | Level dollar, closed period | Level dollar, closed period | Level dollar, closed period | Level dollar, closed period | Level dollar, closed period |
| Remaining amortization period | 5-year fixed                | 5-year fixed                | 7-year fixed                | 7-year fixed                | 9-year fixed                |
| Asset valuation method        | Market                      | Market                      | Market                      | Market                      | Market                      |
| Inflation                     | 2.75%                       | 2.75%                       | 2.75%                       | 2.75%                       | 3.00%                       |
| Salary increases              | 4.00%                       | 4.00%                       | 4.00%                       | 4.00%                       | 4.00%                       |
| Investment rate of return     | 6.50%                       | 6.50%                       | 6.50%                       | 7.00%                       | 7.00%                       |
| Retirement age                | 55 years                    | 55 years                    | 55 years                    | 55 years                    | 55 years                    |
| Mortality                     | (1)                         | (1)                         | (1)                         | (1)                         | (1)                         |

- (1) Pre-Retirement: Consistent with the nonindustrial 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.

## SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN - COUNCIL PLAN

## Last Ten Fiscal Years\*

|                                   | 2019  | 2018  | 2017   | 2016  | 2015  |
|-----------------------------------|-------|-------|--------|-------|-------|
| Net money-weighted rate of return | 6.28% | 7.26% | 11.48% | 0.07% | 2.33% |

\* Fiscal year 2015 was the first year of implementation; therefore, only five years are shown.

## CITY OF PICO RIVERA

## SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years\*

| Fiscal year end   | 6/30/2019     | 6/30/2018     |
|---|---------------|---------------|
| Measurement date  | 6/30/2018     | 6/30/2017     |
| Total OPEB Liability:   |               |               |
| Service cost  | \$ 614,912    | \$ 597,000    |
| Interest on total OPEB liability  | 1,792,862     | 1,717,000     |
| Benefit payments  | (1,196,000)   | (1,212,000)   |
| Net Change in Total OPEB Liability                                      | 1,211,774     | 1,102,000     |
| Total OPEB Liability - Beginning of Year                                | 26,544,000    | 25,442,000    |
| Total OPEB Liability - End of Year (a)                                  | 27,755,774    | 26,544,000    |
| Plan Fiduciary Net Position:  |               |               |
| Contributions - employer  | 1,199,000     | 5,212,000     |
| Net investment income   | 331,815       | 165,000       |
| Administrative expenses   | (10,734)      | (1,000)       |
| Benefit payments  | (1,196,000)   | (1,212,000)   |
| Net Change in Plan Fiduciary Net Position                               | 324,081       | 4,164,000     |
| Plan Fiduciary Net Position - Beginning of Year                         | 4,164,000     | -             |
| Plan Fiduciary Net Position - End of Year (b)                           | 4,488,081     | 4,164,000     |
| Net OPEB Liability - Ending (a)-(b)                                     | \$ 23,267,693 | \$ 22,380,000 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 16.17%        | 15.69%        |
| Covered - employee payroll  | \$ 10,314,000 | \$ 9,770,000  |
| Net OPEB liability as percentage of covered - employee payroll          | 225.59%       | 229.07%       |

## Notes to Schedule:

## Benefit Changes:

There were no changes in benefits.

## Changes in Assumptions:

There were no changes in assumptions.

\* Fiscal year 2018 was the first year of implementation; therefore, only one year is shown.



CITY OF PICO RIVERA  
SCHEDULE OF CONTRIBUTIONS - OPEB  
Last Ten Fiscal Years\*

|   | <u>6/30/2019</u>    | <u>6/30/2018</u>    |
|---|---------------------|---------------------|
| Actuarially determined contribution                                   | \$ 2,739,000        | \$ 2,688,000        |
| Contributions in relation to the actuarially determined contributions | <u>(1,227,833)</u>  | <u>(1,199,000)</u>  |
| Contribution deficiency (excess)                                      | <u>\$ 1,511,167</u> | <u>\$ 1,489,000</u> |
| Covered - employee payroll  | \$ 12,334,638       | \$ 10,314,000       |
| Contributions as a percentage of covered - employee payroll           | 9.95%               | 11.62%              |

Notes to Schedule:

|                |           |           |
|----------------|-----------|-----------|
| Valuation Date | 6/30/2017 | 6/30/2017 |
|----------------|-----------|-----------|

Methods and Assumptions Used to Determine Contribution Rates:

|                              |  |
|------------------------------|--|
| Agent multiple employer plan | Entry age  |
| Amortization method          | Level percentage of payroll, closed  |
| Asset valuation method       | Investment gains and losses spread over 5-year rolling period              |
| Inflation                    | 2.75%  |
| Medical Trend                | Non-Medicare - 7.5% decreasing to 4.0%; Medicare - 6.5% decreasing to 4.0% |
| Investment rate of return    | 6.75%  |
| Mortality                    | Mortality projected fully generational with Scale MP-17                    |

\* Fiscal year 2018 was the first year of implementation; therefore, one year is shown.

CITY OF PICO RIVERA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the year ended June 30, 2019

|  | Budgeted Amounts |               | Actual        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|---------------|---------------|---|
|  | Original         | Final         |               |   |
| REVENUES:  |                  |               |               |   |
| Taxes and assessments                            | \$ 34,839,600    | \$ 33,989,600 | \$ 34,528,658 | \$ 539,058  |
| Licenses and permits                             | 2,906,700        | 2,904,200     | 2,861,711     | (42,489)  |
| Intergovernmental                                | 305,000          | 259,000       | 286,737       | 27,737  |
| Charges for services                             | 735,500          | 1,561,500     | 1,467,293     | (94,207)  |
| Fines, forfeitures, and penalties                | 1,026,000        | 1,026,000     | 1,109,430     | 83,430  |
| Investment and rental                            | 78,600           | 78,600        | 882,362       | 803,762   |
| Miscellaneous                                    | 335,500          | 464,000       | 722,989       | 258,989   |
| TOTAL REVENUES                                   | 40,226,900       | 40,282,900    | 41,859,180    | 1,576,280   |
| EXPENDITURES:                                    |                  |               |               |   |
| Current:   |                  |               |               |   |
| General government                               | 7,025,800        | 7,937,629     | 7,098,901     | 838,728   |
| Public safety                                    | 12,031,000       | 12,128,399    | 11,971,740    | 156,659   |
| Public works                                     | 10,174,490       | 10,202,088    | 9,366,357     | 835,731   |
| Parks and recreation                             | 5,371,625        | 5,432,241     | 5,862,032     | (429,791)   |
| Community development                            | 3,431,720        | 3,516,970     | 3,429,269     | 87,701  |
| Debt service:                                    |                  |               |               |   |
| Principal  | 885,000          | 865,000       | 885,000       | (20,000)  |
| Interest and fiscal charges                      | 1,043,650        | 1,061,150     | 1,043,650     | 17,500  |
| TOTAL EXPENDITURES                               | 39,963,285       | 41,143,477    | 39,656,949    | 1,486,528   |
| EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES  | 263,615          | (860,577)     | 2,202,231     | 3,062,808   |
| OTHER FINANCING SOURCES (USES):                  |                  |               |               |   |
| Transfers in                                     | 1,543,200        | 1,543,200     | 1,233,262     | (309,938)   |
| Transfers out                                    | (1,163,000)      | (593,513)     | (2,737,472)   | (2,143,959)   |
| TOTAL OTHER FINANCING<br>SOURCES (USES)          | 380,200          | 949,687       | (1,504,210)   | (2,453,897)   |
| NET CHANGE IN FUND BALANCE                       | 643,815          | 89,110        | 698,021       | 608,911   |
| FUND BALANCE - BEGINNING OF YEAR,<br>AS RESTATED | 61,756,935       | 61,756,935    | 61,756,935    | -   |
| FUND BALANCE - END OF YEAR                       | \$ 62,400,750    | \$ 61,846,045 | \$ 62,454,956 | \$ 608,911  |

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, 2019

|   | Budgeted Amounts     |                      | Actual                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------------|----------------------|-----------------------|---|
|   | Original             | Final                |                       |   |
| REVENUES:   |                      |                      |                       |   |
| Intergovernmental                                   | \$ 4,800,000         | \$ 4,800,000         | \$ 4,912,579          | \$ 112,579  |
| Investment and rental                               | 1,000                | 1,000                | 500                   | (500)   |
| Miscellaneous                                       | 35,000               | 35,000               | 76,287                | 41,287  |
| <br>TOTAL REVENUES                                  | <br>4,836,000        | <br>4,836,000        | <br>4,989,366         | <br>153,366   |
| EXPENDITURES:                                       |                      |                      |                       |   |
| Current:  |                      |                      |                       |   |
| Health and welfare                                  | 5,392,865            | 5,392,865            | 5,088,851             | 304,014   |
| <br>EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES | <br>(556,865)        | <br>(556,865)        | <br>(99,485)          | <br>457,380   |
| <br>FUND BALANCE - BEGINNING OF YEAR                | <br>626,832          | <br>626,832          | <br>626,832           | <br>-   |
| <br>FUND BALANCE - END OF YEAR                      | <br><u>\$ 69,967</u> | <br><u>\$ 69,967</u> | <br><u>\$ 527,347</u> | <br><u>\$ 457,380</u>                                   |

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, 2019

|   | Budgeted Amounts    |                       | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|-----------------------|---------------------|---|
|   | Original            | Final                 |                     |   |
| REVENUES:                                       |                     |                       |                     |   |
| Intergovernmental                               | \$ 1,325,000        | \$ 1,325,000          | \$ 1,225,815        | \$ (99,185)   |
| EXPENDITURES:                                   |                     |                       |                     |   |
| Current:  |                     |                       |                     |   |
| Public works                                    | 1,325,000           | 5,362,785             | 1,038,590           | 4,324,195   |
| TOTAL EXPENDITURES                              | 1,325,000           | 5,362,785             | 1,038,590           | 4,324,195   |
| EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES | -                   | (4,037,785)           | 187,225             | 4,225,010   |
| OTHER FINANCING USES:                           |                     |                       |                     |   |
| Transfers in                                    | -                   | -                     | 192,155             | 192,155   |
| Transfers out                                   | -                   | -                     | (651)               | (651)   |
| TOTAL OTHER FINANCING<br>SOURCES (USES)         | -                   | -                     | 191,504             | 191,504   |
| NET CHANGE IN FUND BALANCE                      | -                   | (4,037,785)           | 378,729             | 4,416,514   |
| FUND BALANCE (DEFICIT) -<br>BEGINNING OF YEAR   | (743,593)           | (743,593)             | (743,593)           | -   |
| FUND BALANCE (DEFICIT) - END OF YEAR            | <u>\$ (743,593)</u> | <u>\$ (4,781,378)</u> | <u>\$ (364,864)</u> | <u>\$ 4,416,514</u>                                     |

See accompanying note to required supplementary information.

***1. BUDGETARY CONTROL AND ACCOUNTING***

The City of Pico Rivera (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 Park Development Special Revenue Fund, which accounts for funds received on new residential construction for the purpose of improving and/or developing the City's park system; 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; and the 2018 Series A COP Capital Projects Fund, which is used to account for the proceeds of the 2018 Series A Certificates of Participation and all capital expenditures paid from proceeds of the certificates. Accordingly, no budgetary comparison for these funds is presented in the financial statements. Budgeted revenue amounts represent the original budget modified by City 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.

**This page intentionally left blank.**

**CITY OF PICO RIVERA**  
**SUPPLEMENTARY INFORMATION**

**This page intentionally left blank.**



**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, 2019

|   | Budgeted Amounts    |                       | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|-----------------------|---------------------|---|
|   | Original            | Final                 |                     |   |
| REVENUES                                      |                     |                       |                     |   |
| Miscellaneous                                 | \$ -                | \$ -                  | \$ 317,612          | \$ 317,612  |
| EXPENDITURES:                                 |                     |                       |                     |   |
| Current:                                      |                     |                       |                     |   |
| Public works                                  | 161,000             | 172,422               | 125,759             | 46,663  |
| Capital outlay                                | 1,163,000           | 3,885,476             | 1,016,914           | 2,868,562   |
| TOTAL EXPENDITURES                            | 1,324,000           | 4,057,898             | 1,142,673           | 2,915,225   |
| EXCESS OF REVENUES UNDER<br>EXPENDITURES      | (1,324,000)         | (4,057,898)           | (825,061)           | 3,232,837   |
| OTHER FINANCING SOURCES (USES):               |                     |                       |                     |   |
| Transfers in                                  | 1,163,000           | 1,756,513             | 2,545,903           | 789,390   |
| TOTAL OTHER FINANCING<br>SOURCES (USES)       | 1,163,000           | 1,756,513             | 2,545,903           | 789,390   |
| NET CHANGE IN FUND BALANCE                    | (161,000)           | (2,301,385)           | 1,720,842           | 4,022,227   |
| FUND BALANCE (DEFICIT) -<br>BEGINNING OF YEAR | (604,070)           | (604,070)             | (604,070)           | -   |
| FUND BALANCE - END OF YEAR                    | <u>\$ (765,070)</u> | <u>\$ (2,905,455)</u> | <u>\$ 1,116,772</u> | <u>\$ 4,022,227</u>                                     |

## CITY OF PICO RIVERA

### DESCRIPTION OF OTHER GOVERNMENTAL FUNDS

June 30, 2019

#### 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 US 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.

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

**HOME Grant Fund** accounts for funds received from the US 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, 2019

**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 Sustainability Fund** 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 the after-school learning program.

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

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

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

CITY OF PICO RIVERA

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

June 30, 2019

**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:

**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, 2019

|  |  | Special Revenue Funds                      |                     |                                    |
|--|--|--|---------------------|------------------------------------|
|  |  | Community<br>Development<br>Block<br>Grant | State<br>Gas<br>Tax | Lighting<br>Assessment<br>District |
| ASSETS   |  |  |                     |                                    |
| Cash and investments   |  | \$ -                                       | \$ 1,506,957        | \$ 1,620,092                       |
| Accounts receivable  |  | -  | -                   | -                                  |
| Taxes receivable   |  | -  | 210,312             | 48,731                             |
| Interest receivable  |  | -  | 4,365               | 4,770                              |
| Long-term receivables  |  | 209,337                                    | -                   | -                                  |
| Receivables from Successor Agency                                      |  | -  | -                   | -                                  |
|  |  | <u>-</u>                                   | <u>-</u>            | <u>-</u>                           |
| TOTAL ASSETS   |  | <u>\$ 209,337</u>                          | <u>\$ 1,721,634</u> | <u>\$ 1,673,593</u>                |
| LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES, AND FUND BALANCES       |  |  |                     |                                    |
| LIABILITIES:   |  |  |                     |                                    |
| Accounts payable   |  | 100,043                                    | -                   | 144                                |
| Accrued liabilities  |  | 2,791                                      | -                   | -                                  |
| Due to other funds   |  | 25,990                                     | -                   | -                                  |
| Due to other agencies  |  | 209,338                                    | -                   | -                                  |
|  |  | <u>338,162</u>                             | <u>-</u>            | <u>144</u>                         |
| TOTAL LIABILITIES  |  | <u>338,162</u>                             | <u>-</u>            | <u>144</u>                         |
| DEFERRED INFLOWS OF RESOURCES:   |  |  |                     |                                    |
| Unavailable revenue  |  | <u>-</u>                                   | <u>-</u>            | <u>-</u>                           |
| FUND BALANCES (DEFICITS):  |  |  |                     |                                    |
| Restricted   |  | -  | 1,721,634           | 1,673,449                          |
| Unassigned   |  | (128,825)                                  | -                   | -                                  |
|  |  | <u>(128,825)</u>                           | <u>-</u>            | <u>-</u>                           |
| TOTAL FUND BALANCES (DEFICITS)   |  | <u>(128,825)</u>                           | <u>1,721,634</u>    | <u>1,673,449</u>                   |
| TOTAL LIABILITIES, DEFERRED INFLOWS<br>OF RESOURCES, AND FUND BALANCES |  | <u>\$ 209,337</u>                          | <u>\$ 1,721,634</u> | <u>\$ 1,673,593</u>                |

