

City of
PICO RIVERA
California

ACFR

Fiscal Year Ended June 30, 2022



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

2022

This page intentionally left blank

**CITY OF PICO RIVERA, CALIFORNIA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	I
CITY OFFICIALS	XI
ORGANIZATIONAL CHART	XII
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	XIII

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	6
FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	21
STATEMENT OF ACTIVITIES	22
FUND FINANCIAL STATEMENTS	
GOVERNMENTAL FUNDS	
DESCRIPTION OF MAJOR FUNDS	25
BALANCE SHEET	26
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	29
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	30
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	32
PROPRIETARY FUNDS	
STATEMENT OF NET POSITION	33
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	34
STATEMENT OF CASH FLOWS	35
FIDUCIARY FUND	
DESCRIPTION OF FIDUCIARY FUND	37
STATEMENT OF FIDUCIARY NET POSITION	38
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	39
NOTES TO FINANCIAL STATEMENTS	41

**CITY OF PICO RIVERA, CALIFORNIA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – MISCELLANEOUS PLAN	93
SCHEDULE OF CONTRIBUTIONS – MISCELLANEOUS PLAN	94
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – COUNCIL PLAN	95
SCHEDULE OF CONTRIBUTIONS – COUNCIL PLAN	96
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS	97
SCHEDULE OF CONTRIBUTIONS – OPEB PLAN	98
BUDGETARY COMPARISON SCHEDULES	
GENERAL FUND	99
HOUSING AGENCY SECTION 8 SPECIAL REVENUE FUND	100
AMERICAN RESCUE PLAN SPECIAL REVENUE FUND	101
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	102

SUPPLEMENTARY INFORMATION

OTHER GOVERNMENTAL FUNDS	
DESCRIPTION OF OTHER GOVERNMENTAL FUNDS	105
COMBINING BALANCE SHEET	108
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	114
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND	120
STATE GAS TAX SPECIAL REVENUE FUND	121
LIGHTING ASSESSMENT DISTRICT SPECIAL REVENUE FUND	122
PROP A SPECIAL REVENUE FUND	123
PROP C SPECIAL REVENUE FUND	124
MEASURE R SPECIAL REVENUE FUND	125
MEASURE M SPECIAL REVENUE FUND	126
HOME GRANT SPECIAL REVENUE FUND	127
CALHOME GRANT SPECIAL REVENUE FUND	128
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND	129
COUNTY GRANTS SPECIAL REVENUE FUND	130

**CITY OF PICO RIVERA, CALIFORNIA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

STATE GRANTS SPECIAL REVENUE FUND	131
ECONOMIC SUSTAINABILITY SPECIAL REVENUE FUND	132
IMAGE ENHANCEMENT SPECIAL REVENUE FUND	133
SEWER MAINTENANCE SPECIAL REVENUE FUND	134
REACH GRANTS SPECIAL REVENUE FUND	135
CABLE/PEG SUPPORT SPECIAL REVENUE FUND	136
TRANSPORTATION DEVELOPMENT ACT SPECIAL REVENUE FUND	137
MEASURE W SPECIAL REVENUE FUND	138
FEDERAL GRANTS SPECIAL REVENUE FUND	139
CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND	140
PARAMOUNT/MINES LANDSCAPE MAINTENANCE ASSESSMENT CAPITAL PROJECTS FUND	141
OTHER ENTERPRISE FUNDS	
DESCRIPTION OF OTHER ENTERPRISE FUNDS	142
COMBINING STATEMENT OF NET POSITION	143
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	144
COMBINING STATEMENT OF CASH FLOWS	145
STATISTICAL SECTION (UNAUDITED)	
DESCRIPTION OF STATISTICAL SECTION CONTENTS	149
FINANCIAL TRENDS	
NET POSITION BY COMPONENT – LAST TEN FISCAL YEARS	150
CHANGE IN NET POSITION – LAST TEN FISCAL YEARS	152
FUND BALANCES OF GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS	156
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS	158
REVENUE CAPACITY	
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE – LAST TEN FISCAL YEARS	160
REVENUE BASE BY CATEGORY – LAST TEN FISCAL YEARS	162
PROPERTY TAX LEVIES AND TAX COLLECTIONS – LAST TEN FISCAL YEARS	163
DIRECT AND OVERLAPPING GOVERNMENTS PROPERTY TAX RATES – LAST TEN YEARS	164

**CITY OF PICO RIVERA, CALIFORNIA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

PRINCIPAL PROPERTY TAXPAYERS – CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO	166
TOP 25 SALES TAX PRODUCERS – CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO	167
DEBT CAPACITY	
RATIOS OF OUTSTANDING DEBT BY TYPE – LAST TEN FISCAL YEARS	168
RATIOS OF GENERAL BONDED DEBT OUTSTANDING – LAST TEN FISCAL YEARS	170
DIRECT AND OVERLAPPING DEBT	171
LEGAL DEBT MARGIN INFORMATION – LAST TEN FISCAL YEARS	172
PLEDGED REVENUE BOND COVERAGE	
1999 WATER AUTHORITY REVENUE BONDS – LAST TEN FISCAL YEARS	174
2001 WATER AUTHORITY REVENUE BONDS – LAST TEN FISCAL YEARS	174
2016 LEASE REVENUE BONDS	174
2018 CERTIFICATES OF PARTICIPATION	174
DEMOGRAPHIC AND ECONOMIC INFORMATION	
DEMOGRAPHIC AND ECONOMIC STATISTICS – LAST TEN FISCAL YEARS	175
PRINCIPAL EMPLOYERS – CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO	176
OPERATING INFORMATION	
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION – LAST TEN FISCAL YEARS	177
OPERATING INDICATORS BY FUNCTION – LAST TEN FISCAL YEARS	178
CAPITAL ASSET STATISTICS BY FUNCTION – LAST TEN FISCAL YEARS	180

INTRODUCTORY SECTION

This page intentionally left blank.



City of Pico Rivera

ADMINISTRATIVE SERVICES

6615 Passons Boulevard · Pico Rivera, California 90660

(562) 801-4245

Web: www.pico-rivera.org e-mail: angelinag@pico-rivera.org

Angelina Garcia

Director of Administrative Services/
Interim Assistant City Manager

City Council

Dr. Monica Sánchez

Mayor

Erik Lutz

Mayor Pro Tem

Gustavo V. Camacho

Councilmember

Raul Elias

Councilmember

Andrew C. Lara

Councilmember

December 2, 2022

Honorable Mayor and City Council
City of Pico Rivera, California

SUBJECT: ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF PICO RIVERA FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Honorable Mayor and City Councilmembers:

I am pleased to present the Annual Comprehensive Financial Report of the City of Pico Rivera for the fiscal year ended June 30, 2022, as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of Pico Rivera (City) 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. 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 Annual Comprehensive Financial Report (ACFR) 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, 2022, these financial statements received an unmodified opinion by CLA. Their opinion is located at the beginning of the financial section of this report.

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.

Honorable Mayor and City Councilmembers

Subject: Annual Comprehensive Financial Report of the City of Pico Rivera for the Fiscal Year Ended June 30, 2022

Page 2 of 10

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 of 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 City's programs, services, and projects. Five (5) City Council members are elected, at large, for staggered four-year term. The council members select two (2) 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 (2) community libraries.

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

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

- Pico Rivera Water Authority
- Pico Rivera Housing Assistance Agency
- Pico Rivera Public Financing Authority

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. Budgetary controls from the Adopted Budget Resolution No. 7199 were formally adopted by the City Council on June 28, 2022, that includes controls such as Department Directors authorized to move appropriations from one object to another, within each budgetary program/division and within the same fund, provided that the total approved appropriations for a budget program and within the same fund are not exceeded. 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 of the Adopted Budget Resolution. As adopted in the resolution, all encumbrances remaining as of June 30, 2022, after thorough review by appropriate Administrative Services Department staff, will either be released or re-appropriated for use in Fiscal Year (FY) 2022-23, as appropriate, in the respective funds, departments, programs, and accounts/objects.

Reserves and Fund Balance Policy

In an effort to further secure the City's long-term financial health, the City Council first adopted comprehensive reserve policies as part of the FY 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 2021-22 budget process. On July 28, 2020, the Pico Rivera City Council adopted revised "risk-based" General Fund and Proprietary Fund Reserve Policies, which increased 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 FY 2022-23 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 Administrative Services 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 judgments by management.

Significant Financial Events

There were no changes to financial policies that resulted in a significant impact on the June 30, 2022 financial statements.

Long-term Financial Planning

The City utilizes two (2) 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), which provides efficient and effective delivery of resources for the 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 creating a baseline and alternative revenue and spending forecasts, including historical and projected annual periods for the next five (5) 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

The City of Pico Rivera is exceptionally well positioned to meet current and future challenges facing local government and our community. These accomplishments signify the City's commitment to work together in a collaborative manner for the betterment of the greater community. These accomplishments and many more demonstrate our diligence and commitment to implementing our strategic priorities and ensuring the City's economic

Honorable Mayor and City Councilmembers

Subject: Annual Comprehensive Financial Report of the City of Pico Rivera for the Fiscal Year Ended June 30, 2022

Page 5 of 10

prosperity and bettering the lives of our citizens and businesses. The City's performance goals, priorities, and strategies focus on the following areas:

- Fiscal and Organization Sustainability
- Economic Development and Land Use
- Infrastructure
- Health, Wellness and Safety
- Community Engagement

Fiscal and Organizational Sustainability Accomplishments:

- Adopted a Five-year Strategic Plan, including a revised vision, mission and goals, and departmental action plans
- Received grant awards of \$6.66 million from various granting agencies
- Implemented Code of Ethics & Conduct Policy
- Refinanced two (2) Bonds to generate a substantial savings of approximately \$10.95 million
- Obtained an AA Bond Rating by Standard and Poor's (S&P) after S&P evaluated the City's creditworthiness for potential issuance of Pension Obligation Bonds
- Received GFOA Award for Excellence in Financial Report for the 2021 Annual Comprehensive Financial Report (ACFR)
- Received GFOA Award for Distinguished Budget Presentation for the FY 2021-23 Biennial Budget
- Implemented Cylance Advanced Guard– Ransomware protection
- Implementation of industry "Best Practices":
 - Amended Procurement Policies and Procedures and related Municipal Code Sections
 - Adopted Capital Asset Capitalization Policy
 - Adopted Pension Obligation Bonds/Pension Policy
 - Renewed the Investment Policy
 - Certified the Investment Policy with California
 - Municipal Treasurers Association
- Completed Phase 1 of the Citywide Telecommunications System Replacement:
 - Migrated to Microsoft Office 365
 - Implemented GoTo - Cloud-based phone system
 - Implemented Office 365 - Cloud-based e-mail and collaboration suite
 - Implemented Pulseway – Cloud-based remote monitoring and management
 - Completed IT Glue – Centralized IT documentation platform
 - Implemented ESET – Cloud-based antivirus protection

