

City of
PICO RIVERA
California

CAFR

Fiscal Year Ended June 30, 2020



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

2020

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CITY OF PICO RIVERA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Prepared by:
Finance Department

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CITY OF PICO RIVERA, CALIFORNIA
Comprehensive Annual Financial Report
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INTRODUCTORY SECTION

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Angelina Garcia
Director

City of Pico Rivera **FINANCE DEPARTMENT**

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City Council

Raul Elias

Mayor

Dr. Monica Sánchez

Mayor Pro Tem

Gustavo V. Camacho

Councilmember

Andrew C. Lara

Councilmember

Erik Lutz

Councilmember

February 3, 2021

Honorable Mayor and City Council
City of Pico Rivera, California

SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF PICO RIVERA FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Honorable Mayor and City Councilmembers:

I am pleased to present the Comprehensive Annual Financial Report of the City of Pico Rivera for the fiscal year ended June 30, 2020, as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of Pico Rivera issue annually a report on its financial position and activity, and that an independent firm of certified public accountants audit this report. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of Pico Rivera. In addition, to the best of our knowledge, there are no untrue statements of material fact within the financial statements or omissions of material fact to cause the financial statements to be misleading. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report (CAFR) is prepared using the guidelines set forth by the Government Accounting Standards Board (GASB) and audited by CliftonLarsonAllen LLP (CLA), Certified Public Accountants & Consultants. For the year ended June 30, 2020, these financial statements received unmodified opinions by CLA. Their opinion is located at the beginning of the financial section of this report.

Honorable Mayor and City Councilmembers

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Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

City of Pico Rivera Profile

The City of Pico Rivera is a thriving community that offers opportunities to all who live, work and visit in the City. Situated on the eastern edge of the Los Angeles basin and the southern edge of the area known as the San Gabriel Valley, Pico Rivera is approximately 13 miles southeast of downtown Los Angeles, with a population of 63,000. Formed through the merging of two historic communities, Pico and Rivera, the City was officially incorporated in January 1958 as the 61st general law city in Los Angeles County. Originally an agricultural area, the community evolved into a residential and industrial area following the end of World War II. Within the City's nine square miles, more than 120 acres are devoted to recreational uses, including just under 100 acres of local parks.

The City Pico Rivera is a general law city and operates under the Council-Manager form of government whereby the City Council provides policy direction to a City Manager appointed by the Council. As the City's chief administrator, the City Manager is responsible for overseeing City employees who implement all of the City's programs, services and projects. Five City Council members are elected, at large, for staggered four-year terms. The council members select two of the members to serve as Mayor and Mayor Pro Tem.

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. The City contracts some municipal services with other public agencies, these include: the Los Angeles County Sheriff's Department for law enforcement service, the Los Angeles County Fire Department for fire protection and paramedic emergency services, and the Los Angeles County Library System to operate its two community libraries.

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.

Honorable Mayor and City Councilmembers

Subject: Comprehensive Annual Financial Report of the City of Pico Rivera for the fiscal year ended June 30, 2020

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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

FINANCIAL INFORMATION

Budgetary Controls

The City of Pico Rivera maintains strict budgetary controls, with the objective of ensuring compliance with legal provisions contained in the annual appropriated budgets approved by the City Council and the Water Authority. Activities of the General fund, Special Revenue, Enterprise and Capital Projects funds are included in the annual appropriated budgets of the government units. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department/function level within each fund. Formal budgetary integration is employed as a management control device. The City also maintains an encumbrance accounting system as one method of maintaining budgetary control. These encumbrances lapse at year-end, and any unexpended balance is eligible to be carried over to the following year's budget appropriations with City Council approval.

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. These policies 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.

The policies were further refined and adopted by City Council as part of the FY 2020-21 budget process. On July 28, 2020, the Pico Rivera City Council adopted revised "risk-based" General Fund and Proprietary Fund Reserve Policies, which increased to the General Fund's Emergencies/Economic Stabilization Reserve from 25 percent to 50 percent. The revised policy also set certain triggers to allow staff and City Council to reassess budgeted service levels during economic downturns to ensure ongoing economic stability. The full set of policies is included as an appendix to the Fiscal Year 2020-21 Budget.

The City strives to be 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).

Internal Control

The Finance Department of the City is responsible for establishing and maintaining an appropriate internal control structure. The internal control system is designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

Significant Financial Events

There were no changes to financial policies that resulted in a significant impact on the June 30, 2020 financial statements.

Long-term Financial Planning

The City utilizes two long-term planning tools that serve as a guide to best allocate resources to meet the City's needs over time. The first of which is the Five-Year Capital Improvement Program (CIP). The CIP provides efficient and effective delivery of resources for improvement and maintaining public infrastructure and facilities. The Five-Year Capital Improvement Plan is updated annually during the budget process.

The second long-term planning tool is the City's Five-Year Financial Forecast (Forecast). The Forecast establishes the foundation for guiding policy and making financial decisions, taking into account any forecasted challenges and opportunities before they arise. This Forecast allows for creation of baseline and alternative revenue and spending forecasts, including historic and projected annual periods for the next five years. The Forecast also allows for testing the impact of assumptions and proposed initiatives on projected budget gaps and fund balances.

Significant City Accomplishments and Initiatives

On March 16th, 2020, the City of Pico Rivera adopted Resolution No. 7054 declaring an emergency due to the Novel Coronavirus Disease 2019 (COVID-19). As we grapple with the effects of COVID-19, the health, safety, and well-being of our community has continued to be our top priority. Our staff continues to provide critically needed programs, services, and resources for all who live, work, and conduct business in the City. As we adjust and adapt to the unprecedented situation facing us today, we are laying the foundation for a more resilient Pico Rivera tomorrow.

Despite the many challenges experienced due to this pandemic, the City of Pico Rivera can be proud of numerous significant accomplishments in Fiscal Year 2019-20.

COVID-19 Related Accomplishments:

- Launched a large-scale COVID-19 testing site at no cost for all interested individuals at the Pico Rivera Sports Arena. In partnership with US Health Fairs, they performed nearly 4,000 COVID-19 tests. Additionally, the City partnered with and provided funding to AltaMed Health Services for prompt mobilization to rapidly develop infrastructure for the delivery of medical care in response to the COVID-19 pandemic through the implementation of an outdoor evaluation/community testing site for individuals, primarily Pico Rivera residents who needed testing and/or treatment.
- Initiated the Emergency Senior Meal Program (ESMP) to augment the senior center congregate meal program to allow for additional participant registration resulting from the federal, state, and local emergency declarations. From April 1st through June 30, 2020, Recreation and Parks staff delivered 11,813 pre-packed meals, to Senior Citizens 60 years and older as a part of the ESMP. The ESMP continues to provide 1,000 additional frozen meals weekly to the most vulnerable senior population in the City.
- Launched a Grab-and-Go food program in June 2020 out of Pico, Rio Hondo, Rivera, and Smith Park sites that handed out 21,969 meals to youth in need.
- Coordinated the purchase of 200 hotspots and data plans for the El Rancho Unified School District (ERUSD) that were distributed to low-income students for access to virtual school programming.

Honorable Mayor and City Councilmembers

Subject: Comprehensive Annual Financial Report of the City of Pico Rivera for the fiscal year ended June 30, 2020

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- Initiated “Virtual Recreation” programming that included events, free daily classes and activities for all ages, and a “Let’s Stay Connected” telephone check-in program for Pico Rivera’s senior population.
- Launched a COVID-19 informational campaign, including the PicoRiveraStrong.org website providing the community with up-to-date and accurate information on a daily basis.
- The City of Pico Rivera’s Parks & Recreation staff were recognized by California Assembly member Cristina Garcia for being instrumental during the pandemic, offering virtual programs, coordinating senior meals & checking in on them, organizing and staffing the City’s COVID19 testing site, and facilitating city-wide communications.
- Secured PPE Personal Protective Equipment (PPE) supplies for staff, partners, and local businesses through CAL OES and Area E partners:
 - ✓ 5,000 N95 masks
 - ✓ 6,000 single use masks
 - ✓ 6,000 disposable masks
 - ✓ 5,000 face shields
 - ✓ 23,136 hand sanitizer bottles (16.9 oz.)
 - ✓ 1,878 hand sanitizer (1-gallon)
 - ✓ 1,908 hand sanitizer pumps
- Business assistance to comply with Los Angeles County Public Health Orders:
 - ✓ Expedited outdoor dining and outdoor hair/nail salon permits for local businesses within a 24-48 hour turnaround. (32 restaurants and 11 hair/nail salons)
 - ✓ Provided information and assistance regarding federal and local county COVID grant programs to eligible businesses
 - ✓ Provided one-on-one technical assistance to ten (10) businesses facing furloughs and massive layoffs due COVID impacts

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- ✓ Spotlighted (26) local businesses during weekly “Shop and Dine Pico Rivera” campaign and surveyed businesses to create a list of operating days and hours for Pico Rivera essential businesses.

Other Notable Accomplishments:

The Community and Economic Development (CED) Department has worked towards attracting national retailers and developers to develop properties that have remained vacant and underutilized. The department has entitled and approved construction, facilitating the process for developers to build within the City. The CED Department Homeless Liaison routinely patrols for homeless encampments throughout the City. The liaison coordinates with the Los Angeles County Sheriff’s Department and several partners such as the Los Angeles Service Homeless Authority (LAHSA), People Assisting the Homeless (PATH) and Whittier First Day to offer services to homeless people within the City. The liaison also coordinates the sanitary clean-up of encampments. The team’s efforts in addressing homelessness resulted in a 17% reduction in people experiencing homelessness throughout the City.

In collaboration with the Parks and Recreation Department, the CED Department has assisted with the Senior Center ADA repairs and upgrades by securing funding from the Community Development Block Grant (CDBG) program. Through budget monitoring, project management, and assistance in the federal procurement process, the department helped secure over \$300,000 for the renovation and upgrades of the Senior Center to meet ADA compliance.

The Parks and Recreation Department was recognized with the California Parks and Recreation Society Marketing & Communications Award of Excellence for its 2019 Summer Recreation Guide, defeating over 200 other municipalities.

The Public Works Department achieved great success as well, completing a robust set of long-range master plans for its Water, Wastewater and Storm Drain Systems. These master plans will be vital for the City as we continue to develop long-range Capital Improvement Programs for the next 15+ years.

In the Fall of 2020, the Southern California Chapter of the American Public Works Association (APWA) awarded the City of Pico Rivera with the 2020 APWA Best Award for the Pio Pico Park – Open Space Enhancement Project. Pio Pico Park opened earlier this year after one of the oldest school grounds in the City was renovated into one of the newest parks in the City’s park system through a joint use agreement between the City and the El Rancho Unified School District.

Honorable Mayor and City Councilmembers

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In FY 2019-20, Pico Rivera Innovative Municipal Energy (PRIME) completed its largest Net Energy Metering (NEM) payout to date, paying 25 PRIME Partner customers a total of \$11,500 for surplus energy. This is a 400% increase in surplus compensation as compared to 2019. Since inception, PRIME has saved customers over \$1 million in energy rebate savings. Additionally, PRIME, while cross-coordinating with the Public Works Department, successfully acquired 3,000 streetlights from SCE and completed the LED conversion of cobra head fixtures citywide. Completion of this project is expected to provide the City with approximately \$390,000 in annual savings for energy and maintenance costs. It is expected that this could save the City about \$7.8 million over 20 years.

The City of Pico Rivera will continue working on developing future financial plans that achieve an optimal level of service to the community through efficient, effective and innovative strategies. In order to improve productivity and efficiency, the next six months will be dedicated to preparing a Long-term Strategic Restructuring Plan (LTSRP) for City Council input and consideration. Our goal is not only to ensure financial sustainability, but also strive to strategically position the City to execute on its 21st Century Vision of a sustainable, equitable, and vibrant community to live, work, and visit.

Economic Condition and Outlook

As can be seen in the MD&A, 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, 2020.

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 two 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 guard 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.

OTHER INFORMATION

GFOA Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pico Rivera for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the 22nd 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 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 CAFR for Fiscal Year 2019-20 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.

Independent Audit

The City requires an annual audit by independent certified public accountants. The accounting firm of White Nelson Diehl Evans LLP conducted this year's audit. The auditors' report on the government-wide financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Single Audit

As a recipient of federal, state, and county financial assistance, the City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. In years when over \$750,000 is expended on Federal financial assistance programs, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and the Uniform Guidance. Results of the Single Audit are reported separately and will be available by March 2021.

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

Honorable Mayor and City Councilmembers

Subject: Comprehensive Annual Financial Report of the City of Pico Rivera for the fiscal year ended June 30, 2020

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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.

A handwritten signature in black ink, appearing to be 'AG', with a stylized flourish at the end.

Angelina Garcia
Director of Finance

AG:ep



CITY OF PICO RIVERA

CITY OFFICIALS

City Council

Raul Elias, Mayor

Monica Sanchez, Mayor Pro-Term

Gustavo V. Camacho, Councilmember

Andrew C. Lara, Councilmember

Erik Lutz, Councilmember

Executive Team

City Manager

Steve Carmona

Assistant City manager

Katherine Fuentes

City Clerk

Anna M. Jerome

Community & Economic Development Director

Michael Garcia

Finance Director

Angelina Garcia

Human Resources Director

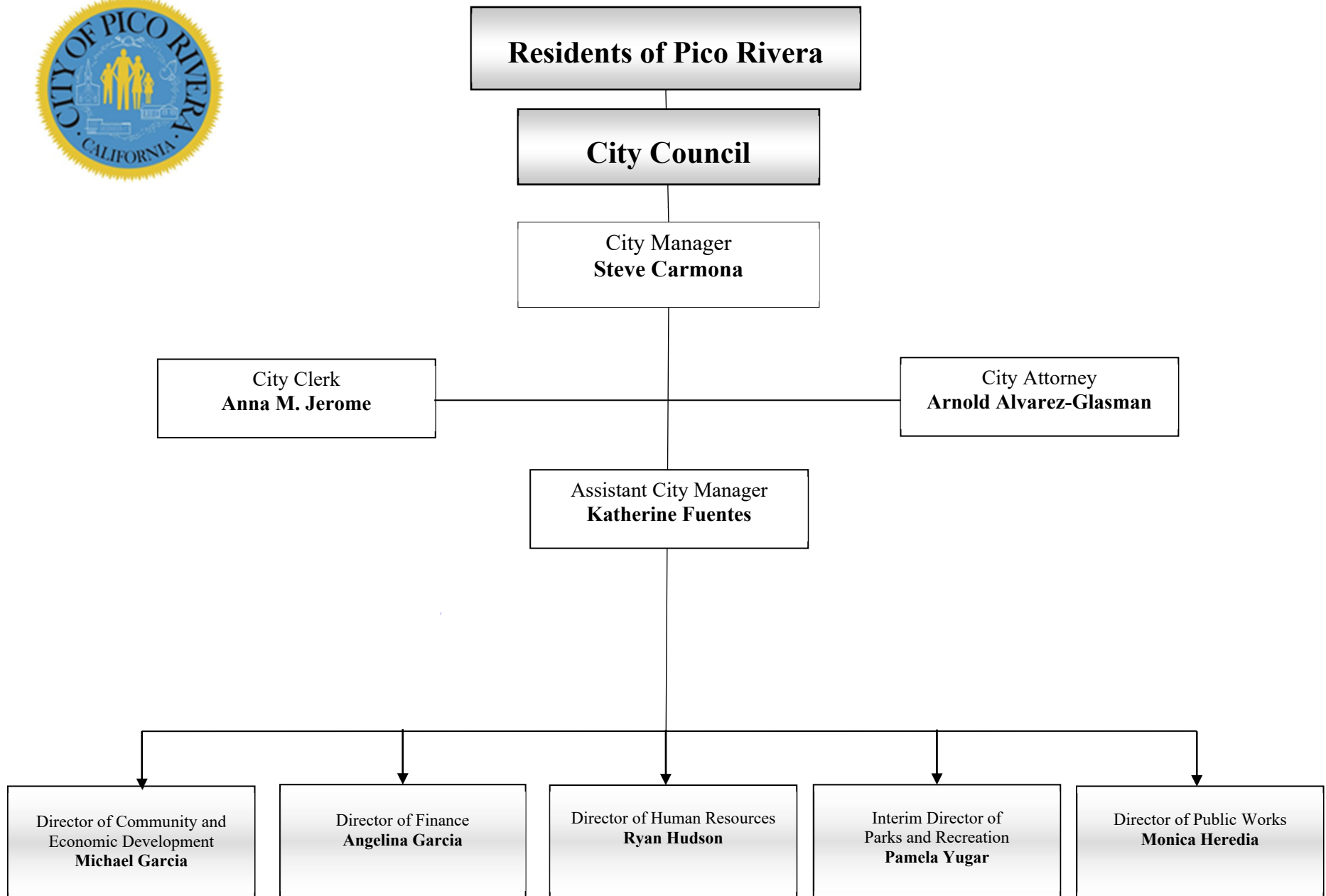
Ryan Hudson

Parks and Recreation Interim Director

Pamela Yugar

Public Works Director

Monica Heredia





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, 2019

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pico Rivera (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pico Rivera as of June 30, 2020, 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 financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during the audit of the 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 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 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the 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 February 3, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Irvine, California
February 3, 2021

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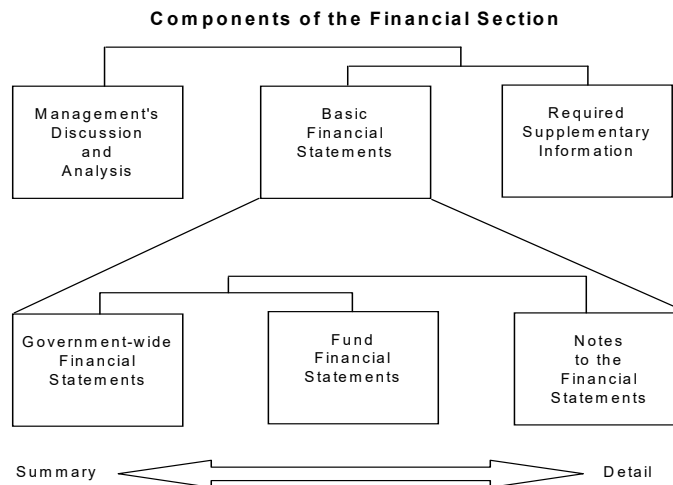
CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

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, 2020, 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, deferred outflows of resources, liabilities and deferred inflows of resources, 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only affect cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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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-eight (28) 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 110.

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 99 - 101, 106, and 122 - 142. The governmental fund financial statements can be found on pages 24 through 30 of this report.

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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 144 through 146 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 93 through 102 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 106 through 146 of this report.

FINANCIAL HIGHLIGHTS

Citywide

- Comparing fiscal year ending June 30, 2020 with June 30, 2019, the City’s total net position increased by \$10.6 million; from \$293.1 million to \$303.7 million. Of this amount, there was an increase in total assets of \$11.4 million to \$453.6 million, an increase in total liabilities of \$1.2 million to \$155.5 million, a decrease of deferred outflows of resources of \$179 thousand and an increase of deferred inflows of resource of \$1.9 million.
- Citywide revenues totaled \$93.2 million, an increase of \$4.9 million over the prior year. Expenses were \$82.6 million, an increase of \$903 thousand over the prior year.

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- Citywide capital assets, after depreciation, increased \$1.1 million to \$307.8 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 \$1.4 million to \$63 million (prior to any transfers). This net increase resulted from a combination of two main factors: a decrease in general revenues and charges for services of about \$1.5 million combined, and an increase in grants and contributions totaling about \$2.9 million.

Governmental Activities expenses increased \$1.2 million to \$59.6 million. The General Government and Community Development activities experienced increases of \$1.2 million and \$1.1 million, respectively. On the flip side, both Public Works and Parks & Recreations Activities experienced reduced expenses of \$652 thousand and \$639 thousand, respectively.

Fund Level – General Fund

- General Fund revenues were \$41.116 million, a decrease of \$743 thousand over the prior year. The decrease was mainly due to licenses and permits and miscellaneous revenues down.
- Licenses and permits revenue decreased by \$649 thousand due to reduction in license and permit issuance caused by reduced economy's capacity due to the COVID-19 pandemic.
- Miscellaneous revenue was down by \$291 thousand due to a one-time sale of property in the prior year.
- Fines, forfeitures, and Penalties and Charges for Services revenues were also down by \$157 thousand and \$145 thousand, respectively, caused by the COVID-19 lockdown and social distancing.
- Contrastingly, Taxes and Assessments revenue was up by \$536 thousand due to increase in property tax, compared to the prior fiscal year.
- General Fund expenditures were \$40.626 million, a \$969 thousand increase from the prior year. Implementing COVID-19 procedures and complying with health and safety requirements mainly caused the increase in General Government and Community Development. On the other hand, there was expenditure decrease in Parks and Recreation due to cancelled events and activities caused by the COVID-19 pandemic and in Public works due to salaries and benefits down caused by a decrease in number of filled positions.
- The fund balance of the General Fund increased \$2.643 million at June 30, 2020 to \$65.098 million.

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Fund Level – Proprietary Funds

The City had four Enterprise Funds in Fiscal Year 2019-20.

Business-type Activities – Enterprise Funds – Overall, the total net position of these funds increased \$7.259 million at June 30, 2020 to \$30.624 million.