Special Revenue Funds (Continued)

| Park<br>Development | Prop<br>A           | Prop<br>C           | Measure<br>R        | Measure<br>M      | HOME<br>Grant       | CalHOME<br>Grant    |
|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| \$ 226,034          | \$ 2,675,317        | \$ 1,631,194        | \$ 1,551,116        | \$ 903,073        | \$ 1,842,960        | \$ 331,602          |
| -                   | -                   | -                   | 1,129,962           | -                 | -                   | -                   |
| -                   | -                   | -                   | -                   | -                 | -                   | -                   |
| 695                 | 8,236               | 4,600               | 6,299               | 3,584             | -                   | -                   |
| -                   | -                   | -                   | -                   | -                 | 3,098,506           | 1,398,889           |
| -                   | -                   | -                   | -                   | -                 | -                   | -                   |
| <u>\$ 226,729</u>   | <u>\$ 2,683,553</u> | <u>\$ 1,635,794</u> | <u>\$ 2,687,377</u> | <u>\$ 906,657</u> | <u>\$ 4,941,466</u> | <u>\$ 1,730,491</u> |
| -                   | 94,225              | 83,622              | 554,486             | -                 | 503                 | -                   |
| -                   | 5,924               | 5,663               | 3,373               | -                 | -                   | -                   |
| -                   | -                   | -                   | -                   | -                 | -                   | -                   |
| -                   | -                   | -                   | -                   | -                 | 3,095,415           | 1,398,889           |
| -                   | 100,149             | 89,285              | 557,859             | -                 | 3,095,918           | 1,398,889           |
| -                   | -                   | -                   | 1,129,962           | -                 | -                   | -                   |
| 226,729             | 2,583,404           | 1,546,509           | 999,556             | 906,657           | 1,845,548           | 331,602             |
| -                   | -                   | -                   | -                   | -                 | -                   | -                   |
| 226,729             | 2,583,404           | 1,546,509           | 999,556             | 906,657           | 1,845,548           | 331,602             |
| <u>\$ 226,729</u>   | <u>\$ 2,683,553</u> | <u>\$ 1,635,794</u> | <u>\$ 2,687,377</u> | <u>\$ 906,657</u> | <u>\$ 4,941,466</u> | <u>\$ 1,730,491</u> |

(Continued)

CITY OF PICO RIVERA  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

June 30, 2019

|  |  | Special Revenue Funds (Continued) |                  |                   |
|--|--|-----------------------------------|------------------|-------------------|
|  |  | Air<br>Quality<br>Improvement     | County<br>Grants | State<br>Grants   |
| ASSETS   |  |                                   |                  |                   |
| Cash and investments   |  | \$ 388,593                        | \$ 35,990        | \$ 120,346        |
| Accounts receivable  |  | -                                 | -                | 113,417           |
| Taxes receivable   |  | 21,608                            | -                | -                 |
| Interest receivable  |  | 1,154                             | -                | 344               |
| Long-term receivables  |  | -                                 | -                | -                 |
| Receivables from Successor Agency                                      |  | -                                 | -                | -                 |
| TOTAL ASSETS   |  | <u>\$ 411,355</u>                 | <u>\$ 35,990</u> | <u>\$ 234,107</u> |
| LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES, AND FUND BALANCES       |  |                                   |                  |                   |
| LIABILITIES:   |  |                                   |                  |                   |
| Accounts payable   |  | 54,670                            | 107,946          | 54,653            |
| Accrued liabilities  |  | -                                 | -                | -                 |
| Due to other funds   |  | -                                 | -                | 65,570            |
| Due to other agencies  |  | -                                 | -                | -                 |
| TOTAL LIABILITIES  |  | <u>54,670</u>                     | <u>107,946</u>   | <u>120,223</u>    |
| DEFERRED INFLOWS OF RESOURCES:   |  |                                   |                  |                   |
| Unavailable revenue  |  | -                                 | -                | 113,417           |
| FUND BALANCES (DEFICITS):  |  |                                   |                  |                   |
| Restricted   |  | 356,685                           | -                | 467               |
| Unassigned   |  | -                                 | (71,956)         | -                 |
| TOTAL FUND BALANCES (DEFICITS)   |  | <u>356,685</u>                    | <u>(71,956)</u>  | <u>467</u>        |
| TOTAL LIABILITIES, DEFERRED INFLOWS<br>OF RESOURCES, AND FUND BALANCES |  | <u>\$ 411,355</u>                 | <u>\$ 35,990</u> | <u>\$ 234,107</u> |



Special Revenue Funds (Continued)

| Economic<br>Sustainability | Image<br>Enhancement | Sewer<br>Maintenance | Reach<br>Grants   | Cable/PEG<br>Support | Transportation<br>Development<br>Act |
|----------------------------|----------------------|----------------------|-------------------|----------------------|--------------------------------------|
| \$ 1,085,915               | \$ 169,780           | \$ 414,129           | \$ 465,833        | \$ 76,399            | \$ -                                 |
| -                          | -                    | -                    | -                 | -                    | 128,953                              |
| -                          | -                    | 387                  | -                 | 1,281                | -                                    |
| 3,493                      | 445                  | -                    | 1,663             | -                    | -                                    |
| 287,050                    | -                    | -                    | -                 | -                    | -                                    |
| -                          | -                    | -                    | -                 | -                    | -                                    |
| <u>\$ 1,376,458</u>        | <u>\$ 170,225</u>    | <u>\$ 414,516</u>    | <u>\$ 467,496</u> | <u>\$ 77,680</u>     | <u>\$ 128,953</u>                    |
| -                          | -                    | 15,497               | 32,197            | 10,115               | 32                                   |
| -                          | 33                   | 2,658                | 6,462             | 91                   | 1,428                                |
| -                          | -                    | -                    | -                 | -                    | 23,173                               |
| -                          | -                    | -                    | 80,183            | -                    | -                                    |
| -                          | 33                   | 18,155               | 118,842           | 10,206               | 24,633                               |
| -                          | -                    | -                    | -                 | -                    | 116,159                              |
| 1,376,458                  | 170,192              | 396,361              | 348,654           | 67,474               | -                                    |
| -                          | -                    | -                    | -                 | -                    | (11,839)                             |
| 1,376,458                  | 170,192              | 396,361              | 348,654           | 67,474               | (11,839)                             |
| <u>\$ 1,376,458</u>        | <u>\$ 170,225</u>    | <u>\$ 414,516</u>    | <u>\$ 467,496</u> | <u>\$ 77,680</u>     | <u>\$ 128,953</u>                    |

(Continued)

CITY OF PICO RIVERA  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

June 30, 2019

|  |  | Special Revenue Funds (Continued) |                                      |
|--|--|-----------------------------------|--------------------------------------|
|  |  | Housing<br>Agency<br>LMIHF        | Total<br>Special<br>Revenue<br>Funds |
| ASSETS   |  |                                   |                                      |
| Cash and investments   |  | \$ 646,288                        | \$ 15,691,618                        |
| Accounts receivable  |  | -                                 | 1,372,332                            |
| Taxes receivable   |  | -                                 | 282,319                              |
| Interest receivable  |  | 979                               | 40,627                               |
| Long-term receivables  |  | -                                 | 4,993,782                            |
| Receivables from Successor Agency                                      |  | 1,402,921                         | 1,402,921                            |
| TOTAL ASSETS   |  | <u>\$ 2,050,188</u>               | <u>\$ 23,783,599</u>                 |
| LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES, AND FUND BALANCES       |  |                                   |                                      |
| LIABILITIES:   |  |                                   |                                      |
| Accounts payable   |  | \$ -                              | \$ 1,108,133                         |
| Accrued liabilities  |  | -                                 | 28,423                               |
| Due to other funds   |  | -                                 | 114,733                              |
| Due to other agencies  |  | -                                 | 4,783,825                            |
| TOTAL LIABILITIES  |  | <u>-</u>                          | <u>6,035,114</u>                     |
| DEFERRED INFLOWS OF RESOURCES:   |  |                                   |                                      |
| Unavailable revenue  |  | <u>-</u>                          | <u>1,359,538</u>                     |
| FUND BALANCES (DEFICITS):  |  |                                   |                                      |
| Restricted   |  | 2,050,188                         | 16,601,567                           |
| Unassigned   |  | <u>-</u>                          | <u>(212,620)</u>                     |
| TOTAL FUND BALANCES (DEFICITS)   |  | <u>2,050,188</u>                  | <u>16,388,947</u>                    |
| TOTAL LIABILITIES, DEFERRED INFLOWS<br>OF RESOURCES, AND FUND BALANCES |  | <u>\$ 2,050,188</u>               | <u>\$ 23,783,599</u>                 |

| Capital Projects Funds                                    |                            |                                       |   |
|---|----------------------------|---------------------------------------|---|
| Paramount/Mines<br>Landscape<br>Maintenance<br>Assessment | 2009 Lease<br>Revenue Bond | Total<br>Capital<br>Projects<br>Funds | Total<br>Other<br>Governmental<br>Funds |
| \$ 27,731   | \$ 86                      | \$ 27,817                             | \$ 15,719,435                           |
| -   | -                          | -                                     | 1,372,332                               |
| -   | -                          | -                                     | 282,319                                 |
| 84  | -                          | 84                                    | 40,711                                  |
| -   | -                          | -                                     | 4,993,782                               |
| -   | -                          | -                                     | 1,402,921                               |
| <u>\$ 27,815</u>  | <u>\$ 86</u>               | <u>\$ 27,901</u>                      | <u>\$ 23,811,500</u>                    |
|   |                            |                                       |   |
| \$ -  | \$ -                       | \$ -                                  | \$ 1,108,133                            |
| -   | -                          | -                                     | 28,423                                  |
| -   | -                          | -                                     | 114,733                                 |
| -   | -                          | -                                     | 4,783,825                               |
| <u>-</u>  | <u>-</u>                   | <u>-</u>                              | <u>6,035,114</u>                        |
|   |                            |                                       |   |
| -   | -                          | -                                     | 1,359,538                               |
|   |                            |                                       |   |
| 27,815  | 86                         | 27,901                                | 16,629,468                              |
| <u>-</u>  | <u>-</u>                   | <u>-</u>                              | <u>(212,620)</u>                        |
| <u>27,815</u>   | <u>86</u>                  | <u>27,901</u>                         | <u>16,416,848</u>                       |
|   |                            |                                       |   |
| <u>\$ 27,815</u>  | <u>\$ 86</u>               | <u>\$ 27,901</u>                      | <u>\$ 23,811,500</u>                    |

## CITY OF PICO RIVERA

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

For the year ended June 30, 2019

|   | Special Revenue Funds                      |                     |                                    |
|---|--|---------------------|------------------------------------|
|   | Community<br>Development<br>Block<br>Grant | State<br>Gas<br>Tax | Lighting<br>Assessment<br>District |
| REVENUES:                                       |  |                     |                                    |
| Taxes and assessments                           | \$ -                                       | \$ 2,411,610        | \$ 1,664,696                       |
| Intergovernmental                               | 467,744                                    | -                   | -                                  |
| Charges for services                            | -  | -                   | -                                  |
| Investment and rental                           | 292  | 21,512              | 18,383                             |
| Miscellaneous                                   | -  | 72,465              | -                                  |
| TOTAL REVENUES                                  | 468,036                                    | 2,505,587           | 1,683,079                          |
| EXPENDITURES:                                   |  |                     |                                    |
| Current:  |  |                     |                                    |
| General government                              | -  | -                   | -                                  |
| Public works                                    | -  | -                   | 362,388                            |
| Parks and recreation                            | -  | -                   | -                                  |
| Health and welfare                              | -  | -                   | -                                  |
| Community development                           | 339,884                                    | -                   | -                                  |
| TOTAL EXPENDITURES                              | 339,884                                    | -                   | 362,388                            |
| EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES | 128,152                                    | 2,505,587           | 1,320,691                          |
| OTHER FINANCING SOURCES (USES):                 |  |                     |                                    |
| Transfers in                                    | -  | -                   | -                                  |
| Transfers out                                   | -  | (1,233,197)         | -                                  |
| TOTAL OTHER FINANCING<br>SOURCES (USES)         | -  | (1,233,197)         | -                                  |
| NET CHANGE IN FUND BALANCES                     | 128,152                                    | 1,272,390           | 1,320,691                          |
| FUND BALANCES (DEFICITS) -<br>BEGINNING OF YEAR | (256,977)                                  | 449,244             | 352,758                            |
| FUND BALANCES (DEFICITS) - END OF YEAR          | \$ (128,825)                               | \$ 1,721,634        | \$ 1,673,449                       |

Special Revenue Funds (Continued)

| Park<br>Development | Prop<br>A           | Prop<br>C           | Measure<br>R      | Measure<br>M      | HOME<br>Grant       | CalHOME<br>Grant  |
|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|-------------------|
| \$ -                | \$ -                | \$ -                | \$ -              | \$ -              | \$ -                | \$ -              |
| -                   | 1,285,794           | 1,066,530           | 1,649,934         | 901,383           | -                   | -                 |
| -                   | -                   | -                   | -                 | -                 | -                   | -                 |
| 5,037               | 58,170              | 31,763              | 45,158            | 22,995            | 40,043              | 3,000             |
| -                   | 6,768               | -                   | -                 | -                 | 184,237             | 19,237            |
| <u>5,037</u>        | <u>1,350,732</u>    | <u>1,098,293</u>    | <u>1,695,092</u>  | <u>924,378</u>    | <u>224,280</u>      | <u>22,237</u>     |
| -                   | -                   | -                   | -                 | -                 | -                   | -                 |
| -                   | 1,156,643           | 1,126,688           | 2,158,918         | 4,577             | -                   | -                 |
| -                   | -                   | -                   | -                 | -                 | -                   | -                 |
| -                   | -                   | -                   | -                 | -                 | -                   | -                 |
| -                   | -                   | -                   | -                 | -                 | 104                 | -                 |
| <u>-</u>            | <u>1,156,643</u>    | <u>1,126,688</u>    | <u>2,158,918</u>  | <u>4,577</u>      | <u>104</u>          | <u>-</u>          |
| <u>5,037</u>        | <u>194,089</u>      | <u>(28,395)</u>     | <u>(463,826)</u>  | <u>919,801</u>    | <u>224,176</u>      | <u>22,237</u>     |
| -                   | -                   | 4,349               | -                 | -                 | -                   | -                 |
| -                   | -                   | -                   | (4,349)           | (691,846)         | -                   | -                 |
| <u>-</u>            | <u>-</u>            | <u>4,349</u>        | <u>(4,349)</u>    | <u>(691,846)</u>  | <u>-</u>            | <u>-</u>          |
| 5,037               | 194,089             | (24,046)            | (468,175)         | 227,955           | 224,176             | 22,237            |
| <u>221,692</u>      | <u>2,389,315</u>    | <u>1,570,555</u>    | <u>1,467,731</u>  | <u>678,702</u>    | <u>1,621,372</u>    | <u>309,365</u>    |
| <u>\$ 226,729</u>   | <u>\$ 2,583,404</u> | <u>\$ 1,546,509</u> | <u>\$ 999,556</u> | <u>\$ 906,657</u> | <u>\$ 1,845,548</u> | <u>\$ 331,602</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, 2019

|   | Special Revenue Funds (Continued) |                  |                 |
|---|-----------------------------------|------------------|-----------------|
|   | Air<br>Quality<br>Improvement     | County<br>Grants | State<br>Grants |
| REVENUES:                                       |                                   |                  |                 |
| Taxes and assessments                           | \$ -                              | \$ -             | \$ -            |
| Intergovernmental                               | 83,349                            | 1,400            | 181,923         |
| Charges for services                            | -                                 | -                | -               |
| Investment and rental                           | 7,926                             | -                | 2,946           |
| Miscellaneous                                   | -                                 | 19,427           | -               |
| TOTAL REVENUES                                  | 91,275                            | 20,827           | 184,869         |
| EXPENDITURES:                                   |                                   |                  |                 |
| Current:  |                                   |                  |                 |
| General government                              | -                                 | -                | -               |
| Public works                                    | 115,776                           | -                | -               |
| Parks and recreation                            | -                                 | 116,397          | -               |
| Health and welfare                              | -                                 | -                | 327,754         |
| Community development                           | -                                 | -                | -               |
| TOTAL EXPENDITURES                              | 115,776                           | 116,397          | 327,754         |
| EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES | (24,501)                          | (95,570)         | (142,885)       |
| OTHER FINANCING SOURCES (USES):                 |                                   |                  |                 |
| Transfers in                                    | -                                 | -                | -               |
| Transfers out                                   | -                                 | -                | -               |
| TOTAL OTHER FINANCING<br>SOURCES (USES)         | -                                 | -                | -               |
| NET CHANGE IN FUND BALANCES                     | (24,501)                          | (95,570)         | (142,885)       |
| FUND BALANCES (DEFICITS) -<br>BEGINNING OF YEAR | 381,186                           | 23,614           | 143,352         |
| FUND BALANCES (DEFICITS) - END OF YEAR          | \$ 356,685                        | \$ (71,956)      | \$ 467          |