Honorable Mayor and City Councilmembers

Subject: Annual Comprehensive Financial Report of the City of Pico Rivera for the Fiscal Year Ended June 30, 2022

Page 6 of 10

Economic Development and Land Use Accomplishments

- Finalized tenant improvement renovations for Chase Bank and three (3) new retail tenant improvement plans at Crossroads Plaza
- Approved a 54,000 square foot retail project at Beverly Crossing near the southeast corner of Beverly & Rosemead Boulevards and finalize the review of a drive through queuing lane
- Approved a Mobile home Rent Stabilization Ordinance and established a property registration program
- Approved a Digital Billboard Ordinance established for two (2) areas for revenue sharing development agreements
- Approved a Vacant Lot Ordinance to improve the visual appearance of vacant properties
- Approved a Smoke Shop Ordinance and established a Smoke Shop moratorium
- Approved a Flavored Tobacco Ordinance and established a Tobacco Retail Licensing Fee program
- Approved a Car Wash moratorium to study the impacts to surrounding properties
- Approved an Industrial Uses Ordinance with additional clarification on zoning code and amended the Land Use Chart to require a Conditional Use permit for industrial zones
- Cooperative Agreements with Industrial Developers for revenue generating uses (Baybar Road and Carlson Site projects)
- Issued (25) grants for the Small Business Grant program to small businesses operating within Community Development Block Grant eligible areas impacted from COVID-19
- Property acquisition for redevelopment of underutilized real estate near Whittier Blvd

Infrastructure Accomplishments

- Allocated American Rescue Plan Act Funding of \$14.8 million to critical Capital Improvement Projects
- Received award of \$8.5 million in State-level direct funding request to renovate and rehabilitate the Smith Park Aquatic Center
- Received award of \$8.5 million in State-level direct funding request to renovate and rehabilitate Rio Hondo Park
- Received award of \$8.1 million for two (2) grants under Clean California Local Grant Program for Medians and Parkway Beautification Projects
- Received award of \$244,100 from the Rivers & Mountains Conservancy for the Whittier Blvd. Bike & Pedestrian Bridge Project
- Received award of \$500,000 from LA Metro as a co-applicant for the Eastside Open Street Event along Whittier Blvd.
- Completed the Durfee Avenue Grade Separation project. Total project budget approximately \$108 million

Honorable Mayor and City Councilmembers

Subject: Annual Comprehensive Financial Report of the City of Pico Rivera for the Fiscal Year Ended June 30, 2022

Page 7 of 10

- Completed the Rio Hondo Park playgrounds replacement projects
- Completed three (3) Hot Spots Intersection
- Improvement projects for the reduction of traffic congestion
- Completed the design of two (2) Highway Safety Improvement Projects to improve the safety and accessibility for motorists, pedestrians, and cyclists
- Completed the design of the Americans with Disabilities Act (ADA) City Hall improvements project to ensure ADA compliance and standards
- Completed construction of Telegraph Raised Median Improvements
- Completed Water Main Replacement project at Olympic Blvd, Garrick Ave, and Pico Vista Rd
- Completed Well 4 Rehabilitation and Base Raising
- Completed Security Fencing Upgrades at Plant 2 & Well 5
- Installed ten (10) new Water Service Connections for Accessory Dwelling Units (ADU)
- Completed beautification of patio area and walkway including landscape and concrete repairs at the Senior Center
- Upgraded light poles and irrigation system at the Women's Auxiliary Park

Health and Wellness & Safety Accomplishments

- Successfully provided a Grab and Go summer meal program for children ages 18 and under. 59,647 meals were provided with the help of volunteers who donated approximately 1,485 hours to the Summer Food Service Program
- Awarded a grant from No Kid Hungry in the amount of \$24,500, which supported the existing Summer Food Service Program in helping provide additional staff support, equipment, personal protective equipment, and promotional materials
- Operated a COVID-19 testing center that served 4,300 people, and three (3) pop-up vaccine clinics helping to inoculate 400 people
- Partnered with Pico Care Pharmacy to provide Pfizer and Moderna booster vaccines at the Pico Rivera Senior Center
- Completed Flock Safety project and installed Automated License Plate Recognition (ALPR) systems that automatically capture vehicles' license plate information
- Completed Verkada - Cloud-based Video Security for Surveillance at City parks and City Yard
- Distributed a total of \$323,921 to PRIME customers to provide COVID-19 debt relief as part of the California Arrearage Payment Program (CAPP).
- Provided over 70 free Smart Thermostats to residents to save money and reduce electricity demand during extreme heat events.
- Enhanced essential Emergency Operations Center (EOC) Communications Center equipment, including replacement of defective satellite modem, verification/inspection of emergency phone system, inventoried all EOC laptops and

Honorable Mayor and City Councilmembers

Subject: Annual Comprehensive Financial Report of the City of Pico Rivera for the Fiscal Year Ended June 30, 2022

Page 8 of 10

installed secured charging station-equipped storage cabinet to ensure the emergency equipment is not only secured, but always ready for emergency use

- Participated in the California Water and Wastewater Arrearage Payment Program (CWWAPP), and assisted with providing financial relief to 296 eligible customers of more than \$148,000 in credits, to those impacted by COVID-19 and past due on their water utility bill payments
- Credit more than 300 Water Customer Accounts for Past Due Invoices, totaling \$150,000
- Enrolled in the Low-Income Household Water Assistance Program (LIHWAP) that is federally funded and administered by the U.S. Department of Health and Human Services and the California Department of Community Services and Development. LIHWAP is a customer-based program for low-income households that are qualified to use a one-time credit for past due and current balances, including any penalties up to \$2,000 on water bills or wastewater bills.
- Installed two (2) outdoor water bottle filling stations with drinking fountains and pet fountains at Smith Park, Pico Park, Rio Hondo Park, and Rivera Park
- Planted 62 trees at Pio Pico Park with the assistance of the Urban Forest and volunteers for Arbor Day

Community Engagement Accomplishments:

- Completed The Roldan Futsal Pitch and Basketball Courts “Mini-Pitch” at Pico Park
- Completed the first Community Survey in 14-years to collect statistically reliable data on residents’ satisfaction, priorities, and concerns
- Publicly launched Virtual City Hall, inclusive of a new city website and mobile app, a service request work management system, a code/parking enforcement case management system, a new portal for council meeting agendas & minutes, a GIS data and story map portal, a crime & safety data analytics and mapping tool, a portal for all RFP/Qs, multi-language settings, a new portal for all city and private development projects and plans
- Hosted a variety of drive-thru/parking lot Special Events for older adults, including a Luau, Mariachi Concert, Moonlight Drive-In, and Jolly Holidays to keep participants entertained safely
- Successfully and safely brought back in-person Summer & Winter Camps for youth ages Kindergarten through 8th grade; camps were fully booked for each session offered
- Virtual “Rec at Home” program, including 14 virtual special events and contests, 29 Rec at Home videos, and 250 posted activities
- Held Mayor’s Women’s Conference

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, our goal is not only to

Honorable Mayor and City Councilmembers

Subject: Annual Comprehensive Financial Report of the City of Pico Rivera for the Fiscal Year Ended June 30, 2022

Page 9 of 10

ensure financial sustainability but also to strive to strategically position the City to execute 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 \$11.1 million as of June 30, 2022.

Total fund balance grew by twenty-two thousand dollars to \$73.2 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 on the following pages.

The relative health of the City's finances can be attributed to four (4) successive fiscal years of focused attention on improving the alignment of ongoing expenditures with ongoing revenues. While the City 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 is facing the challenges of elevated inflation, restrained supply in the markets for goods, services, and labor, tightened Federal monetary policies and market volatility, 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 City'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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the 24th consecutive year that the City had achieved this prestigious award. To be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one (1) year. We believe that our ACFR for FY 2021-22 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.

Honorable Mayor and City Councilmembers

Subject: Annual Comprehensive Financial Report of the City of Pico Rivera for the Fiscal Year Ended June 30, 2022

Page 10 of 10

Independent Audit

The City requires an annual audit by independent certified public accountants. The accounting firm of CLA 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 the U.S. Office of Management and the Uniform Guidance. Results of the Single Audit are reported separately and will be available by March 2023.

Acknowledgments

The Administrative Services Department takes primary responsibility for the preparation and accuracy of this report. The professionalism, commitment, and effort of all the members of the Department have made this presentation possible. The assistance from other departments in providing operational information for this report is also appreciated. Finally, we thank the City Council for their prudent financial management and leadership in guiding the City of Pico Rivera and helping ensure the City's continued financial health.