- Total assets increased \$5.448 million to \$96.949 million due to a \$6.973 million increase in cash and investments and a \$1.639 million decrease in receivables from Successor Agency, compared to the prior fiscal year.
- Total liabilities decreased \$2.023 million to \$66.869 million mainly due to a \$2.848 million decrease in bonds payable, compared to the prior fiscal year.
- Total operational revenues increased \$3.513 million to \$28.118 million and operating expenses decreased \$144 thousand to \$20.945 million. Charges for services revenue increased \$3.094 million due to the third year's successful operation of Pico Rivera Innovative Municipal Energy (PRIME). The City's PRIME launched its operation in FY 2017-18. In addition, Water Operation's charges for services increased \$572 thousand.

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, 2020 and 2019, 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, 2020, the City's combined net position (governmental and business-type activities) totaled \$303.685 million, an increase of \$10.602 million from the prior year.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

City of Pico Rivera
Statement of Net Position
Fiscal Year ended June 30, 2020 and June 30, 2019

	Governmental Activities		Business - Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and Other Assets	\$ 79,105,060	\$ 74,825,618	\$ 30,250,173	\$ 22,563,312	\$ 109,355,233	\$ 97,388,930
Internal Balances	23,311,249	22,506,186	(23,311,249)	(22,506,186)	-	-
Land held for resale	600,000	600,000				600,000
Receivables from Successor Agency	14,596,167	14,604,507	21,253,031	22,892,448	35,849,198	37,496,955
Capital Assets	262,491,466	260,796,361	45,270,044	45,869,926	307,761,510	306,666,287
Total Assets	\$ 380,103,942	\$ 373,332,672	\$ 73,461,999	\$ 68,819,500	\$ 453,565,941	\$ 442,152,172
Deferred Outflow of resources	\$ 7,601,265	\$ 7,731,287	\$ 826,169	\$ 875,020	\$ 8,427,434	\$ 8,606,307
Liabilities:						
Current liabilities	\$ 13,319,055	\$ 13,088,313	\$ 6,420,802	\$ 6,583,092	\$ 19,739,857	\$ 19,671,405
Long-term liabilities	45,144,645	45,343,788	29,807,055	32,565,783	74,951,700	77,909,571
Net OPEB Obligation	19,817,325	21,173,600	2,007,923	2,094,093	21,825,248	23,267,693
Net Pension Liabilities	33,878,412	30,962,654	5,146,415	4,967,451	39,024,827	35,930,105
Total Liabilities	\$ 112,159,437	\$ 110,568,355	\$ 43,382,195	\$ 46,210,419	\$ 155,541,632	\$ 156,778,774
Deferred Inflows of resources	\$ 2,484,401	\$ 777,764	\$ 282,140	\$ 119,097	\$ 2,766,541	\$ 896,861
Net Position:						
Net investment in capital assets	\$ 235,399,358	\$ 232,291,558	\$ 34,129,206	\$ 33,680,356	\$ 269,528,564	\$ 265,971,914
Restricted	22,661,392	19,565,580		-	22,661,392	19,565,580
Unrestricted	15,000,619	17,860,702	(3,505,373)	(10,315,352)	11,495,246	7,545,350
Total Net Position	\$ 273,061,369	\$ 269,717,840	\$ 30,623,833	\$ 23,365,004	\$ 303,685,202	\$ 293,082,844

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 \$269.529 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
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At June 30, 2020, the City's restricted net position was \$22.661 million or 7.5% 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 \$11.495 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted amount increase \$3.950 million when compared to the June 30, 2019 amount.

Governmental Activities - Governmental activities' assets increased \$6.771 million to \$380.104 million, liabilities increased \$1.591 million to \$112.159 million, and total net position increased \$3.344 million to \$273.061 million when compared to the prior year.

- Cash and investments increased \$2.505 million to \$49.089 million.
- As the City paid down outstanding bond payable principal, long-term liabilities decreased \$199 thousand to \$45.145 million.
- There was \$33.878 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 \$19.817 million in Other Post Employment Benefit (OPEB) liabilities included as part of the implementation of GASB 75, 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 \$4.642 million to \$73.462 million. Liabilities decreased \$2.828 million to \$43.382 million.

- The share of Net pension liability, due to required GASB 68 reporting first effective for fiscal years ending June 30, 2015, was \$5.146 million.
- There was \$2.008 million in Other Post Employment Benefit (OPEB) liabilities included as part of the implementation of GASB 75, 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, 2020

City of Pico Rivera
Statement of Activities
Fiscal Year ended June 30, 2020 and June 30, 2019

	Governmental Activities		Business - Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for services	3,328,475	4,376,094	28,118,138	24,604,997	31,446,613	28,981,091
Operating grants and contributions	13,826,068	13,168,680	-	-	13,826,068	13,168,680
Capital grants and contributions	5,855,720	3,604,445	-	-	5,855,720	3,604,445
General Revenues:						
Property taxes	12,259,774	11,734,058	-	-	12,259,774	11,734,058
Sales and use taxes	19,364,272	19,468,221	-	-	19,364,272	19,468,221
Franchise taxes	1,787,568	1,729,336	-	-	1,787,568	1,729,336
Utility users taxes	3,064,500	2,939,221	-	-	3,064,500	2,939,221
Other taxes	1,690,687	1,968,094	-	-	1,690,687	1,968,094
Investment earnings	1,502,934	1,528,199	2,096,023	2,140,163	3,598,957	3,668,362
Miscellaneous	269,750	1,007,091	-	-	269,750	1,007,091
Total Revenues	62,949,748	61,523,439	30,214,161	26,745,160	93,163,909	88,268,599
Expenses						
General Government	11,832,065	10,589,517	-	-	11,832,065	10,589,517
Public safety	12,460,600	11,998,792	-	-	12,460,600	11,998,792
Public works	15,688,114	16,339,812	-	-	15,688,114	16,339,812
Parks and recreation	7,319,903	7,958,749	-	-	7,319,903	7,958,749
Health and welfare	5,508,857	5,416,605	-	-	5,508,857	5,416,605
Community development	5,269,424	4,194,760	-	-	5,269,424	4,194,760
Interest and fiscal charges	1,527,256	1,507,430	-	-	1,527,256	1,507,430
Bond issuance costs	-	398,345	-	-	-	398,345
Enterprise operations	-	-	22,955,332	23,254,399	22,955,332	23,254,399
Total Expenses	59,606,219	58,404,010	22,955,332	23,254,399	82,561,551	81,658,409
Increase/Decrease in net position before transfers and special item	3,343,529	3,119,429	7,258,829	3,490,761	10,602,358	6,610,190
Transfers	-	-	-	-	-	-
Special item	-	-	-	-	-	-
Increase/Decrease in net position	3,343,529	3,119,429	7,258,829	3,490,761	10,602,358	6,610,190
Change in net position:						
Net position-beginning of year, as restated	269,717,840	266,598,411	23,365,004	19,874,243	293,082,844	286,472,654
Net position-end of year	273,061,369	269,717,840	30,623,833	23,365,004	303,685,202	293,082,844

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities – Total revenues increased \$1.426 million and expenses increased \$1.202 million when compared to the previous year.

- Overall, program revenues increased \$1.861 million due to Operating and Capital Grants and Contributions up by \$2.909 million in total. However, Charges for Services decreased \$1.048 million caused by the COVID-19 lockdown and social distancing.
- Overall, general revenues decreased \$435 thousand mainly caused by sales and use tax, other taxes, and miscellaneous revenue down by \$1.119 million in total. Due to reduced economy's capacity caused by the COVID-19 pandemic, sales and use tax decreased \$104 thousand, and other taxes decreased \$277 thousand. Miscellaneous revenue decreased \$737 thousand due to a one-time sale of property in the prior year. On the other hand, property taxes increased \$526 thousand due to a rise in the value of properties.
- Expenses increased \$1.202 million. These were increases in General Government and Community Development totaling \$2.317 million partially due to implementing COVID-19 procedures and compliance with health and safety requirements.

Business-Type Activities - The Water Fund is the primary enterprise fund. Pico Rivera Innovative Municipal Energy (PRIME) operated the second full year in FY 2019-20.

- Revenue increased by \$3.469 million due to charges for services revenue up by \$3.513 million but investment earnings down by \$44 thousand. Expenses decreased by \$299 thousand.

FUND FINANCIAL STATEMENTS

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

As of June 30, 2020, the City's governmental funds reported a combined ending fund balance of \$97.036 million as shown on page 25. The fund balance categories of governmental funds displayed \$28.173 million as nonspendable, \$34.290 million as restricted, \$10.169 million as committed, \$14.031 million as assigned, and \$10.372 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 103.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 \$65.098 million, an increase of \$2.643 million from the previous year. The nonspendable amount is \$28.173 million, the restricted is \$1.088 million, the committed amount is \$10.169 million, the assigned amount is \$13.991 million and the unassigned amount is \$11.676 million.

Housing Agency Section 8 Fund – This Fund accounts for monies received from the U.S. Department of Housing and Urban Development for rental assistance for very low income families to meet their housing needs. During the year, \$5.218 million in revenue was received and \$5.340 million was spent. The ending fund balance was \$405 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 2019-20, \$228 thousand more was received when compared to the prior year. Overall expenditures were \$251 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, \$682 thousand in revenue was received, with \$420 thousand in expenses and \$192 thousand in Transfer Out to the Capital Improvement Fund where it was spent on capital projects. The ending fund balance was a negative \$294 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 were \$514 thousand in expenditures, which was \$629 thousand less than the prior year. Expenditures fluctuate from year to year due to the progress, size and timing of capital projects. Therefore, expenditure 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 FY 2018-19 in the aggregate outstanding principal amount of \$14.235 million at June 30, 2020.

During the year, there was an interest revenue of \$189 thousand, and there were a bond principal payment of \$255 thousand and interest charges of \$578 thousand in expenditures. The ending fund balance was \$14.765 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.

CITY OF PICO RIVERA
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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, \$10.377 million was received as revenue mainly from charges for services and expenses were \$6.734 million. During the year, there were a \$2.022 million investment income and \$2.041 million bond interest charges. The Water Fund's net position increased by \$3.654 million from the prior year to \$27.735 million.

Pico Rivera Innovative Municipal Energy (PRIME) Fund – PRIME was created 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 the year, revenues increased \$3.104 million to \$16.685 million, and operating expenses decreased \$144 thousand to \$12.801 million from prior year.

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, 2020 was \$262.491 million (net of accumulated depreciation of \$145.361 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
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City of Pico Rivera
Capital Assets (Net of Accumulated Depreciation)
Fiscal Year ended June 30, 2020 and June 30, 2019

	Governmental Activities		Business - Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land*	\$ 118,908,710	\$ 118,849,013	\$ 18,174,060	\$ 18,174,060	\$ 137,082,770	\$ 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	6,985,568	6,793,635	1,081,077	1,021,135	8,066,645	7,814,770
Infrastructure	239,607,520	233,284,401	16,055,216	15,837,296	255,662,736	249,121,697
Construction in progress	16,773,564	15,084,643	217,914	247,826	16,991,478	15,332,469
Rights of Way	-	-	5,579,916	5,579,916	5,579,916	5,579,916
Utility Plant	-	-	21,785,673	21,785,673	21,785,673	21,785,673
Total Capital Assets	\$ 407,852,287	\$ 399,588,617	67,907,694	67,659,744	475,759,981	467,248,361
Less depreciation	\$ (145,360,821)	(138,792,256)	(22,637,650)	(21,789,818)	(167,998,471)	(160,582,074)
Net Capital Assets	\$ 262,491,466	\$ 260,796,361	\$ 45,270,044	\$ 45,869,926	\$ 307,761,510	\$ 306,666,287

*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 59 to 60 of this report.

Debt Administration

As of June 30, 2020, the City had total indebtedness of \$140.586 million, a decrease of \$2.179 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 - Overall, governmental activities total indebtedness at year end is \$100.762 million. Governmental activities total indebtedness increased during the year by \$317 thousand. The increase is primarily due to an increase in pension liabilities. Please refer to note 6 beginning on page 61 for further detail.

Business-type activities - Overall, business-type debt at year end is \$39.824 million. Business-type activities total indebtedness decreased during the year by \$2.496 million. The decrease is primarily due to reductions in revenue bond debt. Please refer to note 6 beginning on page 61 for further detail.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

City of Pico Rivera
Outstanding Debt
Fiscal Year ended June 30, 2020 and June 30,2019

	Governmental Activities		Business - Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Bonded Indebtedness:						
Revenue bonds	\$ 26,840,000	\$ 27,740,000	32,320,000	34,995,000	59,160,000	62,735,000
Certificates of Participation	14,235,000	14,490,000	-	-	14,235,000	14,490,000
Bond premium	3,202,732	3,360,194	352,083	391,940	3,554,815	3,752,134
Bond discount	-	-	(278,214)	(304,922)	(278,214)	(304,922)
Other long-term debt:					-	-
Net pension liabilities	33,878,412	30,962,654	5,146,415	4,967,451	39,024,827	35,930,105
Other post-employ. Benefits	19,817,325	21,173,600	2,007,923	2,094,093	21,825,248	23,267,693
Claims and Judgements	1,404,000	1,583,000	-	-	1,404,000	1,583,000
Compensated absences	1,384,905	1,135,742	275,762	176,406	1,660,667	1,312,148
Total Indebtedness	\$ 100,762,374	\$ 100,445,190	39,823,969	42,319,968	140,586,343	142,765,158

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The General Fund realized a \$2.643 million operating surplus (operating revenues less operating expenditures) as of June 30, 2020. (When Transfer In/Transfer Out are included, the net change in fund balance was \$490 thousand.)

The Fiscal Year 2020-21 Budget is in a deficit of \$1.270 million in the General Fund. The COVID-19 pandemic is projected to cause significant issues to the City's sales tax revenue, with the projected decrease at 23% less than last fiscal year. In addition, the projections for the Fiscal Year 2020-21 do not include any potential subsequent impacts due to a possible second shut down of California businesses. This budget document will be the basis of an ongoing effort to monitor the City's finances. Staff will bring quarterly updates to ensure the City is staying on its financial plan. In addition staff will work to develop a City Wide Long-term Strategic Restructuring Plan (LTSRP). This plan will explore how the City can right-size its structural deficit and get back on the path to a sustainable future.

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.

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CITY OF PICO RIVERA
STATEMENT OF NET POSITION

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and investments	\$ 49,089,371	\$ 21,832,658	\$ 70,922,029
Restricted cash and investments:			
Cash and investments with fiscal agents	16,522,727	3,984,776	20,507,503
Escrow deposits	40,754	-	40,754
Receivables, net			
Accounts	3,537,903	4,300,026	7,837,929
Taxes	5,066,816	-	5,066,816
Interest	93,384	24,708	118,092
Internal balances	23,311,249	(23,311,249)	-
Inventories	-	24,005	24,005
Prepaid items	1,910	84,000	85,910
Long-term receivables	4,752,195	-	4,752,195
Land held for resale	600,000	-	600,000
Receivables from Successor Agency	14,596,167	21,253,031	35,849,198
Capital assets, not depreciated	135,682,274	23,971,890	159,654,164
Capital assets, depreciated, net	126,809,192	21,298,154	148,107,346
TOTAL ASSETS	<u>380,103,942</u>	<u>73,461,999</u>	<u>453,565,941</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amount on refunding	1,750,711	-	1,750,711
Amounts related to OPEB	1,169,981	118,545	1,288,526
Amounts related to pension plans	4,680,573	707,624	5,388,197
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>7,601,265</u>	<u>826,169</u>	<u>8,427,434</u>
LIABILITIES:			
Accounts payable	4,510,432	2,352,560	6,862,992
Accrued interest payable	384,680	213,379	598,059
Accrued liabilities	427,288	306,523	733,811
Deposits	837,937	685,764	1,523,701
Unearned revenue	93,110	-	93,110
Due to other agencies	5,143,627	-	5,143,627
Long-term liabilities:			
Due within one year	1,921,981	2,862,576	4,784,557
Due in more than one year:			
Long-term liabilities	45,144,645	29,807,055	74,951,700
Net OPEB liability	19,817,325	2,007,923	21,825,248
Net pension liability	33,878,412	5,146,415	39,024,827
TOTAL LIABILITIES	<u>112,159,437</u>	<u>43,382,195</u>	<u>155,541,632</u>
DEFERRED INFLOWS OF RESOURCES:			
Amounts related to OPEB	1,856,338	188,087	2,044,425
Amounts related to pension plans	628,063	94,053	722,116
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,484,401</u>	<u>282,140</u>	<u>2,766,541</u>
NET POSITION:			
Net investment in capital assets	235,399,358	34,129,206	269,528,564
Restricted for community development	7,077,787	-	7,077,787
Restricted for transportation	11,265,878	-	11,265,878
Restricted for low- and moderate-income housing	2,473,442	-	2,473,442
Restricted for pension contribution	1,087,825	-	1,087,825
Restricted for other purposes	756,460	-	756,460
Unrestricted	15,000,619	(3,505,373)	11,495,246
TOTAL NET POSITION	<u>\$ 273,061,369</u>	<u>\$ 30,623,833</u>	<u>\$ 303,685,202</u>

See accompanying notes to financial statements.

CITY OF PICO RIVERA

STATEMENT OF ACTIVITIES

For the year ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 11,832,065	\$ 310,572	\$ 1,464,337	\$ -
Public safety	12,460,600	970,410	155,948	-
Public works	15,688,114	852,467	4,879,551	5,855,720
Parks and recreation	7,319,903	359,398	1,077,001	-
Health and welfare	5,508,857	9,104	82,770	-
Community development	5,269,424	826,524	6,166,461	-
Interest and fiscal charges	1,527,256	-	-	-
Total governmental activities	59,606,219	3,328,475	13,826,068	5,855,720
Business-Type activities:				
Water	8,743,689	10,376,513	-	-
Pico Rivera Innovative Municipal Energy	12,800,550	16,685,058	-	-
Sports arena	358,995	281,430	-	-
Golf	1,052,098	775,137	-	-
Total business-type activities	22,955,332	28,118,138	-	-
Total	<u>\$ 82,561,551</u>	<u>\$ 31,446,613</u>	<u>\$ 13,826,068</u>	<u>\$ 5,855,720</u>

General revenues:

Taxes:

Property

Sales and use

Franchise

Utility users

Other

Unrestricted investment earnings

Miscellaneous

Total general revenues and transfers

Change in net position

Net position - beginning of year

Net position - end of year

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (10,057,156)	\$ -	\$ (10,057,156)
(11,334,242)	-	(11,334,242)
(4,100,376)	-	(4,100,376)
(5,883,504)	-	(5,883,504)
(5,416,983)	-	(5,416,983)
1,723,561	-	1,723,561
(1,527,256)	-	(1,527,256)
<u>(36,595,956)</u>	<u>-</u>	<u>(36,595,956)</u>
-	1,632,824	1,632,824
-	3,884,508	3,884,508
-	(77,565)	(77,565)
<u>-</u>	<u>(276,961)</u>	<u>(276,961)</u>
<u>-</u>	<u>5,162,806</u>	<u>5,162,806</u>
<u>(36,595,956)</u>	<u>5,162,806</u>	<u>(31,433,150)</u>
12,259,774	-	12,259,774
19,364,272	-	19,364,272
1,787,568	-	1,787,568
3,064,500	-	3,064,500
1,690,687	-	1,690,687
1,502,934	2,096,023	3,598,957
<u>269,750</u>	<u>-</u>	<u>269,750</u>
<u>39,939,485</u>	<u>2,096,023</u>	<u>42,035,508</u>
3,343,529	7,258,829	10,602,358
<u>269,717,840</u>	<u>23,365,004</u>	<u>293,082,844</u>
<u>\$ 273,061,369</u>	<u>\$ 30,623,833</u>	<u>\$ 303,685,202</u>

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CITY OF PICO RIVERA

DESCRIPTION OF MAJOR FUNDS

June 30, 2020

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.

2018 Series A COP Capital Projects Fund accounts for activity related to the City's capital projects that are funded by the 2018 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, 2020

		Special Revenue Funds	
	General	Housing Agency Section 8	Federal Grants
ASSETS			
Cash and investments	\$ 30,431,892	\$ 502,408	\$ 15,321
Restricted cash and investments:			
Cash and investments with fiscal agents	1,087,825	-	-
Escrow deposits	-	40,754	-
Receivables:			
Accounts	67,296	24,587	172,700
Taxes	4,762,918	-	-
Interest	67,688	-	-
Due from other funds	3,796,927	-	-
Advance to other funds	21,298,984	-	-
Long-term receivables	-	-	-
Prepaid items	1,910	-	-
Land held for resale	-	-	-
Receivables from Successor Agency	13,293,246	-	-
TOTAL ASSETS	\$ 74,808,686	\$ 567,749	\$ 188,021
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 1,951,535	\$ 538	\$ 61,232
Accrued liabilities	367,607	22,937	-
Due to other funds	176,000	4,287	248,425
Deposits	796,397	41,540	-
Retention payable	-	-	-
Unearned revenue	-	93,110	-
Due to other agencies	-	-	-
TOTAL LIABILITIES	3,291,539	162,412	309,657
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue	6,419,540	-	172,700
FUND BALANCES (DEFICIT):			
Nonspendable	28,172,822	-	-
Restricted	1,087,825	405,337	-
Committed	10,169,300	-	-
Assigned	13,991,300	-	-
Unassigned	11,676,360	-	(294,336)
TOTAL FUND BALANCES (DEFICIT)	65,097,607	405,337	(294,336)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 74,808,686	\$ 567,749	\$ 188,021

See accompanying notes to financial statements.