Special Revenue Funds (Continued)

| Economic<br>Sustainability | Image<br>Enhancement | Sewer<br>Maintenance | Reach<br>Grants   | Cable/PEG<br>Support | Transportation<br>Development<br>Act |
|----------------------------|----------------------|----------------------|-------------------|----------------------|--------------------------------------|
| \$ -                       | \$ -                 | \$ 2,940             | \$ 35,961         | \$ -                 | \$ -                                 |
| -                          | -                    | -                    | 897,080           | -                    | 12,794                               |
| -                          | 352,017              | -                    | -                 | -                    | -                                    |
| 30,271                     | 5,176                | -                    | 9,438             | -                    | -                                    |
| -                          | -                    | -                    | -                 | 5,231                | -                                    |
| <u>30,271</u>              | <u>357,193</u>       | <u>2,940</u>         | <u>942,479</u>    | <u>5,231</u>         | <u>12,794</u>                        |
| -                          | 603,804              | 198,778              | -                 | -                    | -                                    |
| -                          | -                    | 13,166               | -                 | 37,272               | 21,419                               |
| -                          | -                    | -                    | 1,015,041         | -                    | -                                    |
| -                          | -                    | -                    | -                 | -                    | -                                    |
| <u>387,895</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>          | <u>-</u>             | <u>-</u>                             |
| <u>387,895</u>             | <u>603,804</u>       | <u>211,944</u>       | <u>1,015,041</u>  | <u>37,272</u>        | <u>21,419</u>                        |
| <u>(357,624)</u>           | <u>(246,611)</u>     | <u>(209,004)</u>     | <u>(72,562)</u>   | <u>(32,041)</u>      | <u>(8,625)</u>                       |
| -                          | -                    | -                    | -                 | -                    | -                                    |
| <u>-</u>                   | <u>-</u>             | <u>-</u>             | <u>-</u>          | <u>-</u>             | <u>-</u>                             |
| -                          | -                    | -                    | -                 | -                    | -                                    |
| <u>(357,624)</u>           | <u>(246,611)</u>     | <u>(209,004)</u>     | <u>(72,562)</u>   | <u>(32,041)</u>      | <u>(8,625)</u>                       |
| <u>1,734,082</u>           | <u>416,803</u>       | <u>605,365</u>       | <u>421,216</u>    | <u>99,515</u>        | <u>(3,214)</u>                       |
| <u>\$ 1,376,458</u>        | <u>\$ 170,192</u>    | <u>\$ 396,361</u>    | <u>\$ 348,654</u> | <u>\$ 67,474</u>     | <u>\$ (11,839)</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, 2019

|   | <u>Special Revenue Funds (Continued)</u> |                                      |
|---|--|--------------------------------------|
|   | Housing<br>Agency<br>LMIHF               | Total<br>Special<br>Revenue<br>Funds |
| REVENUES:                                       |  |                                      |
| Taxes and assessments                           | \$ -                                     | \$ 4,115,207                         |
| Intergovernmental                               | -  | 6,547,931                            |
| Charges for services                            | -  | 352,017                              |
| Investment and rental                           | 5,476                                    | 307,586                              |
| Miscellaneous                                   | 3,819                                    | 311,184                              |
|   |  |                                      |
| TOTAL REVENUES                                  | <u>9,295</u>                             | <u>11,633,925</u>                    |
| EXPENDITURES:                                   |  |                                      |
| Current:  |  |                                      |
| General government                              | -  | 802,582                              |
| Public works                                    | -  | 4,996,847                            |
| Parks and recreation                            | -  | 1,131,438                            |
| Health and welfare                              | -  | 327,754                              |
| Community development                           | -  | 727,883                              |
|   |  |                                      |
| TOTAL EXPENDITURES                              | <u>-</u>                                 | <u>7,986,504</u>                     |
|   |  |                                      |
| EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES | <u>9,295</u>                             | <u>3,647,421</u>                     |
| OTHER FINANCING SOURCES (USES):                 |  |                                      |
| Transfers in                                    | -  | 4,349                                |
| Transfers out                                   | -  | (1,929,392)                          |
|   |  |                                      |
| TOTAL OTHER FINANCING<br>SOURCES (USES)         | <u>-</u>                                 | <u>(1,925,043)</u>                   |
|   |  |                                      |
| NET CHANGE IN FUND BALANCES                     | 9,295                                    | 1,722,378                            |
|   |  |                                      |
| FUND BALANCES (DEFICITS) -<br>BEGINNING OF YEAR | <u>2,040,893</u>                         | <u>14,666,569</u>                    |
|   |  |                                      |
| FUND BALANCES (DEFICITS) - END OF YEAR          | <u>\$ 2,050,188</u>                      | <u>\$ 16,388,947</u>                 |



| Capital Projects Funds                                    |                            |                                       |   |
|---|----------------------------|---------------------------------------|---|
| Paramount/Mines<br>Landscape<br>Maintenance<br>Assessment | 2009 Lease<br>Revenue Bond | Total<br>Capital<br>Projects<br>Funds | Total<br>Other<br>Governmental<br>Funds |
| \$ 9,678  | \$ -                       | \$ 9,678                              | \$ 4,124,885                            |
| -   | -                          | -                                     | 6,547,931                               |
| -   | -                          | -                                     | 352,017                                 |
| 493   | -                          | 493                                   | 308,079                                 |
| -   | -                          | -                                     | 311,184                                 |
| 10,171  | -                          | 10,171                                | 11,644,096                              |
| -   | -                          | -                                     | 802,582                                 |
| -   | -                          | -                                     | 4,996,847                               |
| -   | -                          | -                                     | 1,131,438                               |
| -   | -                          | -                                     | 327,754                                 |
| -   | -                          | -                                     | 727,883                                 |
| -   | -                          | -                                     | 7,986,504                               |
| 10,171  | -                          | 10,171                                | 3,657,592                               |
| -   | -                          | -                                     | 4,349                                   |
| -   | -                          | -                                     | (1,929,392)                             |
| -   | -                          | -                                     | (1,925,043)                             |
| 10,171  | -                          | 10,171                                | 1,732,549                               |
| 17,644  | 86                         | 17,730                                | 14,684,299                              |
| <u>\$ 27,815</u>  | <u>\$ 86</u>               | <u>\$ 27,901</u>                      | <u>\$ 16,416,848</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, 2019

|  | Final<br>Budgeted<br>Amounts | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------------|---------------------|---|
| REVENUES:                                  |                              |                     |   |
| Intergovernmental                          | \$ 675,500                   | \$ 467,744          | \$ (207,756)  |
| Investment and rental                      | 500                          | 292                 | (208)   |
| TOTAL REVENUES                             | 676,000                      | 468,036             | (207,964)   |
| EXPENDITURES:                              |                              |                     |   |
| Current:                                   |                              |                     |   |
| Community development                      | 1,192,505                    | 339,884             | 852,621   |
| NET CHANGE IN FUND BALANCE                 | (516,505)                    | 128,152             | 644,657   |
| FUND BALANCE (DEFICIT) - BEGINNING OF YEAR | (256,977)                    | (256,977)           | -   |
| FUND BALANCE (DEFICIT) - END OF YEAR       | <u>\$ (773,482)</u>          | <u>\$ (128,825)</u> | <u>\$ 644,657</u>                                       |

## 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, 2019

|   | Final<br>Budgeted<br>Amounts | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------------------|--------------|---|
| REVENUES:                               |                              |              |   |
| Taxes and assessments                   | \$ 2,606,800                 | \$ 2,411,610 | \$ (195,190)  |
| Investment and rental                   | 1,000                        | 21,512       | 20,512  |
| Miscellaneous                           | 73,000                       | 72,465       | (535)   |
| TOTAL REVENUES                          | 2,680,800                    | 2,505,587    | (175,213)   |
| EXPENDITURES:                           |                              |              |   |
| Current:                                |                              |              |   |
| Public works                            | 1,426,743                    | -            | 1,426,743   |
| EXCESS OF REVENUES OVER<br>EXPENDITURES | 1,254,057                    | 2,505,587    | 293,665   |
| OTHER FINANCING USES:                   |                              |              |   |
| Transfers out                           | -                            | (1,233,197)  | (1,233,197)   |
| NET CHANGE IN FUND BALANCE              | 1,254,057                    | 1,272,390    | 18,333  |
| FUND BALANCE - BEGINNING OF YEAR        | 449,244                      | 449,244      | -   |
| FUND BALANCE - END OF YEAR              | \$ 1,703,301                 | \$ 1,721,634 | \$ 18,333   |

## 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, 2019

|  | Final<br>Budgeted<br>Amounts | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------------|--------------|---|
| REVENUES:                                  |                              |              |   |
| Taxes and assessments                      | \$ 1,546,300                 | \$ 1,664,696 | \$ 118,396  |
| Investment and rental                      | -                            | 18,383       | 18,383  |
| TOTAL REVENUES                             | 1,546,300                    | 1,683,079    | 136,779   |
| EXPENDITURES:                              |                              |              |   |
| Current:                                   |                              |              |   |
| Public works                               | 1,607,011                    | 362,388      | 1,244,623   |
| NET CHANGE IN FUND BALANCE                 | (60,711)                     | 1,320,691    | 1,381,402   |
| FUND BALANCE (DEFICIT) - BEGINNING OF YEAR | 352,758                      | 352,758      | -   |
| FUND BALANCE - END OF YEAR                 | \$ 292,047                   | \$ 1,673,449 | \$ 1,381,402  |

## 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, 2019

|                                  | Final<br>Budgeted<br>Amounts | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|------------------------------|---------------------|---|
| REVENUES:                        |                              |                     |   |
| Intergovernmental                | \$ 1,254,000                 | \$ 1,285,794        | \$ 31,794   |
| Investment and rental            | 25,000                       | 58,170              | 33,170  |
| Miscellaneous                    | 40,000                       | 6,768               | (33,232)  |
| TOTAL REVENUES                   | 1,319,000                    | 1,350,732           | 31,732  |
| EXPENDITURES:                    |                              |                     |   |
| Current:                         |                              |                     |   |
| Public works                     | 1,566,040                    | 1,156,643           | 409,397   |
| NET CHANGE IN FUND BALANCE       | (247,040)                    | 194,089             | 441,129   |
| FUND BALANCE - BEGINNING OF YEAR | 2,389,315                    | 2,389,315           | -   |
| FUND BALANCE - END OF YEAR       | <u>\$ 2,142,275</u>          | <u>\$ 2,583,404</u> | <u>\$ 441,129</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, 2019

|   | Final<br>Budgeted<br>Amounts | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------------------|--------------|---|
| REVENUES:                               |                              |              |   |
| Intergovernmental                       | \$ 1,362,658                 | \$ 1,066,530 | \$ (296,128)  |
| Investment and rental                   | 10,000                       | 31,763       | 21,763  |
| TOTAL REVENUES                          | 1,372,658                    | 1,098,293    | (274,365)   |
| EXPENDITURES:                           |                              |              |   |
| Current:                                |                              |              |   |
| Public works                            | 3,950,099                    | 1,126,688    | 2,823,411   |
| EXCESS OF REVENUES OVER<br>EXPENDITURES | (2,577,441)                  | (28,395)     | 2,549,046   |
| OTHER FINANCING USES:                   |                              |              |   |
| Transfers in                            | -                            | 4,349        | 4,349   |
| NET CHANGE IN FUND BALANCE              | (2,577,441)                  | (24,046)     | 2,553,395   |
| FUND BALANCE - BEGINNING OF YEAR        | 1,570,555                    | 1,570,555    | -   |
| FUND BALANCE - END OF YEAR              | \$ (1,006,886)               | \$ 1,546,509 | \$ 2,553,395  |

## 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, 2019

|   | Final<br>Budgeted<br>Amounts | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|---|
| REVENUES:                               |                              |                   |   |
| Intergovernmental                       | \$ 780,000                   | \$ 1,649,934      | \$ 869,934  |
| Investment and rental                   | 8,000                        | 45,158            | 37,158  |
| TOTAL REVENUES                          | 788,000                      | 1,695,092         | 907,092   |
| EXPENDITURES:                           |                              |                   |   |
| Current:                                |                              |                   |   |
| Public works                            | 9,290,009                    | 2,158,918         | 7,131,091   |
| EXCESS OF REVENUES OVER<br>EXPENDITURES | (8,502,009)                  | (463,826)         | 8,038,183   |
| OTHER FINANCING USES:                   |                              |                   |   |
| Transfers out                           | -                            | (4,349)           | (4,349)   |
| NET CHANGE IN FUND BALANCE              | (8,502,009)                  | (468,175)         | 8,033,834   |
| FUND BALANCE - BEGINNING OF YEAR        | 1,467,731                    | 1,467,731         | -   |
| FUND BALANCE - END OF YEAR              | <u>\$ (7,034,278)</u>        | <u>\$ 999,556</u> | <u>\$ 8,033,834</u>                                     |

## CITY OF PICO RIVERA

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

## MEASURE M SPECIAL REVENUE FUND

For the year ended June 30, 2019

|   | Final<br>Budgeted<br>Amounts | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|---|
| REVENUES:                               |                              |                   |   |
| Intergovernmental                       | \$ 883,800                   | \$ 901,383        | \$ 17,583   |
| Investment and rental                   | -                            | 22,995            | 22,995  |
| TOTAL REVENUES                          | 883,800                      | 924,378           | 40,578  |
| EXPENDITURES:                           |                              |                   |   |
| Current:                                |                              |                   |   |
| Public works                            | 299,999                      | 4,577             | 295,422   |
| EXCESS OF REVENUES OVER<br>EXPENDITURES | 583,801                      | 919,801           | 336,000   |
| OTHER FINANCING USES:                   |                              |                   |   |
| Transfers out                           | -                            | (691,846)         | (691,846)   |
| NET CHANGE IN FUND BALANCE              | 583,801                      | 227,955           | (355,846)   |
| FUND BALANCE - BEGINNING OF YEAR        | 678,702                      | 678,702           | -   |
| FUND BALANCE - END OF YEAR              | <u>\$ 1,262,503</u>          | <u>\$ 906,657</u> | <u>\$ (355,846)</u>                                     |



## 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, 2019

|   | Final<br>Budgeted<br>Amounts | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------------------|---------------------|---|
| REVENUES:                                       |                              |                     |   |
| Investment and rental                           | \$ 25,000                    | \$ 40,043           | \$ 15,043   |
| Miscellaneous                                   | 100,000                      | 184,237             | 84,237  |
| TOTAL REVENUES                                  | 125,000                      | 224,280             | 99,280  |
| EXPENDITURES:                                   |                              |                     |   |
| Current:  |                              |                     |   |
| Community development                           | -                            | 104                 | (104)   |
| EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES | 125,000                      | 224,176             | 99,176  |
| FUND BALANCE - BEGINNING OF YEAR                | 1,621,372                    | 1,621,372           | -   |
| FUND BALANCE - END OF YEAR                      | <u>\$ 1,746,372</u>          | <u>\$ 1,845,548</u> | <u>\$ 99,176</u>  |

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, 2019

|  | Final<br>Budgeted<br>Amounts | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------------|-------------------|---|
| REVENUES:                                  |                              |                   |   |
| Investment and rental                      | \$ 5,000                     | \$ 3,000          | \$ (2,000)  |
| Miscellaneous                              | 60,000                       | 19,237            | (40,763)  |
| TOTAL REVENUES                             | 65,000                       | 22,237            | (42,763)  |
| FUND BALANCE (DEFICIT) - BEGINNING OF YEAR | 309,365                      | 309,365           | -   |
| FUND BALANCE (DEFICIT) - END OF YEAR       | <u>\$ 374,365</u>            | <u>\$ 331,602</u> | <u>\$ (42,763)</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, 2019

|                                  | Final<br>Budgeted<br>Amounts | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|------------------------------|-------------------|---|
| REVENUES:                        |                              |                   |   |
| Intergovernmental                | \$ 80,000                    | \$ 83,349         | \$ 3,349  |
| Investment and rental            | -                            | 7,926             | 7,926   |
| TOTAL REVENUES                   | 80,000                       | 91,275            | 11,275  |
| EXPENDITURES:                    |                              |                   |   |
| Current:                         |                              |                   |   |
| Public works                     | 186,212                      | 115,776           | 70,436  |
| NET CHANGE IN FUND BALANCE       | (106,212)                    | (24,501)          | 81,711  |
| FUND BALANCE - BEGINNING OF YEAR | 381,186                      | 381,186           | -   |
| FUND BALANCE - END OF YEAR       | <u>\$ 274,974</u>            | <u>\$ 356,685</u> | <u>\$ 81,711</u>  |

## 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, 2019

|                                      | Final<br>Budgeted<br>Amounts | Actual      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------------------|-------------|---|
| REVENUES:                            |                              |             |   |
| Intergovernmental                    | \$ 185,200                   | \$ 1,400    | \$ (183,800)  |
| Miscellaneous                        | -                            | 19,427      | 19,427  |
| TOTAL REVENUES                       | 185,200                      | 20,827      | (164,373)   |
| EXPENDITURES:                        |                              |             |   |
| Current:                             |                              |             |   |
| Parks and recreation                 | 185,200                      | 116,397     | 68,803  |
| NET CHANGE IN FUND BALANCE           | 185,200                      | (95,570)    | (280,770)   |
| FUND BALANCE - BEGINNING OF YEAR     | 23,614                       | 23,614      | -   |
| FUND BALANCE (DEFICIT) - END OF YEAR | \$ 208,814                   | \$ (71,956) | \$ (280,770)  |