Respectfully,

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

Angelina Garcia

Director of Administrative Services/Interim Assistant City Manager



CITY OF PICO RIVERA

CITY OFFICIALS

City Council

Dr. Monica Sánchez, Mayor

Erik Lutz, Mayor Pro Tem

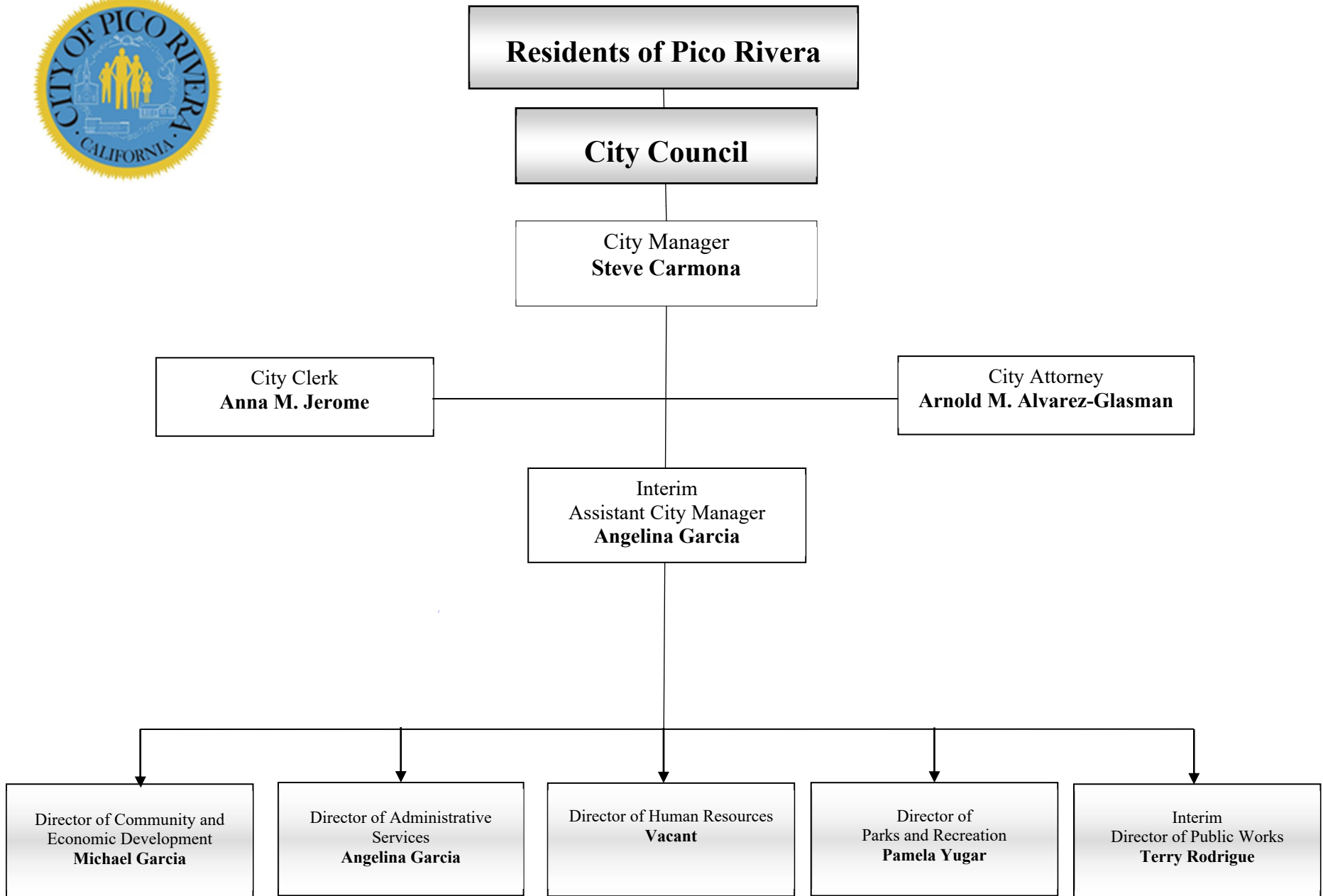
Gustavo V. Camacho, Councilmember

Raul Elias, Councilmember

Andrew C. Lara, Councilmember

Executive Team

City Manager	Steve Carmona
Interim Assistant City Manager	Angelina Garcia
City Clerk	Anna M. Jerome
Director of Administrative Services	Angelina Garcia
Director of Community and Economic Development	Michael Garcia
Director of Human Resources	Vacant
Director of Parks and Recreation	Pamela Yugar
Interim Director of Public Works	Terry Rodrigue





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pico Rivera
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

This page is intentionally left blank.

FINANCIAL SECTION

This page intentionally left blank.



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City of Pico Rivera's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1D to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liability and related ratios of the pension plans and schedules of pension plan contributions, schedule of changes in net OPEB liability and related ratio, the schedule of contributions – OPEB Plan, and the budgetary comparison schedules for the general and major special revenue funds, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual non-major fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable City Council
City of Pico Rivera, California

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2022, on our consideration of the City of Pico Rivera'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 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 of Pico Rivera'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 of Pico Rivera'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
December 2, 2022

This page intentionally left blank.

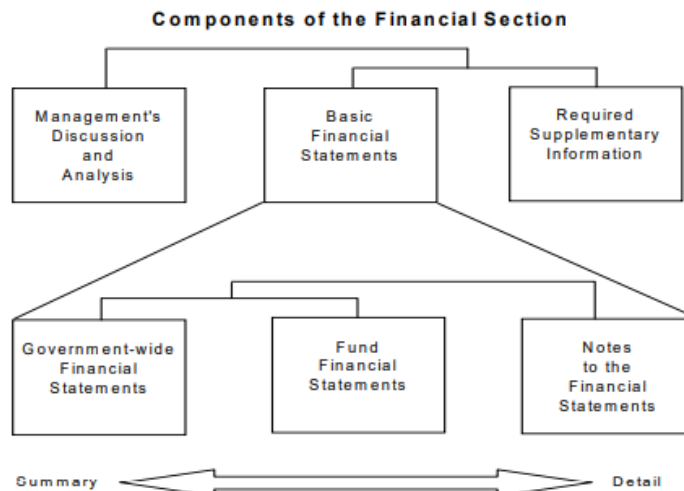
CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

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, 2022, 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, fiduciary funds and a statistical section. This discussion and analysis are intended to serve as an introduction to the City's basic financial statements.

The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements.



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).

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

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 21 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 thirty (30) governmental funds. Information is presented separately in the governmental funds balance sheet (pages 26 - 27) and in the governmental funds statement of revenues, expenditures and changes in fund balances (pages 30 - 31) for the General Fund, the Housing Agency Section 8 Fund, American Rescue Plan Fund, and the 2018 Series A COP Fund since these funds are considered major funds. Data from the additional twenty-six (26) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements in the other governmental funds supplementary information section of this report which begins on page 108.

The City adopts an annual appropriated budget for its General Fund as well as its other governmental funds. Budgetary comparison schedules are presented on pages 99 – 101 and 120 - 141. The governmental fund financial statements can be found on pages 26 through 32 of this report.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

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 proprietary funds consist of enterprise funds and internal service fund. 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 the activity of the City's Community Choice Aggregate enterprise function. The basic proprietary fund financial statements can be found beginning on pages 33 through 36 and pages 143 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 fund: 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 resource 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 38 and 39 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 41 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) programs and the budgetary comparison for the general and major special revenue funds. The required supplementary information can be found on pages 93 through 101 of this report.

Other Supplementary Information

Other supplementary information includes combining and individual budgetary comparison schedules for non-major Governmental Funds and combining statements for other enterprise funds. Other supplementary information can be found on pages 108 through 146 of this report.

FINANCIAL HIGHLIGHTS

Citywide

- Comparing the fiscal year ending June 30, 2022 with June 30, 2021, the City's total net position increased by \$25.955 million, from \$313.578 million to \$339.533 million. Of this amount, there was a decrease in total assets of \$1.501 million to \$468.901 million, a decrease in total liabilities of \$41.430 million to \$121.026 million, a decrease of deferred outflows of resources of \$94 thousand and an increase of deferred inflows of resource of \$14.067 million.
- Citywide revenues totaled \$115.003 million, an increase of \$20.432 million over the prior year. Expenses were \$89.048 million, an increase of \$4.369 million over the prior year.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

- Citywide capital assets, after depreciation, increased by \$6.309 million to \$313.451 million. This increase includes \$5.937 million in depreciation offset by the street, park, and water system construction projects in progress and completion of the street, park, and water system projects partially offset by the auction of obsolete vehicles and equipment.

Citywide – Governmental Activities

Governmental Activities revenues increased \$17.663 million to 83.312 million (prior to any transfers). This net increase resulted from a combination of a few main factors: the City recognized ARPA revenue of \$10.772 million to offset the public safety expenses, \$2.401 million more capital grants, \$3.226 more sales tax, and an increase in property tax about \$830 thousand.

Governmental Activities expenses increased \$4.070 million to \$61.149 million. It is mainly attributed to \$6.162 million increase in Community Development activities, which was due to the \$6.065 million the City transferred to the Successor Agency, including \$5.000 million for refunding Tax Allocation Bonds (TABs) 2001 with TARBs 2021 and the annual sales tax pledge of \$1.065 million to the Successor Agency for bond payment. The Parks and Recreation and Health and Welfare activities experienced increases of \$588 thousand and \$166 thousand. On the flip side, Public Works, General Government, and Public Safety activities experienced reduced expenses of \$2.277 million, 363 thousand, and \$170 thousand, respectively.

Fund Level – General Fund

- General Fund revenues were \$49.034 million, an increase of \$3.798 million over the prior year. The increase was mainly due to increased sales taxes, property taxes, and utility user taxes and plan check fees.
- Tax revenues increased by \$4.572 million as the City received more sales taxes as consumer confidence stabilized and more consumers shopped online in FY 2022; also, the inflation was attributed to the increase of the sales taxes. The City received more property taxes due to increased property assessments compared to the prior fiscal year.
- Intergovernmental revenue decreased by \$479 thousand, mainly attributed to the one-time \$920 thousand Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding and credits received in FY 2021.
- Licenses and permits revenue increased by \$403 thousand, as more building permits and plan checks were pulled when more residents performed home improvement in FY 2022.
- Fines, forfeitures, and penalties revenue went up by \$91 thousand primarily due to increased administrative citations.
- Investment and rental revenues were down by \$1.359 million. The decrease was mainly from investments where there was a temporary decline in market value at the end of the fiscal year. In the Local Agency Investment Fund (LAIF), for instance, each participating dollar was valued at \$0.98712.
- Charges for services and miscellaneous revenues increased by \$253 thousand and \$318 thousand,

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

respectively, due to increasing in-person programs, services, and special events as the pandemic restrictions were gradually lifted.

- General Fund expenditures were \$37.914 million, a \$313 thousand decreases from the prior year. It was primarily due to the transfer of \$6.065 million to the Successor Agency and \$10.228 million offset of the ARPA funding related to "General Revenue Loss" with the law enforcement operating expenses.
- Additionally, as more COVID-19 restrictions are lifted, the City had more events and activities and, in turn, \$1.003 million more Parks and Recreation expenditures. The City also has \$1.938 million more General Government expenditures in insurance, software, payroll, retirement expenses, etc.
- The Public Works and Community and Economic Development departments have vacancies and must utilize more contracted services to perform tasks such as plan checks, project management, etc.
- The General Fund's fund balance increased by \$22 thousand to \$73.222 million as of June 30, 2022.

Fund Level – Proprietary Funds

The City had four Enterprise Funds in Fiscal Year 2021-22.

Business-type Activities – Enterprise Funds – Overall, the total net position of these funds increased \$3.792 million to \$35.737 million at June 30, 2022.

- Total assets decreased by \$16.902 million to \$80.914 million primarily due to the elimination of \$19.302 million receivable from Successor Agency. In December 2021, the Successor Agency refunded TABs 2001 and paid back the amounts owed to the Water Fund. Netting out this decrease, there was an increase of \$3.440 million in net capital assets compared to the prior fiscal year.
- Total liabilities decreased by \$22.777 million to \$43.785 million, mainly due to the City retiring the Water Authority Revenue Bonds 2001 of \$19.115 million and paying down \$1.065 million in other bonds payable. There were also a \$2.399 million decrease in current liabilities and a \$1.389 million decrease in net pension liability compared to the prior fiscal year.
- Total operating revenues increased \$3.124 million to \$30.406 million, and operating expenses increased \$1.040 million to \$26.794 million. Most changes were related to the operation of Pico Rivera Innovative Municipal Energy (PRIME). The Charges for Services revenue increased by \$3.232 million due to more demand for PRIME. At the same time, the cost of PRIME's power supply has increased by \$2.587 million. The PRIME salaries and benefits decreased by \$1.549 million, attributed to Pension and OPEB adjustments of \$774 thousand and some vacant positions.