Capital Projects Funds		Other Governmental Funds	Total Governmental Funds
Capital Improvement	2018 Series A COP		
\$ 315,626	\$ -	\$ 17,824,124	\$ 49,089,371
-	15,434,902	-	16,522,727
-	-	-	40,754
10,329	-	3,262,991	3,537,903
-	-	303,898	5,066,816
-	-	25,696	93,384
-	-	-	3,796,927
-	-	-	21,298,984
-	-	4,752,195	4,752,195
-	-	-	1,910
600,000	-	-	600,000
-	-	1,302,921	14,596,167
<u>\$ 925,955</u>	<u>\$ 15,434,902</u>	<u>\$ 27,471,825</u>	<u>\$ 119,397,138</u>

\$ 61,388	\$ -	\$ 2,435,739	\$ 4,510,432
19	2,500	34,225	427,288
224,644	667,895	285,885	1,607,136
-	-	-	837,937
-	-	-	-
-	-	-	93,110
600,000	-	4,543,627	5,143,627
<u>886,051</u>	<u>670,395</u>	<u>7,299,476</u>	<u>12,619,530</u>
-	-	3,149,721	9,741,961
-	-	-	28,172,822
-	14,764,507	18,032,335	34,290,004
-	-	-	10,169,300
39,904	-	-	14,031,204
-	-	(1,009,707)	10,372,317
<u>39,904</u>	<u>14,764,507</u>	<u>17,022,628</u>	<u>97,035,647</u>
<u>\$ 925,955</u>	<u>\$ 15,434,902</u>	<u>\$ 27,471,825</u>	<u>\$ 119,397,138</u>

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CITY OF PICO RIVERA

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

June 30, 2020

Fund balances (deficits) for governmental funds		\$ 97,035,647
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	\$ 407,852,287	
Less accumulated depreciation	<u>(145,360,821)</u>	262,491,466
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.		9,741,961
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.		(177,526)
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	\$ (1,384,905)	
Claims payable	(1,404,000)	
Accrued interest payable	(384,680)	
Revenue bonds payable	(44,277,721)	
Deferred amount on refunding	<u>1,750,711</u>	(45,700,595)
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	\$ 1,169,981	
Deferred inflows of resources related to OPEB	(1,856,338)	
Net OPEB liability	(19,817,325)	
Deferred outflows of resources related to pensions	4,680,573	
Deferred inflows of resources related to pensions	(628,063)	
Net pension liability	<u>(33,878,412)</u>	(50,329,584)
Net position of governmental activities		<u><u>\$ 273,061,369</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, 2020

		Special Revenue Funds	
	General	Housing Agency Section 8	Federal Grants
REVENUES:			
Taxes and assessments	\$ 35,065,105	\$ -	\$ -
Licenses and permits	2,212,910	-	-
Intergovernmental	273,933	5,193,264	682,457
Charges for services	1,322,004	-	-
Fines, forfeitures, and penalties	952,095	-	-
Investment and rental	857,744	500	-
Miscellaneous	432,140	23,822	-
TOTAL REVENUES	41,115,931	5,217,586	682,457
EXPENDITURES:			
Current:			
General government	8,013,540	-	-
Public safety	12,433,612	-	-
Public works	8,868,826	-	419,774
Parks and recreation	5,329,096	-	-
Health and welfare	-	5,339,596	-
Community development	4,057,865	-	-
Capital outlay	-	-	-
Debt service:			
Principal	900,000	-	-
Interest and fiscal charges	1,023,450	-	-
TOTAL EXPENDITURES	40,626,389	5,339,596	419,774
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	489,542	(122,010)	262,683
OTHER FINANCING SOURCES (USES):			
Transfers in	2,153,109	-	-
Transfers out	-	-	(192,155)
TOTAL OTHER FINANCING SOURCES (USES)	2,153,109	-	(192,155)
NET CHANGE IN FUND BALANCES	2,642,651	(122,010)	70,528
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	62,454,956	527,347	(364,864)
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 65,097,607	\$ 405,337	\$ (294,336)

See accompanying notes to financial statements.

Capital Projects Fund Capital Improvement	Debt Service Fund 2018 Series A COP	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 4,114,526	\$ 39,179,631
-	-	-	2,212,910
-	-	8,929,377	15,079,031
-	-	121,245	1,443,249
-	-	-	952,095
-	189,448	475,693	1,523,385
19,671	-	520,612	996,245
19,671	189,448	14,161,453	61,386,546
-	-	277,523	8,291,063
-	-	-	12,433,612
1,830	-	8,695,909	17,986,339
-	-	1,027,811	6,356,907
-	-	169,261	5,508,857
-	-	1,174,040	5,231,905
511,915	60,037	-	571,952
-	255,000	-	1,155,000
-	577,551	-	1,601,001
513,745	892,588	11,344,544	59,136,636
(494,074)	(703,140)	2,816,909	2,249,910
-	832,969	-	2,986,078
(582,794)	-	(2,211,129)	(2,986,078)
(582,794)	832,969	(2,211,129)	-
(1,076,868)	129,829	605,780	2,249,910
1,116,772	14,634,678	16,416,848	94,785,737
\$ 39,904	\$ 14,764,507	\$ 17,022,628	\$ 97,035,647

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, 2020

Net change in fund balances - total governmental funds		\$ 2,249,910
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital expenses in the current period:		
Capital expenditures	\$ 8,277,445	
Depreciation expense	<u>(6,582,340)</u>	1,695,105
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Adjustment to interest income on notes receivable and advances to other funds	91,659	
Grant and other revenue not available to pay for current-period expenditures	<u>1,471,543</u>	1,563,202
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	179,000	
Net change in compensated absences	<u>(249,163)</u>	(70,163)
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:		
Principal payments on long-term liabilities	1,155,000	
Amortization of deferred bond charges	65,328	
Change in accrued interest	<u>8,417</u>	1,228,745
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.		(19,273)
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.		(393,897)
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>(2,910,100)</u>
Change in net position of governmental activities:		<u>\$ 3,343,529</u>

CITY OF PICO RIVERA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Operations	Pico Rivera Innovative Municipal Energy	Other Funds	Total	Equipment Replacement Internal Service Fund
ASSETS:					
CURRENT ASSETS:					
Cash and investments	\$ 14,585,512	\$ 6,798,518	\$ 448,628	\$ 21,832,658	\$ -
Receivables, net:					
Accounts	1,516,139	2,686,127	97,760	4,300,026	-
Interest	24,099	-	609	24,708	-
Prepays	-	84,000	-	84,000	-
Due from other funds	176,000	-	-	176,000	-
Inventories, at cost	-	-	24,005	24,005	-
TOTAL CURRENT ASSETS	16,301,750	9,568,645	571,002	26,441,397	-
NONCURRENT ASSETS:					
Restricted cash and investments with fiscal agent	3,784,776	200,000	-	3,984,776	-
Receivables from Successor Agency	21,253,031	-	-	21,253,031	-
Capital assets, not depreciated	23,929,577	-	42,313	23,971,890	-
Capital assets, depreciated, net	20,890,968	-	407,186	21,298,154	-
TOTAL NONCURRENT ASSETS	69,858,352	200,000	449,499	70,507,851	-
TOTAL ASSETS	86,160,102	9,768,645	1,020,501	96,949,248	-
DEFERRED OUTFLOWS OF RESOURCES:					
Amounts related to OPEB	109,525	9,020	-	118,545	-
Amount related to pensions	605,769	96,494	5,361	707,624	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	715,294	105,514	5,361	826,169	-
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	772,790	1,495,138	84,632	2,352,560	-
Accrued interest payable	213,379	-	-	213,379	-
Accrued liabilities	70,827	196,476	39,220	306,523	-
Due to other funds	-	2,188,265	-	2,188,265	177,526
Deposits	668,070	-	17,694	685,764	-
Bonds payable - current portion	2,835,000	-	-	2,835,000	-
Compensated absences - current portion	24,584	2,993	-	27,576	-
TOTAL CURRENT LIABILITIES	4,584,650	3,882,872	141,546	8,609,067	177,526
NONCURRENT LIABILITIES					
Advance from other funds	18,260,812	-	3,038,172	21,298,984	-
Bonds payable	29,558,869	-	-	29,558,869	-
Compensated absences	221,252	26,933	-	248,186	-
Net OPEB liability	1,855,146	152,777	-	2,007,923	-
Net pension liability	4,405,643	701,784	38,988	5,146,415	-
TOTAL NONCURRENT LIABILITIES	54,301,722	881,494	3,077,160	58,260,377	-
TOTAL LIABILITIES	58,886,372	4,764,366	3,218,706	66,869,444	177,526
DEFERRED INFLOWS OF RESOURCES:					
Amounts related to OPEB	173,776	14,311	-	188,087	-
Amounts related to pensions	80,515	12,825	713	94,053	-
TOTAL DEFERRED INFLOWS OF RESOURCES	254,291	27,136	713	282,140	-
NET POSITION:					
Net investment in capital assets	33,679,707	-	449,499	34,129,206	-
Unrestricted	(5,944,974)	5,082,657	(2,643,056)	(3,505,373)	(177,526)
TOTAL NET POSITION	\$ 27,734,733	\$ 5,082,657	\$ (2,193,557)	\$ 30,623,833	\$ (177,526)

See accompanying notes to financial statements.

CITY OF PICO RIVERA

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

For the year ended June 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Operations	Pico Rivera Innovative Municipal Energy	Other Funds	Total	Equipment Replacement Internal Service Fund
OPERATING REVENUES:					
Charges for services	\$ 10,368,641	\$ 16,596,114	\$ 1,056,567	\$ 28,021,322	\$ -
Miscellaneous	7,872	88,944	-	96,816	-
TOTAL OPERATING REVENUES	10,376,513	16,685,058	1,056,567	28,118,138	-
OPERATING EXPENSES:					
Cost of power	-	11,590,714	-	11,590,714	-
Salaries and benefits	2,476,376	240,169	35,454	2,751,999	-
Contractual services	292,065	920,181	300,195	1,512,441	-
Insurance claims and expenses	304,573	855	559	305,987	-
Administrative	2,149,618	48,631	697,039	2,895,288	-
Utilities	346,941	-	214,765	561,706	-
Repairs and maintenance	420,848	-	58,355	479,203	19,273
Depreciation	743,106	-	104,726	847,832	-
TOTAL OPERATING EXPENSES	6,733,527	12,800,550	1,411,093	20,945,170	19,273
OPERATING INCOME (LOSS)	3,642,986	3,884,508	(354,526)	7,172,968	(19,273)
NONOPERATING REVENUES (EXPENSES):					
Investment income	2,021,540	65,399	9,084	2,096,023	-
Interest expense	(2,010,162)	-	-	(2,010,162)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	11,378	65,399	9,084	85,861	-
NET INCOME (LOSS)	3,654,364	3,949,907	(345,442)	7,258,829	(19,273)
CHANGES IN NET POSITION	3,654,364	3,949,907	(345,442)	7,258,829	(19,273)
NET POSITION - BEGINNING OF YEAR	24,080,369	1,132,750	(1,848,115)	23,365,004	(158,253)
NET POSITION - END OF YEAR	<u>\$ 27,734,733</u>	<u>\$ 5,082,657</u>	<u>\$ (2,193,557)</u>	<u>\$ 30,623,833</u>	<u>\$ (177,526)</u>

See accompanying notes to financial statements.

CITY OF PICO RIVERA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Operations	Pico Rivera Innovative Municipal Energy	Other Funds	Total	Equipment Replacement Internal Service Fund
CASH FLOWS FROM					
OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 10,061,513	\$ 16,383,983	\$ 977,153	\$ 27,422,649	\$ -
Payments to suppliers	(3,200,189)	(13,356,268)	(1,272,449)	(17,828,906)	(88,473)
Payments to employees	(1,990,727)	(267,714)	(40,922)	(2,299,363)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	4,870,597	2,760,001	(336,218)	7,294,380	(88,473)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Proceeds from receivable from Successor Agency	1,730,000	-	-	1,730,000	-
Cash received from other funds	-	562,428	242,635	805,063	88,473
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	1,730,000	562,428	242,635	2,535,063	88,473
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(206,323)	-	(41,627)	(247,950)	-
Principal retired	(2,675,000)	-	-	(2,675,000)	-
Interest paid	(2,140,286)	-	-	(2,140,286)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(5,021,609)	-	(41,627)	(5,063,236)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	2,038,781	65,399	9,736	2,113,916	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,617,769	3,387,828	(125,474)	6,880,123	-
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	14,752,519	3,610,690	574,102	18,937,311	-
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 18,370,288	\$ 6,998,518	\$ 448,628	\$ 25,817,434	\$ -

(Continued)

See accompanying notes to financial statements.

CITY OF PICO RIVERA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(CONTINUED)

For the year ended June 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Operations	Pico Rivera Innovative Municipal Energy	Other Funds	Total	Equipment Replacement Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 3,642,986	\$ 3,884,508	\$ (354,526)	\$ 7,172,968	\$ (19,273)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	743,106	-	104,726	847,832	-
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:					
(Increase) decrease in accounts receivables	(333,136)	(301,075)	(79,414)	(713,625)	-
(Increase) decrease in prepaids		(84,000)		(84,000)	
(Increase) decrease in deferred outflows of resources - amount related to OPEB	(8,843)	803	-	(8,040)	-
(Increase) decrease in deferred outflows of resources - amount related to pensions	28,287	26,779	1,825	56,891	-
Increase (decrease) in accounts payable	331,258	(711,887)	(8,967)	(389,596)	(69,200)
Increase (decrease) in accrued liabilities	(6,360)	54,183	8,159	55,982	-
Increase (decrease) in deposits payable	18,136	-	41	18,177	-
Increase (decrease) in retentions payable	(17,402)	-	-	(17,402)	-
Increase (decrease) in net OPEB liability	(52,805)	(33,365)	-	(86,170)	-
Increase (decrease) in net pension liability	285,855	(99,186)	(7,705)	178,964	-
Increase (decrease) in compensated absences	84,431	14,925	-	99,356	-
Increase (decrease) in deferred inflows of resources - amounts related to OPEB	168,954	13,841	-	182,795	-
Increase (decrease) in deferred inflows of resources - amounts related to pensions	(13,870)	(5,525)	(357)	(19,752)	-
TOTAL ADJUSTMENTS	1,227,611	(1,124,507)	18,308	121,412	(69,200)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 4,870,597	\$ 2,760,001	\$ (336,218)	\$ 7,294,380	\$ (88,473)

See accompanying notes to financial statements.

CITY OF PICO RIVERA

DESCRIPTION OF FIDUCIARY FUND

June 30, 2020

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, 2020

	Successor Agency to the City of Pico Rivera Redevelopment Agency Private-Purpose Trust Fund
	<hr/>
ASSETS:	
Cash and investments	\$ 6,038,682
Interest receivable	11,532
Loans receivable	337,232
Land held for resale	75,400
Capital assets:	
Capital assets, not depreciated	258,023
Capital assets, depreciated, net	<hr/> 66,187
TOTAL ASSETS	<hr/> 6,787,056
LIABILITIES:	
Accounts payable	\$ 3,513
Accrued liabilities	1,352
Payable to City of Pico Rivera	46,768,486
Payable to Pico Rivera Housing Assistance Agency	1,302,921
Payable to City of Pico Rivera Water Authority	21,315,913
Payable to the County of Los Angeles	<hr/> 49,189,128
TOTAL LIABILITIES	<hr/> 118,581,313
NET POSITION:	
Held in trust for Successor Agency	<hr/> (111,794,257)
TOTAL NET POSITION	<hr/> <hr/> \$ (111,794,257)

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, 2020

	Successor Agency to the City of Pico Rivera Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS:	
Taxes	\$ 4,260,389
Investment earnings	<u>130,523</u>
TOTAL ADDITIONS	<u>4,390,912</u>
DEDUCTIONS:	
Administrative expenses	54,081
Interest	2,742,726
Depreciation	<u>4,762</u>
TOTAL DEDUCTIONS	<u>2,801,569</u>
CHANGE IN NET POSITION	1,589,343
NET POSITION - BEGINNING OF YEAR	<u>(113,383,600)</u>
NET POSITION - END OF YEAR	<u><u>\$ (111,794,257)</u></u>

See accompanying notes to financial statements.

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CITY OF PICO RIVERA, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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 Financial Statements

June 30, 2020

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 Financial Statements

June 30, 2020

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 U.S. Department of Housing and Urban Development.

CITY OF PICO RIVERA, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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 U.S. (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 funds:

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.

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. New Accounting Pronouncements

Current Year Standards

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authority Guidance*, which was effective immediately. This statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and postponed the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Paragraph 4 of this statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. Paragraph 5 of this statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively.

The requirements of these statements did not impact the City.

Pending Accounting Standards

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

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the financial statements. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. New Accounting Pronouncements (Continued)

Pending Accounting Standards (Continued)

In June 2017, GASB issued Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset for leases with a term of more than 12 months. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. For leases with a term of 12 months or less, lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for reporting periods beginning after June 15, 2021, and early application is encouraged.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this statement are effective for reporting periods beginning after December 15, 2020, and early application is encouraged. The requirements of this statement should be applied prospectively.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to leases, fiduciary activities, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments. The requirements of this statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to post-employment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. New Accounting Pronouncements (Continued)

Pending Accounting Standards (Continued)

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This statement requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. This statement supersedes the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances. The requirements of this statement are effective for fiscal years beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted.

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.

G. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation, and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Interfund Transactions (Continued)

The principal portion of advances between funds, as reported in the fund financial statements, is offset by a nonspendable fund balance in the General Fund 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.

H. 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.

I. 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.

J. Capital Assets

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

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

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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.

K. Land Held for Resale

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

L. 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.

M. 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 the following items that qualify for reporting in this category:

- 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.
- Deferred outflow related to pensions and OPEB, which are equal to the employer contributions made after the measurement date of the net pension liability and net OPEB liability.
- 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.

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources (Continued)

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 the following that qualify for reporting in this category:

- Deferred inflows from *unavailable revenues*, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from 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.
- Deferred inflows related to pensions and OPEB resulting 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 and OPEB through the plans.
- Deferred inflows related to OPEB resulting from the difference 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.
- Deferred inflows related to pension and OPEB resulting from the difference in projected and actual earnings on investments of the pension and OPEB plan fiduciary net position. These amounts are amortized over five years.

N. 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.

O. 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.

CITY OF PICO RIVERA, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Post-Employment 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.

Q. Fund Balances

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

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.

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.

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Net Position

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

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

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

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

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

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

S. Statement of Cash Flows

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

T. Use of Estimates

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

CITY OF PICO RIVERA, CALIFORNIA**Notes to Financial Statements****June 30, 2020**

2. CASH AND INVESTMENTS**Cash and Investments**

Cash and investments at June 30, 2020, are classified in the accompanying financial statements as follows:

	Government Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Unrestricted assets:			
Cash and investments	\$ 70,922,029	\$ 6,038,682	\$ 76,960,711
Restricted cash and investments:			
Cash and investments with fiscal agents	20,507,503	-	20,507,503
Escrow deposits	40,754	-	40,754
Total cash and investments	<u>\$ 91,470,286</u>	<u>\$ 6,038,682</u>	<u>\$ 97,508,968</u>

Cash and investments at June 30, 2020, consisted of the following:

Cash on hand	\$ 9,372
Deposits with financial institutions	12,524,391
Investments	84,975,205
Total cash and investments	<u>\$ 97,508,968</u>

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

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
U.S. Treasury Obligations	5 years	20%	None
U.S. Government Sponsored Agency Securities	5 years	20%	None
Banker's Acceptance Notes	180 days	20%	5%
Commercial Paper	270 days	25%	None
Negotiable Certificates of Deposit	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
Cal Trust Investment Pool	N/A	None	None
Local Agency Investment Fund	N/A	None	\$ 75,000,000

*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 U.S. Treasury Obligations, U.S. 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 Financial Statements
June 30, 2020

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 or Less	13 to 24 Months	25 -60 Months	
Local Agency Investment Fund	\$ 43,059,669	\$ -	\$ -	\$ 43,059,669
U.S. Government Sponsored				
Agency Securities	3,907,673	2,413,907	2,368,623	8,690,203
U.S. Treasury Notes	707,070	970,420	2,223,485	3,900,975
Money Market Mutual Funds	12,100	-	-	12,100
Collateralized Mortgage Obligations	-	176,965	1,496,309	1,673,274
Medium-Term Notes	1,799,637	1,089,574	4,444,768	7,333,979
Held by Fiscal Agent:				
Money Market Mutual Funds	19,217,180	-	-	19,217,180
PARS Trust Pooled Investments	1,087,825	-	-	1,087,825
Total	<u>\$ 69,791,154</u>	<u>\$ 4,650,866</u>	<u>\$ 10,533,185</u>	<u>\$ 84,975,205</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 Legal Rating	Total as of 6/30/2020	Rating as of Fiscal Year End				Not Rated
			AAA	AA+	AA	Other	
Local Agency Investment Fund	N/A	\$ 43,059,669	\$ -	\$ -	\$ -	\$ -	\$ 43,059,669
U.S. Government Sponsored							
Agency Securities	N/A	8,690,203	-	8,690,202	-	-	-
U.S. Treasury Notes*	N/A	3,900,975	-	3,900,976	-	-	-
Money Market Mutual Funds	N/A	12,100	12,100	-	-	-	-
Collateralized Mortgage Obligation	A	1,673,274					1,673,274
Medium-Term Notes	A	7,333,979	1,231,471	289,294	220,993	4,874,886	717,335
Held by Fiscal Agent:							
Money Market Mutual Funds	N/A	19,217,180	19,217,180	-	-	-	-
PARS Trust Pooled Investments	N/A	1,087,825	-	-	-	-	1,087,825
Total		<u>\$ 84,975,205</u>	<u>\$ 20,460,751</u>	<u>\$ 12,880,472</u>	<u>\$ 220,993</u>	<u>\$ 4,874,886</u>	<u>\$ 46,538,103</u>

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

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

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 6/30/2020	Rating as of Fiscal Year End			
		AA-	A+	A	A-
Medium-Term Notes	\$ 4,874,886	\$ 522,134	\$ 535,660	\$ 2,472,710	\$ 1,344,382

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, 2020, 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.