## 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, 2019

|                                  | Final<br>Budgeted<br>Amounts | Actual        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|------------------------------|---------------|---|
| REVENUES:                        |                              |               |   |
| Intergovernmental                | \$ 1,860,615                 | \$ 181,923    | \$ (1,678,692)  |
| Investment and rental            | -                            | 2,946         | 2,946   |
| TOTAL REVENUES                   | 1,860,615                    | 184,869       | (1,675,746)   |
| EXPENDITURES:                    |                              |               |   |
| Current:                         |                              |               |   |
| Health and welfare               | 3,280,524                    | 327,754       | 2,952,770   |
| NET CHANGE IN FUND BALANCE       | (1,419,909)                  | (142,885)     | 1,277,024   |
| FUND BALANCE - BEGINNING OF YEAR | 143,352                      | 143,352       | -   |
| FUND BALANCE - END OF YEAR       | <u>\$ (1,276,557)</u>        | <u>\$ 467</u> | <u>\$ 1,277,024</u>                                     |

## CITY OF PICO RIVERA

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

## ECONOMIC SUSTAINABILITY SPECIAL REVENUE FUND

For the year ended June 30, 2019

|                                  | Final<br>Budgeted<br>Amounts | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|------------------------------|---------------------|---|
| REVENUES:                        |                              |                     |   |
| Investment and rental            | \$ -                         | \$ 30,271           | \$ 30,271   |
| EXPENDITURES:                    |                              |                     |   |
| Current:                         |                              |                     |   |
| Community development            | 263,491                      | 387,895             | (124,404)   |
| NET CHANGE IN FUND BALANCE       | (263,491)                    | (357,624)           | (94,133)  |
| FUND BALANCE - BEGINNING OF YEAR | 1,734,082                    | 1,734,082           | -   |
| FUND BALANCE - END OF YEAR       | <u>\$ 1,470,591</u>          | <u>\$ 1,376,458</u> | <u>\$ (94,133)</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, 2019

|                                  | Final<br>Budgeted<br>Amounts | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|------------------------------|-------------------|---|
| REVENUES:                        |                              |                   |   |
| Charges for services             | \$ 100,000                   | \$ 352,017        | \$ 252,017  |
| Investment and rental            | 3,000                        | 5,176             | 2,176   |
| TOTAL REVENUES                   | 103,000                      | 357,193           | 254,193   |
| EXPENDITURES:                    |                              |                   |   |
| Current:                         |                              |                   |   |
| General government               | 648,764                      | 603,804           | 44,960  |
| NET CHANGE IN FUND BALANCE       | (545,764)                    | (246,611)         | 299,153   |
| FUND BALANCE - BEGINNING OF YEAR | 416,803                      | 416,803           | -   |
| FUND BALANCE - END OF YEAR       | <u>\$ (128,961)</u>          | <u>\$ 170,192</u> | <u>\$ 299,153</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, 2019

|                                  | Final<br>Budgeted<br>Amounts | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|------------------------------|------------|---|
| REVENUES:                        |                              |            |   |
| Taxes and assessments            | \$ -                         | \$ 2,940   | \$ 2,940  |
| EXPENDITURES:                    |                              |            |   |
| Current:                         |                              |            |   |
| General government               | 269,253                      | 198,778    | 70,475  |
| Public works                     | 243,200                      | 13,166     | 230,034   |
| TOTAL EXPENDITURES               | 512,453                      | 211,944    | 300,509   |
| NET CHANGE IN FUND BALANCE       | (512,453)                    | (209,004)  | 303,449   |
| FUND BALANCE - BEGINNING OF YEAR | 605,365                      | 605,365    | -   |
| FUND BALANCE - END OF YEAR       | \$ 92,912                    | \$ 396,361 | \$ 303,449  |



## 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, 2019

|                                  | Final<br>Budgeted<br>Amounts | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|------------------------------|-------------------|---|
| REVENUES:                        |                              |                   |   |
| Taxes and assessments            | \$ 22,400                    | \$ 35,961         | \$ 13,561   |
| Intergovernmental                | 996,800                      | 897,080           | (99,720)  |
| Investment and rental            | 10,000                       | 9,438             | (562)   |
| TOTAL REVENUES                   | 1,029,200                    | 942,479           | (86,721)  |
| EXPENDITURES:                    |                              |                   |   |
| Current:                         |                              |                   |   |
| Parks and recreation             | 981,800                      | 1,015,041         | (33,241)  |
| NET CHANGE IN FUND BALANCE       | 47,400                       | (72,562)          | (119,962)   |
| FUND BALANCE - BEGINNING OF YEAR | 421,216                      | 421,216           | -   |
| FUND BALANCE - END OF YEAR       | <u>\$ 468,616</u>            | <u>\$ 348,654</u> | <u>\$ (119,962)</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, 2019

|                                  | Final<br>Budgeted<br>Amounts | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|------------------------------|------------------|---|
| REVENUES:                        |                              |                  |   |
| Miscellaneous                    | \$ 30,000                    | \$ 5,231         | \$ (24,769)   |
| EXPENDITURES:                    |                              |                  |   |
| Current:                         |                              |                  |   |
| Public works                     | 37,800                       | 37,272           | 528   |
| NET CHANGE IN FUND BALANCE       | (7,800)                      | (32,041)         | (24,241)  |
| FUND BALANCE - BEGINNING OF YEAR | 99,515                       | 99,515           | -   |
| FUND BALANCE - END OF YEAR       | <u>\$ 91,715</u>             | <u>\$ 67,474</u> | <u>\$ (24,241)</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, 2019

|  | Final<br>Budgeted<br>Amounts | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------------|--------------------|---|
| REVENUES:                                  |                              |                    |   |
| Intergovernmental                          | \$ 43,400                    | \$ 12,794          | \$ (30,606)   |
| EXPENDITURES:                              |                              |                    |   |
| Current:                                   |                              |                    |   |
| Public works                               | 37,800                       | 21,419             | 16,381  |
| NET CHANGE IN FUND BALANCE                 | 5,600                        | (8,625)            | (14,225)  |
| FUND BALANCE (DEFICIT) - BEGINNING OF YEAR | (3,214)                      | (3,214)            | -   |
| FUND BALANCE (DEFICIT) - END OF YEAR       | <u>\$ 2,386</u>              | <u>\$ (11,839)</u> | <u>\$ (14,225)</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, 2019

|   | Final<br>Budgeted<br>Amounts | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------------------|-----------|---|
| REVENUES:                                       |                              |           |   |
| Taxes and assessments                           | \$ 10,000                    | \$ 9,678  | \$ (322)  |
| Investment and rental                           | -                            | 493       | 493   |
| TOTAL REVENUES                                  | 10,000                       | 10,171    | 171   |
| EXPENDITURES:                                   |                              |           |   |
| Current:  |                              |           |   |
| Public works                                    | 23,500                       | -         | 23,500  |
| EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES | (13,500)                     | 10,171    | 23,671  |
| FUND BALANCE (DEFICIT) - BEGINNING OF YEAR      | 17,644                       | 17,644    | -   |
| FUND BALANCE - END OF YEAR                      | \$ 4,144                     | \$ 27,815 | \$ 23,671   |

## CITY OF PICO RIVERA

### DESCRIPTION OF OTHER ENTERPRISE FUNDS

June 30, 2019

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, 2019

|                                  | Sports<br>Arena | Golf<br>Course | Total          |
|----------------------------------|-----------------|----------------|----------------|
| ASSETS:                          |                 |                |                |
| CURRENT ASSETS:                  |                 |                |                |
| Cash and investments             | \$ 412,756      | \$ 161,346     | \$ 574,102     |
| Receivables, net:                |                 |                |                |
| Accounts                         | -               | -              | -              |
| Interest                         | 1,261           | -              | 1,261          |
| Inventories, at cost             | -               | 24,005         | 24,005         |
| TOTAL CURRENT ASSETS             | 414,017         | 185,351        | 599,368        |
| NONCURRENT ASSETS:               |                 |                |                |
| Capital assets, not depreciated  | 3,368           | 38,945         | 42,313         |
| Capital assets, depreciated, net | 193,049         | 277,236        | 470,285        |
| TOTAL NONCURRENT ASSETS          | 196,417         | 316,181        | 512,598        |
| TOTAL ASSETS                     | 610,434         | 501,532        | 1,111,966      |
| DEFERRED OUTFLOWS OF RESOURCES:  |                 |                |                |
| Amount related to pensions       | 7,186           | -              | 7,186          |
| LIABILITIES:                     |                 |                |                |
| CURRENT LIABILITIES:             |                 |                |                |
| Accounts payable                 | 20,159          | 55,094         | 75,253         |
| Accrued liabilities              | 644             | 30,417         | 31,061         |
| Deposits                         | -               | 17,653         | 17,653         |
| TOTAL CURRENT LIABILITIES        | 20,803          | 103,164        | 123,967        |
| NONCURRENT LIABILITIES:          |                 |                |                |
| Advances from other funds        | -               | 2,795,537      | 2,795,537      |
| Net pension liability            | 46,693          | -              | 46,693         |
| TOTAL NONCURRENT LIABILITIES     | 46,693          | 2,795,537      | 2,842,230      |
| TOTAL LIABILITIES                | 67,496          | 2,898,701      | 2,966,197      |
| DEFERRED INFLOWS OF RESOURCES:   |                 |                |                |
| Amounts related to pensions      | 1,070           | -              | 1,070          |
| NET POSITION:                    |                 |                |                |
| Net investment in capital assets | 196,417         | 316,181        | 512,598        |
| Unrestricted                     | 352,637         | (2,713,350)    | (2,360,713)    |
| TOTAL NET POSITION               | \$ 549,054      | \$ (2,397,169) | \$ (1,848,115) |

## CITY OF PICO RIVERA

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

For the year ended June 30, 2019

|                                  | Sports<br>Arena | Golf<br>Course | Total          |
|----------------------------------|-----------------|----------------|----------------|
| OPERATING REVENUES:              |                 |                |                |
| Charges for services             | \$ 266,610      | \$ 853,202     | \$ 1,119,812   |
| OPERATING EXPENSES:              |                 |                |                |
| Salaries and benefits            | 34,901          | -              | 34,901         |
| Contractual services             | 117,801         | 439,226        | 557,027        |
| Insurance claims and expenses    | 184             | -              | 184            |
| Administrative                   | -               | 811,564        | 811,564        |
| Utilities                        | 804             | 207,003        | 207,807        |
| Repairs and maintenance          | -               | 85,792         | 85,792         |
| Depreciation                     | 78,673          | 28,070         | 106,743        |
| TOTAL OPERATING EXPENSES         | 232,363         | 1,571,655      | 1,804,018      |
| OPERATING GAIN (LOSS)            | 34,247          | (718,453)      | (684,206)      |
| NONOPERATING REVENUES:           |                 |                |                |
| Investment income                | 6,826           | -              | 6,826          |
| TOTAL NONOPERATING REVENUES      | 6,826           | -              | 6,826          |
| LOSS BEFORE TRANSFERS            | 41,073          | (718,453)      | (677,380)      |
| TRANSFERS IN                     | -               | -              | -              |
| TRANSFERS OUT                    | -               | -              | -              |
| LOSS BEFORE SPECIAL ITEM         | 41,073          | (718,453)      | (677,380)      |
| NET POSITION - BEGINNING OF YEAR | 507,981         | (1,678,716)    | (1,170,735)    |
| NET POSITION - END OF YEAR       | \$ 549,054      | \$ (2,397,169) | \$ (1,848,115) |

## CITY OF PICO RIVERA

COMBINING STATEMENT OF CASH FLOWS  
OTHER ENTERPRISE FUNDS

For the year ended June 30, 2019

|   | Sports<br>Arena   | Golf<br>Course      | Total               |
|---|-------------------|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:   |                   |                     |                     |
| Receipts from customers and users   | \$ 266,610        | \$ 712,811          | \$ 979,421          |
| Payments to suppliers   | (108,631)         | (1,647,884)         | (1,756,515)         |
| Payments to employees   | (11,825)          | -                   | (11,825)            |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES  | 146,154           | (935,073)           | (788,919)           |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:  |                   |                     |                     |
| Proceeds from due to/from other funds   | -                 | 1,027,243           | 1,027,243           |
| NET CASH PROVIDED (USED) BY<br>NONCAPITAL FINANCING ACTIVITIES  | -                 | 1,027,243           | 1,027,243           |
| CASH FLOWS FROM CAPITAL AND<br>RELATED FINANCING ACTIVITIES:  |                   |                     |                     |
| Acquisition of capital assets   | -                 | (26,113)            | (26,113)            |
| CASH FLOWS FROM INVESTING ACTIVITIES:   |                   |                     |                     |
| Interest received   | 6,115             | -                   | 6,115               |
| NET INCREASE IN CASH AND CASH EQUIVALENTS   | 152,269           | 66,057              | 218,326             |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR   | 260,487           | 95,289              | 355,776             |
| CASH AND CASH EQUIVALENTS - END OF YEAR   | <u>\$ 412,756</u> | <u>\$ 161,346</u>   | <u>\$ 574,102</u>   |
| RECONCILIATION OF OPERATING GAIN (LOSS) TO<br>NET CASH USED BY OPERATING ACTIVITIES:                            |                   |                     |                     |
| Operating gain (loss)   | \$ 34,247         | \$ (718,453)        | \$ (684,206)        |
| Adjustments to reconcile operating gain (loss) to net<br>cash provided (used) operating activities:             |                   |                     |                     |
| Depreciation  | 78,673            | 28,070              | 106,743             |
| Changes in operating assets, deferred outflows of resources,<br>liabilities, and deferred inflows of resources: |                   |                     |                     |
| Increase in accounts receivables  | -                 | (140,391)           | (140,391)           |
| Increase in deferred outflows of resources - amount<br>related to pensions                                      | (2,787)           | -                   | (2,787)             |
| Increase in accounts payable  | 10,158            | (120,694)           | (110,536)           |
| Increase (decrease) in accrued liabilities  | 93                | 16,395              | 16,488              |
| Increase in deposits payable  | -                 | -                   | -                   |
| Increase in net pension liability   | 25,372            | -                   | 25,372              |
| Increase in deferred inflows of resources - amounts<br>related to pensions                                      | 398               | -                   | 398                 |
| TOTAL ADJUSTMENTS   | 111,907           | (216,620)           | (104,713)           |
| NET CASH PROVIDED (USED) BY OPERATING<br>ACTIVITIES   | <u>\$ 146,154</u> | <u>\$ (935,073)</u> | <u>\$ (788,919)</u> |



**STATISTICAL SECTION  
(UNAUDITED)**

**This page intentionally left blank.**

**City of Pico Rivera**

## Description of Statistical Section Contents

June 30, 2019

---

This part of the City of Pico Rivera's comprehensive annual financial report represents 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:   | Pages     |
|---|-----------|
| Financial Trends - These schedules contain trend information that may assist the reader in understanding the City's current financial performance by placing it in historical perspective.  | 152 - 161 |
| Revenue Capacity - 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.  | 162 - 169 |
| Debt Capacity - 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.                                       | 170 - 176 |
| Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.   | 177 - 178 |
| Operating Information - 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 that the City provides and the activities it performs. | 179 - 183 |

**City of Pico Rivera**  
**Net Position by Component**  
**Last Ten Fiscal Years**

|   | 2009-10        | 2010-11        | 2011-12        | 2012-13        |
|---|----------------|----------------|----------------|----------------|
| Governmental Activities:                    |                |                |                |                |
| Net investment in capital assets            | \$ 208,640,112 | \$ 220,541,904 | \$ 231,879,296 | \$ 232,734,954 |
| Restricted                                  | 38,379,173     | 30,403,287     | 15,287,855     | 12,426,012     |
| Unrestricted                                | (60,689,563)   | (61,677,209)   | 43,474,498     | 39,163,377     |
| Total governmental activities net position  | 186,329,722    | 189,267,982    | 290,641,649    | 284,324,343    |
| Business-type Activities:                   |                |                |                |                |
| Net investment in capital assets            | 25,969,161     | 26,142,227     | 26,753,906     | 30,079,954     |
| Restricted                                  | -              | -              | -              | -              |
| Unrestricted                                | (20,380,408)   | (17,300,491)   | (17,352,760)   | (17,473,063)   |
| Total business-type activities net position | 5,588,753      | 8,841,736      | 9,401,146      | 12,606,891     |
| Primary Government:                         |                |                |                |                |
| Net investment in capital assets            | 234,609,273    | 246,684,131    | 258,633,202    | 262,814,908    |
| Restricted                                  | 38,379,173     | 30,403,287     | 15,287,855     | 12,426,012     |
| Unrestricted                                | (81,069,971)   | (78,977,700)   | 26,121,738     | 21,690,314     |
| Total primary government net position       | \$ 191,918,475 | \$ 198,109,718 | \$ 300,042,795 | \$ 296,931,234 |