Fund Level – Fiduciary Funds

- The Fiduciary Fund is discussed later in this document.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

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, 2022 and 2021, 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, 2022, the City's combined net position (governmental and business-type activities) totaled \$339.533 million, an increase of \$25.955 million from the prior year.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

City of Pico Rivera
Statement of Net Position
Fiscal Year ended June 30, 2022 and June 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and Other Assets	107,909,207	97,361,551	30,650,156	\$31,690,036	\$138,559,363	\$129,051,587
Internal Balances	22,367,512	22,198,908	(22,367,512)	(22,198,908)	-	-
Land held for resale	1,701,360	-	-	-	1,701,360	-
Receivables from Successor Agency	14,999,752	14,716,744	189,699	19,491,804	15,189,451	34,208,548
Capital Assets	263,552,334	260,683,238	49,898,279	46,458,063	313,450,613	307,141,301
Total Assets	\$410,530,165	\$394,960,441	\$58,370,622	\$75,440,995	\$468,900,787	\$470,401,436
Deferred Outflow of resources	\$6,896,596	\$6,867,812	\$965,262	\$900,289	\$7,861,858	\$7,768,101
Liabilities:						
Current liabilities	\$18,743,425	\$19,960,381	\$5,720,275	\$8,597,709	\$24,463,700	\$28,558,090
Long-term liabilities	42,951,499	44,031,850	8,712,416	26,827,448	51,663,915	70,859,298
Net OPEB Obligation	14,846,687	20,096,119	1,594,827	2,158,719	16,441,514	22,254,838
Net Pension Liabilities	23,242,557	34,179,750	5,214,285	6,603,167	28,456,842	40,782,917
Total Liabilities	\$99,784,168	\$118,268,100	\$21,241,803	\$44,187,043	\$121,025,971	\$162,455,143
Deferred Inflows of resources	\$13,846,693	\$1,927,735	\$2,356,809	\$208,612	\$16,203,502	\$2,136,347
Net Position:						
Net investment in capital assets	\$237,260,527	\$234,764,478	\$40,280,888	\$36,403,397	\$277,541,415	\$271,167,875
Restricted	27,978,094	23,672,803	-	-	27,978,094	23,672,803
Unrestricted	38,557,279	23,195,137	(4,543,616)	(4,457,768)	34,013,663	18,737,369
Total Net Position	\$303,795,900	\$281,632,418	\$35,737,272	\$31,945,629	\$339,533,172	\$313,578,047

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 \$277.541 million is the City's investment in capital assets which includes land, buildings, infrastructure, furniture and equipment net of accumulated depreciation and related debt for acquiring these capital assets. Since the capital assets are used to provide services to citizens, these assets are not available to fund the City's day-to-day activities.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

On June 30, 2022, the City's restricted net position was \$27.978 million or 8.24% of the total net position. These are assets subject to external restrictions, constitutional provisions, or enabling legislation that limits how these assets may be used. The restricted net position includes the Housing Section 8 Grant Fund, Home Grant Fund, and other special revenue funds. The remaining balance of the net position of \$34.014 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted amount increased by \$15.277 million when compared to the June 30, 2021 amount.

Governmental Activities - Governmental activities' assets increased \$15.570 million to \$410.530 million, liabilities decreased \$18.484 million to \$99.784 million, and total net position increased \$22.163 million to \$303.796 million when compared to the prior year.

- Cash and investments increased by \$12.309 million to \$79.459 million primarily due to the receipt of the 2nd tranche of American Rescue Plan Act (ARPA) funding of \$7.386 million.
- The City received \$14.772 million of ARPA funding, half in May 2021 and the other half in June 2022. In FY 2021-22, the City offset \$10.228 million of the ARPA funding related to "General Revenue Loss" with the law enforcement operating expenses, which are eligible expenses per guidelines set forth by the U.S. Treasury Department. There is \$4.544 million remaining as unearned revenue in the American Rescue Plan Fund as of June 30, 2022.
- As the City paid down outstanding bond payable principal, long-term liabilities decreased \$1.080 million to \$42.951 million.
- There were \$27.279 million in pension liabilities 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 were \$19.309 million in Other Post Employment Benefit (OPEB) liabilities along with deferred outflow ore resources and deferred inflows of resources related to 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 decreased by \$17.070 million to \$58.371 million. Liabilities decreased by \$17.070 million to \$21.242 million, primarily due to the Water Operation paying down the Water Authority Revenue Bonds, Series 2001.

- The share of Net pension liability, due to required GASB 68 reporting first effective for fiscal years ending June 30, 2015, was \$5.214 million.
- There were \$1.595 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, 2022

City of Pico Rivera
Statement of Activities
Fiscal Year ended June 30, 2022 and June 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for services	4,837,941	3,914,793	30,406,043	27,281,651	35,243,984	31,196,444
Operating grants and contributions	26,561,448	16,416,848	476,602	-	27,038,050	16,416,848
Capital grants and contributions	5,387,593	2,986,830	-	-	5,387,593	2,986,830
General Revenues:						
Property taxes	13,831,113	13,000,934	-	-	13,831,113	13,000,934
Sales and use taxes	24,551,320	21,325,436	-	-	24,551,320	21,325,436
Franchise taxes	1,956,998	1,876,407	-	-	1,956,998	1,876,407
Utility users taxes	3,567,128	3,157,258	-	-	3,567,128	3,157,258
Other taxes	1,926,617	2,055,932	-	-	1,926,617	2,055,932
Unrestricted Investment earnings	(197,845)	542,108	449,236	1,640,357	251,391	2,182,465
Gain on bond defeasance	-	-	683,028	-	683,028	-
Miscellaneous	889,854	372,853	-	-	889,854	372,853
Total Revenues	83,312,167	65,649,399	32,014,909	28,922,008	115,327,076	94,571,407
Expenses **						
General Government	8,089,449	8,452,818	-	-	8,089,449	8,452,818
Public safety	12,144,703	12,314,336	-	-	12,144,703	12,314,336
Public works	14,700,643	16,977,788	-	-	14,700,643	16,977,788
Parks and recreation	7,457,649	6,869,152	-	-	7,457,649	6,869,152
Health and welfare	6,414,485	6,248,362	-	-	6,414,485	6,248,362
Community development	10,891,361	4,729,823	-	-	10,891,361	4,729,823
Interest and fiscal charges	1,450,395	1,486,071	-	-	1,450,395	1,486,071
Enterprise operations	-	-	28,223,266	27,600,212	28,223,266	27,600,212
Total Expenses	61,148,685	57,078,350	28,223,266	27,600,212	89,371,951	84,678,562
Increase/Decrease in net position before transfers	22,163,482	8,571,049	3,791,643	1,321,796	25,955,125	9,892,845
transfers	-	-	-	-	-	-
Change in net position:	22,163,482	8,571,049	3,791,643	1,321,796	25,955,125	9,892,845
Net position-beginning of year	281,632,418	273,061,369	31,945,629	30,623,833	313,578,047	303,685,202
Net position-end of year	303,795,900	281,632,418	35,737,272	31,945,629	339,533,172	313,578,047

**Fiscal year 2021 expense amounts were reclassified to be consistent with presentation of fiscal year 2022 expenses.

Governmental Activities – Total revenues increased by \$17.663 million, and expenses increased by \$4.070 million compared to the previous year.

- Overall, program revenues increased by \$13.469 million due to an increase of \$923 thousand in Charges for Services as the economy gradually rebounded in FY 2022, recognizing \$10.773 million in ARPA revenues, and \$2.401 million more capital grants and contributions.
- Overall, general revenues increased by \$4.194 million. The sales and use taxes increased by \$3.226 million, mainly attributed to stabilized consumer confidence, more consumers shopping online, and higher inflation in FY 2021-22. The property taxes increased by \$830 thousand due to a rise in

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

property assessments.

- Expenses increased by \$4.070 million. In FY 2022, the Community Development expenses increased by \$6.162 million, primarily due to the City transferring \$6.065 million to the Successor Agency to refund the TABs 2001 and to make the annual bond payment. The expenses of Parks and Recreation increased by \$588 thousand due to increasing in-person programs, services, and Special Events as the pandemic restrictions gradually lifted. Conversely, the General Government expenses decreased by \$363 thousand due to pension expense transactions, and the Public Works expenses decreased by \$2.277 million due to capital outlay capitalization and pension expense transactions.

Business-Type Activities - The City has two major Enterprise Funds, Water Fund and the Pico Rivera Innovative Municipal Energy (PRIME), which operated for the fourth full year in FY 2021-22.

- Revenue increased by \$2.769 million, primarily due to Charges for Services revenue up by \$3.108 million, investment income down by \$1.191 million, and \$683 thousand gain on bond defeasance when the City retired Water Authority Revenue Bond 2001.
- Expenses decreased by \$299 thousand, primarily due to the rising cost of the purchased power of \$2.587 million, decreasing in salaries and benefits of \$1.549 million resulting from Pension and OPEB adjustments, and decreasing of investment expense of \$741 thousand as the City retired Water Authority Revenue Bond 2001 in the middle of the fiscal year.

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, 2022, the City's governmental funds reported a combined ending fund balance of \$121.739 million, as shown on page 26. The fund balance categories of governmental funds displayed \$26.139 million as nonspendable, \$38.610 million as restricted, \$24.517 million as committed, \$26.517 million as assigned, and \$5.955 million as unassigned. (Please refer to Note Number 12 of the Notes to Financial Statements for a detailed breakdown.)

The City chooses to report four major governmental funds: the General Fund, the Special Revenue Housing Agency Section 8 Fund, Special Revenue American Rescue Plan Fund, and the Capital Projects 2018 Series A COP, which is 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 108.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

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 \$73.222 million, an increase of \$22 thousand from the previous year. The nonspendable amount is \$26.139 million, the restricted amount is \$1.181 million, the committed amount is \$24.517 million, the assigned amount is \$14.927million, and the unassigned amount is \$6.458million.

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 low-income families to meet their housing needs. During the year, \$6.299 million in revenue was received, and \$6.075 million was spent. The ending fund balance was \$475 thousand.

This fund's largest revenue source 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 2022-23, \$665 thousand more was received compared to the prior year, and overall expenditures were \$299 thousand higher when compared to the prior year.

American Rescue Plan Special Revenue Fund – This fund accounts for funds received from the U.S. (federal) government to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. The City received the 1st and the 2nd tranches of the allocation, of \$7.386 million each, in May 2021 and June 2022 respectively. The City offset \$10.228 million in "General Revenue Loss" funds with the law enforcement operating expenses in FY 2021-22. There is \$4.544 million remaining as unearned revenue in the American Rescue Plan Fund as of 6/30/2022. The City will obligate all funds by December 31, 2024, and expend all funds by December 31, 2026, per the guidelines set forth by the U.S. Treasury Department.

2018 Series A COP Capital Projects Fund – This fund accounts for activity related to the City's capital projects financed with the 2018 Series A Certificates of Participation that were issued in FY 2018-19 in the aggregate outstanding principal amount of \$13.695 million at June 30, 2022.

During the year, there was an interest revenue of \$8 thousand, a bond principal payment of \$275 thousand and interest charges of \$557 thousand in expenditures. The ending fund balance was \$12.377 million.