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.

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

2. CASH AND INVESTMENTS (CONTINUED)

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 inputs other than quoted prices included in Level 1 that are observable for the assets and liabilities through corroboration with market data, and Level 3 inputs are significant unobservable inputs.

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Held by Trustee:				
Commercial Paper	\$ -	\$ -	\$ -	\$ -
Collateralized Mortgage Obligations	-	1,673,274	-	1,673,274
Medium-Term Notes	-	7,333,979	-	7,333,979
U.S. Treasury Notes	-	3,900,975	-	3,900,975
U.S. Government Sponsored Agency Securities	-	8,690,203	-	8,690,203
Total Leveled Investments	<u>\$ -</u>	<u>\$ 21,598,431</u>	<u>\$ -</u>	21,598,431
Investments not Subject to Fair Value Hierarchy:				
Local Agency Investment Fund				43,059,669
Money Market Mutual Funds				12,100
Held by Trustee:				
Money Market Mutual Funds				19,217,180
PARS Trust Pooled Investments				<u>1,087,825</u>
Total Investment Portfolio				<u>\$ 84,975,205</u>

3. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2020, is as follows:

Advances To/From Other Funds

Advances to Other Funds	Advances from Other Funds	Amount
General Fund	Water Operations Enterprise Fund	\$ 18,260,812
	Golf Course Enterprise Fund	3,038,172
		<u>\$ 21,298,984</u>

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

3. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINEUD)

Advances To/From Other Funds (Continued)

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 2019-20. The balance of the advance at June 30, 2020, 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.

The General Fund made several advances 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.

Due To/From Other Funds

The composition of interfund balances as of June 30, 2020, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Housing Agency Section 8 Special	
	Revenue Fund	\$ 4,287
	Federal Grants Special Revenue Fund	248,425
	Capital Improvement Capital	
	Projects Fund	224,644
	2018 Series A COP Capital	
	Projects Fund	667,895
	Other Governmental Funds	285,885
	PRIME Enterprise Fund	2,188,265
Water Operations Enterprise Fund	Equipment Replacement Internal	
	Service Fund	177,526
	General Fund	176,000
		<u>\$ 3,972,927</u>

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

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Transfers

Transfers Out	Transfers In	Amount
Federal Grants Special Revenue Fund	General Fund (1)	\$ 192,155
Capital Improvement Capital Projects Fund	General Fund (3)	582,794
Other Governmental Funds	General Fund (2)	1,378,160
Other Governmental Funds	2018 Series A COP Capital Projects Fund (4)	832,969
		<u>\$ 2,986,078</u>

- (1) The Federal Grants Special Revenue Fund transfer was for transfer of reimbursement funds received by Caltrans for capital repairs expenditures recorded in the General Fund for a property formerly owned by the City.
- (2) The Gas Tax Fund transfers funds to cover approved street maintenance activities.
- (3) The Capital Improvement Capital Projects Fund transfer was to transfer back unused project funds that were previously appropriated from excess funds from the General Fund.
- (4) This was the transfer of Measure M funds used to pay debt service on the 2018 Series A Certificates of Participation.

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, 2020, is \$2,895,402 and is included in the HOME Grant Special Revenue Fund. At June 30, 2020, the City has an allowance of \$790,829 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, 2020, totaled \$189,339. At June 30, 2020, the City has an allowance of \$40,706 against the outstanding interest receivable related to these loans, as the City cannot ensure the collectability of this balance.

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

4. LONG-TERM RECEIVABLES (CONTINUED)

- C. Loans receivable consist of low-interest home improvement loans made from the CalHOME Grant Special Revenue Fund to low- and moderate-income homeowners. The loans are due and payable in full when the borrower's legal interest in the property, which is security for the loan, is sold, transferred, or conveyed. The outstanding principal balance at June 30, 2020, is \$1,380,404. At June 30, 2020, the City has an allowance of \$182,037 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 \$75,804 allowance, at June 30, 2020, were zero.
- 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% 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, 2020, 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	\$ 17,724,328	\$ -	\$ 251,528
Sales tax deferral loan to allow former redevelopment Agency to meet its debt service obligations	29,044,158	-	-
Loans to make payments to Supplemental Educational Revenue Augmentation Fund	-	1,302,921	-
Purchase of former Redevelopment Agency's Tax Allocation Bonds, Series 2001 treated as a loan	-	-	21,064,385
Subtotal	46,768,486	1,302,921	21,315,913
Reserve on long-term loans	(4,431,082)	-	(62,882)
Reserve on sales tax deferral loan	(29,044,158)	-	-
Total	<u>\$ 13,293,246</u>	<u>\$ 1,302,921</u>	<u>\$ 21,253,031</u>

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

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance at July 1, 2019	Additions	Deletions	Transfers of Construction In Progress	Balance at June 30, 2020
Capital assets, not being depreciated:					
Land	\$ 118,849,013	\$ 59,697	\$ -	\$ -	\$ 118,908,710
Construction in progress	15,084,643	8,012,040	-	(6,323,119)	16,773,564
Total capital assets, not being depreciated	133,933,656	8,071,737	-	(6,323,119)	135,682,274
Capital assets, being depreciated:					
Structures and improvements	25,576,925	-	-	-	25,576,925
Furniture and equipment	6,793,635	205,708	(13,775)	-	6,985,568
Infrastructure	233,284,401	-	-	6,323,119	239,607,520
Total capital assets, being depreciated	265,654,961	205,708	(13,775)	6,323,119	272,170,013
Less accumulated depreciation for:					
Structures and improvements	(11,407,848)	(594,720)	-	-	(12,002,568)
Furniture and equipment	(5,265,358)	(230,720)	13,775	-	(5,482,303)
Infrastructure	(122,119,050)	(5,756,900)	-	-	(127,875,950)
Total accumulated depreciation	(138,792,256)	(6,582,340)	13,775	-	(145,360,821)
Total capital assets, being depreciated, net	126,862,705	(6,376,632)	-	6,323,119	126,809,192
Governmental activities capital assets, net	\$ 260,796,361	\$ 1,695,105	\$ -	\$ -	\$ 262,491,466

Governmental Activities

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

General government	\$ 413,372
Public safety	26,988
Public works	5,141,465
Parks and recreation	962,996
Community development	37,519
Total depreciation expense governmental activities	<u>\$ 6,582,340</u>

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended June 30, 2020, was as follows:

Business-Type Activities

	Balance at July 1, 2019	Additions	Deletions	Transfers of Construction In Progress	Balance at June 30, 2020
Capital assets, not being depreciated:					
Land	\$ 18,174,060	\$ -	\$ -	\$ -	\$ 18,174,060
Rights of way	5,579,916	-	-	-	5,579,916
Construction in progress	247,826	188,008	-	(217,920)	217,914
Total capital assets, not being depreciated	24,001,802	188,008	-	(217,920)	23,971,890
Capital assets, being depreciated:					
Structures and improvements	5,013,838	-	-	-	5,013,838
Utility plant in service	21,785,673	-	-	-	21,785,673
Equipment	1,021,135	59,942	-	-	1,081,077
Infrastructure	15,837,296	-	-	217,920	16,055,216
Total capital assets, being depreciated	43,657,942	59,942	-	217,920	43,935,804
Less accumulated depreciation for:					
Structures and improvements	(3,966,810)	(117,378)	-	-	(4,084,188)
Utility plant in service	(7,272,653)	(367,626)	-	-	(7,640,279)
Equipment	(998,123)	(6,461)	-	-	(1,004,584)
Infrastructure	(9,552,232)	(356,367)	-	-	(9,908,599)
Total accumulated depreciation	(21,789,818)	(847,832)	-	-	(22,637,650)
Total capital assets, being depreciated, net	21,868,124	(787,890)	-	217,920	21,298,154
Business-type activities capital assets, net	<u>\$ 45,869,926</u>	<u>\$ (599,882)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,270,044</u>

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

Water Operations	\$ 743,106
Sports Arena	78,417
Golf Course	26,309
Total depreciation expense - business-type activities	<u>\$ 847,832</u>

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

6. LONG-TERM LIABILITIES

Changes in long-term liabilities activity for the year ended June 30, 2020, were as follows:

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020	Due Within One Year	Due in More Than One Year
Governmental Activities:						
Other Debt:						
2016 Lease Revenue						
Bonds	\$ 27,740,000	\$ -	\$ (900,000)	\$ 26,840,000	\$ 925,000	\$ 25,915,000
Bond premium	2,680,294	-	(134,028)	2,546,266	-	2,546,266
2018 Series A Certificates						
of Participation	14,490,000	-	(255,000)	14,235,000	265,000	13,970,000
Bond Premium	679,900	-	(23,445)	656,455	-	656,455
Other Liabilities:						
Compensated absences	1,135,742	249,163	-	1,384,905	276,981	1,107,924
Claims and judgements (Note 11)	1,583,000	-	(179,000)	1,404,000	455,000	949,000
Total governmental activities	<u>\$ 48,308,936</u>	<u>\$ 249,163</u>	<u>\$ (1,491,473)</u>	<u>\$ 47,066,626</u>	<u>\$ 1,921,981</u>	<u>\$ 45,144,645</u>
Business-type activities:						
Other Debt:						
Revenue bonds payable	\$ 34,995,000	\$ -	\$ (2,675,000)	\$ 32,320,000	\$ 2,835,000	\$ 29,485,000
Add (Less):						
Bond premium	391,940	-	(39,857)	352,083	-	352,083
Bond discount	(304,922)	-	26,708	(278,214)	-	(278,214)
Subtotal revenue bonds payable	35,082,018	-	(2,688,149)	32,393,869	2,835,000	29,558,869
Other Liabilities:						
Compensated absences	176,406	99,356	-	275,762	27,576	248,186
Total business-type activities	<u>\$ 35,258,424</u>	<u>\$ 99,356</u>	<u>\$ (2,688,149)</u>	<u>\$ 32,669,631</u>	<u>\$ 2,862,576</u>	<u>\$ 29,807,055</u>

Governmental Activities

A. Compensated Absences

The City's policies relating to compensated absences are described in Note 1L. The liability amounts of \$1,384,905 at June 30, 2020, 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.

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

B. 2016 Lease Revenue Bonds (Continued)

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 June 30,	Principal	Interest	Total
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	1,065,000	860,550	1,925,550
2026-2030	5,815,000	3,763,063	9,578,063
2031-2035	7,190,000	2,311,500	9,501,500
2036-2040	8,865,000	680,625	9,545,625
	<u>\$ 26,840,000</u>	<u>\$ 11,394,238</u>	<u>\$ 38,234,238</u>

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.

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

C. 2018 Series A Certificates of Participation (Continued)

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

Year Ending June 30,	Principal	Interest	Total
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	320,000	516,669	836,669
2026 - 2030	1,845,000	2,327,594	4,172,594
2031 - 2035	2,350,000	1,818,594	4,168,594
2036 - 2040	2,860,000	1,307,469	4,167,469
2041 - 2045	3,395,000	772,975	4,167,975
2046 - 2048	2,335,000	165,375	2,500,375
	<u>\$ 14,235,000</u>	<u>\$ 9,111,452</u>	<u>\$ 23,346,452</u>

Business-Type Activities

A. Compensated Absences

The City's policies relating to compensated absences are described in Note 1L. The liability amount of \$275,762 at June 30, 2020, is expected to be paid in future years from future resources.

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 Amount	Outstanding Balance	Maturity Date
Water Authority	1999A	3.25% - 5.5%	\$ 17,940	\$ 11,380	May 2029
Water Authority	2001	5.75% - 6.25%	40,710	20,940	December 2032
			<u>\$ 58,650</u>	<u>\$ 32,320</u>	

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

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

6. LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

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, 2020, is \$600,000.

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

Year Ending June 30,	Principal	Interest	Total
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	1,255,000	384,450	1,639,450
2026 - 2029	5,735,000	809,600	6,544,600
	<u>\$ 11,380,000</u>	<u>\$ 3,351,975</u>	<u>\$ 14,731,975</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, 2020, amounted to \$2,189,002 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 2020 was 1.97, which is greater than the required 1.25.

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

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 June 30,	Principal	Interest	Total
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	2,325,000	735,156	3,060,156
2026-2030	6,130,000	1,825,313	7,955,313
2031-2033	4,470,000	579,688	5,049,688
	<u>\$ 20,940,000</u>	<u>\$ 7,411,253</u>	<u>\$ 28,351,253</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 Revenue	Less: Purchased Security Revenue (1)	Less: Direct Costs (2)	Less 1999 Debt Service Payments	Secured Revenue (3)	Plus: Rate Stabilization Fund	Total Pledged Subordinate Net Revenues and Security Revenues	2001 Bonded Debt Service Payments	Coverage
\$ 12,398,053	\$ (2,021,540)	\$ (5,990,421)	\$ (1,638,750)	\$ 3,328,450	\$ 600,000	\$ 6,075,842	\$ 3,077,344	1.97

- (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.

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.

CITY OF PICO RIVERA, CALIFORNIA

Notes to Financial Statements

June 30, 2020

7. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2020, totaled \$439,252.

D. Coronavirus

In December 2019, a novel strain of coronavirus (COVID-19) began to spread around the world resulting in business and social disruption. COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the City could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the City and the duration cannot be estimated at this time.

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 Financial Statements
June 30, 2020

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, 2019, the measurement date, are summarized as follows:

	Miscellaneous Plan		
	On or After June 26, 2012		
	Prior to June 26, 2012	Prior to January 1, 2013	On or After January 1, 2013
Hire date			
Benefit formula	2.5%@55	2%@60	2%@62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates:			
Normal cost rate	8.886%	8.889%	888.860%
Payment of unfunded liability	\$ 2,196,154	\$ -	\$ -

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

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, 2020, the measurement date, are summarized as follows:

	<u>Council Plan</u>
	<u>Prior to</u>
Hire date	<u>January 1, 2013</u>
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	32.72%

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	258	5
Inactive employees entitled to but		
not yet receiving benefits	141	-
Active employees	148	3
Total	<u>547</u>	<u>8</u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers 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.

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Net Pension Liability

The City's net pension liability for each plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the CalPERS plan is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using standard update procedures. The net pension liability of the Council Plan is measured as of June 30, 2020, using an actuarial valuation date of June 30, 2019, rolled forward to June 30, 2020, using standard update procedure. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 and June 30, 2019, actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Council Plan
Valuation Date	June 30, 2018	June 30, 2019
Measurement Date	June 30, 2019	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	6.50%
Inflation	2.50%	2.50%
Projected Salary Increase	(1)	3.00%
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) Pre-retirement and Post-retirement: CalPERS 1997-2011 Healthy Retiree Tables (sex-distinct) with an assumed base year of 2008 and full generational projections using Scale BB.

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

Change of Assumptions

In fiscal year 2019-2020, the inflation rate was decreased from to 2.75% to 2.50% for the Council Plan. There were no changes in the assumptions in the current year for the Miscellaneous 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 Financial Statements
June 30, 2020

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	<u>100.00%</u>		

- (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, 2020.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return (a)	Long-Term Expected Geometric Real Rate of Return (a)
U.S. Cash	3.96%	-0.22%	-0.20%
U.S. Core Fixed Income	37.88%	0.92%	0.84%
U.S. Equity Market	45.84%	4.82%	3.52%
Foreign Developed Equity	7.12%	6.32%	4.75%
Emerging Markets Equity	4.21%	8.35%	5.53%
U.S. REITs	0.99%	5.32%	3.62%
Total	<u>100.00%</u>		

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

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

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 Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2018 (Measurement Date)	<u>\$ 109,471,760</u>	<u>\$ 73,553,818</u>	<u>\$ 35,917,942</u>
Changes in the Year:			
Service cost	1,749,749	-	1,749,749
Interest on the total pension liability	7,844,359	-	7,844,359
Differences between expected and actual experience	2,207,380	-	2,207,380
Changes in assumptions	-	-	-
Plan-to-plan resource movement	-	-	-
Contribution - employer	-	3,152,902	(3,152,902)
Contribution - employee	-	817,187	(817,187)
Net investment income	-	4,813,665	(4,813,665)
Administrative expenses	-	(52,319)	52,319
Benefit payments, including refunds of employee contributions	<u>(5,685,436)</u>	<u>(5,685,436)</u>	<u>-</u>
Net Changes	<u>6,116,052</u>	<u>3,045,999</u>	<u>3,070,053</u>
Balance at June 30, 2019 (Measurement Date)	<u><u>\$ 115,587,812</u></u>	<u><u>\$ 76,599,817</u></u>	<u><u>\$ 38,987,995</u></u>

CITY OF PICO RIVERA, CALIFORNIA
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June 30, 2020

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:

	Pension Liability	Fiduciary Net Position	Liability (Asset)
Balance at June 30, 2019			
(Measurement Date)	<u>\$ 177,920</u>	<u>\$ 165,757</u>	<u>\$ 12,163</u>
Changes in the Year:			
Service cost	2,283	-	2,283
Interest on the total pension liability	11,252	-	11,252
Differences between actual and expected experience	-	-	-
Changes in economic/demographic	22,367	-	22,367
Changes in assumptions	2,623	-	2,623
Changes in benefit terms	-	-	-
Contribution - employer	-	10,774	(10,774)
Contribution - employee	-	-	-
Net investment income	-	3,916	(3,916)
Administrative expenses	-	(834)	834
Benefit payments, including refunds of employee contributions	<u>(14,412)</u>	<u>(14,412)</u>	<u>-</u>
Net Changes	<u>24,113</u>	<u>(556)</u>	<u>24,669</u>
Balance at June 30, 2020			
(Measurement Date)	<u>\$ 202,033</u>	<u>\$ 165,201</u>	<u>\$ 36,832</u>

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

The following presents the net pension liability of the City for each 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	\$ 54,326,094	\$ 55,552
Current Discount Rate	7.15%	6.50%
Net Pension Liability	\$ 38,987,995	\$ 36,832
1% Increase	8.15%	7.50%
Net Pension Liability (Asset)	\$ 26,307,802	\$ 20,669

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Changes in the Net Pension Liability (Continued)

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.

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

For the year ended June 30, 2020, the City recognized pension expense of \$6,638,221 and \$10,219 for the miscellaneous and council plans, respectively. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,511,156	\$ -
Differences between expected and actual experience	1,849,631	-
Change in assumptions	-	(236,680)
Net differences between projected and actual earnings on plan investments	-	(475,839)
Total Miscellaneous Plan	<u>\$ 5,360,787</u>	<u>\$ (712,519)</u>
Differences between expected and actual experience	\$ 16,154	\$ (9,597)
Change in assumptions	7,217	-
Net differences between projected and actual earnings on plan investments	4,039	-
Total Council Plan	<u>\$ 27,410</u>	<u>\$ (9,597)</u>

An amount of \$3,111,156 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, 2021. 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 Ending June 30,	Miscellaneous	Council
2021	\$ 1,172,756	\$ 10,879
2022	10,573	4,196
2023	(120,494)	1,395
2024	74,277	1,343
2025	-	-
Thereafter	-	-

8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Payable to the Pension Plans

At June 30, 2020, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2020.

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, 2020, the City's payroll covered by the defined contribution plan was \$1,757,653. The City made employer contributions of \$65,912 (3.75% of current covered payroll), and employees contributed \$65,912 (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 (DPHP) 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 Financial Statements
June 30, 2020

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, 2019, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefits	113
Inactive employees or beneficiaries entitled to but not yet receiving benefits	16
Active employees	<u>150</u>
Total	<u><u>279</u></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, 2019, the measurement period, the City's cash contributions were \$1,021,426 in payments to the trust and the estimated implied subsidy was \$204,000 and \$2,407 administrative expense paid by the city resulting in payments of \$1,227,833.

B. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

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

C. Total OPEB Liability

Actuarial Assumptions

The total OPEB liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
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	7.25% Non-Medicare/6.3% Medicare, decreasing to 4% in 2076
Mortality	Derived from CalPERS 1997-2015 experience study

The actuarial assumptions used in the June 30, 2019, 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.

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, 2019, the measurement date, are summarized in the following table:

Asset Class	New Strategic Allocation	Long-Term Expected Real Rate of Return
CERBT		
Global Equity	59.00%	4.82%
Fixed Income	25.00%	1.47%
TIPS	5.00%	1.29%
Commodities	3.00%	0.84%
REITs	8.00%	3.76%
Total	<u>100.00%</u>	

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

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

C. Total OPEB Liability (Continued)

Actuarial Assumptions (Continued)

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 in Assumptions

Demographic assumptions were updated to CalPERS 1997-2015 Experience Study. In addition, mortality improvement scale was updated to Scale MP-2019.