Source: Statement of Net Position

(Continued)

| 2013-14        | 2014-15        | 2015-16       | 2016-17        | 2017-18        | 2018-19        |
|----------------|----------------|---------------|----------------|----------------|----------------|
| \$ 224,917,267 | \$ 224,650,021 | \$231,562,736 | \$ 223,976,465 | \$ 230,499,724 | \$ 232,291,558 |
| 13,016,383     | 14,236,953     | 11,854,987    | 13,274,422     | 16,360,144     | 19,565,580     |
| 43,883,873     | 22,142,254     | 23,639,282    | 25,960,550     | 18,735,128     | 17,860,702     |
| 281,817,523    | 261,029,228    | 267,057,005   | 263,211,437    | 265,594,996    | 269,717,840    |
| 30,964,232     | 31,370,373     | 31,761,672    | 32,604,651     | 33,236,723     | 33,680,356     |
| -              | -              | -             | -              | -              | -              |
| (16,212,613)   | (18,465,237)   | (16,385,687)  | (13,590,642)   | (13,570,480)   | (10,315,352)   |
| 14,751,619     | 12,905,136     | 15,375,985    | 19,014,009     | 19,666,243     | 23,365,004     |
| 255,881,499    | 256,020,394    | 263,324,408   | 256,581,116    | 263,736,447    | 265,971,914    |
| 13,016,383     | 14,236,953     | 11,854,987    | 13,274,422     | 16,360,144     | 19,565,580     |
| 27,671,260     | 3,677,017      | 7,253,595     | 12,369,908     | 5,164,648      | 7,545,350      |
| \$ 296,569,142 | \$ 273,934,364 | \$282,432,990 | \$ 282,225,446 | \$ 285,261,239 | \$ 293,082,844 |

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

|   | 2009-10                | 2010-11                | 2010-12                | 2012-13                | 2013-14                |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Expenses:</b>                                |                        |                        |                        |                        |                        |
| Governmental Activities:                        |                        |                        |                        |                        |                        |
| General government                              | \$ 9,087,368           | \$ 9,619,197           | \$ 10,557,055          | \$ 8,339,448           | \$ 9,954,786           |
| Public safety                                   | 11,789,557             | 11,967,857             | 10,690,805             | 10,946,303             | 11,202,782             |
| Public works                                    | 12,773,969             | 12,572,806             | 12,591,487             | 12,843,460             | 10,498,605             |
| Parks and recreation                            | 4,827,825              | 5,193,153              | 5,901,305              | 5,483,656              | 5,422,037              |
| Health and welfare                              | 6,204,855              | 6,019,153              | 5,705,432              | 5,678,172              | 5,339,488              |
| Community development                           | 9,520,485              | 7,273,354              | 5,594,519              | 2,207,716              | 2,511,556              |
| Interest and fiscal charges                     | 5,442,996              | 7,555,355              | 3,522,364              | 975,580                | 1,742,562              |
| Bond issuance costs                             | -                      | -                      | -                      | -                      | -                      |
| Total governmental activities net expenses      | <u>59,647,055</u>      | <u>60,200,875</u>      | <u>54,562,967</u>      | <u>46,474,335</u>      | <u>46,671,816</u>      |
| Business-type Activities:                       |                        |                        |                        |                        |                        |
| Water   | 8,384,403              | 8,627,134              | 8,833,293              | 7,846,884              | 8,386,111              |
| Pico Rivera Innovative Municipal Energy         | -                      | -                      | -                      | -                      | -                      |
| Other enterprise funds                          | <u>1,220,568</u>       | <u>1,047,804</u>       | <u>1,091,400</u>       | <u>980,618</u>         | <u>1,054,837</u>       |
| Total business-type activities net expenses     | <u>9,604,971</u>       | <u>9,674,938</u>       | <u>9,924,693</u>       | <u>8,827,502</u>       | <u>9,440,948</u>       |
| Total primary government expenses               | <u>\$ 69,252,026</u>   | <u>\$ 69,875,813</u>   | <u>\$ 64,487,660</u>   | <u>\$ 55,301,837</u>   | <u>\$ 56,112,764</u>   |
| <b>Program Revenues:</b>                        |                        |                        |                        |                        |                        |
| Governmental Activities:                        |                        |                        |                        |                        |                        |
| Charges for services:                           |                        |                        |                        |                        |                        |
| General government                              | \$ 651,638             | \$ 549,034             | \$ 202,481             | \$ 138,144             | \$ 497,518             |
| Public safety                                   | 1,903,379              | 1,790,155              | 1,334,872              | 1,226,044              | 1,207,766              |
| Public works                                    | 1,395,780              | 1,437,222              | 737,184                | 751,194                | 744,905                |
| Parks and recreation                            | 174,904                | 242,014                | 759,564                | 763,094                | 693,884                |
| Health and welfare                              | 453,691                | 490,655                | 264,396                | 142,291                | 188,767                |
| Community development                           | 504,849                | 505,099                | 585,021                | 468,266                | 712,626                |
| Operating contributions and grants              | 13,503,809             | 20,509,748             | 11,863,231             | 12,357,708             | 13,322,885             |
| Capital contributions and grants                | <u>2,721,543</u>       | <u>-</u>               | <u>13,830,665</u>      | <u>7,346,536</u>       | <u>2,378,797</u>       |
| Total governmental activities program revenues  | <u>21,309,593</u>      | <u>25,523,927</u>      | <u>29,577,414</u>      | <u>23,193,277</u>      | <u>19,747,148</u>      |
| Business-type Activities:                       |                        |                        |                        |                        |                        |
| Charges for services:                           |                        |                        |                        |                        |                        |
| Water utility                                   | 5,647,751              | 6,635,615              | 7,371,154              | 7,866,087              | 8,909,351              |
| Pico Rivera Innovative Municipal Energy         | -                      | -                      | -                      | -                      | -                      |
| Other enterprise funds                          | <u>1,063,497</u>       | <u>932,962</u>         | <u>944,337</u>         | <u>898,336</u>         | <u>921,432</u>         |
| Capital contributions and grants                | <u>-</u>               | <u>-</u>               | <u>-</u>               | <u>-</u>               | <u>-</u>               |
| Total business-type activities program revenues | <u>6,711,248</u>       | <u>7,568,577</u>       | <u>8,315,491</u>       | <u>8,764,423</u>       | <u>9,830,783</u>       |
| Primary government program revenues             | <u>\$ 28,020,841</u>   | <u>\$ 33,092,504</u>   | <u>\$ 37,892,905</u>   | <u>\$ 31,957,700</u>   | <u>\$ 29,577,931</u>   |
| <b>Net (Expense)/Revenue:</b>                   |                        |                        |                        |                        |                        |
| Governmental activities                         | \$ (38,337,462)        | \$ (34,676,948)        | \$ (24,985,553)        | \$ (23,281,058)        | \$ (26,924,668)        |
| Business-type activities                        | <u>(2,893,723)</u>     | <u>(2,106,361)</u>     | <u>(1,609,202)</u>     | <u>(63,079)</u>        | <u>389,835</u>         |
| Total primary government net expense            | <u>\$ (41,231,185)</u> | <u>\$ (36,783,309)</u> | <u>\$ (26,594,755)</u> | <u>\$ (23,344,137)</u> | <u>\$ (26,534,833)</u> |

Source: City of Pico Rivera Finance Division

(Continued)

| 2014-15         | 2015-16         | 2016-17         | 2017-18         | 2018-19         |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 9,248,597    | \$ 8,790,816    | \$ 10,048,704   | \$ 8,190,494    | \$ 10,589,517   |
| 10,457,770      | 10,468,357      | 12,330,023      | 11,885,957      | 11,998,792      |
| 14,545,183      | 14,472,969      | 15,104,130      | 12,488,922      | 16,339,812      |
| 5,600,669       | 5,585,521       | 6,263,237       | 7,146,278       | 7,958,749       |
| 4,840,878       | 5,266,352       | 5,587,157       | 5,311,548       | 5,416,605       |
| 2,761,524       | 2,827,231       | 2,540,908       | 4,407,647       | 4,194,760       |
| 1,656,613       | 1,626,960       | 2,628,006       | 1,013,498       | 1,507,430       |
| -               | -               | -               | -               | 398,345         |
| 49,111,234      | 49,038,206      | 54,502,165      | 50,444,344      | 58,404,010      |
| 8,044,302       | 7,865,853       | 8,155,205       | 8,382,375       | 8,506,305       |
| -               | -               | -               | 4,900,927       | 12,944,076      |
| 1,320,585       | 1,624,391       | 1,622,319       | 2,270,317       | 1,804,018       |
| 9,364,887       | 9,490,244       | 9,777,524       | 15,553,619      | 23,254,399      |
| \$ 58,476,121   | \$ 58,528,450   | \$ 64,279,689   | \$ 65,997,963   | \$ 81,658,409   |
| \$ 574,846      | \$ 606,726      | \$ 739,432      | \$ 493,265      | \$ 657,280      |
| 1,125,660       | 1,022,464       | 962,627         | 1,044,921       | 1,114,647       |
| 1,821,210       | 1,788,821       | 786,053         | 801,487         | 836,847         |
| 743,400         | 578,529         | 773,631         | 791,906         | 579,751         |
| 232,824         | 202,262         | 174,314         | 198,238         | 205,328         |
| 644,344         | 746,395         | 873,536         | 1,196,287       | 982,241         |
| 12,236,612      | 12,817,403      | 11,093,802      | 16,678,586      | 13,168,680      |
| 2,287,187       | 1,620,798       | 778,116         | 2,874,341       | 3,604,445       |
| 19,666,083      | 19,383,398      | 16,181,511      | 24,079,031      | 21,149,219      |
| 8,698,444       | 8,304,240       | 8,819,676       | 9,802,992       | 9,904,084       |
| -               | -               | -               | 5,354,524       | 13,581,101      |
| 996,548         | 1,302,652       | 1,478,893       | 1,176,972       | 1,119,812       |
| 9,694,992       | 9,606,892       | 10,298,569      | 16,334,488      | 24,604,997      |
| \$ 29,361,075   | \$ 28,990,290   | \$ 26,480,080   | \$ 40,413,519   | \$ 45,754,216   |
| \$ (29,445,151) | \$ (29,654,808) | \$ (38,320,654) | \$ (26,365,313) | \$ (37,254,791) |
| 330,105         | 116,648         | 521,045         | 780,869         | 1,350,598       |
| \$ (29,115,046) | \$ (29,538,160) | \$ (37,799,609) | \$ (25,584,444) | \$ (35,904,193) |

**City of Pico Rivera**

## Change in Net Position

## Last Ten Fiscal Years

(accrual basis of accounting)

|  | 2009-10        | 2010-11       | 2011-12        | 2012-13        |
|--|----------------|---------------|----------------|----------------|
| <b>General Revenues and Other Changes in Net Position:</b> |                |               |                |                |
| Governmental Activities:                                   |                |               |                |                |
| Property taxes   | \$ 15,116,791  | \$ 15,783,650 | \$ 8,468,881   | \$ 8,941,441   |
| Sales taxes  | 13,074,986     | 13,492,573    | 13,589,387     | 15,028,866     |
| Franchise taxes  | 1,155,951      | 1,180,286     | 1,212,463      | 1,683,174      |
| Utility users taxes  | 3,669,717      | 3,455,256     | 3,365,218      | 3,397,538      |
| Other taxes  | 1,331,305      | 1,324,669     | 1,510,718      | 1,595,125      |
| Unrestricted motor vehicle license in lieu                 | -              | -             | 3,538,844      |                |
| Investment Earnings  | 1,372,901      | 1,393,205     | 1,399,894      | 209,340        |
| Other  | 241,124        | 269,191       | 130,451        | 125,691        |
| Transfers  | 460,309        | (2,510,743)   | 136,520        | 371,165        |
| Gain on sale of property                                   |                |               | 162,675        | 205,756        |
| Special Item   | -              | 3,227,121     | 124,908,663    | (10,921,476)   |
| Total governmental activities                              | 36,423,084     | 37,615,208    | 158,423,714    | 20,636,620     |
| Business-type Activities:                                  |                |               |                |                |
| Investment Earnings  | 2,591,363      | 2,847,404     | 2,449,432      | 2,367,181      |
| Other  | 4,696          | -             | -              | 4,898          |
| Transfers  | (460,309)      | 2,511,939     | (136,520)      | (371,165)      |
| Extraordinary item   | -              | -             | -              | (149,583)      |
| Total business-type activities                             | 2,135,750      | 5,359,343     | 2,312,912      | 1,851,331      |
| Total primary government                                   | \$ 38,558,834  | \$ 42,974,551 | \$ 160,736,626 | \$ 22,487,951  |
| <b>Change in Net Position:</b>                             |                |               |                |                |
| Governmental activities                                    | \$ (1,914,378) | \$ 2,938,260  | \$ 133,438,161 | \$ (2,644,438) |
| Business-type activities                                   | (757,973)      | 3,252,982     | 703,710        | 1,788,252      |
| Total primary government                                   | \$ (2,672,351) | \$ 6,191,242  | \$ 134,141,871 | \$ (856,186)   |

Source: City of Pico Rivera Finance Division



(Continued)

| 2013-14        | 2014-15       | 2015-16       | 2016-17        | 2017-18       | 2018-19       |
|----------------|---------------|---------------|----------------|---------------|---------------|
| \$ 9,269,468   | \$ 9,611,244  | \$ 10,049,454 | \$ 10,591,691  | \$ 11,173,640 | \$ 11,734,058 |
| 16,435,053     | 16,368,367    | 17,766,538    | 17,637,948     | 17,575,729    | 19,468,221    |
| 1,641,171      | 1,646,884     | 1,654,275     | 1,582,026      | 1,703,255     | 1,729,336     |
| 3,504,363      | 3,525,036     | 3,385,361     | 3,276,321      | 3,142,090     | 2,939,221     |
| 1,710,630      | 1,760,876     | 1,850,151     | 1,632,337      | 1,807,130     | 1,968,094     |
| 39,582         | 151,636       | 193,684       | 347,422        | 637,086       | 1,528,199     |
| 139,486        | 613,592       | 283,352       | 450,783        | 662,225       | 1,007,091     |
| 648,626        | 611,727       | 479,232       | (1,043,442)    | 42,027        | -             |
| 104,912        | 257,194       | 174,424       | -              | -             | -             |
| (9,075,443)    | 1,059,577     | (704,496)     | -              | -             | -             |
| 24,417,848     | 35,606,133    | 35,131,975    | 34,475,086     | 36,743,182    | 40,374,220    |
| 2,308,060      | 2,226,339     | 2,128,937     | 2,073,537      | 2,025,078     | 2,140,163     |
| 95,459         | 12,179        | -             | -              | -             | -             |
| (648,626)      | (611,727)     | (479,232)     | 1,043,442      | (42,027)      | -             |
| -              | -             | 704,496       | -              | -             | -             |
| 1,754,893      | 1,626,791     | 2,354,201     | 3,116,979      | 1,983,051     | 2,140,163     |
| \$ 26,172,741  | \$ 37,232,924 | \$ 37,486,176 | \$ 37,592,065  | \$ 38,726,233 | \$ 42,514,383 |
| \$ (2,506,820) | \$ 6,160,982  | \$ 5,477,167  | \$ (3,845,568) | \$ 10,377,869 | \$ 3,119,429  |
| 2,144,728      | 1,956,896     | 2,470,849     | 3,638,024      | 2,763,920     | 3,490,761     |
| \$ (362,092)   | \$ 8,117,878  | \$ 7,948,016  | \$ (207,544)   | \$ 13,141,789 | \$ 6,610,190  |