Business-type Activities – Enterprise Funds

The enterprise fund group has two major funds: the Water Operations Enterprise fund and the Pico Rivera Municipal Energy (PRIME) fund, which are discussed below.

Water Operations Enterprise Fund - The Water Operations Enterprise Fund accounts for the operation and maintenance of the City's water treatment, water transmission and distribution system. During the year, \$11.180 million was received as revenue, mainly from charges for services, with expenses coming in at \$8.466 million. During the year, there were a \$441 thousand investment income and \$1.105 million bond interest charges. The Water Fund's net position increased by \$2.887 million from the prior year to \$33,378 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 billing. However, PRIME utilizes third-party consultants

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

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 \$3.232 million to \$18.031 million, and operating expenses increased \$782 thousand to \$16.899 million from the prior year.

Please refer to pages 26 and 27 for the Balance Sheet of Governmental Funds, page 29 for the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position, pages 30 and 31 for the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds, and page 32 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 33 through 36.

Capital Assets Administration

The City's investments in capital assets at June 30, 2022 were \$263.552 million (net of accumulated depreciation of \$158.125 million) for its governmental activities and \$49.898 million (net of accumulated depreciation of \$24.338 million) for its business-type activities. The investment in capital assets includes land, buildings, structures and improvements, infrastructure (roads, sidewalks, streetlights, etc.), furniture, vehicles, equipment and construction in progress.

(Balance of page intentionally left blank)

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

City of Pico Rivera
Capital Assets (Net of Accumulated Depreciation)
Fiscal Year ended June 30, 2022 and June 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land*	\$118,908,710	\$118,908,710	\$18,174,060	\$18,174,060	\$137,082,770	\$137,082,770
Structures & Improvements	25,590,725	25,590,725	5,228,051	5,228,051	30,818,776	30,818,776
Furniture, Equipment & Vehicles	7,291,797	7,021,999	1,473,468	1,081,077	8,765,265	8,103,076
Infrastructure	247,089,714	241,887,977	17,692,287	16,055,216	264,782,001	257,943,193
Leased Assets	111,108	-	-	-	111,108	-
Construction in progress	22,684,844	19,461,809	4,302,493	2,061,999	26,987,337	21,523,808
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	\$421,676,898	\$412,871,220	\$74,235,948	\$69,965,992	\$495,912,846	\$482,837,212
Less depreciation	(158,124,564)	(152,187,982)	(24,337,669)	(23,507,929)	(182,462,233)	(175,695,911)
Net Capital Assets	\$263,552,334	\$260,683,238	\$49,898,279	\$46,458,063	\$313,450,613	\$307,141,301
*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 60 to 61 of this report.

Debt Administration

As of June 30, 2022, the City had total indebtedness of \$100.084 million, a decrease of \$38.875 million. Debt includes bonds, 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 \$83.409 million. Governmental activities total indebtedness decreased by \$16.924 million during the year. The decrease is primarily due to reductions in the net pension and OPEB liabilities. Please refer to note 6 beginning on page 62 for further detail.

Business-type activities - Overall, business-type debt at year end is \$16.675 million. Business-type activities total indebtedness decreased during the year by \$21.951 million. The decrease is primarily due to the defeasance of Water Authority Revenue Bond 2001. Please refer to note 6 beginning on page 62 for further detail.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

City of Pico Rivera
Outstanding Long-Term Liabilities
Fiscal Year ended June 30, 2022 and June 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Bonded Indebtedness:						
Revenue bonds	24,960,000	25,915,000	9,305,000	29,485,000	34,265,000	55,400,000
Certificates of Participation	13,695,000	13,970,000	-	-	13,695,000	13,970,000
Bond premium	2,887,775	3,045,248	272,364	312,225	3,160,139	3,357,473
Bond discount	-	-	-	(251,506)	-	(251,506)
Other long-term debt:						
Net pension liabilities	23,242,557	34,179,750	5,214,285	6,603,167	28,456,842	40,782,917
Other post-employment benefits	14,846,687	20,096,119	1,594,827	2,158,719	16,441,514	22,254,838
Claims and judgements	2,308,000	1,696,000	-	-	2,308,000	1,696,000
Compensated absences	1,468,505	1,430,502	288,947	318,588	1,757,452	1,749,090
Total Indebtedness	83,408,524	100,332,619	16,675,423	38,626,193	100,083,947	138,958,812

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The General Fund realized a \$892 thousand operating surplus (operating revenues less operating expenditures) as of June 30, 2022. (When Transfer In/Transfer Out are included, the net change in fund balance was \$22 thousand.)

The Fiscal Year 2022-23 General Fund budget is balanced. The City's sales tax and property tax revenues are coming in stronger than in FY 2021-22 and are projected to recover with a 2%-3% increase in FY 2022-23. However, as the City continues to experience challenges due to the COVID-19 pandemic and resulting economic disruption, the revenues to be received may be lower than projected amounts.

The budget document will be the basis of an ongoing effort to monitor the City's finances. Staff provides monthly and quarterly updates to the City Council to ensure the City stays on its financial plan, our ongoing budgets remain balanced and 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.

This page intentionally left blank.

CITY OF PICO RIVERA, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 79,458,616	\$ 23,655,895	\$ 103,114,511
Restricted Cash and Investments:			
Cash and Investments with Fiscal Agents	15,266,673	1,073,136	16,339,809
Escrow Deposits	515	-	515
Receivables, Net:			
Accounts	2,897,477	5,879,517	8,776,994
Taxes	6,220,656	-	6,220,656
Interest	74,552	17,603	92,155
Internal Balances	22,367,512	(22,367,512)	-
Inventories	3,825	24,005	27,830
Prepaid Items	102,954	-	102,954
Long-Term Receivables	3,865,948	-	3,865,948
Lease Receivable	17,991	-	17,991
Land Held for Resale	1,701,360	-	1,701,360
Receivables from Successor Agency	14,999,752	189,699	15,189,451
Capital Assets, Not Depreciated	141,593,554	28,056,469	169,650,023
Capital Assets, Depreciated, Net	121,873,157	21,841,810	143,714,967
Leased Assets, Depreciated, Net	85,623	-	85,623
Total Assets	410,530,165	58,370,622	468,900,787
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	1,566,426	-	1,566,426
Amounts Related to OPEB	1,950,212	209,492	2,159,704
Amounts Related to Pension Plans	3,379,958	755,770	4,135,728
Total Deferred Outflows of Resources	6,896,596	965,262	7,861,858
LIABILITIES			
Accounts Payable	5,280,411	3,369,577	8,649,988
Accrued Interest Payable	360,897	85,296	446,193
Accrued Liabilities	1,221,044	462,188	1,683,232
Deposits	703,274	598,434	1,301,708
Retention Payable	314,919	40,027	354,946
Unearned Revenue	4,544,655	10,858	4,555,513
Due to Other Agencies	3,863,920	-	3,863,920
Long-Term Liabilities:			
Due Within One Year	2,454,305	1,153,895	3,608,200
Due in More Than One Year:			
Long-Term Liabilities	42,951,499	8,712,416	51,663,915
Net OPEB Liability	14,846,687	1,594,827	16,441,514
Net Pension Liability	23,242,557	5,214,285	28,456,842
Total Liabilities	99,784,168	21,241,803	121,025,971
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to OPEB	6,412,143	688,790	7,100,933
Amounts Related to Pension Plans	7,416,559	1,668,019	9,084,578
Amounts Related to Leases	17,991	-	17,991
Total Deferred Inflows of Resources	13,846,693	2,356,809	16,203,502
NET POSITION			
Net Investment in Capital Assets	237,260,527	40,280,888	277,541,415
Restricted for Community Development	8,014,358	-	8,014,358
Restricted for Transportation	14,672,241	-	14,672,241
Restricted for Low- and Moderate-Income Housing	3,143,655	-	3,143,655
Restricted for Pension Contribution	1,180,688	-	1,180,688
Restricted for Other Purposes	967,152	-	967,152
Unrestricted	38,557,279	(4,543,616)	34,013,663
Total Net Position	\$ 303,795,900	\$ 35,737,272	\$ 339,533,172

See accompanying Notes to Financial Statements.

**CITY OF PICO RIVERA, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 8,089,449	\$ 545,101	\$ 1,580,009	\$ -
Public Safety	12,144,703	1,163,935	10,389,085	-
Public Works	14,700,643	882,256	6,614,161	5,387,593
Parks and Recreation	7,457,649	279,041	917,184	-
Health and Welfare	6,414,485	285,648	1,093,987	-
Community Development	10,891,361	1,681,960	5,967,022	-
Interest and Fiscal Charges	1,450,395	-	-	-
Total Governmental Activities	<u>61,148,685</u>	<u>4,837,941</u>	<u>26,561,448</u>	<u>5,387,593</u>
Business-Type Activities:				
Water	9,570,530	11,180,400	152,671	-
Pico Rivera Innovative Municipal Energy	17,222,547	18,030,558	323,931	-
Sports Arena	176,188	347,209	-	-
Golf	1,254,001	847,876	-	-
Total Business-Type Activities	<u>28,223,266</u>	<u>30,406,043</u>	<u>476,602</u>	<u>-</u>
Total	<u>\$ 89,371,951</u>	<u>\$ 35,243,984</u>	<u>\$ 27,038,050</u>	<u>\$ 5,387,593</u>

GENERAL REVENUES

Taxes:

Property

Sales and Use

Franchise

Utility Users

Other

Unrestricted Investment Earnings

Gain on bond defeasance

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.

CITY OF PICO RIVERA, CALIFORNIA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (5,964,339)	\$ -	\$ (5,964,339)
(591,683)	-	(591,683)
(1,816,633)	-	(1,816,633)
(6,261,424)	-	(6,261,424)
(5,034,850)	-	(5,034,850)
(3,242,379)	-	(3,242,379)
(1,450,395)	-	(1,450,395)
<u>(24,361,703)</u>	<u>-</u>	<u>(24,361,703)</u>
-	1,762,541	1,762,541
-	1,131,942	1,131,942
-	171,021	171,021
-	(406,125)	(406,125)
<u>-</u>	<u>2,659,379</u>	<u>2,659,379</u>
<u>(24,361,703)</u>	<u>2,659,379</u>	<u>(21,702,324)</u>
13,831,113	-	13,831,113
24,551,320	-	24,551,320
1,956,998	-	1,956,998
3,567,128	-	3,567,128
1,926,617	-	1,926,617
(197,845)	449,236	251,391
-	683,028	683,028
889,854	-	889,854
<u>46,525,185</u>	<u>1,132,264</u>	<u>47,657,449</u>
22,163,482	3,791,643	25,955,125
<u>281,632,418</u>	<u>31,945,629</u>	<u>313,578,047</u>
<u>\$ 303,795,900</u>	<u>\$ 35,737,272</u>	<u>\$ 339,533,172</u>

See accompanying Notes to Financial Statements.

This page intentionally left blank.