D. Changes in the net OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2018 (Measurement Date)	<u>\$ 27,755,774</u>	<u>\$ 4,488,081</u>	<u>\$ 23,267,693</u>
Changes in the Year:			
Service cost	605,152	-	605,152
Interest on the total OPEB liability	1,873,005	-	1,873,005
Differences between actual and expected experience	(2,149,380)	-	(2,149,380)
Changes in assumptions	(269,581)	-	(269,581)
Changes in benefit terms	-	-	-
Contribution - employer	-	1,227,833	(1,227,833)
Net investment income	-	277,177	(277,177)
Administrative expenses	-	(3,369)	3,369
Benefit payments	<u>(1,225,426)</u>	<u>(1,225,426)</u>	<u>-</u>
Net Changes	<u>(1,166,230)</u>	<u>276,215</u>	<u>(1,442,445)</u>
Balance at June 30, 2019 (Measurement Date)	<u>\$ 26,589,544</u>	<u>\$ 4,764,296</u>	<u>\$ 21,825,248</u>

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

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

D. Changes in the net OPEB Liability (Continued)

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

The ACA excise tax was repealed in December 2019. Since this is after the June 30, 2019, measurement date, the excise tax is included in the June 30, 2019, total OPEB liability.

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 one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current discount rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability	\$ 25,357,919	\$ 21,825,248	\$ 18,909,674

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 one percentage point lower (6.25% Non-Medicare/5.3% Medicare decreasing to 3.00%) or one percentage point higher (8.25% Non-Medicare/7.3% Medicare decreasing to 5.00%) than the current healthcare cost trend rates:

	1% Decrease (6.25% Non-Medicare/ 5.3% Medicare decreasing to 3.0% Non-Medicare and Medicare)	Current Healthcare Cost Trend Rates (7.25% Non-Medicare/ 6.3% Medicare decreasing to 4.0% Non-Medicare and Medicare)	1% Increase (8.25% Non-Medicare/ 7.3% Medicare decreasing to 5.0% Non-Medicare and Medicare)
Net OPEB Liability (Asset)	\$ 18,602,934	\$ 21,825,248	\$ 25,786,338

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

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, 2020, the City recognized OPEB expense of \$1,771,008. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 1,288,526	\$ -
Differences between actual and expected experience	-	(1,797,023)
Change in assumptions	-	(225,387)
Net differences between projected and actual earnings on plan investments	-	(22,015)
Total	<u>\$ 1,288,526</u>	<u>\$ (2,044,425)</u>

An amount of \$1,288,526 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, 2021. 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 Ending June 30,	Amount
2021	\$ (407,605)
2022	(407,605)
2023	(407,605)
2024	(391,403)
2025	(396,551)
Thereafter	(39,655)

F. Payable to the OPEB Plan

At June 30, 2020, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2020.

CITY OF PICO RIVERA, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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, 2020, \$399,000 has been accrued for general liability claims and \$1,005,000 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, 2020, 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, 2020 and 2019, are as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2018 - 2019	\$ 1,051,000	\$ 742,192	\$ (210,192)	\$ 1,583,000
2019 - 2020	\$ 1,583,000	\$ 55,277	\$ (234,277)	\$ 1,404,000

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The City's governmental fund balances at June 30, 2020, are tabulated below, followed by explanations as to the nature and purpose of each classification.

		Special Revenue Funds		Capital Projects Fund		Other	Total
		Housing Agency Section 8	Federal Grants	Capital Improvement Fund	2018 Series A COP	Govt. Funds	Govt. Funds
	General						
Nonspendable:							
Long-term receivables/advances	\$ 28,170,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,170,912
Prepaid items	1,910	-	-	-	-	-	1,910
Restricted for:							
Housing Agency	-	405,337	-	-	-	-	405,337
State gas tax	-	-	-	-	-	2,857,557	2,857,557
HOME	-	-	-	-	-	2,179,033	2,179,033
CalHome Grant	-	-	-	-	-	354,942	354,942
Lighting assessment district	-	-	-	-	-	2,177,951	2,177,951
Park development	-	-	-	-	-	231,838	231,838
Prop A	-	-	-	-	-	2,739,077	2,739,077
Prop C	-	-	-	-	-	2,153,766	2,153,766
Measure M	-	-	-	-	-	460,543	460,543
AQMD	-	-	-	-	-	391,427	391,427
County Grants	-	-	-	-	-	6,318	6,318
State Grants	-	-	-	-	-	31,701	31,701
Economic Development							
Assistance Grant	-	-	-	-	-	1,301,742	1,301,742
Image enhancement	-	-	-	-	-	280,226	280,226
Sewer maintenance	-	-	-	-	-	38,340	38,340
Reach Grants	-	-	-	-	-	513,715	513,715
Cable/PEG support	-	-	-	-	-	208,080	208,080
Housing Agency LMIHF	-	-	-	-	-	2,068,105	2,068,105
Paramount/Mines Landscape							
Maintenance District	-	-	-	-	-	37,888	37,888
2009 Bond capital projects	-	-	-	-	-	86	86
Pension contribution	1,087,825	-	-	-	-	-	1,087,825
Capital improvements	-	-	-	-	14,764,507	-	14,764,507
Committed to:							
Emergency Reserve/							
Economic stabilization/stimulus	10,169,300	-	-	-	-	-	10,169,300
Assigned to:							
OPEB Unfunded Liability	1,091,300	-	-	-	-	-	1,091,300
Leave Liability	554,000	-	-	-	-	-	554,000
Equipment Replacement	846,000	-	-	-	-	-	846,000
Self-insured Retention	500,000	-	-	-	-	-	500,000
Bond Refinancing/Reserve	6,000,000	-	-	-	-	-	6,000,000
Capital improvements	2,000,000	-	-	39,904	-	-	2,039,904
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	11,676,360	-	(294,336)	-	-	(1,009,707)	10,372,317
Total Fund Balances	<u>\$ 65,097,607</u>	<u>\$ 405,337</u>	<u>\$ (294,336)</u>	<u>\$ 39,904</u>	<u>\$ 14,764,507</u>	<u>\$ 17,022,628</u>	<u>\$ 97,035,647</u>

CITY OF PICO RIVERA, CALIFORNIA

Notes to Financial Statements

June 30, 2020

12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS (CONTINUED)

A. Nonspendable Fund Balances

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

B. Updated Reserve Policies: Committed and Assigned Fund Balances

The City Council 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, 2020, this commitment is equal to \$10,169,300.

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.

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.

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS (CONTINUED)

D. Assigned Fund Balances (Continued)

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, 2020, total assignments equal \$14,031,204.

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, 2020, the General Fund unassigned fund balance is \$11,676,360.

13. OTHER REQUIRED DISCLOSURES

Deficit Fund Balances or Net Position

The following funds reported deficit fund balances or net position at June 30, 2020:

Major Funds:	
Federal Grants Special Revenue Fund	\$ 294,336
Other Governmental Funds:	
Community Development Block Grant Special Revenue Fund	377,686
Measure R Special Revenue Fund	553,517
Measure A Special Revenue Fund	70,996
Transportation Development Act Special Revenue Fund	7,508
Other Enterprise Fund - Golf Course Fund	2,674,130
Equipment Replacement Internal Service Fund	177,526

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

13. OTHER REQUIRED DISCLOSURES (CONTINUED)

Deficit Fund Balances or Net Position (Continued)

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. The Equipment Replacement Internal Service Fund deficit will be eliminated through future transfers 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>
Major Funds			
Housing Agency Section 8			
Special Revenue Fund	\$ 5,161,588	\$ 5,339,596	\$ (178,008)
Capital Improvement			
Capital Projects Fund	368,273	513,745	(145,472)

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, 2020, totaled \$726,838.

CCEA master “Take or Pay” agreements with different energy providers that PRIME uses to purchase energy to provide for future electric capacity for customers. PRIME enters into separate contracts with the providers and these contracts constitute an obligation of PRIME to purchase a set volume of electricity at a set price throughout the terms of the contracts.

During the fiscal year ended June 30, 2020, the total payments made by PRIME under the take or pay contracts was \$11,273,791. At June 30, 2020, the remaining take or pay contracts for PRIME is \$35,344,382 through December 2033.

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.

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

15. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

The City is acting in a fiduciary capacity for the assets and liabilities. Disclosures related to these assets and liabilities are as follows:

A. Capital Assets:

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020
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	(124,587)	(3,527)	-	(128,114)
Furniture and equipment	(5,110)	-	-	(5,110)
Infrastructure	(17,316)	(1,235)	-	(18,551)
Total accumulated depreciation	(147,013)	(4,762)	-	(151,775)
Total capital assets, being depreciated, net	70,949	(4,762)	-	66,187
Successor Agency activities, capital assets, net	<u>\$ 328,972</u>	<u>\$ (4,762)</u>	<u>\$ -</u>	<u>\$ 324,210</u>

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, 2020, is \$337,232.

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, 2020, the net advance balance was \$17,724,328, which included accrued interest of \$8,561,761 and a 25% reserve against this balance totaling \$4,431,082 due to the estimated collectability by the General Fund as a result of the winding down of the affairs of the former Redevelopment Agency.

15. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

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

(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, 2020, the balance of the City Deferrals including interest was \$29,044,158.

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 \$29,044,158 has been recorded in the statement of fiduciary net position. Under the terms of the agreement, payments are to be made by the Successor Agency to the City to the extent money is available. Due to the payment terms, the long-term nature of the loan, and management's expectation that repayment will not begin for some time, the City has fully reserved against the receivable on the statement of net position.

AB 1484 specifies the actions to be taken and the method of repayment for advances and loans between the Successor Agency, 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.

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

15. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

D. Payable to the Pico Rivera Housing Assistance Agency

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

Loan #	Date	Interest Rate	Loan Amount	Repayment Terms
1	12/08/09	0%	\$ 959,553	By June 30, 2017
2	03/08/11	0%	343,368	By June 30, 2017
			<u>\$ 1,302,921</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 in the near future, 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.

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, 2020, the net advance balance was \$251,528, which includes accrued interest of \$121,528.
- (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, 2020, the Water Authority's advances to the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund amounted to \$21,064,385 (including accrued interest of \$128,158).

CITY OF PICO RIVERA, CALIFORNIA
Notes to Financial Statements
June 30, 2020

15. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

E. Payable to the Pico Rivera Water Authority (Continued)

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 June 30,	Principal	Interest	Total
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	2,425,000	878,325	3,303,325
2026 - 2030	7,525,000	2,518,425	10,043,425
2031 - 2033	3,810,000	411,950	4,221,950
Total	<u>\$ 21,970,000</u>	<u>\$ 8,859,200</u>	<u>\$ 30,829,200</u>

At June 30, 2020, 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	\$ 21,970,000
Less: unamortized revenue bond discount	(1,033,773)
Plus: accrued unpaid interest	128,158
	<u>\$ 21,064,385</u>

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, 2020, the balance of the County Deferral including interest was \$47,396,426. There is no fixed payment schedule for the repayment of the County Deferral.
- (2) Additionally at June 30, 2020, 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.

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CITY OF PICO RIVERA
REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF PICO RIVERA

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

Last Ten Fiscal Years*

	2020	2019	2018	2017	2016	2015
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Measurement period:						
Total Pension Liability:						
Service cost	\$ 1,749,749	\$ 1,668,403	\$ 1,660,852	\$ 1,410,606	\$ 1,411,834	\$ 1,447,138
Interest on total pension liability	7,844,359	7,428,615	7,124,315	6,980,849	6,826,754	6,624,512
Differences between expected and actual experience	2,207,380	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	(5,685,436)	(5,375,555)	(4,857,602)	(4,769,549)	(4,686,299)	(4,544,162)
Net Change in Total Pension Liability	6,116,052	4,305,040	8,612,408	2,126,175	1,025,305	3,527,488
Total Pension Liability - Beginning of Year	109,471,760	105,166,720	96,554,312	94,428,137	93,402,832	89,875,344
Total Pension Liability - End of Year (a)	<u>\$ 115,587,812</u>	<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	3,152,902	2,902,032	2,552,475	2,352,483	2,240,763	2,552,214
Contributions - employee	817,187	838,924	741,941	681,785	716,687	671,298
Net investment income	4,813,665	5,870,873	7,274,632	328,225	1,459,065	10,012,754
Administrative expenses	(52,319)	(314,561)	(94,514)	(39,896)	(73,643)	-
Benefit payments	(5,685,436)	(5,375,555)	(4,857,602)	(4,769,549)	(4,686,299)	(4,544,162)
Net Change in Plan Fiduciary Net Position	3,045,999	3,921,542	5,616,932	(1,446,952)	(343,415)	8,692,104
Plan Fiduciary Net Position - Beginning of Year	73,553,818	69,632,276	64,015,344	65,462,296	65,805,711	57,113,607
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 76,599,817</u>	<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>\$ 38,987,995</u>	<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	66.27%	67.19%	66.21%	66.30%	69.32%	70.45%
Covered payroll	\$ 10,774,630	\$ 9,958,832	\$ 9,605,299	\$ 8,817,942	\$ 8,675,393	\$ 8,586,318
Net pension liability as percentage of covered payroll	361.85%	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

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

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

CITY OF PICO RIVERA

SCHEDULE OF CONTRIBUTIONS
MISCELLANEOUS PLAN

Last Ten Fiscal Years*

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 3,511,156	\$ 3,152,687	\$ 2,902,032	\$ 2,552,475	\$ 2,352,483	\$ 2,240,763
Contributions in relation to the actuarially determined contributions	<u>(3,511,156)</u>	<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>	<u>\$ -</u>
Covered payroll	\$ 11,103,243	\$ 10,774,630	\$ 9,958,832	\$ 9,605,299	\$ 8,817,942	\$ 8,675,393
Contributions as a percentage of covered payroll	31.62%	29.26%	29.14%	26.57%	26.68%	25.83%

Notes to Schedule:

Valuation Date	6/30/2019	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	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Inflation	2.75%	2.50%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.375% (3)	7.15% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(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 six years are shown.

CITY OF PICO RIVERA

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

Last Ten Fiscal Years*

	2020	2019	2018	2017	2016	2015
Measurement period:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability:						
Service cost	\$ 2,283	\$ 6,794	\$ 6,533	\$ 6,809	\$ 6,547	\$ 6,329
Interest on total pension liability	11,252	11,243	11,848	11,642	11,117	10,751
Differences between expected and actual experience	-	-	-	-	(9,032)	-
Changes in economic/demographic	22,367	-	(16,557)	-	-	-
Changes in assumptions	2,623	-	-	8,226	7,389	-
Benefit payments, including refunds of employee contributions	(14,412)	(12,399)	(10,426)	(10,426)	(10,426)	(10,426)
Net Change in Total Pension Liability	24,113	5,638	(8,602)	16,251	5,595	6,654
Total Pension Liability - Beginning of Year	177,920	172,282	180,884	164,633	159,038	152,384
Total Pension Liability - End of Year (a)	<u>\$ 202,033</u>	<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	\$ 10,774	\$ 14,227	\$ 18,648	\$ 17,266	\$ 18,647	\$ 17,957
Contributions - employee	-	-	-	-	-	-
Net investment income	3,916	9,833	10,214	13,784	83	2,392
Administrative expenses	(834)	(808)	(762)	(655)	(575)	(540)
Benefit payments	(14,412)	(12,399)	(10,426)	(10,426)	(10,426)	(10,426)
Net Change in Plan Fiduciary Net Position	(556)	10,853	17,674	19,969	7,729	9,383
Plan Fiduciary Net Position - Beginning of Year	165,757	154,904	137,230	117,261	109,532	100,149
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 165,201</u>	<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>\$ 36,832</u>	<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	81.77%	93.16%	89.91%	75.87%	71.23%	68.87%
Covered payroll	\$ 32,924	\$ 39,460	\$ 55,406	\$ 57,622	\$ 55,406	\$ 57,622
Net pension liability as percentage of covered payroll	111.87%	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 six years are shown.

CITY OF PICO RIVERA

SCHEDULE OF CONTRIBUTIONS - COUNCIL PLAN

Last Ten Fiscal Years*

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 9,938	\$ 17,226	\$ 17,900	\$ 18,616	\$ 17,266	\$ 17,957
Contributions in relation to the actuarially determined contributions	(10,774)	(14,227)	(18,648)	(17,266)	(18,647)	(17,957)
Contribution deficiency (excess)	<u>\$ (836)</u>	<u>\$ 2,999</u>	<u>\$ (748)</u>	<u>\$ 1,350</u>	<u>\$ (1,381)</u>	<u>\$ -</u>
Covered payroll	\$ 32,924	\$ 39,460	\$ 55,406	\$ 57,622	\$ 55,406	\$ 57,622
Contributions as a percentage of covered payroll	32.72%	36.05%	33.66%	29.96%	33.66%	31.16%

Notes to Schedule:

Valuation Date	6/30/2019	6/30/2017	6/30/2017	7/1/2015	7/1/2015	6/30/2013
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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	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	Level dollar, closed period
Remaining amortization period	3-year fixed	5-year fixed	5-year fixed	7-year fixed	7-year fixed	9-year fixed
Asset valuation method	Market	Market	Market	Market	Market	Market
Inflation	2.50%	2.75%	2.75%	2.75%	2.75%	3.00%
Salary increases	3.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Investment rate of return	6.50%	6.50%	6.50%	6.50%	7.00%	7.00%
Retirement age	55 years	55 years	55 years	55 years	55 years	55 years
Mortality	(1)	(1)	(1)	(1)	(1)	(1)

- (1) Pre-Retirement: Consistent with the nonindustrial rates used to value the CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017.

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN - COUNCIL PLAN

Last Ten Fiscal Years*

	2020	2019	2018	2017	2016	2015
Net money-weighted rate of return	2.39%	6.28%	7.26%	11.48%	0.07%	2.33%

* Fiscal year 2015 was the first year of implementation; therefore, only six 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	6/30/2020	6/30/2019	6/30/2018
Measurement date	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:			
Service cost	\$ 605,152	\$ 614,912	\$ 597,000
Interest on total OPEB liability	1,873,005	1,792,862	1,717,000
Differences between expected and actual experience	(2,149,380)	-	-
Changes in assumptions	(269,581)	-	-
Benefit payments	(1,225,426)	(1,196,000)	(1,212,000)
Net Change in Total OPEB Liability	(1,166,230)	1,211,774	1,102,000
Total OPEB Liability - Beginning of Year	27,755,774	26,544,000	25,442,000
Total OPEB Liability - End of Year (a)	26,589,544	27,755,774	26,544,000
Plan Fiduciary Net Position:			
Contributions - employer	1,227,833	1,199,000	5,212,000
Net investment income	277,177	331,815	165,000
Administrative expenses	(3,369)	(10,734)	(1,000)
Benefit payments	(1,225,426)	(1,196,000)	(1,212,000)
Net Change in Plan Fiduciary Net Position	276,215	324,081	4,164,000
Plan Fiduciary Net Position - Beginning of Year	4,488,081	4,164,000	-
Plan Fiduciary Net Position - End of Year (b)	4,764,296	4,488,081	4,164,000
Net OPEB Liability - Ending (a)-(b)	\$ 21,825,248	\$ 23,267,693	\$ 22,380,000
Plan fiduciary net position as a percentage of the total OPEB liability	17.92%	16.17%	15.69%
Covered - employee payroll	\$ 12,334,638	\$ 10,314,000	\$ 9,770,000
Net OPEB liability as percentage of covered - employee payroll	176.94%	225.59%	229.07%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

There were no changes in assumptions.

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

There were no changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

Demographic assumptions were updated to CalPERS 1997-2015 Experience Study.

Mortality improvement scale was updated to Scale MP-2019

Subsequent events:

ACA excise tax was repealed in December 2019. Since this is after the June 30, 2019 measurement date, the excise tax is included in the June 30, 2019 Total OPEB Liability.

* Fiscal year 2018 was the first year of implementation; therefore, only three years are shown.

CITY OF PICO RIVERA

SCHEDULE OF CONTRIBUTIONS - OPEB

Last Ten Fiscal Years*

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ 2,790,000	\$ 2,739,000	\$ 2,688,000
Contributions in relation to the actuarially determined contributions	<u>(1,288,526)</u>	<u>(1,227,833)</u>	<u>(1,199,000)</u>
Contribution deficiency (excess)	<u>\$ 1,501,474</u>	<u>\$ 1,511,167</u>	<u>\$ 1,489,000</u>
Covered - employee payroll	\$ 12,474,643	\$ 12,334,638	\$ 10,314,000
Contributions as a percentage of covered - employee payroll	10.33%	9.95%	11.62%

Notes to Schedule:

Valuation Date	6/30/2019	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 - 7.25% decreasing to 4.0%; Medicare - 6.3% decreasing to 4.0%
Investment rate of return	6.75%
Mortality	Mortality projected fully generational with Scale MP-2019

* Fiscal year 2018 was the first year of implementation; therefore, only three years are shown.