**City of Pico Rivera**

## Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

|                                    | 2009-10                | 2010-11                | 2011-12              | 2012-13              |
|------------------------------------|------------------------|------------------------|----------------------|----------------------|
| General Fund:                      |                        |                        |                      |                      |
| Nonspendable                       | \$ -                   | \$ 27,187,687          | \$ 28,313,381        | \$ 25,222,739        |
| Restricted                         | -                      | -                      | 2,334,609            | 2,334,811            |
| Committed                          | -                      | 5,500,000              | 9,030,031            | 5,974,566            |
| Assigned                           | -                      | 6,000,000              | 3,267,506            | 6,745,120            |
| Unassigned                         | -                      | 3,767,252              | -                    | 50,490               |
| Reserved                           | 34,922,021             | -                      | -                    | -                    |
| Unreserved                         | 8,016,575              | -                      | -                    | -                    |
| Total general fund                 | <u>\$ 42,938,596</u>   | <u>\$ 42,454,939</u>   | <u>\$ 42,945,527</u> | <u>\$ 40,327,726</u> |
| All Other Governmental Funds:      |                        |                        |                      |                      |
| Nonspendable                       | \$ -                   | \$ 6,232,910           | \$ 2,523,366         | \$ -                 |
| Restricted                         | -                      | 30,425,516             | 26,063,969           | 14,808,900           |
| Committed                          | -                      | 452,101                | 1,435,352            | -                    |
| Assigned                           | -                      | -                      | -                    | 600,000              |
| Unassigned                         | -                      | (62,865,626)           | (2,868,577)          | (3,012,144)          |
| Reserved                           | 35,797,844             | -                      | -                    | -                    |
| Unreserved, reported in:           |                        |                        |                      |                      |
| Special revenue funds              | 13,132,481             | -                      | -                    | -                    |
| Debt Service funds                 | (36,446,232)           | -                      | -                    | -                    |
| Capital projects funds             | (28,959,913)           | -                      | -                    | -                    |
| Total all other governmental funds | <u>\$ (16,475,820)</u> | <u>\$ (25,755,099)</u> | <u>\$ 27,154,110</u> | <u>\$ 12,396,756</u> |

Note: Please refer to MD&amp;A for governmental fund balance change

Source: City of Pico Rivera Finance Division

(Continued)

| 2013-14              | 2014-15              | 2015-16              | 2016-17              | 2017-18              | 2018-19              |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 25,222,739        | \$ 25,222,739        | \$ 25,198,662        | \$ 25,209,917        | \$ 25,168,800        | \$ 28,002,854        |
| 2,446,856            | 2,358,919            | 2,368,600            | -                    | -                    | 1,061,066            |
| 9,330,000            | 9,316,732            | 9,479,500            | 9,476,700            | 9,665,400            | 10,284,000           |
| 8,285,480            | 10,272,833           | 14,376,800           | 14,426,700           | 13,256,200           | 14,039,900           |
| 48,092               | 4,341,395            | 12,882,331           | 10,851,445           | 12,063,120           | 9,067,136            |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| <u>\$ 45,333,167</u> | <u>\$ 51,512,618</u> | <u>\$ 64,305,893</u> | <u>\$ 59,964,762</u> | <u>\$ 60,153,520</u> | <u>\$ 62,454,956</u> |
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 4,508             | \$ -                 |
| 10,669,538           | 11,366,458           | 11,074,536           | 12,927,436           | 15,566,814           | 31,791,493           |
| -                    | -                    | -                    | -                    | -                    | -                    |
| 600,000              | 600,000              | 600,000              | 600,000              | 600,000              | 600,000              |
| (3,335,743)          | (2,869,762)          | (2,141,161)          | (1,749,394)          | (1,607,854)          | (60,712)             |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| <u>\$ 7,933,795</u>  | <u>\$ 9,096,696</u>  | <u>\$ 9,533,375</u>  | <u>\$ 11,778,042</u> | <u>\$ 14,563,468</u> | <u>\$ 32,330,781</u> |

**City of Pico Rivera**

## Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

|   | 2009-10       | 2010-11       | 2011-12       | 2012-13       | 2013-14       |
|---|---------------|---------------|---------------|---------------|---------------|
| <b>Revenues:</b>  |               |               |               |               |               |
| Taxes and Assessments                                     | \$ 28,372,572 | \$ 30,124,045 | \$ 32,535,703 | \$ 30,782,011 | \$ 33,100,095 |
| Licenses and permits                                      | 2,385,338     | 2,383,531     | 2,031,210     | 1,912,315     | 2,320,618     |
| Intergovernmental   | 21,247,209    | 25,328,804    | 23,513,337    | 18,257,848    | 10,891,308    |
| Charges for services                                      | 946,283       | 1,022,761     | 1,464,180     | 1,717,790     | 1,964,785     |
| Fines, forfeitures and penalties                          | 1,672,249     | 1,570,919     | 1,412,268     | 1,234,368     | 1,224,540     |
| Investment income   | 272,772       | 384,739       | 2,153,121     | 398,030       | 244,614       |
| Miscellaneous   | 1,174,332     | 599,492       | 439,343       | 951,402       | 1,333,203     |
| Gain on sale of land held for resale                      | -             | -             | -             | -             | -             |
| Extraordinary item  | -             | 3,227,121     | 85,312,816    | (5,029,315)   | -             |
| Total revenues  | 56,070,755    | 64,641,412    | 148,861,978   | 50,224,449    | 51,079,163    |
| <b>Expenditures:</b>                                      |               |               |               |               |               |
| General government  | 7,932,963     | 7,532,962     | 7,678,136     | 6,555,866     | 7,183,738     |
| Public safety   | 11,590,148    | 11,966,119    | 10,689,067    | 10,940,211    | 11,188,047    |
| Public works  | 9,490,395     | 8,944,383     | 9,590,287     | 7,976,019     | 8,561,977     |
| Parks and recreation                                      | 4,360,552     | 4,931,000     | 5,672,110     | 4,967,899     | 4,890,183     |
| Health and welfare  | 6,007,234     | 6,019,153     | 5,705,431     | 5,678,172     | 5,339,488     |
| Community development                                     | 3,985,823     | 2,213,041     | 3,135,781     | 2,189,841     | 2,490,769     |
| Pass through to other agencies                            | 5,325,197     | 5,047,046     | 2,440,863     | -             | -             |
| Loss on sale of land held for resale                      | -             | -             | -             | -             | -             |
| Capital outlay  | 8,888,280     | 20,301,111    | 22,905,936    | 20,528,630    | 7,719,114     |
| Debt service:   |               |               |               |               |               |
| Principal retirement                                      | -             | -             | -             | 560,000       | 585,000       |
| Interest and other charges                                | 6,109,167     | 4,938,688     | 3,588,338     | 1,094,198     | 1,734,538     |
| Bond issuance costs                                       |               |               |               |               |               |
| payments to refunding escrow agent                        |               |               |               |               |               |
| Total expenditures  | 63,689,759    | 71,893,503    | 71,405,949    | 60,490,836    | 49,692,854    |
| Excess (deficiency) of revenues over (under) expenditures | (7,619,004)   | (7,252,091)   | 77,456,029    | (10,266,387)  | 1,386,309     |
| <b>Other Financing Sources (Uses):</b>                    |               |               |               |               |               |
| Transfers in  | 41,990,633    | 28,026,405    | 34,505,092    | 24,558,694    | 11,719,264    |
| Transfers out   | (41,428,840)  | (30,537,148)  | (34,368,572)  | (31,667,462)  | (12,118,893)  |
| Bond issuance   | 32,860,000    | -             | -             | -             | -             |
| Bond premium  | 1,347,755     | -             | -             | -             | -             |
| Payments to refunding escrow agent                        | -             | -             | -             | -             | -             |
| Total other financing sources (uses)                      | 34,769,548    | (2,510,743)   | 136,520       | (7,108,768)   | (399,629)     |
| <b>Special Item:</b>                                      |               |               |               |               |               |
| Forgiveness of debt                                       | -             | -             | -             | -             | -             |
| Net change in fund balances                               | 27,150,544    | (9,762,834)   | 77,592,549    | (17,375,155)  | 986,680       |
| Fund balances - July 1                                    | (687,768)     | 26,462,776    | (7,492,912)   | 70,099,637    | 52,180,282    |
| Fund balances - June 30                                   | \$ 26,462,776 | \$ 16,699,942 | \$ 70,099,637 | \$ 52,724,482 | \$ 53,166,962 |
| Debt service as a percentage of noncapital expenditures   | 11.15%        | 9.57%         | 7.40%         | 4.14%         | 5.53%         |

Source: City of Pico Rivera Finance Department

(Continued)

| 2014-15       | 2015-16       | 2016-17       | 2017-18       | 2018-19       |
|---------------|---------------|---------------|---------------|---------------|
| \$ 34,083,110 | \$ 35,534,141 | \$ 34,592,924 | \$ 35,567,380 | \$ 38,653,543 |
| 2,363,477     | 2,491,636     | 2,442,190     | 2,960,639     | 2,861,711     |
| 11,703,565    | 12,214,500    | 11,927,598    | 13,433,014    | 12,973,062    |
| 1,889,338     | 1,871,009     | 2,124,665     | 1,851,030     | 1,819,310     |
| 1,134,906     | 1,031,031     | 898,203       | 1,002,532     | 1,109,430     |
| 336,077       | 341,746       | 488,369       | 812,776       | 1,433,476     |
| 2,535,295     | 785,171       | 538,177       | 5,593,359     | 1,436,364     |
| -             | -             | -             | -             | -             |
| -             | -             | -             | -             | -             |
| 54,045,768    | 54,269,234    | 53,012,126    | 61,220,730    | 60,286,896    |
| 6,884,398     | 6,805,810     | 11,819,289    | 12,938,296    | 7,901,483     |
| 10,435,184    | 10,439,469    | 11,375,573    | 11,857,271    | 11,971,740    |
| 9,621,311     | 9,707,823     | 10,255,784    | 14,095,351    | 15,527,553    |
| 4,794,720     | 4,554,724     | 5,374,259     | 6,122,665     | 6,993,470     |
| 4,840,878     | 5,266,352     | 5,587,157     | 5,311,548     | 5,416,605     |
| 2,730,123     | 2,787,070     | 3,435,809     | 4,367,766     | 4,157,152     |
| -             | -             | -             | -             | -             |
| -             | -             | -             | -             | -             |
| 5,175,862     | 7,287,913     | 2,453,883     | 1,547,832     | 1,633,063     |
| 610,000       | 635,000       | 980,000       | 865,000       | 1,090,000     |
| 1,710,638     | 1,682,562     | 655,944       | 1,061,150     | 1,530,496     |
|               |               | 520,424       | -             | 398,345       |
|               |               | 2,368,685     | -             | -             |
| 46,803,114    | 49,166,723    | 54,826,807    | 58,166,879    | 56,619,907    |
| 7,242,654     | 5,102,511     | (1,814,681)   | 3,053,851     | 3,666,989     |
| 7,618,952     | 19,274,660    | 3,986,323     | 3,309,866     | 4,667,515     |
| (7,987,933)   | (10,488,538)  | (5,029,765)   | (3,767,839)   | (4,667,515)   |
| -             | -             | 30,470,000    | -             | 14,695,000    |
| -             | -             | 3,082,378     | -             | 703,345       |
| -             | -             | (33,021,008)  | -             | -             |
| (368,981)     | 8,786,122     | (512,072)     | (457,973)     | 15,398,345    |
| -             | (90,000)      | -             | -             | -             |
| 6,873,673     | 13,798,633    | (2,326,753)   | 2,595,878     | 19,065,334    |
| 53,166,962    | 60,040,635    | 73,839,268    | 72,121,110    | 75,720,403    |
| \$ 60,040,635 | \$ 73,839,268 | \$ 71,512,515 | \$ 74,716,988 | \$ 94,785,737 |
| 5.57%         | 5.53%         | 8.64%         | 3.42%         | 6.17%         |

Source: City of Pico Rivera Finance Department

**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 |
|----------------------------------|----------------|------------|-------------------------|---------------------------|
| 2004-05                          | 7,759,956      | 7,059,294  | 278,153                 | 4,847,810                 |
| 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                    |
| 2016-17                          | 10,591,691     | 17,637,948 | 422,313                 | 28,793                    |
| 2017-18                          | 11,173,640     | 17,575,729 | 424,542                 | 33,713                    |
| 2018-19                          | 11,734,058     | 19,468,221 | 461,474                 | 30,845                    |
| Change from<br>Base Year 2009-10 | -22%           | 49%        | 83%                     | -99%                      |

Source: City of Pico Rivera Finance Division

(Continued)

| Franchise<br>Tax | Utility<br>Users<br>Tax | Business<br>License<br>Tax | Total      |
|------------------|-------------------------|----------------------------|------------|
| 1,109,691        | 3,620,239               | 1,519,628                  | 26,194,771 |
| 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 |
| 1,582,026        | 3,276,231               | 1,210,024                  | 34,749,026 |
| 1,703,255        | 3,142,090               | 1,382,588                  | 35,435,557 |
| 1,729,336        | 2,939,221               | 1,454,896                  | 37,818,051 |
| 50%              | -20%                    | 24%                        | -6%        |

**City of Pico Rivera**

Revenue Base by Category

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

| <b>Fiscal<br/>Year</b> | <b>Residential<br/>Property</b> | <b>Commercial<br/>Property</b> | <b>Industrial<br/>Property</b> | <b>Other*<br/>Property</b> | <b>Tax-Exempt<br/>Property</b> | <b>Total<br/>Taxable<br/>Assessed<br/>Value</b> | <b>Total<br/>Direct<br/>Tax<br/>Rate</b> |
|------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------|--------------------------------|---|--|
| 2009-10                | 2,576,039,499                   | 476,070,257                    | 520,722,691                    | 260,933,259                | 1,857,252                      | 3,835,622,958                                   | 0.2602                                   |
| 2010-11                | 2,523,223,764                   | 476,743,838                    | 530,659,538                    | 260,535,627                | 1,852,848                      | 3,793,015,615                                   | 0.2604                                   |
| 2011-12                | 2,556,723,405                   | 507,725,955                    | 537,870,643                    | 257,515,511                | 1,866,797                      | 3,861,702,311                                   | 0.2636                                   |
| 2012-13                | 2,593,491,912                   | 514,240,434                    | 563,598,205                    | 258,304,110                | 1,904,130                      | 3,931,538,791                                   | 0.2639                                   |
| 2013-14                | 2,698,550,967                   | 528,061,894                    | 591,638,354                    | 245,353,016                | 1,942,210                      | 4,065,546,441                                   | 0.0941                                   |
| 2014-15                | 2,849,419,991                   | 534,153,757                    | 608,797,600                    | 255,121,685                | 1,951,026                      | 4,249,444,059                                   | 0.0938                                   |
| 2015-16                | 3,004,411,938                   | 550,436,822                    | 623,317,693                    | 263,566,626                | 1,990,006                      | 4,443,723,085                                   | 0.0936                                   |
| 2016-17                | 3,157,571,430                   | 572,434,427                    | 644,340,185                    | 261,458,977                | 2,020,352                      | 4,443,723,085                                   | 0.0933                                   |
| 2017-18                | 3,334,334,379                   | 590,956,777                    | 695,508,846                    | 292,833,875                | 2,060,757                      | 4,915,694,634                                   | 0.0930                                   |
| 2018-19                | 3,517,570,969                   | 596,369,740                    | 740,474,135                    | 315,837,843                | 100,235                        | 5,170,352,922                                   | 0.0927                                   |

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

Source: Los Angeles County Assessor



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

| Fiscal<br>Year | TAXES<br>LEVIED | COLLECTED WITHIN THE<br>FISCAL YEAR OF LEVY |                    | COLLECTIONS IN<br>Subsequent Year<br>(includes refunds) | TOTAL COLLECTIONS TO DATE |                             |
|----------------|-----------------|---|--------------------|---|---------------------------|-----------------------------|
|                |                 | AMOUNT                                      | PERCENT OF<br>LEVY |   | AMOUNT                    | FINAL<br>PERCENT OF<br>LEVY |
| 2009-10        | 2,500,000       | 2,000,000                                   | 80.00%             | 35,000  | 2,035,000                 | 81.40%                      |
| 2010-11        | 2,245,949       | 2,157,293                                   | 96.05%             | 29,681  | 2,186,974                 | 97.37%                      |
| 2011-12        | 2,250,274       | 2,037,518                                   | 90.55%             | 99,703  | 2,137,221                 | 94.98%                      |
| 2012-13        | 2,313,210       | 2,240,076                                   | 96.84%             | 38,305  | 2,278,381                 | 98.49%                      |
| 2013-14        | 2,388,030       | 2,311,646                                   | 96.80%             | 38,725  | 2,350,371                 | 98.42%                      |
| 2014-15        | 2,511,683       | 2,425,171                                   | 96.56%             | 20,888  | 2,446,059                 | 97.39%                      |
| 2015-16        | 2,552,922       | 2,511,115                                   | 98.36%             | -   | 2,511,115                 | 98.36%                      |
| 2016-17        | 2,674,309       | 2,638,929                                   | 98.68%             | -   | 2,638,929                 | 98.68%                      |
| 2017-18        | 2,840,017       | 2,798,898                                   | 98.55%             | -   | 2,798,898                 | 98.55%                      |
| 2018-19        | 2,955,805       | 2,914,751                                   | 98.61%             | -   | 2,914,751                 | 98.61%                      |

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.