CITY OF PICO RIVERA, CALIFORNIA
DESCRIPTION OF MAJOR FUNDS
JUNE 30, 2022

GOVERNMENTAL FUNDS

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

Housing Agency Section 8 Special Revenue Fund accounts for rental assistance expenditures incurred to assist very low and low-income families in meeting their housing needs. Funds are provided by the U.S. Department of Housing and Urban Development.

American Rescue Plan Special Revenue Fund accounts for funds received from the U.S. (federal) government to address the continued impact of COVID-19 (i.e., coronavirus disease 2019) on the economy, public health, state and local governments, individuals, and businesses.

2020 Series A COP Capital Projects Fund accounts for activity related to the City's capital projects that are funded by the 2020 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 operation 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, CALIFORNIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

		Special Revenue Funds	
		Housing Agency Section 8	American Rescue Plan
ASSETS	General		
Cash and Investments	\$ 37,176,143	\$ 574,038	\$ 4,544,655
Restricted Cash and Investments:			
Cash and Investments with Fiscal Agents	1,180,688	-	-
Escrow Deposits	-	515	-
Receivables:			
Accounts	557,472	-	-
Taxes	5,788,732	-	-
Interest	52,599	12	-
Due from Other Funds	5,052,308	-	-
Inventories	3,825	-	-
Lease Receivables	17,991	-	-
Advance to Other Funds	19,160,397	-	-
Long-Term Receivables	-	-	-
Prepaid Items	102,954	-	-
Land Held for Resale	1,701,360	-	-
Receivables from Successor Agency	13,360,588	-	-
Total Assets	<u>\$ 84,155,057</u>	<u>\$ 574,565</u>	<u>\$ 4,544,655</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,418,778	\$ 1,298	\$ -
Accrued Liabilities	1,110,820	36,350	-
Due to Other Funds	176,000	61,351	-
Deposits	702,759	515	-
Retention Payable	16,041	-	-
Unearned Revenue	-	-	4,544,655
Due to Other Agencies	-	-	-
Total Liabilities	<u>4,424,398</u>	<u>99,514</u>	<u>4,544,655</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	6,490,506	-	-
Deferred inflows of resources related to leases	17,991	-	-
Total Deferred Inflows of Resources	<u>6,508,497</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)			
Nonspendable	26,139,104	-	-
Restricted	1,180,688	475,051	-
Committed	24,517,211	-	-
Assigned	14,926,791	-	-
Unassigned	6,458,368	-	-
Total Fund Balances (Deficit)	<u>73,222,162</u>	<u>475,051</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 84,155,057</u>	<u>\$ 574,565</u>	<u>\$ 4,544,655</u>

See accompanying Notes to Financial Statements.

**CITY OF PICO RIVERA, CALIFORNIA
GOVERNMENTAL FUNDS
BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

Capital Projects Fund	Other	Total
2018 Series A COP	Governmental Funds	Governmental Funds
\$ -	\$ 36,116,863	\$ 78,411,699
14,085,985	-	15,266,673
-	-	515
-	2,340,005	2,897,477
-	431,924	6,220,656
-	20,787	73,398
-	-	5,052,308
-	-	3,825
-	-	17,991
-	-	19,160,397
-	3,865,948	3,865,948
-	-	102,954
-	-	1,701,360
-	1,639,164	14,999,752
<u>\$ 14,085,985</u>	<u>\$ 44,414,691</u>	<u>\$ 147,774,953</u>
\$ 1,274,118	\$ 1,583,357	\$ 5,277,551
2,803	71,071	1,221,044
373,037	1,234,805	1,845,193
-	-	703,274
59,236	239,642	314,919
-	-	4,544,655
-	3,863,920	3,863,920
<u>1,709,194</u>	<u>6,992,795</u>	<u>17,770,556</u>
-	1,757,005	8,247,511
-	-	17,991
<u>-</u>	<u>1,757,005</u>	<u>8,265,502</u>
-	-	26,139,104
12,376,791	24,577,156	38,609,686
-	-	24,517,211
-	11,590,609	26,517,400
-	(502,874)	5,955,494
<u>12,376,791</u>	<u>35,664,891</u>	<u>121,738,895</u>
<u>\$ 14,085,985</u>	<u>\$ 44,414,691</u>	<u>\$ 147,774,953</u>

See accompanying Notes to Financial Statements.

This page intentionally left blank.

CITY OF PICO RIVERA, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund Balances (Deficits) for Governmental Funds	\$ 121,738,895
---	----------------

Amounts reported for governmental activities in the statement of net position are different because:

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

Capital Assets	\$ 421,565,790	
Leased Assets	111,108	
Less: Accumulated Depreciation	<u>(158,124,564)</u>	
Subtotal		263,552,334

Interest receivable on certain long-term loans and certain grants receivable are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. In the statement of net position, these receivables are recognized as earned revenues.	8,247,511
--	-----------

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.	1,045,211
---	-----------

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	(1,468,505)
Claims Payable	(2,308,000)
Accrued Interest Payable	(360,897)
Lease Liability	(86,524)
Revenue Bonds Payable	(41,542,775)
Deferred Amount on Refunding	<u>1,566,426</u>
Subtotal	(44,200,275)

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	1,950,212	
Deferred Inflows of Resources Related to OPEB	(6,412,143)	
Net OPEB Liability	(14,846,687)	
Deferred Outflows of Resources Related to Pensions	3,379,958	
Deferred Inflows of Resources Related to Pensions	(7,416,559)	
Net Pension Liability	<u>(23,242,557)</u>	
Subtotal		<u>(46,587,776)</u>

Net Position of Governmental Activities	<u>\$ 303,795,900</u>
---	-----------------------

See accompanying Notes to Financial Statements.

**CITY OF PICO RIVERA, CALIFORNIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

		Special Revenue Funds	
	General	Housing Agency Section 8	American Rescue Plan
REVENUES			
Taxes and Assessments	\$ 42,417,105	\$ -	\$ -
Licenses and Permits	3,612,057	-	-
Intergovernmental	807,076	6,255,260	10,227,800
Charges for Services	1,309,387	-	-
Fines, Forfeitures, and Penalties	1,199,256	-	-
Investment and Rental	(906,232)	451	-
Miscellaneous	595,753	43,334	-
Total Revenues	<u>49,034,402</u>	<u>6,299,045</u>	<u>10,227,800</u>
EXPENDITURES			
Current:			
General Government	9,271,265	-	-
Public Safety	1,907,786	-	10,227,800
Public Works	8,553,652	-	-
Parks and Recreation	5,581,524	-	-
Health and Welfare	-	6,075,409	-
Community Development	10,652,585	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	955,000	-	-
Interest and Fiscal Charges	965,250	-	-
Lease Principal	24,584	-	-
Lease Interest	2,497	-	-
Total Expenditures	<u>37,914,143</u>	<u>6,075,409</u>	<u>10,227,800</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,120,259</u>	<u>223,636</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	1,479,066	-	-
Transfers Out	(12,577,135)	-	-
Total Other Financing Sources (Uses)	<u>(11,098,069)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	22,190	223,636	-
Fund Balances (Deficits) - Beginning of Year	<u>73,199,972</u>	<u>251,415</u>	<u>-</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 73,222,162</u>	<u>\$ 475,051</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CITY OF PICO RIVERA, CALIFORNIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Capital Projects Fund 2018 Series A COP	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,893,796	\$ 44,310,901
-	-	3,612,057
-	16,065,596	33,355,732
-	128,110	1,437,497
-	-	1,199,256
8,290	538,107	(359,384)
23	594,299	1,233,409
<u>8,313</u>	<u>19,219,908</u>	<u>84,789,468</u>
-	37,971	9,309,236
-	-	12,135,586
-	8,820,527	17,374,179
-	1,504,458	7,085,982
-	339,076	6,414,485
-	906,281	11,558,866
2,340,156	219,003	2,559,159
275,000	-	1,230,000
557,169	-	1,522,419
-	-	24,584
-	-	2,497
<u>3,172,325</u>	<u>11,827,316</u>	<u>69,216,993</u>
<u>(3,164,012)</u>	<u>7,392,592</u>	<u>15,572,475</u>
832,169	11,577,135	13,888,370
-	(2,311,235)	(14,888,370)
<u>832,169</u>	<u>9,265,900</u>	<u>(1,000,000)</u>
(2,331,843)	16,658,492	14,572,475
<u>14,708,634</u>	<u>19,006,399</u>	<u>107,166,420</u>
<u>\$ 12,376,791</u>	<u>\$ 35,664,891</u>	<u>\$ 121,738,895</u>

See accompanying Notes to Financial Statements.

CITY OF PICO RIVERA, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 14,572,475

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	\$ 9,624,234	
Loss on Disposal	(929,664)	
Depreciation Expense	<u>(5,936,582)</u>	
Subtotal		2,757,988

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	51,265	
Grant and Other Revenue Not Available to Pay for Current-Period Expenditures	<u>(1,517,471)</u>	
Subtotal		(1,466,206)

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	(612,000)	
Net Change in Compensated Absences	<u>(38,003)</u>	
Subtotal		(650,003)

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	1,230,000	
Principal Payments on Lease Liabilities	24,584	
Amortization of Deferred Bond Charges	65,329	
Change in Accrued Interest	<u>9,192</u>	
Subtotal		1,329,105

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

1,213,537

OPEB expense reported in the governmental funds includes the insurance premiums paid. In the statement of activities, OPEB expenses includes the change in the OPEB liability, and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.

1,446,692

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.

2,959,894

Change in Net Position of Governmental Activities

\$ 22,163,482

See accompanying Notes to Financial Statements.