CITY OF PICO RIVERA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the year ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes and assessments	33,760,000	\$ 32,759,730	\$ 35,065,105	\$ 2,305,375
Licenses and permits	3,353,200	3,353,200	2,212,910	(1,140,290)
Intergovernmental	261,000	221,000	273,933	52,933
Charges for services	1,747,500	1,361,700	1,322,004	(39,696)
Fines, forfeitures, and penalties	1,101,000	1,101,000	952,095	(148,905)
Investment and rental	643,600	643,600	857,744	214,144
Miscellaneous	383,500	353,500	432,140	78,640
TOTAL REVENUES	41,249,800	39,793,730	41,115,931	1,322,201
EXPENDITURES:				
Current:				
General government	7,667,814	7,341,003	8,013,540	(672,537)
Public safety	12,677,511	12,677,511	12,433,612	243,899
Public works	10,097,440	10,422,962	8,868,826	1,554,136
Parks and recreation	5,895,081	5,880,357	5,329,096	551,261
Community development	4,851,754	4,833,730	4,057,865	775,865
Debt service:				
Principal	900,000	900,000	900,000	-
Interest and fiscal charges	1,023,450	1,023,450	1,023,450	-
TOTAL EXPENDITURES	43,113,050	43,079,013	40,626,389	2,452,624
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,863,250)	(3,285,283)	489,542	3,774,825
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	2,153,109	2,153,109
TOTAL OTHER FINANCING SOURCES (USES)	-	-	2,153,109	2,153,109
NET CHANGE IN FUND BALANCE	(1,863,250)	(3,285,283)	2,642,651	5,927,934
FUND BALANCE - BEGINNING OF YEAR	62,454,956	62,454,956	62,454,956	-
FUND BALANCE - END OF YEAR	\$ 60,591,706	\$ 59,169,673	\$ 65,097,607	\$ 5,927,934

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	5,000,000	\$ 5,000,000	\$ 5,193,264	\$ 193,264
Investment and rental	3,000	3,000	500	(2,500)
Miscellaneous	45,000	45,000	23,822	(21,178)
 TOTAL REVENUES	 5,048,000	 5,048,000	 5,217,586	 169,586
EXPENDITURES:				
Current:				
Health and welfare	5,158,036	5,161,588	5,339,596	(178,008)
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (110,036)	 (113,588)	 (122,010)	 (8,422)
FUND BALANCE - BEGINNING OF YEAR	527,347	527,347	527,347	-
FUND BALANCE - END OF YEAR	<u>\$ 417,311</u>	<u>\$ 413,759</u>	<u>\$ 405,337</u>	<u>\$ (8,422)</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 682,457	\$ 682,457
EXPENDITURES:				
Current:				
Public works	-	788,833	419,774	369,059
TOTAL EXPENDITURES	-	788,833	419,774	369,059
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(788,833)	262,683	1,051,516
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(192,155)	(192,155)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(192,155)	(192,155)
NET CHANGE IN FUND BALANCE	-	(788,833)	70,528	859,361
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(364,864)	(364,864)	(364,864)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (364,864)</u>	<u>\$ (1,153,697)</u>	<u>\$ (294,336)</u>	<u>\$ 859,361</u>

See accompanying note to required supplementary information.

CITY OF PICO RIVERA, CALIFORNIA
Note to Required Supplementary Information
June 30, 2020

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.

CITY OF PICO RIVERA
SUPPLEMENTARY INFORMATION

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**CITY OF PICO RIVERA
OTHER MAJOR FUND**

BUDGETARY COMPARISON SCHEDULE

CITY OF PICO RIVERA

BUDGETARY COMPARISON SCHEDULE

CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND - MAJOR FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 19,671	\$ 19,671
EXPENDITURES:				
Current:				
Public works	90,000	142,382	1,830	140,552
Capital outlay	-	225,891	511,915	(286,024)
TOTAL EXPENDITURES	90,000	368,273	513,745	(145,472)
EXCESS OF REVENUES UNDER EXPENDITURES	(90,000)	(368,273)	(494,074)	(125,801)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(582,794)	(582,794)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(582,794)	(582,794)
NET CHANGE IN FUND BALANCE	(90,000)	(368,273)	(1,076,868)	(708,595)
FUND BALANCE - BEGINNING OF YEAR	1,116,772	1,116,772	1,116,772	-
FUND BALANCE - END OF YEAR	<u>\$ 1,026,772</u>	<u>\$ 748,499</u>	<u>\$ 39,904</u>	<u>\$ (708,595)</u>

CITY OF PICO RIVERA

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS

June 30, 2020

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.

Measure A Fund accounts for monies received and expenditures relative to Measure A 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, 2020

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, 2020

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, 2020

		Special Revenue Funds		
		Community Development Block Grant	State Gas Tax	Lighting Assessment District
ASSETS				
Cash and investments		\$ -	\$ 2,774,298	\$ 2,202,865
Accounts receivable		-	-	-
Taxes receivable		-	79,852	29,291
Interest receivable		-	4,565	3,782
Long-term receivables		189,339	-	-
Receivables from Successor Agency		-	-	-
TOTAL ASSETS		<u>\$ 189,339</u>	<u>\$ 2,858,715</u>	<u>\$ 2,235,938</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES:				
Accounts payable		\$ 268,322	\$ -	\$ 57,987
Accrued liabilities		602	1,158	-
Due to other funds		108,762	-	-
Due to other agencies		189,339	-	-
TOTAL LIABILITIES		<u>567,025</u>	<u>1,158</u>	<u>57,987</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue		-	-	-
FUND BALANCES (DEFICITS):				
Restricted		-	2,857,557	2,177,951
Unassigned		(377,686)	-	-
TOTAL FUND BALANCES (DEFICITS)		<u>(377,686)</u>	<u>2,857,557</u>	<u>2,177,951</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		<u>\$ 189,339</u>	<u>\$ 2,858,715</u>	<u>\$ 2,235,938</u>

Special Revenue Funds (Continued)

Park Development	Prop A	Prop C	Measure R	Measure M	Measure A	HOME Grant	CalHOME Grant
\$ 231,447	\$ 2,851,889	\$ 2,233,784	\$ 711,562	\$ 639,689	\$ -	\$ 2,177,332	\$ 354,942
-	-	-	3,013,178	-	-	-	-
-	-	-	-	-	-	-	-
391	4,829	3,712	956	968	-	-	-
-	-	-	-	-	-	2,895,402	1,380,404
-	-	-	-	-	-	-	-
<u>\$ 231,838</u>	<u>\$ 2,856,718</u>	<u>\$ 2,237,496</u>	<u>\$ 3,725,696</u>	<u>\$ 640,657</u>	<u>\$ -</u>	<u>\$ 5,072,734</u>	<u>\$ 1,735,346</u>
\$ -	\$ 113,556	\$ 78,305	\$ 1,289,742	\$ 177,220	\$ 70,026	\$ -	\$ -
-	4,085	5,425	7,894	2,894	-	-	-
-	-	-	-	-	970	-	-
-	-	-	-	-	-	2,893,701	1,380,404
-	117,641	83,730	1,297,636	180,114	70,996	2,893,701	1,380,404
-	-	-	2,981,577	-	-	-	-
231,838	2,739,077	2,153,766	-	460,543	-	2,179,033	354,942
-	-	-	(553,517)	-	(70,996)	-	-
231,838	2,739,077	2,153,766	(553,517)	460,543	(70,996)	2,179,033	354,942
<u>\$ 231,838</u>	<u>\$ 2,856,718</u>	<u>\$ 2,237,496</u>	<u>\$ 3,725,696</u>	<u>\$ 640,657</u>	<u>\$ -</u>	<u>\$ 5,072,734</u>	<u>\$ 1,735,346</u>

(Continued)

CITY OF PICO RIVERA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2020

		Special Revenue Funds (Continued)		
		Air Quality Improvement	County Grants	State Grants
ASSETS				
Cash and investments		\$ 370,792	\$ 39,311	\$ 141,649
Accounts receivable		-	-	87,278
Taxes receivable		20,040	-	11,639
Interest receivable		595	-	213
Long-term receivables		-	-	-
Receivables from Successor Agency		-	-	-
TOTAL ASSETS		<u>\$ 391,427</u>	<u>\$ 39,311</u>	<u>\$ 240,779</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES:				
Accounts payable		\$ -	\$ 32,993	\$ 30,874
Accrued liabilities		-	-	583
Due to other funds		-	-	90,343
Due to other agencies		-	-	-
TOTAL LIABILITIES		<u>-</u>	<u>32,993</u>	<u>121,800</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue		<u>-</u>	<u>-</u>	<u>87,278</u>
FUND BALANCES (DEFICITS):				
Restricted		391,427	6,318	31,701
Unassigned		<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES (DEFICITS)		<u>391,427</u>	<u>6,318</u>	<u>31,701</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		<u>\$ 391,427</u>	<u>\$ 39,311</u>	<u>\$ 240,779</u>

Special Revenue Funds (Continued)

Economic Sustainability	Image Enhancement	Sewer Maintenance	Reach Grants	Cable/PEG Support	Transportation Development Act
\$ 1,041,433	\$ 279,770	\$ 239,083	\$ 686,886	\$ 45,417	\$ -
-	-	-	-	-	162,535
-	-	322	-	162,754	-
1,776	456	-	1,130	-	-
287,050	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,330,259</u>	<u>\$ 280,226</u>	<u>\$ 239,405</u>	<u>\$ 688,016</u>	<u>\$ 208,171</u>	<u>\$ 162,535</u>
\$ 28,517	\$ -	\$ 198,388	\$ 86,664	\$ -	\$ 3,145
-	-	2,677	7,454	91	222
-	-	-	-	-	85,810
-	-	-	80,183	-	-
<u>28,517</u>	<u>-</u>	<u>201,065</u>	<u>174,301</u>	<u>91</u>	<u>89,177</u>
-	-	-	-	-	80,866
1,301,742	280,226	38,340	513,715	208,080	-
-	-	-	-	-	(7,508)
<u>1,301,742</u>	<u>280,226</u>	<u>38,340</u>	<u>513,715</u>	<u>208,080</u>	<u>(7,508)</u>
<u>\$ 1,330,259</u>	<u>\$ 280,226</u>	<u>\$ 239,405</u>	<u>\$ 688,016</u>	<u>\$ 208,171</u>	<u>\$ 162,535</u>

(Continued)

CITY OF PICO RIVERA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2020

		Special Revenue Funds (Continued)	
		Housing Agency LMIHF	Total Special Revenue Funds
ASSETS			
Cash and investments		\$ 764,064	\$ 17,786,213
Accounts receivable		-	3,262,991
Taxes receivable		-	303,898
Interest receivable		2,260	25,633
Long-term receivables		-	4,752,195
Receivables from Successor Agency		1,302,921	1,302,921
		<u>1,302,921</u>	<u>1,302,921</u>
TOTAL ASSETS		<u>\$ 2,069,245</u>	<u>\$ 27,433,851</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES:			
Accounts payable		\$ -	\$ 2,435,739
Accrued liabilities		1,140	34,225
Due to other funds		-	285,885
Due to other agencies		-	4,543,627
		<u>-</u>	<u>4,543,627</u>
TOTAL LIABILITIES		<u>1,140</u>	<u>7,299,476</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue		-	3,149,721
		<u>-</u>	<u>3,149,721</u>
FUND BALANCES (DEFICITS):			
Restricted		2,068,105	17,994,361
Unassigned		-	(1,009,707)
		<u>-</u>	<u>(1,009,707)</u>
TOTAL FUND BALANCES (DEFICITS)		<u>2,068,105</u>	<u>16,984,654</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		<u>\$ 2,069,245</u>	<u>\$ 27,433,851</u>

Capital Projects Funds			
Paramount/Mines Landscape Maintenance Assessment	2009 Lease Revenue Bond	Total Capital Projects Funds	Total Other Governmental Funds
\$ 37,825	\$ 86	\$ 37,911	\$ 17,824,124
-	-	-	3,262,991
-	-	-	303,898
63	-	63	25,696
-	-	-	4,752,195
-	-	-	1,302,921
<u>\$ 37,888</u>	<u>\$ 86</u>	<u>\$ 37,974</u>	<u>\$ 27,471,825</u>
\$ -	\$ -	\$ -	\$ 2,435,739
-	-	-	34,225
-	-	-	285,885
-	-	-	4,543,627
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,299,476</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,149,721</u>
37,888	86	37,974	18,032,335
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,009,707)</u>
<u>37,888</u>	<u>86</u>	<u>37,974</u>	<u>17,022,628</u>
<u>\$ 37,888</u>	<u>\$ 86</u>	<u>\$ 37,974</u>	<u>\$ 27,471,825</u>

CITY OF PICO RIVERA

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

For the year ended June 30, 2020

	Special Revenue Funds		
	Community Development Block Grant	State Gas Tax	Lighting Assessment District
REVENUES:			
Taxes and assessments	\$ -	\$ 2,397,698	\$ 1,701,035
Intergovernmental	790,951	-	-
Charges for services	-	-	-
Investment and rental	35,278	49,761	42,291
Miscellaneous	-	71,986	-
TOTAL REVENUES	826,229	2,519,445	1,743,326
EXPENDITURES:			
Current:			
General government	-	-	-
Public works	-	5,362	1,238,824
Parks and recreation	-	-	-
Health and welfare	-	-	-
Community development	1,075,090	-	-
TOTAL EXPENDITURES	1,075,090	5,362	1,238,824
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(248,861)	2,514,083	504,502
OTHER FINANCING SOURCES (USES):			
Transfers out	-	(1,378,160)	-
NET CHANGE IN FUND BALANCES	(248,861)	1,135,923	504,502
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	(128,825)	1,721,634	1,673,449
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (377,686)</u>	<u>\$ 2,857,557</u>	<u>\$ 2,177,951</u>

Special Revenue Funds (Continued)

Park Development	Prop A	Prop C	Measure R	Measure M	Measure A	HOME Grant	CalHOME Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,246,180	1,047,880	3,384,495	871,222	-	-	-
-	-	-	-	-	-	-	-
5,109	62,696	43,501	24,336	22,516	-	119,350	3,100
-	22,029	-	-	-	-	214,135	20,240
5,109	1,330,905	1,091,381	3,408,831	893,738	-	333,485	23,340
-	-	-	-	-	-	-	-
-	1,175,232	484,124	4,961,904	506,883	70,996	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,175,232	484,124	4,961,904	506,883	70,996	-	-
5,109	155,673	607,257	(1,553,073)	386,855	(70,996)	333,485	23,340
-	-	-	-	(832,969)	-	-	-
5,109	155,673	607,257	(1,553,073)	(446,114)	(70,996)	333,485	23,340
226,729	2,583,404	1,546,509	999,556	906,657	-	1,845,548	331,602
\$ 231,838	\$ 2,739,077	\$ 2,153,766	\$ (553,517)	\$ 460,543	\$ (70,996)	\$ 2,179,033	\$ 354,942

(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, 2020

	Special Revenue Funds (Continued)		
	Air Quality Improvement	County Grants	State Grants
REVENUES:			
Taxes and assessments	\$ -	\$ -	\$ -
Intergovernmental	80,938	182,238	171,696
Charges for services	-	-	-
Investment and rental	7,395	-	2,612
Miscellaneous	-	-	26,187
TOTAL REVENUES	88,333	182,238	200,495
EXPENDITURES:			
Current:			
General government	-	-	-
Public works	53,591	-	-
Parks and recreation	-	103,964	-
Health and welfare	-	-	169,261
Community development	-	-	-
TOTAL EXPENDITURES	53,591	103,964	169,261
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	34,742	78,274	31,234
OTHER FINANCING SOURCES (USES):			
Transfers out	-	-	-
NET CHANGE IN FUND BALANCES	34,742	78,274	31,234
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	356,685	(71,956)	467
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 391,427	\$ 6,318	\$ 31,701

Special Revenue Funds (Continued)

Economic Sustainability	Image Enhancement	Sewer Maintenance	Reach Grants	Cable/PEG Support	Transportation Development Act
\$ -	\$ -	\$ 1,548	\$ 4,891	\$ -	\$ -
-	-	-	1,072,110	-	81,667
-	121,245	-	-	-	-
24,234	5,072	-	11,907	-	-
-	-	-	-	163,934	-
24,234	126,317	1,548	1,088,908	163,934	81,667
-	16,283	261,240	-	-	-
-	-	98,329	-	23,328	77,336
-	-	-	923,847	-	-
-	-	-	-	-	-
98,950	-	-	-	-	-
98,950	16,283	359,569	923,847	23,328	77,336
(74,716)	110,034	(358,021)	165,061	140,606	4,331
-	-	-	-	-	-
(74,716)	110,034	(358,021)	165,061	140,606	4,331
1,376,458	170,192	396,361	348,654	67,474	(11,839)
\$ 1,301,742	\$ 280,226	\$ 38,340	\$ 513,715	\$ 208,080	\$ (7,508)

(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, 2020

	Special Revenue Funds (Continued)	
	Housing Agency LMIHF	Total Special Revenue Funds
REVENUES:		
Taxes and assessments	\$ -	\$ 4,105,172
Intergovernmental	-	8,929,377
Charges for services	-	121,245
Investment and rental	15,816	474,974
Miscellaneous	2,101	520,612
TOTAL REVENUES	17,917	14,151,380
EXPENDITURES:		
Current:		
General government	-	277,523
Public works	-	8,695,909
Parks and recreation	-	1,027,811
Health and welfare	-	169,261
Community development	-	1,174,040
TOTAL EXPENDITURES	-	11,344,544
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	17,917	2,806,836
OTHER FINANCING SOURCES (USES):		
Transfers out	-	(2,211,129)
NET CHANGE IN FUND BALANCES	17,917	595,707
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	2,050,188	16,388,947
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 2,068,105	\$ 16,984,654

Capital Projects Funds			
Paramount/Mines Landscape Maintenance Assessment	2009 Lease Revenue Bond	Total Capital Projects Funds	Total Other Governmental Funds
\$ 9,354	\$ -	\$ 9,354	\$ 4,114,526
-	-	-	8,929,377
-	-	-	121,245
719	-	719	475,693
-	-	-	520,612
10,073	-	10,073	14,161,453
-	-	-	277,523
-	-	-	8,695,909
-	-	-	1,027,811
-	-	-	169,261
-	-	-	1,174,040
-	-	-	11,344,544
10,073	-	10,073	2,816,909
-	-	-	(2,211,129)
10,073	-	10,073	605,780
27,815	86	27,901	16,416,848
<u>\$ 37,888</u>	<u>\$ 86</u>	<u>\$ 37,974</u>	<u>\$ 17,022,628</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,484,641	\$ 790,951	\$ (693,690)
Investment and rental	500	35,278	34,778
TOTAL REVENUES	1,485,141	826,229	(658,912)
EXPENDITURES:			
Current:			
Community development	1,644,395	1,075,090	569,305
NET CHANGE IN FUND BALANCE	(159,254)	(248,861)	(89,607)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(128,825)	(128,825)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (288,079)</u>	<u>\$ (377,686)</u>	<u>\$ (89,607)</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 2,662,100	\$ 2,397,698	\$ (264,402)
Investment and rental	1,000	49,761	48,761
Miscellaneous	72,500	71,986	(514)
TOTAL REVENUES	2,735,600	2,519,445	(216,155)
EXPENDITURES:			
Current:			
Public works	1,000,000	5,362	994,638
EXCESS OF REVENUES OVER EXPENDITURES	1,735,600	2,514,083	293,665
OTHER FINANCING USES:			
Transfers out	(1,598,500)	(1,378,160)	220,340
NET CHANGE IN FUND BALANCE	137,100	1,135,923	998,823
FUND BALANCE - BEGINNING OF YEAR	1,721,634	1,721,634	-
FUND BALANCE - END OF YEAR	\$ 1,858,734	\$ 2,857,557	\$ 998,823

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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 1,633,100	\$ 1,701,035	\$ 67,935
Investment and rental	5,000	42,291	37,291
TOTAL REVENUES	1,638,100	1,743,326	105,226
EXPENDITURES:			
Current:			
Public works	1,597,011	1,238,824	358,187
NET CHANGE IN FUND BALANCE	41,089	504,502	463,413
FUND BALANCE - BEGINNING OF YEAR	1,673,449	1,673,449	-
FUND BALANCE - END OF YEAR	<u>\$ 1,714,538</u>	<u>\$ 2,177,951</u>	<u>\$ 463,413</u>

CITY OF PICO RIVERA

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

PARK DEVELOPMENT SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for services	\$ -	\$ -	\$ -
Investment and rental	1,000	5,109	4,109
TOTAL REVENUES	1,000	5,109	4,109
FUND BALANCE - BEGINNING OF YEAR	226,729	226,729	-
FUND BALANCE - END OF YEAR	\$ 227,729	\$ 231,838	\$ 4,109

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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,332,400	\$ 1,246,180	\$ (86,220)
Investment and rental	30,000	62,696	32,696
Miscellaneous	45,000	22,029	(22,971)
TOTAL REVENUES	1,407,400	1,330,905	(76,495)
EXPENDITURES:			
Current:			
Public works	1,516,178	1,175,232	340,946
NET CHANGE IN FUND BALANCE	(108,778)	155,673	264,451
FUND BALANCE - BEGINNING OF YEAR	2,583,404	2,583,404	-
FUND BALANCE - END OF YEAR	<u>\$ 2,474,626</u>	<u>\$ 2,739,077</u>	<u>\$ 264,451</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,105,200	\$ 1,047,880	\$ (57,320)
Investment and rental	20,000	43,501	23,501
TOTAL REVENUES	1,125,200	1,091,381	(33,819)
EXPENDITURES:			
Current:			
Public works	1,080,279	484,124	596,155
EXCESS OF REVENUES OVER EXPENDITURES	44,921	607,257	562,336
OTHER FINANCING USES:			
Transfers in	-	-	-
NET CHANGE IN FUND BALANCE	44,921	607,257	562,336
FUND BALANCE - BEGINNING OF YEAR	1,546,509	1,546,509	-
FUND BALANCE - END OF YEAR	<u>\$ 1,591,430</u>	<u>\$ 2,153,766</u>	<u>\$ 562,336</u>