Source: County Assessor General Ledger, MuniServices, LLC

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

---

| <b>Agency</b>                                  | <b>2009-10</b> | <b>2010-11</b> | <b>2011-12</b> | <b>2012-13</b> |
|--|----------------|----------------|----------------|----------------|
| <b>Basic Levy</b>                              | <b>1.00000</b> | <b>1.00000</b> | <b>1.00000</b> | <b>1.00000</b> |
| County Detention Facilities 1987 Debt          | 0.00000        | 0.00000        | 0.00000        | 0.00000        |
| El Rancho Unified School District              | 0.08527        | 0.09161        | 0.09800        | 0.09985        |
| LA Community College District                  | 0.02311        | 0.04031        | 0.03530        | 0.04875        |
| LA County Flood Control                        | 0.00000        | 0.00000        | 0.00000        | 0.00000        |
| Little Lake City School District               | 0.07233        | 0.07647        | 0.05286        | 0.06942        |
| Los Nietos School District                     | 0.02885        | 0.03213        | 0.03420        | 0.03351        |
| Metropolitan Water District                    | 0.00430        | 0.00370        | 0.00370        | 0.00350        |
| Montebello Unified School District             | 0.09673        | 0.09792        | 0.10001        | 0.09630        |
| Rio Hondo Community College Dist               | 0.02714        | 0.03439        | 0.03418        | 0.02812        |
| Whittier City School District                  | 0.03443        | 0.03494        | 0.03354        | 0.03439        |
| Whittier Union High School Dist                | 0.04224        | 0.04239        | 0.04317        | 0.04556        |
| <b>Total Direct &amp; Overlapping Tax Rate</b> | <b>1.41440</b> | <b>1.45386</b> | <b>1.43496</b> | <b>1.45940</b> |
| <b>City's Share of 1% Levy Per Prop 13</b>     | <b>0.17834</b> | <b>0.17834</b> | <b>0.17834</b> | <b>0.17834</b> |
| <b>City Redevelopment Rate</b>                 | <b>1.00430</b> | <b>1.00370</b> | <b>1.00370</b> | <b>0.00000</b> |
| <b>Total Direct Rate</b>                       | <b>0.26015</b> | <b>0.26043</b> | <b>0.26358</b> | <b>0.26391</b> |

(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.

---

(Continued)

| <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17</b> | <b>2017-18</b> | <b>2018-19</b> |
|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>1.00000</b> | <b>1.00000</b> | <b>1.00000</b> | <b>1.00000</b> | <b>1.00000</b> | <b>1.00000</b> |
| 0.00000        | 0.00000        | 0.00000        | 0.00000        | 0.00000        | 0.00000        |
| 0.09571        | 0.09907        | 0.09630        | 0.09627        | 0.19173        | 0.17840        |
| 0.04454        | 0.04017        | 0.03575        | 0.03596        | 0.04599        | 0.04621        |
| 0.00000        | 0.00000        | 0.00000        | 0.00000        | 0.00000        | 0.00000        |
| 0.08537        | 0.07964        | 0.06522        | 0.00000        | 0.00000        | 0.00000        |
| 0.02810        | 0.03041        | 0.08062        | 0.07063        | 0.08396        | 0.06878        |
| 0.00350        | 0.00350        | 0.00350        | 0.00350        | 0.00350        | 0.00350        |
| 0.09457        | 0.08750        | 0.08715        | 0.14705        | 0.13514        | 0.13921        |
| 0.02892        | 0.02821        | 0.02712        | 0.02808        | 0.02748        | 0.02554        |
| 0.06110        | 0.05792        | 0.05757        | 0.05441        | 0.04781        | 0.05534        |
| 0.04473        | 0.05270        | 0.05063        | 0.06035        | 0.05781        | 0.05822        |
| <b>1.48654</b> | <b>1.47912</b> | <b>1.50386</b> | <b>1.49625</b> | <b>1.59342</b> | <b>1.57521</b> |
| <b>0.17834</b> | <b>0.17834</b> | <b>0.17834</b> | <b>0.17834</b> | <b>0.17834</b> | <b>0.17834</b> |
| <b>0.00000</b> | <b>0.00000</b> | <b>0.00000</b> | <b>0.00000</b> | <b>0.00000</b> | <b>0.00000</b> |
| <b>0.09412</b> | <b>0.09381</b> | <b>0.09355</b> | <b>0.09330</b> | <b>0.09301</b> | <b>0.09272</b> |

**City of Pico Rivera**

Principal Property Taxpayers

Current Fiscal Year and Nine Fiscal Years Ago

| Taxpayer                             | 2018-19                      |   | 2009-10                      |   |
|--------------------------------------|------------------------------|---|------------------------------|---|
|                                      | Taxable<br>Assessed<br>Value | Percentage<br>of Total City<br>Taxable<br>Assessed<br>Value | Taxable<br>Assessed<br>Value | Percentage<br>of Total City<br>Taxable<br>Assessed<br>Value |
| Vestar California XXVI LLC           | \$ 74,556,357                | 1.44%   | \$ 36,390,164                | 0.95%   |
| Paramount Pico Rivera Industrial LLC | 51,128,738                   | 0.99%   | -                            | -   |
| Majestic Amb Pico Rivera             | 45,692,018                   | 0.88%   | 41,124,492                   | 1.07%   |
| Wal Mart Real Estate Business        | 37,500,407                   | 0.73%   | 32,925,075                   | 0.86%   |
| Pico Rivera Holding LVT              | 35,324,950                   | 0.68%   | -                            | -   |
| Iron Mountain Information Mgmt       | 33,314,394                   | 0.64%   | -                            | -   |
| RLF I-Pico SPE LLC                   | 31,365,000                   | 0.61%   | -                            | -   |
| General American Life Insurance Co   | 30,394,609                   | 0.59%   | 26,453,769                   | 0.69%   |
| GGF Pico Rivera LLC                  | 29,065,286                   | 0.56%   | 24,890,746                   | 0.65%   |
| Showprop Pico Rivera LLC             | 28,850,245                   | 0.56%   | 24,375,025                   | 0.64%   |
| Fresh and Easy Neighborhood Market   | -                            | -   | 32,203,087                   | 0.84%   |
| TRF Crossroads LLC                   | -                            | -   | 20,675,389                   | 0.54%   |
| Dav C Bacara LLC                     | -                            | -   | 19,715,595                   | 0.51%   |
| Rex Road LLC                         | -                            | -   | 19,431,820                   | 0.51%   |
|                                      | <u>\$ 397,192,004</u>        | <u>7.68%</u>  | <u>\$ 278,185,162</u>        | <u>7.25%</u>  |

Excludes government and tax-exempt property owners

Total City Value for 2009-10 \$ 3,835,622,958

Total City Value for 2018-19 \$ 5,170,352,922

Source: Los Angeles County Assessor 2018-19 and 2009-10 Combined Tax Rolls

**City of Pico Rivera**

Top 25 Sales Tax Producers

Current Fiscal Year and Nine Fiscal Years Ago

| Fiscal Year 2018-19              |                            | Fiscal Year 2009-10           |                            |
|----------------------------------|----------------------------|-------------------------------|----------------------------|
| Taxpayers                        | Business Type              | Taxpayers                     | Business Type              |
| 1 Arco AM PM                     | Service Stations           | Arco AM PM Mini Market        | Service Stations           |
| 2 Arco AM PM                     | Service Stations           | Cal Wholesale Material Supply | Building Materials         |
| 3 Bay Cities Container           | Light Industrial/Printers  | Chevron                       | Service Stations           |
| 4 Calply                         | Building Materials         | Chevron                       | Service Stations           |
| 5 Chevron                        | Service Stations           | Cintas                        | Business Services          |
| 6 Cintas                         | Business Services          | Circle K                      | Service Stations           |
| 7 Circle K                       | Service Stations           | Food 4 Less                   | Grocery Stores             |
| 8 Dal Rae Restaurant             | Fine Dining                | Home Depot                    | Building Materials         |
| 9 Food 4 Less                    | Grocery Stores             | King Taco                     | Quick-Service Restaurants  |
| 10 Foundation Building Materials | Building Materials         | Kwik/Al Sal Oil               | Service Stations           |
| 11 Home Depot                    | Building Materials         | Lowes                         | Building Materials         |
| 12 In N Out Burgers              | Quick-Service Restaurants  | Marshalls                     | Family Apparel             |
| 13 Lowes                         | Lumber/Building Materials  | McDonalds                     | Quick-Service Restaurants  |
| 14 Marshalls                     | Family Apparel             | Oxnard Building Materials     | Building Materials         |
| 15 McDonalds                     | Quick-Service Restaurants  | Pico Rivera Gas and Carwash   | Service Stations           |
| 16 Ross                          | Family Apparel             | Ross                          | Family Apparel             |
| 17 Rush Peterbilt Truck Center   | New Motor Vehicle Dealer   | Rush Peterbilt Truck Center   | New Motor Vehicle Dealer   |
| 18 Saw Service of America        | Heavy Industrial           | Saw Service of America        | Heavy Industrial           |
| 19 Shell                         | Service Stations           | So Cal Material Handling      | Warehse/Farm/Const. Equip. |
| 20 Target                        | Discount Dept Stores       | Target                        | Discount Dept Stores       |
| 21 Toshiba America Bus Solutions | Office Equipment           | Tesoro Refining & Marketing   | Service Stations           |
| 22 Unisource                     | Office Supplies/Furniture  | Unisource                     | Office Supplies/Furniture  |
| 23 United Oil                    | Service Stations           | United Oil                    | Service Stations           |
| 24 United Rentals                | Repair Shop/Equip. Rentals | United Rentals                | Repair Shop/Equip. Rentals |
| 25 Wal Mart                      | Discount Dept Stores       | Walmart Supercenter           | Discount Dept Stores       |

Percentage of Fiscal Year Total Paid by Top 25 Accounts =

|         |        |
|---------|--------|
| 2018-19 | 63.38% |
| 2009-10 | 71.11% |

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

Source: Hinderliter, de Llamas & Associates, State Board of Equalization

**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 |
| 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                          | 46,422,768               | -                      |
| 2014-15     | - (2)                   | 24,172,149             | 32,190,692                          | 44,404,619               | 3,474,478              |
| 2015-16     | - (2)                   | 25,366,413             | 31,510,767                          | 42,271,468               | 3,646,800              |
| 2016-17     | - (2)                   | 28,485,966             | 32,438,350                          | 40,013,319               | 4,096,656              |
| 2017-18     | - (2)                   |                        | 31,439,322                          | 37,620,169               | 4,473,787              |
| 2018-19     | - (2)                   |                        | 45,590,194                          | 35,082,018               | 4,967,451              |

(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 implement GASB 68 in FY 1415 and recognize pension obligation.

(Continued)

| <u>Total<br/>Primary<br/>Government</u> | <u>Percentage<br/>of Personal<br/>Income</u> | <u>Debt<br/>Per<br/>Capita</u> |
|---|--|--------------------------------|
| 116,466,292                             | 10.06%                                       | 1,849                          |
| 126,696,954                             | 10.94%                                       | 2,011                          |
| 84,015,467                              | 7.36%  | 1,331                          |
| 81,630,542                              | 7.03%  | 1,295                          |
| 79,268,385                              | 6.69%  | 1,241                          |
| 104,241,938                             | 8.68%  | 1,631                          |
| 102,795,448                             | 8.66%  | 1,599                          |
| 105,034,291                             | 8.85%  | 1,634                          |
| 73,533,278                              | 6.14%  | 1,148                          |
| 85,639,663                              | 6.70%  | 1,333                          |

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

---

| Fiscal Year | General<br>Obligation<br>Bonds | Finance<br>Authority<br>Revenue<br>Bonds (1) | Total<br>Primary<br>Government | Percent of<br>Assessed<br>Value | Debt<br>Per<br>Capita |
|-------------|--------------------------------|--|--------------------------------|---------------------------------|-----------------------|
| 2009-10     | -                              | 34,170,317                                   | 34,170,317                     | 0.891%                          | 493.02                |
| 2010-11     | -                              | 34,170,317                                   | 34,170,317                     | 0.901%                          | 542.49                |
| 2011-12     | -                              | 34,080,467                                   | 34,080,467                     | 0.883%                          | 539.92                |
| 2012-13     | -                              | 33,475,542                                   | 33,475,542                     | 0.851%                          | 530.34                |
| 2013-14     | -                              | 32,845,617                                   | 32,845,617                     | 0.808%                          | 520.92                |
| 2014-15     | -                              | 32,190,692                                   | 32,190,692                     | 0.758%                          | 503.98                |
| 2015-16     | -                              | 31,510,767                                   | 31,510,767                     | 0.709%                          | 493.11                |
| 2016-17     | -                              | 32,438,350                                   | 32,438,350                     | 0.730%                          | 506.49                |
| 2017-18     | -                              | 31,439,322                                   | 31,439,322                     | 0.640%                          | 489.25                |
| 2018-19     | -                              | 45,590,194                                   | 45,590,194                     | 0.882%                          | 711.98                |

(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.

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

Source: City of Pico Rivera Finance Department



**City of Pico Rivera****Direct and Overlapping Debt**

As of June 30, 2019

|                              |                    |
|------------------------------|--------------------|
| 2018-19 Assessed Valuation:  | \$ 5,170,352,922   |
| Incremental Valuation:       | <u>950,684,848</u> |
| Adjusted Assessed Valuation: | \$4,219,668,074    |

|                            | <u>Total Debt</u><br><u>6/30/2019</u> | <u>% Applicable (1)</u> | <u>City's Share of</u><br><u>Debt 6/30/19</u> |
|----------------------------|---------------------------------------|-------------------------|---|
| <b><u>DIRECT DEBT</u></b>  |                                       |                         |   |
| <b>City of Pico Rivera</b> | 45,590,194                            | 100.000%                | 45,590,194                                    |
| <b>TOTAL DIRECT DEBT</b>   | <u>45,590,194</u>                     |                         | <u>45,590,194</u>                             |

**OVERLAPPING DEBT:**

|   |                      |         |                   |
|---|----------------------|---------|-------------------|
| Metropolitan Water District                   | 48,050,000           | 0.177%  | 85,049            |
| Los Angeles Community College District        | 3,930,390,000        | 0.014%  | 550,255           |
| Rio Hondo Community College District          | 131,932,824          | 13.027% | 17,186,889        |
| El Rancho Unified School District             | 63,052,813           | 99.997% | 63,050,921        |
| Montebello Unified School District            | 182,120,908          | 0.698%  | 1,271,204         |
| Whittier Union High School District           | 106,243,592          | 0.517%  | 549,279           |
| Los Nietos School District                    | 30,940,132           | 0.053%  | 16,398            |
| Whittier City School District                 | 68,100,000           | 1.873%  | 1,275,513         |
| Los Angeles County Regional Parks and Open Sp | <u>13,620,000</u>    | 0.341%  | <u>46,444</u>     |
| <b>TOTAL OVERLAPPING DEBT</b>                 | <u>4,574,450,269</u> |         | <u>84,031,952</u> |

**TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT** **129,622,146**

(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 2018-19 Assessed Valuation:**

|  |              |
|--|--------------|
| <b>Direct Debt</b>                             | <b>0.88%</b> |
| Total Overlapping Tax and Assessment Debt..... | 1.63%        |

**Ratios to Adjusted Assessed Valuation:**

|  |              |
|--|--------------|
| <b>Direct Debt</b>                             | <b>1.08%</b> |
| Total Overlapping Tax and Assessment Debt..... | 1.99%        |
| <b>Combined Total Debt.....</b>                | <b>3.07%</b> |

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

---

|   | Fiscal Year             |                         |                         |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | 2009-10                 | 2010-11                 | 2011-12                 | 2012-13                 |
| Debt limit  | \$ 581,318,695          | \$ 573,980,277          | \$ 585,365,738          | \$ 602,284,951          |
| Total net debt applicable to limit                                | -                       | -                       | -                       | -                       |
| Legal debt margin   | <u>\$ 581,318,695</u>   | <u>\$ 573,980,277</u>   | <u>\$ 585,365,738</u>   | <u>\$ 602,284,951</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                                     |                         |                         |                         |                         |
| Assessed value  | \$ 3,835,622,958        | \$ 3,793,015,615        | \$ 3,861,702,311        | \$ 3,973,385,899        |
| Add back: exempt real property                                    | <u>39,835,011</u>       | <u>33,519,567</u>       | <u>40,735,942</u>       | <u>41,847,108</u>       |
| Total assessed value  | <u>\$ 3,875,457,969</u> | <u>\$ 3,826,535,182</u> | <u>\$ 3,902,438,253</u> | <u>\$ 4,015,233,007</u> |
| Debt limit (15% of total assessed value)                          | \$ 581,318,695          | \$ 573,980,277          | \$ 585,365,738          | \$ 602,284,951          |
| Debt applicable to limit  | -                       | -                       | -                       | -                       |
| Legal debt margin   | <u>\$ 581,318,695</u>   | <u>\$ 573,980,277</u>   | <u>\$ 585,365,738</u>   | <u>\$ 602,284,951</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.