**CITY OF PICO RIVERA, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	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	\$ 15,629,654	\$ 7,604,033	\$ 422,208	\$ 23,655,895	\$ 1,046,917
Receivables, Net:					
Accounts	1,890,024	3,867,901	121,592	5,879,517	-
Interest	17,222	-	381	17,603	1,154
Due from Successor Agency	176,000	-	-	176,000	-
Inventories, at Cost	-	-	24,005	24,005	-
Total Current Assets	<u>17,712,900</u>	<u>11,471,934</u>	<u>568,186</u>	<u>29,753,020</u>	<u>1,048,071</u>
Noncurrent Assets:					
Restricted Cash and Investments with Fiscal Agent	873,136	200,000	-	1,073,136	-
Receivables from Successor Agency	189,699	-	-	189,699	-
Capital Assets, Not Depreciated	28,014,156	-	42,313	28,056,469	-
Capital Assets, Depreciated, Net	21,601,289	-	240,521	21,841,810	-
Total Noncurrent Assets	<u>50,678,280</u>	<u>200,000</u>	<u>282,834</u>	<u>51,161,114</u>	<u>-</u>
Total Assets	<u>68,391,180</u>	<u>11,671,934</u>	<u>851,020</u>	<u>80,914,134</u>	<u>1,048,071</u>
DEFERRED OUTFLOWS OF RESOURCES					
Amounts Related to OPEB	192,214	17,278	-	209,492	-
Amount Related to Pensions	690,206	54,061	11,503	755,770	-
Total Deferred Outflows of Resources	<u>882,420</u>	<u>71,339</u>	<u>11,503</u>	<u>965,262</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	721,270	2,452,414	195,893	3,369,577	2,860
Accrued Interest Payable	85,296	-	-	85,296	-
Accrued Liabilities	143,048	263,817	55,323	462,188	-
Due to Other Funds	-	3,383,115	-	3,383,115	-
Unearned Revenue	10,858	-	-	10,858	-
Deposits	596,634	-	1,800	598,434	-
Retentions Payable	40,027	-	-	40,027	-
Bonds Payable - Current Portion	1,125,000	-	-	1,125,000	-
Compensated Absences - Current Portion	25,579	3,316	-	28,895	-
Total Current Liabilities	<u>2,747,712</u>	<u>6,102,662</u>	<u>253,016</u>	<u>9,103,390</u>	<u>2,860</u>
Noncurrent Liabilities:					
Advance from Other Funds	16,084,289	-	3,076,108	19,160,397	-
Bonds Payable	8,452,364	-	-	8,452,364	-
Compensated Absences	230,211	29,841	-	260,052	-
Net OPEB Liability	1,463,295	131,532	-	1,594,827	-
Net Pension Liability	4,761,942	372,982	79,361	5,214,285	-
Total Noncurrent Liabilities	<u>30,992,101</u>	<u>534,355</u>	<u>3,155,469</u>	<u>34,681,925</u>	<u>-</u>
Total Liabilities	<u>33,739,813</u>	<u>6,637,017</u>	<u>3,408,485</u>	<u>43,785,315</u>	<u>2,860</u>
DEFERRED INFLOWS OF RESOURCES					
Amounts Related to OPEB	631,983	56,807	-	688,790	-
Amounts Related to Pensions	1,523,317	119,315	25,387	1,668,019	-
Total Deferred Inflows of Resources	<u>2,155,300</u>	<u>176,122</u>	<u>25,387</u>	<u>2,356,809</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	39,998,054	-	282,834	40,280,888	-
Unrestricted	<u>(6,619,567)</u>	<u>4,930,134</u>	<u>(2,854,183)</u>	<u>(4,543,616)</u>	<u>1,045,211</u>
Total Net Position	<u>\$ 33,378,487</u>	<u>\$ 4,930,134</u>	<u>\$ (2,571,349)</u>	<u>\$ 35,737,272</u>	<u>\$ 1,045,211</u>

See accompanying Notes to Financial Statements.

CITY OF PICO RIVERA, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Pico Rivera				Equipment Replacement Internal Service Fund
	Water Operations	Innovative Municipal Energy	Other Funds	Total	
OPERATING REVENUES					
Charges for Services	\$ 11,151,961	\$ 17,973,913	\$ 1,194,916	\$ 30,320,790	\$ -
Miscellaneous	28,439	56,645	169	85,253	236,861
Total Operating Revenues	<u>11,180,400</u>	<u>18,030,558</u>	<u>1,195,085</u>	<u>30,406,043</u>	<u>236,861</u>
OPERATING EXPENSES					
Cost of Power	-	16,609,791	-	16,609,791	-
Salaries and Benefits	3,535,743	(423,772)	69,723	3,181,694	-
Contractual Services	187,396	686,885	198,851	1,073,132	-
Insurance Claims and Expenses	294,594	169	1,192	295,955	-
Administrative	2,854,537	349,474	868,362	4,072,373	-
Utilities	483,659	-	193,762	677,421	-
Repairs and Maintenance	336,642	-	41,531	378,173	12,229
Depreciation	772,972	-	56,768	829,740	-
Total Operating Expenses	<u>8,465,543</u>	<u>17,222,547</u>	<u>1,430,189</u>	<u>27,118,279</u>	<u>12,229</u>
OPERATING INCOME (LOSS)	<u>2,714,857</u>	<u>808,011</u>	<u>(235,104)</u>	<u>3,287,764</u>	<u>224,632</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	441,085	13,481	(5,330)	449,236	(11,095)
Grants	152,671	323,931	-	476,602	-
Gain on bond defeasance	683,028			683,028	
Interest Expense	(1,104,987)	-	-	(1,104,987)	-
Total Nonoperating Revenues (Expenses)	<u>171,797</u>	<u>337,412</u>	<u>(5,330)</u>	<u>503,879</u>	<u>(11,095)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>2,886,654</u>	<u>1,145,423</u>	<u>(240,434)</u>	<u>3,791,643</u>	<u>213,537</u>
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
CHANGES IN NET POSITION	<u>2,886,654</u>	<u>1,145,423</u>	<u>(240,434)</u>	<u>3,791,643</u>	<u>1,213,537</u>
Net Position - Beginning of Year	<u>30,491,833</u>	<u>3,784,711</u>	<u>(2,330,915)</u>	<u>31,945,629</u>	<u>(168,326)</u>
NET POSITION - END OF YEAR	<u>\$ 33,378,487</u>	<u>\$ 4,930,134</u>	<u>\$ (2,571,349)</u>	<u>\$ 35,737,272</u>	<u>\$ 1,045,211</u>

See accompanying Notes to Financial Statements.

**CITY OF PICO RIVERA, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

	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	\$ 10,853,672	\$ 17,180,422	\$ 1,092,370	\$ 29,126,464	\$ 236,861
Payments to Suppliers	(5,755,194)	(17,001,774)	(1,254,544)	(24,011,512)	(9,369)
Payments to Employees	(2,591,870)	(310,369)	(78,878)	(2,981,117)	-
Net Cash Provided (Used) by Operating Activities	2,506,608	(131,721)	(241,052)	2,133,835	227,492
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Proceeds (Repayments) of Long-Term Advances	(261,971)	-	-	(261,971)	-
Grants received	152,671	323,931	-	476,602	-
Cash Paid to Other Funds	-	-	-	-	(168,326)
Cash Received from Other Funds	20,120,000	478,629	(48,054)	20,550,575	1,000,000
Net Cash Provided (Used) by Noncapital Activities	20,010,700	802,560	(48,054)	20,765,206	831,674
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(4,269,956)	-	-	(4,269,956)	-
Principal Retired	(20,180,000)	-	-	(20,180,000)	-
Interest Paid	(1,254,165)	-	-	(1,254,165)	-
Net Cash Used by Capital and Related Financing Activities	(25,704,121)	-	-	(25,704,121)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
FMV Adjustment	(220,292)	-	(5,956)	(226,248)	(12,991)
Interest Received	767,190	13,481	344	781,015	742
Net Cash Provided (Used) by Investing Activities	546,898	13,481	(5,612)	554,767	(12,249)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,639,915)	684,320	(294,718)	(2,250,313)	1,046,917
Cash and Cash Equivalents - Beginning of Year	19,142,705	7,119,713	716,926	26,979,344	-
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 16,502,790</u>	<u>\$ 7,804,033</u>	<u>\$ 422,208</u>	<u>\$ 24,729,031</u>	<u>\$ 1,046,917</u>

See accompanying Notes to Financial Statements.

CITY OF PICO RIVERA, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	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)	\$ 2,714,857	\$ 808,011	\$ (235,104)	\$ 3,287,764	\$ 224,632
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	772,972	-	56,768	829,740	-
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
(Increase) Decrease in Accounts Receivable	(246,477)	(850,136)	(102,715)	(1,199,328)	-
(Increase) Decrease in Deferred Outflows of Resources - Amount Related to OPEB	(77,801)	(4,127)	-	(81,928)	-
(Increase) Decrease in Deferred Outflows of Resources - Amount Related to Pensions	(84,428)	98,576	2,807	16,955	-
Increase (Decrease) in Accounts Payable	(1,637,642)	644,545	51,124	(941,973)	2,860
Increase (Decrease) in Accrued Liabilities	47,862	46,145	3,791	97,798	-
Increase (Decrease) in Unearned	975	-	-	975	-
Increase (Decrease) in Deposits Payable	(81,226)	-	-	(81,226)	-
Increase (Decrease) in Retentions Payable	39,276	-	-	39,276	-
Increase (Decrease) in Net OPEB Liability	(472,876)	(91,016)	-	(563,892)	-
Increase (Decrease) in Net Pension Liability	(414,615)	(931,347)	(42,920)	(1,388,882)	-
Increase (Decrease) in Compensated Absences	(23,620)	(6,021)	-	(29,641)	-
Increase (Decrease) in Deferred Inflows of Resources - Amounts Related to OPEB	454,060	36,356	-	490,416	-
Increase (Decrease) in Deferred Inflows of Resources - Amounts Related to Pensions	1,515,291	117,293	25,197	1,657,781	-
Total Adjustments	<u>(208,249)</u>	<u>(939,732)</u>	<u>(5,948)</u>	<u>(1,153,929)</u>	<u>2,860</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,506,608</u>	<u>\$ (131,721)</u>	<u>\$ (241,052)</u>	<u>\$ 2,133,835</u>	<u>\$ 227,492</u>

See accompanying Notes to Financial Statements.

**CITY OF PICO RIVERA, CALIFORNIA
FIDUCIARY FUND
DESCRIPTION OF FIDUCIARY FUND
JUNE 30, 2022**

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, CALIFORNIA
FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	Successor Agency to the City of Pico Rivera Redevelopment Agency Private-Purpose Trust Fund
ASSETS	
Cash and Investments	\$ 7,179,874
Restricted Cash and Investments:	
Cash and Investments with Fiscal Agents	3,520
Accounts Receivable	1,026
Interest Receivable	17,076
Loans Receivable	332,597
Land Held for Resale	75,400
Capital Assets:	
Capital Assets, Not Depreciated	258,023
Capital Assets, Depreciated, Net	57,056
Total Assets	<u>7,924,572</u>
DEFERRED OUTFLOWS OF RESOURCES	
Loss on Refunding	<u>774,296</u>
LIABILITIES	
Accrued Liabilities	4,172
Interest Payable	16,950
Payable to City of Pico Rivera	47,342,448
Payable to Pico Rivera Housing Assistance Agency	1,639,164
Payable to the County of Los Angeles	47,875,556
Bond payable	13,470,000
Total Liabilities	<u>110,348,290</u>
NET POSITION	
Held in Trust for Successor Agency	<u>(101,649,422)</u>
Total Net Position	<u><u>\$ (101,649,422)</u></u>

See accompanying Notes to Financial Statements.

**CITY OF PICO RIVERA, CALIFORNIA
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022**

	Successor Agency to the City of Pico Rivera Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS	
Taxes	\$ 4,957,246
Contributions	6,065,000
Investment Earnings	(170,968)
Total Additions	<u>10,851,278</u>
DEDUCTIONS	
Administrative Expenses	64,255
Interest	2,612,008
Depreciation	4,369
Total Deductions	<u>2,680,632</u>
CHANGE IN NET POSITION	8,170,646
Net Position - Beginning of Year	<u>(109,820,068)</u>
NET POSITION - END OF YEAR	<u><u>\$ (101,649,422)</u></u>

See accompanying Notes to Financial Statements.