CITY OF PICO RIVERA

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

MEASURE R SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 6,986,500	\$ 3,384,495	\$ (3,602,005)
Investment and rental	25,000	24,336	(664)
TOTAL REVENUES	7,011,500	3,408,831	(3,602,669)
EXPENDITURES:			
Current:			
Public works	11,389,961	4,961,904	6,428,057
EXCESS OF REVENUES OVER EXPENDITURES	(4,378,461)	(1,553,073)	2,825,388
OTHER FINANCING USES:			
Transfers out	-	-	-
NET CHANGE IN FUND BALANCE	(4,378,461)	(1,553,073)	2,825,388
FUND BALANCE - BEGINNING OF YEAR	999,556	999,556	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (3,378,905)</u>	<u>\$ (553,517)</u>	<u>\$ 2,825,388</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 939,400	\$ 871,222	\$ (68,178)
Investment and rental	5,000	22,516	17,516
TOTAL REVENUES	944,400	893,738	(50,662)
EXPENDITURES:			
Current:			
Public works	878,010	506,883	371,127
EXCESS OF REVENUES OVER EXPENDITURES	66,390	386,855	320,465
OTHER FINANCING USES:			
Transfers out	-	(832,969)	(832,969)
NET CHANGE IN FUND BALANCE	66,390	(446,114)	(512,504)
FUND BALANCE - BEGINNING OF YEAR	906,657	906,657	-
FUND BALANCE - END OF YEAR	<u>\$ 973,047</u>	<u>\$ 460,543</u>	<u>\$ (512,504)</u>

CITY OF PICO RIVERA

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

MEASURE A SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES:			
Current:			
Public works	78,444	70,996	7,448
NET CHANGE IN FUND BALANCE	(78,444)	(70,996)	7,448
FUND BALANCE - BEGINNING OF YEAR	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (78,444)</u>	<u>\$ (70,996)</u>	<u>\$ 7,448</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment and rental	\$ 50,000	\$ 119,350	\$ 69,350
Miscellaneous	100,000	214,135	114,135
TOTAL REVENUES	150,000	333,485	183,485
EXPENDITURES:			
Current:			
Community development	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	150,000	333,485	183,485
FUND BALANCE - BEGINNING OF YEAR	1,845,548	1,845,548	-
FUND BALANCE - END OF YEAR	<u>\$ 1,995,548</u>	<u>\$ 2,179,033</u>	<u>\$ 183,485</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment and rental	\$ 5,000	\$ 3,100	\$ (1,900)
Miscellaneous	5,000	20,240	15,240
TOTAL REVENUES	10,000	23,340	13,340
FUND BALANCE - BEGINNING OF YEAR	331,602	331,602	-
FUND BALANCE - END OF YEAR	<u>\$ 341,602</u>	<u>\$ 354,942</u>	<u>\$ 13,340</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 80,000	\$ 80,938	\$ 938
Investment and rental	4,000	7,395	3,395
TOTAL REVENUES	84,000	88,333	4,333
EXPENDITURES:			
Current:			
Public works	132,460	53,591	78,869
NET CHANGE IN FUND BALANCE	(48,460)	34,742	83,202
FUND BALANCE - BEGINNING OF YEAR	356,685	356,685	-
FUND BALANCE - END OF YEAR	<u>\$ 308,225</u>	<u>\$ 391,427</u>	<u>\$ 83,202</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ -	\$ 182,238	\$ 182,238
Miscellaneous	-	-	-
TOTAL REVENUES	-	182,238	182,238
EXPENDITURES:			
Current:			
Parks and recreation	105,264	103,964	1,300
NET CHANGE IN FUND BALANCE	105,264	78,274	(26,990)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(71,956)	(71,956)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 33,308	\$ 6,318	\$ (26,990)

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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 2,634,355	\$ 171,696	\$ (2,462,659)
Investment and rental	1,000	2,612	1,612
TOTAL REVENUES	2,635,355	200,495	(2,434,860)
EXPENDITURES:			
Current:			
Health and welfare	2,840,013	169,261	2,670,752
NET CHANGE IN FUND BALANCE	(204,658)	31,234	235,892
FUND BALANCE - BEGINNING OF YEAR	467	467	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (204,191)</u>	<u>\$ 31,701</u>	<u>\$ 235,892</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment and rental	\$ 20,000	\$ 24,234	\$ 4,234
EXPENDITURES:			
Current:			
Community development	523,170	98,950	424,220
NET CHANGE IN FUND BALANCE	(503,170)	(74,716)	428,454
FUND BALANCE - BEGINNING OF YEAR	1,376,458	1,376,458	-
FUND BALANCE - END OF YEAR	<u>\$ 873,288</u>	<u>\$ 1,301,742</u>	<u>\$ 428,454</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for services	\$ 100,000	\$ 121,245	\$ 21,245
Investment and rental	4,000	5,072	1,072
TOTAL REVENUES	104,000	126,317	22,317
EXPENDITURES:			
Current:			
General government	75,154	16,283	58,871
NET CHANGE IN FUND BALANCE	28,846	110,034	81,188
FUND BALANCE - BEGINNING OF YEAR	170,192	170,192	-
FUND BALANCE - END OF YEAR	<u>\$ 199,038</u>	<u>\$ 280,226</u>	<u>\$ 81,188</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ -	\$ 1,548	\$ 1,548
EXPENDITURES:			
Current:			
General government	371,108	261,240	109,868
Public works	100,444	98,329	2,115
TOTAL EXPENDITURES	471,552	359,569	111,983
NET CHANGE IN FUND BALANCE	(471,552)	(358,021)	113,531
FUND BALANCE - BEGINNING OF YEAR	396,361	396,361	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (75,191)	\$ 38,340	\$ 113,531

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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ -	\$ 4,891	\$ 4,891
Intergovernmental	1,080,483	1,072,110	(8,373)
Investment and rental	-	11,907	11,907
TOTAL REVENUES	1,080,483	1,088,908	8,425
EXPENDITURES:			
Current:			
Parks and recreation	1,080,483	923,847	156,636
NET CHANGE IN FUND BALANCE	-	165,061	165,061
FUND BALANCE - BEGINNING OF YEAR	348,654	348,654	-
FUND BALANCE - END OF YEAR	<u>\$ 348,654</u>	<u>\$ 513,715</u>	<u>\$ 165,061</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Miscellaneous	\$ 30,000	\$ 163,934	\$ 133,934
EXPENDITURES:			
Current:			
Public works	53,310	23,328	29,982
NET CHANGE IN FUND BALANCE	(23,310)	140,606	163,916
FUND BALANCE - BEGINNING OF YEAR	67,474	67,474	-
FUND BALANCE - END OF YEAR	<u>\$ 44,164</u>	<u>\$ 208,080</u>	<u>\$ 163,916</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 48,000	\$ 81,667	\$ 33,667
EXPENDITURES:			
Current:			
Public works	84,851	77,336	7,515
NET CHANGE IN FUND BALANCE	(36,851)	4,331	41,182
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(11,839)	(11,839)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (48,690)</u>	<u>\$ (7,508)</u>	<u>\$ 41,182</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, 2020

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 10,000	\$ 9,354	\$ (646)
Investment and rental	-	719	719
TOTAL REVENUES	10,000	10,073	73
EXPENDITURES:			
Current:			
Public works	26,500	-	26,500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(16,500)	10,073	26,573
FUND BALANCE - BEGINNING OF YEAR	27,815	27,815	-
FUND BALANCE - END OF YEAR	\$ 11,315	\$ 37,888	\$ 26,573

CITY OF PICO RIVERA

DESCRIPTION OF OTHER ENTERPRISE FUNDS

June 30, 2020

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, 2020

	Sports Arena	Golf Course	Total
ASSETS:			
CURRENT ASSETS:			
Cash and investments	\$ 328,662	\$ 119,966	\$ 448,628
Receivables, net:			
Accounts	79,414	18,346	97,760
Interest	609	-	609
Inventories, at cost	-	24,005	24,005
TOTAL CURRENT ASSETS	<u>408,685</u>	<u>162,317</u>	<u>571,002</u>
NONCURRENT ASSETS:			
Capital assets, not depreciated	3,368	38,945	42,313
Capital assets, depreciated, net	<u>114,632</u>	<u>292,554</u>	<u>407,186</u>
TOTAL NONCURRENT ASSETS	<u>118,000</u>	<u>331,499</u>	<u>449,499</u>
TOTAL ASSETS	<u>526,685</u>	<u>493,816</u>	<u>1,020,501</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Amount related to pensions	<u>5,361</u>	<u>-</u>	<u>5,361</u>
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	10,359	74,273	84,632
Accrued liabilities	1,413	37,807	39,220
Deposits	-	17,694	17,694
TOTAL CURRENT LIABILITIES	<u>11,772</u>	<u>129,774</u>	<u>141,546</u>
NONCURRENT LIABILITIES:			
Advances from other funds	-	3,038,172	3,038,172
Net pension liability	<u>38,988</u>	<u>-</u>	<u>38,988</u>
TOTAL NONCURRENT LIABILITIES	<u>38,988</u>	<u>3,038,172</u>	<u>3,077,160</u>
TOTAL LIABILITIES	<u>50,760</u>	<u>3,167,946</u>	<u>3,218,706</u>
DEFERRED INFLOWS OF RESOURCES:			
Amounts related to pensions	<u>713</u>	<u>-</u>	<u>713</u>
NET POSITION:			
Net investment in capital assets	118,000	331,499	449,499
Unrestricted	<u>362,573</u>	<u>(3,005,629)</u>	<u>(2,643,056)</u>
TOTAL NET POSITION	<u><u>\$ 480,573</u></u>	<u><u>\$ (2,674,130)</u></u>	<u><u>\$ (2,193,557)</u></u>

CITY OF PICO RIVERA

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

For the year ended June 30, 2020

	Sports Arena	Golf Course	Total
OPERATING REVENUES:			
Charges for services	\$ 281,430	\$ 775,137	\$ 1,056,567
OPERATING EXPENSES:			
Salaries and benefits	35,454	-	35,454
Contractual services	242,419	57,776	300,195
Insurance claims and expenses	559	-	559
Administrative	-	697,039	697,039
Utilities	2,146	212,619	214,765
Repairs and maintenance	-	58,355	58,355
Depreciation	78,417	26,309	104,726
TOTAL OPERATING EXPENSES	358,995	1,052,098	1,411,093
OPERATING GAIN (LOSS)	(77,565)	(276,961)	(354,526)
NONOPERATING REVENUES:			
Investment income	9,084	-	9,084
TOTAL NONOPERATING REVENUES	9,084	-	9,084
NET LOSS	(68,481)	(276,961)	(345,442)
NET POSITION - BEGINNING OF YEAR	549,054	(2,397,169)	(1,848,115)
NET POSITION - END OF YEAR	<u>\$ 480,573</u>	<u>\$ (2,674,130)</u>	<u>\$ (2,193,557)</u>

CITY OF PICO RIVERA

COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS

For the year ended June 30, 2020

	Sports Arena	Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 202,016	\$ 775,137	\$ 977,153
Payments to suppliers	(254,924)	(1,017,525)	(1,272,449)
Payments to employees	(40,922)	-	(40,922)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(93,830)	(242,388)	(336,218)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Proceeds from due to/from other funds	-	242,635	242,635
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	-	242,635	242,635
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	-	(41,627)	(41,627)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	9,736	-	9,736
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(84,094)	(41,380)	(125,474)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	412,756	161,346	574,102
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 328,662</u>	<u>\$ 119,966</u>	<u>\$ 448,628</u>
RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:			
Operating gain (loss)	\$ (77,565)	\$ (276,961)	\$ (354,526)
Adjustments to reconcile operating gain (loss) to net cash provided (used) operating activities:			
Depreciation	78,417	26,309	104,726
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Increase in accounts receivables	(79,414)	-	(79,414)
Decrease in deferred outflows of resources - amount related to pensions	1,825	-	1,825
Increase (decrease) in accounts payable	(9,800)	833	(8,967)
Increase (decrease) in accrued liabilities	769	7,390	8,159
Increase in deposits payable	-	41	41
Increase (decrease) in net pension liability	(7,705)	-	(7,705)
Increase (decrease) in deferred inflows of resources - amounts related to pensions	(357)	-	(357)
TOTAL ADJUSTMENTS	(16,265)	34,573	18,308
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (93,830)</u>	<u>\$ (242,388)</u>	<u>\$ (336,218)</u>

**STATISTICAL SECTION
(UNAUDITED)**

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CITY OF PICO RIVERA

DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2020

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

Contents:	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain trend information that may assist the reader in understanding the City's current financial performance by placing it in historical perspective.	148 - 157
<u>Revenue Capacity</u> - These schedules contain information that may help in assessing the viability of the City's most significant revenue sources - property taxes, transient occupancy tax (TOT), and sales tax.	158 - 165
<u>Debt Capacity</u> - These schedules present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	166 - 172
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	173 - 174
<u>Operating Information</u> - These schedules contain service and infrastructure indicators that may assist the reader in understanding how the information in the City's financial report relates to the services that the City provides and the activities it performs.	175 - 179

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

	2010-11	2011-12	2012-13
Governmental Activities:			
Net investment in capital assets	\$ 220,541,904	\$ 231,879,296	\$ 232,734,954
Restricted	30,403,287	15,287,855	12,426,012
Unrestricted	(61,677,209)	43,474,498	39,163,377
Total governmental activities net position	189,267,982	290,641,649	284,324,343
Business-type Activities:			
Net investment in capital assets	26,142,227	26,753,906	30,079,954
Restricted	-	-	-
Unrestricted	(17,300,491)	(17,352,760)	(17,473,063)
Total business-type activities net position	8,841,736	9,401,146	12,606,891
Primary Government:			
Net investment in capital assets	246,684,131	258,633,202	262,814,908
Restricted	30,403,287	15,287,855	12,426,012
Unrestricted	(78,977,700)	26,121,738	21,690,314
Total primary government net position	\$ 198,109,718	\$ 300,042,795	\$ 296,931,234

Source: Statement of Net Position

(Continued)

<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
\$ 224,917,267	\$ 224,650,021	\$231,562,736	\$ 223,976,465	\$ 230,499,724	\$ 232,291,558	\$ 235,399,358
13,016,383	14,236,953	11,854,987	13,274,422	16,360,144	19,565,580	22,661,392
<u>43,883,873</u>	<u>22,142,254</u>	<u>23,639,282</u>	<u>25,960,550</u>	<u>18,735,128</u>	<u>17,860,702</u>	<u>15,000,619</u>
<u>281,817,523</u>	<u>261,029,228</u>	<u>267,057,005</u>	<u>263,211,437</u>	<u>265,594,996</u>	<u>269,717,840</u>	<u>273,061,369</u>
30,964,232	31,370,373	31,761,672	32,604,651	33,236,723	33,680,356	34,129,206
-	-	-	-	-	-	-
<u>(16,212,613)</u>	<u>(18,465,237)</u>	<u>(16,385,687)</u>	<u>(13,590,642)</u>	<u>(13,570,480)</u>	<u>(10,315,352)</u>	<u>(3,505,373)</u>
<u>14,751,619</u>	<u>12,905,136</u>	<u>15,375,985</u>	<u>19,014,009</u>	<u>19,666,243</u>	<u>23,365,004</u>	<u>30,623,833</u>
255,881,499	256,020,394	263,324,408	256,581,116	263,736,447	265,971,914	269,528,564
13,016,383	14,236,953	11,854,987	13,274,422	16,360,144	19,565,580	22,661,392
<u>27,671,260</u>	<u>3,677,017</u>	<u>7,253,595</u>	<u>12,369,908</u>	<u>5,164,648</u>	<u>7,545,350</u>	<u>11,495,246</u>
<u>\$ 296,569,142</u>	<u>\$ 273,934,364</u>	<u>\$282,432,990</u>	<u>\$ 282,225,446</u>	<u>\$ 285,261,239</u>	<u>\$ 293,082,844</u>	<u>\$ 303,685,202</u>

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

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

Source: City of Pico Rivera Finance Division

(Continued)

2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
\$ 9,248,597	\$ 8,790,816	\$ 10,048,704	\$ 8,190,494	\$ 10,589,517	\$ 11,832,065
10,457,770	10,468,357	12,330,023	11,885,957	11,998,792	12,460,600
14,545,183	14,472,969	15,104,130	12,488,922	16,339,812	15,688,114
5,600,669	5,585,521	6,263,237	7,146,278	7,958,749	7,319,903
4,840,878	5,266,352	5,587,157	5,311,548	5,416,605	5,508,857
2,761,524	2,827,231	2,540,908	4,407,647	4,194,760	5,269,424
1,656,613	1,626,960	2,628,006	1,013,498	1,507,430	1,527,256
-	-	-	-	398,345	-
49,111,234	49,038,206	54,502,165	50,444,344	58,404,010	59,606,219
8,044,302	7,865,853	8,155,205	8,382,375	8,506,305	8,743,689
-	-	-	4,900,927	12,944,076	12,800,550
1,320,585	1,624,391	1,622,319	2,270,317	1,804,018	1,411,093
9,364,887	9,490,244	9,777,524	15,553,619	23,254,399	22,955,332
\$ 58,476,121	\$ 58,528,450	\$ 64,279,689	\$ 65,997,963	\$ 81,658,409	\$ 82,561,551
\$ 574,846	\$ 606,726	\$ 739,432	\$ 493,265	\$ 657,280	\$ 310,572
1,125,660	1,022,464	962,627	1,044,921	1,114,647	970,410
1,821,210	1,788,821	786,053	801,487	836,847	852,467
743,400	578,529	773,631	791,906	579,751	359,398
232,824	202,262	174,314	198,238	205,328	9,104
644,344	746,395	873,536	1,196,287	982,241	826,524
12,236,612	12,817,403	11,093,802	16,678,586	13,168,680	13,826,068
2,287,187	1,620,798	778,116	2,874,341	3,604,445	5,855,720
19,666,083	19,383,398	16,181,511	24,079,031	21,149,219	23,010,263
8,698,444	8,304,240	8,819,676	9,802,992	9,904,084	10,376,513
-	-	-	5,354,524	13,581,101	16,685,058
996,548	1,302,652	1,478,893	1,176,972	1,119,812	1,056,567
9,694,992	9,606,892	10,298,569	16,334,488	24,604,997	28,118,138
\$ 29,361,075	\$ 28,990,290	\$ 26,480,080	\$ 40,413,519	\$ 45,754,216	\$ 51,128,401
\$ (29,445,151)	\$ (29,654,808)	\$ (38,320,654)	\$ (26,365,313)	\$ (37,254,791)	\$ (36,595,956)
330,105	116,648	521,045	780,869	1,350,598	5,162,806
\$ (29,115,046)	\$ (29,538,160)	\$ (37,799,609)	\$ (25,584,444)	\$ (35,904,193)	\$ (31,433,150)

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

	2010-11	2011-12	2012-13
General Revenues and Other Changes in Net Position:			
Governmental Activities:			
Property taxes	\$ 15,783,650	\$ 8,468,881	\$ 8,941,441
Sales taxes	13,492,573	13,589,387	15,028,866
Franchise taxes	1,180,286	1,212,463	1,683,174
Utility users taxes	3,455,256	3,365,218	3,397,538
Other taxes	1,324,669	1,510,718	1,595,125
Unrestricted motor vehicle license in lieu	-	3,538,844	
Investment Earnings	1,393,205	1,399,894	209,340
Other	269,191	130,451	125,691
Transfers	(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	37,615,208	158,423,714	20,636,620
Business-type Activities:			
Investment Earnings	2,847,404	2,449,432	2,367,181
Other	-	-	4,898
Transfers	2,511,939	(136,520)	(371,165)
Extraordinary item	-	-	(149,583)
Total business-type activities	5,359,343	2,312,912	1,851,331
Total primary government	\$ 42,974,551	\$ 160,736,626	\$ 22,487,951
Change in Net Position:			
Governmental activities	\$ 2,938,260	\$ 133,438,161	\$ (2,644,438)
Business-type activities	3,252,982	703,710	1,788,252
Total primary government	\$ 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	2019-20
\$ 9,269,468	\$ 9,611,244	\$ 10,049,454	\$ 10,591,691	\$ 11,173,640	\$ 11,734,058	\$ 12,259,774
16,435,053	16,368,367	17,766,538	17,637,948	17,575,729	19,468,221	19,364,272
1,641,171	1,646,884	1,654,275	1,582,026	1,703,255	1,729,336	1,787,568
3,504,363	3,525,036	3,385,361	3,276,321	3,142,090	2,939,221	3,064,500
1,710,630	1,760,876	1,850,151	1,632,337	1,807,130	1,968,094	1,690,687
39,582	151,636	193,684	347,422	637,086	1,528,199	1,502,934
139,486	613,592	283,352	450,783	662,225	1,007,091	269,750
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	39,939,485
2,308,060	2,226,339	2,128,937	2,073,537	2,025,078	2,140,163	2,096,023
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	2,096,023
\$ 26,172,741	\$ 37,232,924	\$ 37,486,176	\$ 37,592,065	\$ 38,726,233	\$ 42,514,383	\$ 42,035,508
\$ (2,506,820)	\$ 6,160,982	\$ 5,477,167	\$ (3,845,568)	\$ 10,377,869	\$ 3,119,429	3,343,529
2,144,728	1,956,896	2,470,849	3,638,024	2,763,920	3,490,761	7,258,829
\$ (362,092)	\$ 8,117,878	\$ 7,948,016	\$ (207,544)	\$ 13,141,789	\$ 6,610,190	\$ 10,602,358

City of Pico Rivera

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2010-11	2011-12	2012-13
General Fund:			
Nondisposable	\$ 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	-	-	-
Unreserved	-	-	-
Total general fund	<u>\$ 42,454,939</u>	<u>\$42,945,527</u>	<u>\$40,327,726</u>
All Other Governmental Funds:			
Nondisposable	\$ 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	-	-	-
Unreserved, reported in:			
Special revenue funds	-	-	-
Debt Service funds	-	-	-
Capital projects funds	-	-	-
Total all other governmental funds	<u>\$ (25,755,099)</u>	<u>\$27,154,110</u>	<u>\$12,396,756</u>