Source: Los Angeles County Assessor 2016/17 Combined Tax Rolls

(Continued)

| Fiscal Year             |                         |                         |                         |                         |                         |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 2013-14                 | 2014-15                 | 2015-16                 | 2016-17                 | 2017-18                 | 2018-19                 |
| \$ 618,519,977          | \$ 643,657,163          | \$ 673,079,843          | \$ 710,507,871          | \$ 750,729,280          | \$ 791,460,728          |
| -                       | -                       | -                       | -                       | -                       | -                       |
| <u>\$ 618,519,977</u>   | <u>\$ 643,657,163</u>   | <u>\$ 673,079,843</u>   | <u>\$ 710,507,871</u>   | <u>\$ 750,729,280</u>   | <u>\$ 791,460,728</u>   |
| 0.00%                   | 0.00%                   | 0.00%                   | 0.00%                   | 0.00%                   | 0.00%                   |
|                         |                         |                         |                         |                         |                         |
| \$ 4,065,546,441        | \$ 4,249,444,059        | \$ 4,443,723,085        | \$ 4,699,049,996        | \$ 4,960,278,250        | \$ 5,223,378,886        |
| 57,920,073              | 41,603,696              | 43,475,869              | 37,669,146              | 44,583,616              | 53,025,964              |
| <u>\$ 4,123,466,514</u> | <u>\$ 4,291,047,755</u> | <u>\$ 4,487,198,954</u> | <u>\$ 4,736,719,142</u> | <u>\$ 5,004,861,866</u> | <u>\$ 5,276,404,850</u> |
| \$ 618,519,977          | \$ 643,657,163          | \$ 673,079,843          | \$ 710,507,871          | \$ 750,729,279.90       | \$ 791,460,727.50       |
| -                       | -                       | -                       | -                       | -                       | -                       |
| <u>\$ 618,519,977</u>   | <u>\$ 643,657,163</u>   | <u>\$ 673,079,843</u>   | <u>\$ 710,507,871</u>   | <u>\$ 750,729,280</u>   | <u>\$ 791,460,728</u>   |

**City of Pico Rivera**  
**Pledged Revenue Bond Coverage**

| <b>1999 WATER AUTHORITY REVENUE BONDS - Last Ten Fiscal Years</b> |                              |                                   |  |                          |          |
|---|------------------------------|-----------------------------------|--|--------------------------|----------|
| Fiscal Year   | Gross Revenue <sup>(1)</sup> | Less: Direct Costs <sup>(2)</sup> | Net Revenue Available for Debt Service | 1999 Bonded Debt (P & I) | Coverage |
| 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                              | 1,638,813                | 3.89%    |
| 2014-15   | 10,934,757                   | (4,785,711)                       | 6,149,046                              | 1,638,925                | 3.75%    |
| 2015-16   | 10,787,717                   | (5,745,991)                       | 5,041,726                              | 1,638,500                | 3.08%    |
| 2016-17   | 11,969,572                   | (4,617,562)                       | 7,352,010                              | 1,635,875                | 4.49%    |
| 2017-18   | 11,825,467                   | (2,022,475)                       | 9,802,992                              | 1,636,050                | 5.99%    |
| 2018-19   | 11,995,293                   | (5,881,508)                       | 6,113,785                              | 1,638,750                | 3.73%    |

(1) Total Water Authority revenues

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

| <b>2001 WATER AUTHORITY REVENUE BONDS (Subordinate to 1999 Water Bonds) - Last Ten Fiscal Years</b> |                              |  |                                   |                                     |                                       |  |                                  |          |
|---|------------------------------|--|-----------------------------------|-------------------------------------|---------------------------------------|--|----------------------------------|----------|
| Fiscal Year   | Gross Revenue <sup>(1)</sup> | Less Purchased Security Revenue <sup>(2)</sup> | Less: Direct Costs <sup>(3)</sup> | Less: 1999 Debt Svce P & I Payments | Plus: Secured Revenues <sup>(4)</sup> | Total Pledged Subordinate Net Revenues & Securites | 2001 P & I Debt Service Payments | Coverage |
| 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)                       | (1,641,063)                         | 3,348,075                             | 4,943,480  | 3,101,863                        | 1.59     |
| 2013-14   | 11,311,659                   | (2,195,200)                                    | (4,944,349)                       | (1,638,813)                         | 3,345,200                             | 5,878,497  | 3,097,031                        | 1.90     |
| 2014-15   | 10,934,757                   | (2,111,900)                                    | (4,785,711)                       | (1,638,925)                         | 3,341,900                             | 5,740,121  | 3,095,000                        | 1.85     |
| 2015-16   | 10,787,717                   | (2,022,650)                                    | (5,369,848)                       | (1,638,500)                         | 3,342,650                             | 5,099,369  | 3,088,281                        | 1.65     |
| 2016-17   | 11,969,572                   | (1,927,100)                                    | (4,617,562)                       | (1,635,875)                         | 3,337,100                             | 7,126,135  | 3,086,563                        | 2.31     |
| 2017-18   | 11,825,467                   | (2,022,475)                                    | (6,483,639)                       | (1,636,050)                         | 3,334,900                             | 5,618,203  | 3,084,375                        | 1.82     |
| 2018-19   | 11,995,293                   | (2,091,209)                                    | (5,881,508)                       | (1,638,750)                         | 3,330,525                             | 5,714,351  | 3,081,406                        | 1.85     |

(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

| <b>2016 LEASE REVENUE BONDS (2)</b> |                              |            |           |                 |
|-------------------------------------|------------------------------|------------|-----------|-----------------|
| Fiscal Year                         | Gross Revenue <sup>(1)</sup> | Principal  | Interest  | Total Coverage  |
| 2016-17                             | 37,906,839                   | 980,000.00 | 655,944   | 1,635,944 23.17 |
| 2017-18                             |                              | 865,000.00 | 1,061,150 | 1,926,150 0.00  |
| 2018-19                             |                              | 885,000.00 | 1,043,650 | 1,928,650 0.00  |

(1) Total General Fund revenues

(2) In 2016 the City of Pico Rivera refinanced its 2009 Lease Revenue bonds

| <b>2018 CERTIFICATES OF PARTICIPATION</b> |                              |            |          |                |
|---|------------------------------|------------|----------|----------------|
| Fiscal Year                               | Gross Revenue <sup>(1)</sup> | Principal  | Interest | Total Coverage |
| 2018-19                                   |                              | 205,000.00 | 486,846  | 691,846 0.00   |

(1) Total General Fund revenues

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

---

| <u>Fiscal Year</u> | <u>Population (1)</u> | <u>Personal Income<br/>(in thousands) (2)</u> | <u>Per Capita<br/>Personal Income (2)</u> | <u>Unemployment<br/>Rate (3)</u> |
|--------------------|-----------------------|---|---|----------------------------------|
| 2009-10            | 66,650                | 1,219,628                                     | 18,299                                    | 10.80%                           |
| 2010-11            | 62,988                | 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                | 1,187,489                                     | 18,476                                    | 6.20%                            |
| 2016-17            | 64,046                | 1,197,852                                     | 18,703                                    | 4.80%                            |
| 2017-18            | 64,260                | 1,278,319                                     | 19,893                                    | 4.70%                            |
| 2018-19            | 64,033                | 1,343,604                                     | 20,983                                    | 4.20%                            |

(1) Population Projections are provided by the California State 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.

Source: MuniServices LLC

# City of Pico Rivera

## Principal Employers

Current Fiscal Year and Nine Years Fiscal Years Ago

| Employer                           | Business Type         | 2018-19   |                            | 2009-2010 |                            |
|------------------------------------|-----------------------|-----------|----------------------------|-----------|----------------------------|
|                                    |                       | Employees | % of Total City Employment | Employees | % of Total City Employment |
| El Rancho Unified School District* | Government            | 1,225     | 4.12%                      | 1,200     | 4.11%                      |
| Wal-Mart Supercenter               | Department Store      | 497       | 1.67%                      | 503       | 1.72%                      |
| Target                             | Department Store      | 191       | 0.64%                      | 215       | 0.74%                      |
| Feit Electric Co Inc               | Manufacturing         | 189       | 0.64%                      | 193       | 0.66%                      |
| Lowe's Home Centers                | Hardware Store        | 187       | 0.63%                      |           |                            |
| Rivera Nursing & Convalescent      | Healthcare & Hospital | 182       | 0.61%                      | 140       | 0.48%                      |
| Bay Cities Container               | Yard Storage Use      | 160       | 0.54%                      |           |                            |
| Aurora World, Inc                  | Wholesale Business    | 136       | 0.46%                      |           |                            |
| El Rancho Vista Healthcare Center  | Healthcare & Hospital | 112       | 0.38%                      |           |                            |
| Anastasia Beverly Hills Inc        | Warehouse for Distrib | 100       | 0.34%                      |           |                            |
| City of Pico Rivera                | Government            |           | 0.00%                      | 389       | 1.33%                      |
| BakeMark                           | Manufacturing         |           | 0.00%                      | 259       | 0.89%                      |
| Bimbo Bakeries                     | Distribution Center   |           | 0.00%                      | 187       | 0.64%                      |
| Cintas Corporation                 | Manufacturing         |           | 0.00%                      | 165       | 0.57%                      |
| Los Angeles County Sheriff         | Patrol Station        |           | 0.00%                      | 153       | 0.52%                      |
| Home Depot                         | Retailer              |           | 0.00%                      | 140       | 0.48%                      |
| Total Top Employers                |                       | 2,979     | 10.03%                     | 3,544     | 12.14%                     |
| Total City Employment (1)          |                       | 29,700    |                            | 29,000    |                            |

Source: HDL Companies

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

\*\* Includes FTE and temp service employees

(1) Total City Labor Force provided by EDD Labor Force Data.

**City of Pico Rivera**

Full-time Equivalent City Employees by Function  
Last Ten Fiscal Years

---

|                       | Fiscal Year |         |           |         |         |         |         |         |         |         |
|-----------------------|-------------|---------|-----------|---------|---------|---------|---------|---------|---------|---------|
|                       | 2009-10     | 2010-11 | 2011-2012 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| General Government    | 29          | 29      | 28        | 29      | 29      | 30      | 25      | 30      | 30      | 31      |
| Public Safety         | 7           | 7       | 6         | 5       | 5       | 5       | 8       | 8       | 9       | 9       |
| Public Works          | 57          | 57      | 57        | 47      | 47      | 54      | 55      | 64      | 65      | 66      |
| Parks & Recreation    | 22          | 22      | 20        | 20      | 20      | 21      | 21      | 26      | 26      | 27      |
| Community Development | 22          | 22      | 17        | 16      | 16      | 16      | 15      | 20      | 19      | 20      |
| Water                 | 8           | 8       | 10        | 11      | 11      | 11      | 8       | 9       | 10      | 10      |
| Total                 | 145.0       | 145.0   | 138.0     | 128.0   | 128.0   | 137.0   | 132     | 157     | 159     | 163     |

Source: Pico Rivera Adopted Budget 2018-2019

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

| Function  | Fiscal Year |         |         |         |
|---|-------------|---------|---------|---------|
|   | 2009-10     | 2010-11 | 2011-12 | 2012-13 |
| Police:   |             |         |         |         |
| Calls dispatched                                | 22,471      | 21,622  | 21,735  | 22,369  |
| Crime reports                                   | 7,892       | 7,420   | 7,151   | 7,062   |
| Moving citations                                | 9,057       | 8,321   | 4,326   | 4,947   |
| Parking citations - Sheriff                     | 408         | 440     | 416     | 302     |
| Parking citations issued by Public Safety       | 22,473      | 20,276  | 16,490  | 16,161  |
| Streets and Highways:                           |             |         |         |         |
| Asphalt repair (in tons)                        | 1,600       | 976     | 1,012   | 669     |
| Curb & gutter repair (lineal ft.)               | 735         | 672     | 720     | 1,059   |
| Sidewalk repair (lineal ft.)                    | 7,502       | 6,846   | 5,152   | 4,690   |
| Traffic signals maintained                      | 49          | 50      | 50      | 51      |
| Water:  |             |         |         |         |
| Number of customer accounts                     | 9,405       | 9,441   | 9,486   | 9,510   |
| Average daily consumption (millions of gallons) | 5           | 5       | 5       | 6       |
| Water samples taken (annual)                    | 798         | 762     | 825     | 783     |
| Sewers:   | *_          |         |         |         |
| Feet of sewer mains root cut/chemically treated | 11          | 11      | 15      | 11      |
| Maintenance:                                    |             |         |         |         |
| Square ft. graffiti removal                     | 132,844     | 183,680 | 121,419 | 120,200 |
| Streetsweeping miles                            | 14,400      | 21,285  | 21,285  | 21,285  |
| Trees trimmed per year                          | 4,669       | 4,041   | 4,621   | 4,543   |
| Culture and Recreation:                         |             |         |         |         |
| Youth sports                                    | 659         | 856     | 825     | 835     |
| Aquatics  | 16,720      | 12,163  | 11,479  | 11,800  |
| Recreation classes                              | 10,082      | 10,660  | 15,601  | 14,983  |
| Senior Center participants                      | 100,547     | 117,321 | 132,211 | 133,143 |

(A) Information is not available

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

Source: City of Pico Rivera Finance Department



(Continued)

| Fiscal Year |         |         |         |         |         |
|-------------|---------|---------|---------|---------|---------|
| 2013-14     | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| 21,602      | 21,878  | 24,523  | 26,177  | 25,363  | 22,854  |
| 9,775       | 10,725  | 10,268  | 7,275   | 6,680   | 6,288   |
| 4,822       | 4,250   | 3,296   | 3,146   | 3,931   | 3,216   |
| 549         | 147     | 171     | 158     | 69      | 167     |
| 16,303      | 15,152  | 15,468  | 16,285  | 15,985  | 28,037  |
| 160         | 427     | 100     | 2,523   | 7,263   | 4,813   |
| 26          | 530     | 500     | 146     | 121     | 200     |
| 877         | 1,200   | 1,600   | 2,523   | 7,263   | 208     |
| 42          | 45      | 47      | 47      | 47      | 47      |
| 9,393       | 9,400   | 9,435   | 9,435   | 9,435   | 9,435   |
| 5           | 5       | 4       |         |         |         |
| 900         | 1,162   | 520     |         |         |         |
| 11          | 11      | 0*      | 0       | 0       | 0       |
| 95,353      | 101,419 | 100,000 | 150,000 | 229,000 | 117,536 |
| 21,285      | 21,285  | 10,400  | 21,285  | 21,285  | 21,285  |
| 4,258       | 4,998   | 5,000   | 4,000   | 3,000   | 2,500   |
| 856         | 856     | 818     | 671     | 517     | 825     |
| 16,179      | 16,179  | 6,960   | 10,715  | 10,502  | 11,114  |
| 16,415      | 16,415  | 4,825   | 4,932   | 7,076   | 10,398  |
| 117,978     | 117,978 | 110,632 | 135,889 | 151,669 | 135,354 |

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

| Function                       | Fiscal Year |         |         |         |
|--------------------------------|-------------|---------|---------|---------|
|                                | 2009-10     | 2010-11 | 2011-12 | 2012-13 |
| Public Safety:                 |             |         |         |         |
| Police stations                | 1           | 1       | 1       | 1       |
| Number of patrol units         | 14          | 14      | 12      | 12      |
| Highways and Streets:          |             |         |         |         |
| Miles of streets               | 115.2       | 115.2   | 115.2   | 115.2   |
| Traffic Signals                | 42          | 43      | 43      | 43      |
| Water:                         |             |         |         |         |
| Number of active water wells   | 8           | 8       | 9       | 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 | 17.2        | 17.2    | 17.2    | 17      |
| Culture and Recreation:        |             |         |         |         |
| Number of parks                | 8           | 8       | 8       | 8       |
| Number of community centers    | 6           | 6       | 6       | 6       |

(Continued)

| Fiscal Year |         |         |         |         |         |
|-------------|---------|---------|---------|---------|---------|
| 2013-14     | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| 1           | 1       | 1       | 1       | 1       | 1       |
| 12          | 12      | 12      | 14      | 14      | 14      |
| 115.2       | 115.2   | 115.2   | 115.2   | 115.2   | 115.2   |
| 43          | 43      | 47      | 47      | 47      | 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          | 17      | 17      | 17      | 17      | 17      |
| 8           | 8       | 8       | 8       | 8       | 8       |
| 6           | 6       | 6       | 6       | 6       | 6       |



City of Pico Rivera • 6615 Passons Boulevard • Pico Rivera, CA 90660  
Tel. no. (562) 942-2000 • [www.pico-rivera.org](http://www.pico-rivera.org)