Note: Please refer to MD&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	2019-20
\$25,222,739	\$25,222,739	\$25,198,662	\$25,209,917	\$ 25,168,800	\$ 28,002,854	\$ 28,172,822
2,446,856	2,358,919	2,368,600	-	-	1,061,066	1,087,825
9,330,000	9,316,732	9,479,500	9,476,700	9,665,400	10,284,000	10,169,300
8,285,480	10,272,833	14,376,800	14,426,700	13,256,200	14,039,900	13,991,300
48,092	4,341,395	12,882,331	10,851,445	12,063,120	9,067,136	11,676,360
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<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>	<u>\$ 65,097,607</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,508	\$ -	\$ -
10,669,538	11,366,458	11,074,536	12,927,436	15,566,814	31,791,493	33,202,179
-	-	-	-	-	-	-
600,000	600,000	600,000	600,000	600,000	600,000	39,904
(3,335,743)	(2,869,762)	(2,141,161)	(1,749,394)	(1,607,854)	(60,712)	(1,304,043)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<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>	<u>\$ 31,938,040</u>

City of Pico Rivera

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

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

(Continued)

2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
\$ 34,083,110	\$ 35,534,141	\$ 34,592,924	\$ 35,567,380	\$ 38,653,543	\$ 39,179,631
2,363,477	2,491,636	2,442,190	2,960,639	2,861,711	2,212,910
11,703,565	12,214,500	11,927,598	13,433,014	12,973,062	15,079,031
1,889,338	1,871,009	2,124,665	1,851,030	1,819,310	1,443,249
1,134,906	1,031,031	898,203	1,002,532	1,109,430	952,095
336,077	341,746	488,369	812,776	1,433,476	1,523,385
2,535,295	785,171	538,177	5,593,359	1,436,364	996,245
-	-	-	-	-	-
-	-	-	-	-	-
54,045,768	54,269,234	53,012,126	61,220,730	60,286,896	61,386,546
6,884,398	6,805,810	11,819,289	12,938,296	7,901,483	8,291,063
10,435,184	10,439,469	11,375,573	11,857,271	11,971,740	12,433,612
9,621,311	9,707,823	10,255,784	14,095,351	15,527,553	17,986,339
4,794,720	4,554,724	5,374,259	6,122,665	6,993,470	6,356,907
4,840,878	5,266,352	5,587,157	5,311,548	5,416,605	5,508,857
2,730,123	2,787,070	3,435,809	4,367,766	4,157,152	5,231,905
-	-	-	-	-	-
-	-	-	-	-	-
5,175,862	7,287,913	2,453,883	1,547,832	1,633,063	571,952
610,000	635,000	980,000	865,000	1,090,000	1,155,000
1,710,638	1,682,562	655,944	1,061,150	1,530,496	1,601,001
		520,424	-	398,345	-
		2,368,685	-	-	-
46,803,114	49,166,723	54,826,807	58,166,879	56,619,907	59,136,636
7,242,654	5,102,511	(1,814,681)	3,053,851	3,666,989	2,249,910
7,618,952	19,274,660	3,986,323	3,309,866	4,667,515	2,986,078
(7,987,933)	(10,488,538)	(5,029,765)	(3,767,839)	(4,667,515)	(2,986,078)
-	-	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	2,249,910
53,166,962	60,040,635	73,839,268	72,121,110	75,720,403	94,785,737
\$ 60,040,635	\$ 73,839,268	\$ 71,512,515	\$ 74,716,988	\$ 94,785,737	\$ 97,035,647
5.57%	5.53%	8.64%	3.42%	6.17%	5.42%

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	Franchise Tax
2010-11	15,783,650	13,492,573	303,971	5,792,818	1,180,286
2011-12	8,468,881	13,589,387	309,423	3,538,844	1,212,463
2012-13	8,941,441	15,028,866	333,243	12,842	1,683,174
2013-14	9,269,468	16,435,053	367,804	28,547	1,641,171
2014-15	9,611,244	16,368,367	390,666	27,575	1,646,884
2015-16	10,049,454	17,766,538	417,938	25,896	1,654,275
2016-17	10,591,691	17,637,948	422,313	28,793	1,582,026
2017-18	11,173,640	17,575,729	424,542	33,713	1,703,255
2018-19	11,734,058	19,468,221	461,474	30,845	1,729,336
2019-20	<u>12,209,094</u>	<u>19,364,271</u>	<u>438,232</u>	<u>50,679</u>	<u>1,787,568</u>
Change from Base Year 2010-11	<u>-23%</u>	<u>44%</u>	<u>44%</u>	<u>-99%</u>	<u>51%</u>

Source: City of Pico Rivera Finance Division

(Continued)

Utility Users Tax	Business License Tax	Total
3,455,256	1,195,847	41,204,401
3,365,218	1,201,295	31,685,511
3,397,538	1,249,040	30,646,144
3,504,363	1,342,826	32,589,232
3,525,036	1,370,210	32,939,982
3,385,361	1,432,213	34,731,675
3,276,231	1,210,024	34,749,026
3,142,090	1,382,588	35,435,557
2,939,221	1,454,896	37,818,051
<u>3,064,500</u>	<u>1,209,199</u>	<u>38,123,543</u>
<u><u>-11%</u></u>	<u><u>1%</u></u>	<u><u>-7%</u></u>

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other* Property	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
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
2019-20	3,706,643,219	629,479,041	771,749,293	365,146,561	102,238	5,473,120,352	0.0924

*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 Year	TAXES LEVIED	COLLECTED WITHIN THE FISCAL YEAR OF LEVY		COLLECTIONS IN Subsequent Year (includes refunds)	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENT OF LEVY		AMOUNT	FINAL PERCENT OF LEVY
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%
2019-20	3,169,235	3,055,052	96.40%	-	3,055,052	96.40%

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 RiveraDirect and Overlapping Governments Property Tax Rates
Last Ten Years

Agency	2010-11	2011-12	2012-13	2013-14
Basic Levy	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000
El Rancho Unified School District	0.09161	0.09800	0.09985	0.09571
LA Community College District	0.04031	0.03530	0.04875	0.04454
LA County Flood Control	0.00000	0.00000	0.00000	0.00000
Little Lake City School District	0.07647	0.05286	0.06942	0.08537
Los Nietos School District	0.03213	0.03420	0.03351	0.02810
Metropolitan Water District	0.00370	0.00370	0.00350	0.00350
Montebello Unified School District	0.09792	0.10001	0.09630	0.09457
Rio Hondo Community College Dist	0.03439	0.03418	0.02812	0.02892
Whittier City School District	0.03494	0.03354	0.03439	0.06110
Whittier Union High School Dist	0.04239	0.04317	0.04556	0.04473
Total Direct & Overlapping Tax Rate	1.45386	1.43496	1.45940	1.48654
City's Share of 1% Levy Per Prop 13	0.08917	0.08917	0.08917	0.08917
City Redevelopment Rate	1.00370	1.00370	0.00000	0.00000
Total Direct Rate	0.26043	0.26358	0.26391	0.09412

(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)

2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.09907	0.09630	0.09627	0.19173	0.17840	0.17835
0.04017	0.03575	0.03596	0.04599	0.04621	0.02717
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.07964	0.06522	0.00000	0.00000	0.00000	0.00000
0.03041	0.08062	0.07063	0.08396	0.06878	0.06576
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
0.08750	0.08715	0.14705	0.13514	0.13921	0.09306
0.02821	0.02712	0.02808	0.02748	0.02554	0.02571
0.05792	0.05757	0.05441	0.04781	0.05534	0.05096
0.05270	0.05063	0.06035	0.05781	0.05822	0.05502
1.47912	1.50386	1.49625	1.59342	1.57521	1.49952
0.08917	0.08917	0.08917	0.08917	0.08917	0.08917
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.09381	0.09355	0.09330	0.09301	0.09280	0.09245

City of Pico Rivera

Principal Property Taxpayers

Current Fiscal Year and Nine Fiscal Years Ago

Taxpayer	2019-20		2010-11	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Vestar California XXVI LLC	\$ 76,047,477	1.39%	\$ 36,303,911	0.96%
Paramount Pico Rivera Industrial LLC	52,151,311	0.95%	-	-
Majestic Amb Pico Rivera	46,605,853	0.85%	39,779,671	1.05%
Wal Mart Real Estate Business	38,201,837	0.70%	32,206,011	0.85%
Pico Rivera Holding LVT	36,031,448	0.66%	-	-
Iron Mountain Information Mgmt	35,789,593	0.65%	-	-
8540 Whittier Boulevard Investors LLC	32,742,377	0.60%	-	-
RLF I-Pico SPE LLC	31,992,300	0.58%	-	-
General American Life Insurance Co	31,002,499	0.57%	26,391,070	0.70%
Burke Street Fee Owner LLC	27,961,925	0.51%	-	-
Fresh and Easy Neighborhood Market	-	-	31,417,459	0.83%
GGF Pico Rivera LLC	-	-	25,431,750	0.67%
Showprop Pico Rivera LLC	-	-	24,152,405	0.64%
TRF Crossroads LLC	-	-	20,626,385	0.54%
Guardian Life Insurance Company of America	-	-	20,132,173	0.53%
Dav C Bacara LLC	-	-	19,668,930	0.52%
	<u>\$ 408,526,620</u>	<u>7.46%</u>	<u>\$ 276,109,765</u>	<u>7.28%</u>

Excludes government and tax-exempt property owners

Total City Value for 2010-11 \$ 3,793,015,615

Total City Value for 2019-20 \$ 5,473,120,352

Source: Los Angeles County Assessor 2019-20 and 2010-11 Combined Tax Rolls

City of Pico Rivera

Top 25 Sales Tax Producers

Current Fiscal Year and Nine Fiscal Years Ago

Fiscal Year 2019-20		Fiscal Year 2010-11	
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 Calply	Building Materials	Chevron	Service Stations
4 Chevron	Service Stations	Chevron	Service Stations
5 Cintas	Business Services	Cintas	Business Services
6 Circle K	Service Stations	Circle K	Service Stations
7 Dal Rae Restaurant	Fine Dining	Dal Rae Restaurant	Fine Dining
8 Hertz Rent A Car	Transportation/Rentals	Home Depot	Building Materials
9 Home Depot	Building Materials	King Taco	Quick-Service Restaurants
10 In N Out Burgers	Quick-Service Restaurants	Kwik/Al Sal Oil	Service Stations
11 Lowes	Building Materials	Lowes	Building Materials
12 Marshalls	Family Apparel	Marshalls	Family Apparel
13 McDonalds	Quick-Service Restaurants	McDonalds	Quick-Service Restaurants
14 Raising Cane's	Quick-Service Restaurants	Oxnard Building Materials	Building Materials
15 Ross	Family Apparel	Pico Rivera Gas and Carwash	Service Stations
16 Rush Peterbilt Truck Center	New Motor Vehicle Dealer	Ross	Family Apparel
17 Rush Truck Leasing	Auto Lease	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	Shell	Service Stations
20 Shell	Service Stations	So Cal Material Handling	Warehse/Farm/Const. Equip.
21 Target	Discount Dept Stores	Target	Discount Dept Stores
22 Unisource	Office Supplies/Furniture	Tesoro Refining & Marketing	Service Stations
23 United Rentals	Repair Shop/Equip. Rentals	Unisource	Office Supplies/Furniture
24 Walmart Supercenter	Discount Dept Stores	United Rentals	Repair Shop/Equip. Rentals
25 Whittier Fertilizer	Garden/Agricultural Supplies	Walmart Supercenter	Discount Dept Stores

Percentage of Fiscal Year Total Paid by Top 25 Accounts =

2019-20 63.71%

2010-11 66.97%

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

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

Fiscal Year	Governmental Activities			Business-Type Activities	
	County Deferral	Net Pension Obligation	Finance Authority Revenue Bonds (1)	Revenue Bonds	Net Pension Obligation
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
2019-20	- (2)		44,277,732	32,393,869	5,146,415

- (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)

Total Primary Government	Percentage of Personal Income	Debt Per Capita
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
81,818,016	6.09%	1,278

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

Fiscal Year	General Obligation Bonds	Finance Authority Revenue Bonds (1)	Total Primary Government	Percent of Assessed Value	Debt Per 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
2019-20	-	44,277,732	44,277,732	0.809%	698.67

(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, 2020

2019-20 Assessed Valuation:	\$ 4,468,202,946
Incremental Valuation:	<u>1,004,917,406</u>
Adjusted Assessed Valuation:	\$3,463,285,540

	Total Debt <u>6/30/2020</u>	<u>% Applicable (1)</u>	City's Share of <u>Debt 6/30/20</u>
<u>DIRECT DEBT</u>			
City of Pico Rivera	44,277,732	100.000%	44,277,732
TOTAL DIRECT DEBT	<u>44,277,732</u>		<u>44,277,732</u>

<u>OVERLAPPING DEBT:</u>			
Metropolitan Water District	18,151,752	0.347%	62,987
Los Angeles Community College District	4,518,460,000	0.015%	677,769
Rio Hondo Community College District	124,347,824	12.942%	16,093,095
El Rancho Unified School District	82,293,348	99.997%	82,290,879
Montebello Unified School District	169,874,609	0.768%	1,304,637
Whittier Union High School District	123,014,361	0.512%	629,834
Los Nietos School District	36,770,132	0.052%	19,120
Whittier City School District	72,255,000	1.870%	1,351,169
TOTAL OVERLAPPING DEBT	<u>5,145,167,026</u>		<u>102,429,490</u>

TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT 146,707,222

(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.

<u>Ratios to 2019-20 Assessed Valuation:</u>	
Direct Debt	0.99%
Total Overlapping Tax and Assessment Debt.....	2.29%

<u>Ratios to Adjusted Assessed Valuation:</u>	
Direct Debt	1.28%
Total Overlapping Tax and Assessment Debt.....	2.96%
Combined Total Debt.....	4.24%

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

	Fiscal Year			
	2010-11	2011-12	2012-13	2013-14
Debt limit	\$ 573,980,277	\$ 585,365,738	\$ 602,284,951	\$ 618,519,977
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 573,980,277</u>	<u>\$ 585,365,738</u>	<u>\$ 602,284,951</u>	<u>\$ 618,519,977</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	\$ 3,793,015,615	\$ 3,861,702,311	\$ 3,973,385,899	\$ 4,065,546,441
Add back: exempt real property	<u>33,519,567</u>	<u>40,735,942</u>	<u>41,847,108</u>	<u>57,920,073</u>
Total assessed value	<u>\$ 3,826,535,182</u>	<u>\$ 3,902,438,253</u>	<u>\$ 4,015,233,007</u>	<u>\$ 4,123,466,514</u>
Debt limit (15% of total assessed value)	\$ 573,980,277	\$ 585,365,738	\$ 602,284,951	\$ 618,519,977
Debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 573,980,277</u>	<u>\$ 585,365,738</u>	<u>\$ 602,284,951</u>	<u>\$ 618,519,977</u>

Note: Under state finance law, the City of Pico Rivera 's outstanding general obligation debt should no 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					
2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
\$ 643,657,163	\$ 673,079,843	\$ 710,507,871	\$ 750,729,280	\$ 791,460,728	\$ 836,367,534
-	-	-	-	-	-
<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>	<u>\$ 836,367,534</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 4,249,444,059	\$ 4,443,723,085	\$ 4,699,049,996	\$ 4,960,278,250	\$ 5,223,378,886	\$ 5,524,451,955
41,603,696	43,475,869	37,669,146	44,583,616	53,025,964	51,331,603
<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>	<u>\$ 5,575,783,558</u>
\$ 643,657,163	\$673,079,843.10	\$710,507,871.30	\$750,729,279.90	\$791,460,727.50	\$836,367,533.70
-	-	-	-	-	-
<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>	<u>\$ 836,367,534</u>

City of Pico Rivera
Pledged Revenue Bond Coverage

1999 WATER AUTHORITY REVENUE BONDS - Last Ten Fiscal Years

Fiscal Year	Gross Revenue ⁽¹⁾	Less: Direct Costs ⁽²⁾	Net Revenue Available for Debt Service	1999 Bonded Debt (P & I)	Coverage
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%
2019-20	12,398,054	(5,956,123)	6,441,932	1,638,700	3.93%

(1) Total Water Authority revenues

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

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

Fiscal Year	Gross Revenue ⁽¹⁾	Less Purchased Security Revenue ⁽²⁾	Less: Direct Costs ⁽³⁾	Less: 1999 Debt Svc P & I Payments	Plus: Secured Revenues ⁽⁴⁾	Total Pledged Subordinate Net Revenues & Securites Revenues	2001 P & I Debt Service Payments	Coverage
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
2019-20	12,398,054	(2,021,540)	(5,990,421)	(1,638,700)	3,328,450	6,075,843	3,077,344	1.97

(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

2016 LEASE REVENUE BONDS (2)

Fiscal Year	Gross Revenue ⁽¹⁾	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
2019-20		900,000.00	1,023,450	1,923,450	0.00

(1) Total General Fund revenues

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

2018 CERTIFICATES OF PARTICIPATION

Fiscal Year	Gross Revenue ⁽¹⁾	Principal	Interest	Total	Coverage
2018-19		205,000.00	486,846	691,846	0.00
2019-20		255,000.00	577,969	832,969	0.00

(1) Total General Fund revenues

Source: City of Pico Rivera Finance Department

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
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%
2019-20	63,374	1,383,034	21,823	21.00%

(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	2019-20		2010-11	
		Employees	% of Total City Employment	Employees	% of Total City Employment
Wal-Mart Supercenter	Department Store	523	1.79%	600	2.03%
Los Angeles Unified School District	Exempt	350	1.20%		
Hollander Sleep Products	Manufacturing	280	0.96%		
Target	Department Store	193	0.66%	186	0.63%
Feit Electric Company	Wholesale Business	193	0.66%		
Rivera Nursing & Convalescent	Healthcare & Hospitals	181	0.62%		
Manning Beef LLC	Meat - Miscellaneous	168	0.58%		
Aurora World, Inc	Wholesale Business	142	0.49%		
Amware Pallet Services, LLC	Manufacturing	120	0.41%		
Unisource Solutions	Wholesale Business	116	0.40%		
El Rancho Unified School District*	Government			1,200	4.05%
City of Pico Rivera	Government			370	1.25%
BakeMark	Manufacturing			300	1.01%
Bimbo Bakeries	Distribution Center			110	0.37%
So Coust Peter Bult	New Motor Vehicles			112	0.38%
Los Angeles County Sheriff	Patrol Station			153	0.52%
Home Depot	Retailer			136	0.46%
Lowe's Home Centers	Hardware Store			135	0.46%
Total Top Employers		2,266	7.76%	3,302	11.16%
Total City Employment (1)		29,200		29,600	

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									
		2010-11	2011-2012	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
General Government		29	28	29	29	30	25	30	30	31	30
Public Safety		7	6	5	5	5	8	8	9	9	7
Public Works		57	57	47	47	54	55	64	65	66	51
Parks & Recreation		22	20	20	20	21	21	26	26	27	24
Community Development		22	17	16	16	16	15	20	19	20	20
Water		8	10	11	11	11	8	9	10	10	10
Total		145	138	128	128	137	132	157	159	163	142

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

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

(Continued)

Fiscal Year						
2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
21,602	21,878	24,523	26,177	25,363	22,854	31,780
9,775	10,725	10,268	7,275	6,680	6,288	5,969
4,822	4,250	3,296	3,146	3,931	3,216	1,770
549	147	171	158	69	167	74
16,303	15,152	15,468	16,285	15,985	28,037	16,543
160	427	100	2,523	7,263	4,813	4,061
26	530	500	146	121	200	606
877	1,200	1,600	2,523	7,263	208	2,008
42	45	47	47	47	47	47
9,393	9,400	9,435	9,435	9,435	9,435	9,450
5	5	4				4
900	1,162	520				728
11	11	0*	0	0	0	0
95,353	101,419	100,000	150,000	229,000	117,536	89,299
21,285	21,285	10,400	21,285	21,285	21,285	21,285
4,258	4,998	5,000	4,000	3,000	2,500	751
856	856	818	671	517	825	292
16,179	16,179	6,960	10,715	10,502	11,114	8,811
16,415	16,415	4,825	4,932	7,076	10,398	5,107
117,978	117,978	110,632	135,889	151,669	135,354	97,080

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

Function	Fiscal Year		
	2010-11	2011-12	2012-13
Public Safety:			
Police stations	1	1	1
Number of patrol units	14	12	12
Highways and Streets:			
Miles of streets	115.2	115.2	115.2
Traffic Signals	43	43	43
Water:			
Number of active water wells	8	9	8
Number of reservoirs	3	3	3
Miles of lines & mains	98	98	98
Sewer:			
Miles of sanitary sewers	285	285	285
Miles of flood control channel	17.2	17.2	17
Culture and Recreation:			
Number of parks	8	8	8
Number of community centers	6	6	6

(Continued)

Fiscal Year						
2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1	1	1	1	1	1	1
12	12	12	14	14	14	14
115.2	115.2	115.2	115.2	115.2	115.2	115.2
43	43	47	47	47	47	47
8	8	8	8	8	8	8
3	3	3	3	3	3	3
98	98	98	98	98	98	98
285	285	285	285	285	285	285
17	17	17	17	17	17	17
8	8	8	8	8	8	8
6	6	6	6	6	6	6



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