This page intentionally left blank.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 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.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Description of the Reporting Entity (Continued)

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

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 of activities (i.e., the government-wide financial statements) display information on all of the nonfiduciary activities of the primary government (the City) and its blended component units. Eliminations have been made to minimize the effect of interfund activity. These statements distinguish between the City's governmental and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

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

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.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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."

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.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

The American Rescue Plan Special Revenue Fund accounts for funds received from the U.S. (federal) government for expenditures incurred to address the continued impact of COVID-19 (i.e., coronavirus disease 2019) on the economy, public health, state and local governments, individuals, and businesses.

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.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

D. New Accounting Pronouncements

GASB 87

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized 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. Under this standard, 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.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 fair 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."

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.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories and Prepaid Items (Continued)

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

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.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets 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.
- Deferred outflows related to pensions 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 through the plans.
- Deferred outflows related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. These amounts are amortized over five years.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 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 a acquisition of net asset 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 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 OPEB through the plan.
- Deferred inflows related to pensions and 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 and OPEB through the plans.
- Deferred inflows related to pensions 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 expenditure.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

P. Postemployment Benefits Other Than Pensions (OPEB)

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

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.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Balances (Continued)

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

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

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

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

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.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 2 CASH AND INVESTMENTS

Cash and Investments

Cash and investments at June 30, 2022, are classified in the accompanying financial statements as follows:

	Statement of Net Position		
	Government	Fiduciary	
	Wide	Funds	Total
Unrestricted Assets:			
Cash and Investments	\$ 103,114,511	\$ 7,179,874	\$ 110,294,385
Restricted Cash and Investments:			
Cash and Investments with Fiscal Agents	16,339,809	3,520	16,343,329
Escrow Deposits	515	-	515
Total Cash and Investments	<u>\$ 119,454,835</u>	<u>\$ 7,183,394</u>	<u>\$ 126,638,229</u>

Cash and investments at June 30, 2022, consisted of the following:

Cash on Hand	\$ 9,372
Deposits with Financial Institutions	13,533,093
Investments	113,095,764
Total Cash and Investments	<u>\$ 126,638,229</u>

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

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

**CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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

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%
Municipal Securities	5 years	30%	5%
Commercial Paper	270 days	25%	5%
Corporate Medium Term Notes	5 years	30%	5%
Collateralized Mortgage Obligations	5 years	20%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
Supranational Securities	N/A	20%	10%
Local Government 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, 2022**

NOTE 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	\$ 71,039,487	\$ -	\$ -	\$ 71,039,487
U.S. Government Sponsored				
Agency Securities	1,692,019	2,590,192	468,101	4,750,312
U.S. Treasury Notes	2,074,445	3,731,781	6,306,705	12,112,931
Money Market Mutual Funds	197,231	-	-	197,231
Collateralized Mortgage Obligations	784,332	401,976	-	1,186,308
Supranational	-	507,140	639,339	1,146,479
Medium-Term Notes	1,089,782	2,356,873	3,073,032	6,519,687
Held by Fiscal Agent:				
Money Market Mutual Funds	14,962,641	-	-	14,962,641
PARS Trust Pooled Investments	1,180,688	-	-	1,180,688
Total	<u>\$ 93,020,625</u>	<u>\$ 9,587,962</u>	<u>\$ 10,487,177</u>	<u>\$ 113,095,764</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 June 30, 2022	Rating as of Fiscal Year-End				Not Rated
			AAA	AA+	AA	Other	
Local Agency Investment Fund	N/A	\$ 71,039,487	\$ -	\$ -	\$ -	\$ -	\$ 71,039,487
U.S. Government Sponsored							
Agency Securities	N/A	4,750,312	-	4,750,312	-	-	-
U.S. Treasury Notes*	N/A	12,112,931	-	-	-	-	12,112,931
Money Market Mutual Funds	N/A	197,231	197,231	-	-	-	-
Supranational	A	1,146,479	1,146,479	-	-	-	-
Collateralized Mortgage Obligations	A	1,186,308	-	-	-	-	1,186,308
Certificates of Deposits							
Medium-Term Notes	A	6,519,687	1,344,416	278,016	264,102	3,833,052	800,101
Held by Fiscal Agent:							
Money Market Mutual Funds	N/A	14,962,641	14,962,641	-	-	-	-
PARS Trust Pooled Investments	N/A	1,180,688	-	-	-	-	1,180,688
Total		<u>\$ 113,095,764</u>	<u>\$ 17,650,767</u>	<u>\$ 5,028,328</u>	<u>\$ 264,102</u>	<u>\$ 3,833,052</u>	<u>\$ 86,319,515</u>

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

**CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 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 June 30, 2022	Rating as of Fiscal Year-End			
		AA-	A+	A	A-
Medium-Term Notes	\$ 3,833,052	\$ 253,536	\$ 769,202	\$ 2,466,873	\$ 343,441

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 fair 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, 2022, the City and the Successor Agency deposits (bank balances) were insured by the Federal Deposit Insurance Corporation and the remaining balances were collateralized under California law.

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

Investment in Local Agency Investment Fund

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized-cost basis.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Cash and Investments – Pension Trust

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

Fair Value Measurements

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

Assets classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices

	Level 1	Level 2	Level 3	Total
Held by Trustee:				
Supranational	\$ -	\$ 1,146,479	\$ -	\$ 1,146,479
Collateralized Mortgage Obligations	-	1,186,308	-	1,186,308
Medium-Term Notes	-	6,519,687	-	6,519,687
U.S. Treasury Notes	-	12,112,931	-	12,112,931
U.S. Government Sponsored Agency Securities	-	4,750,312	-	4,750,312
Total Leveled Investments	<u>\$ -</u>	<u>\$ 25,715,717</u>	<u>\$ -</u>	<u>25,715,717</u>
Investments Not Subject to Fair Value Hierarchy:				
Local Agency Investment Fund				71,039,487
Money Market Mutual Funds				197,231
Held by Trustee:				
Money Market Mutual Funds				14,962,641
PARS Trust Pooled Investments				1,180,688
Total Investment Portfolio				<u>\$ 113,095,764</u>

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2022, is as follows:

Advances To/From Other Funds

<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>	<u>Amount</u>
General Fund	Water Operations Enterprise Fund	\$ 16,084,289
	Golf Course Enterprise Fund	3,076,108
	Total	<u>\$ 19,160,397</u>

In 1999, the Water Authority received an advance from the City's General Fund in connection with the acquisition of water operation capital assets. The Water Authority is obligated to pay off this advance from surplus revenues over 50 years. No interest accrues on this advance. Payments will vary with the level of surplus revenues. No payments were made in fiscal year 2021-22. The City adjusted the balance by \$261,971 for excess of fund in the reserve requirement. The balance of the advance at June 30, 2022, is \$16,084,289. 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 16 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, 2022, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Housing Agency Section 8 Special Revenue Fund	\$ 61,351
	2018 Series A COP Capital Projects Fund	373,037
	Other Governmental Funds	1,234,805
	PRIME Enterprise Fund	3,383,115
Water Operations Enterprise Fund	General Fund	176,000
	Total	<u>\$ 5,228,308</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, 2022**

NOTE 3 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Transfers

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Other Governmental Funds (1) Equipment Replacement Internal Service Fund (1)	\$ 11,577,135 1,000,000
Other Governmental Funds	General Fund (2) 2018 Series A COP Capital Projects Fund (3)	1,479,066 832,169
	Total	<u>\$ 14,888,370</u>

- (1) The General Fund transferred \$11,577,135 to Other Governmental Fund and \$1,000,000 to Equipment Replacement Fund for vehicle and equipment replacement.
- (2) The Other Governmental funds – State Gas Tax Fund transferred \$1,479,066 to General Fund for approved street maintenance activities.
- (3) The Other Governmental Fund - Measure M transferred \$832,169 for debt service on the 2018 Series A Certificates of Participation.

NOTE 4 LONG-TERM RECEIVABLES

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, 2022, is \$2,586,210 and is included in the HOME Grant Special Revenue Fund. At June 30, 2022, the City has an allowance of \$815,629 against the outstanding interest receivable related to these loans, as the City cannot ensure the collectability of this balance.

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, 2022, totaled \$176,409. At June 30, 2022, the City has an allowance of \$40,321 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, 2022

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

Loans receivable consists of low-interest home improvement loans made from the CalHOME Grant Special Revenue Fund. 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, 2022, is \$1,103,329. At June 30, 2022, the City has an allowance of \$136,865 against the outstanding interest receivable related to these loans, as the City cannot ensure the collectability of this balance.

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 \$50,003 allowance, at June 30, 2022 were zero.

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 and interest balance at June 30, 2022, was \$287,050 and \$109,617. The City has an allowance against the outstanding principal and interest as the City cannot ensure the collectability of this loan.

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	\$ 17,814,118	\$ -	\$ 252,932
Sales Tax Deferral Loan to Allow Former Redevelopment Agency to Meet its Debt Service Obligations	29,275,398	-	-
Loans to Make Payments to Supplemental Educational Revenue Augmentation Fund	-	1,639,164	-
Purchase of Former Redevelopment Agency's Tax Allocation Bonds, Series 2001 Treated as a Loan (See Note 15 for details)	-	-	-
Subtotal	47,089,516	1,639,164	252,932
Reserve on Long-Term Loans	(4,453,530)	-	(63,233)
Reserve on Sales Tax Deferral Loan	(29,275,398)	-	-
Total	<u>\$ 13,360,588</u>	<u>\$ 1,639,164</u>	<u>\$ 189,699</u>

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 CAPITAL AND LEASED ASSETS

Governmental Activities

Capital and leased asset activity for the year ended June 30, 2022, was as follows:

	Balance at July 1, 2021	Additions	Deletions	Transfers of Construction In Progress	Balance at June 30, 2022
Capital Assets, Not Being Depreciated:					
Land	\$ 118,908,710	\$ -	\$ -	\$ -	\$ 118,908,710
Construction in Progress	19,461,809	9,354,436	(929,664)	(5,201,737)	22,684,844
Total Capital Assets, Not Being Depreciated	138,370,519	9,354,436	(929,664)	(5,201,737)	141,593,554
Capital Assets, Being Depreciated:					
Structures and Improvements	25,590,725	-	-	-	25,590,725
Furniture and Equipment	7,021,999	269,798	-	-	7,291,797
Infrastructure	241,887,977	-	-	5,201,737	247,089,714
Total Capital Assets, Being Depreciated	274,500,701	269,798	-	5,201,737	279,972,236
Less Accumulated Depreciation for:					
Structures and Improvements	(12,595,633)	(525,359)	-	-	(13,120,992)
Furniture and Equipment	(5,728,611)	(243,093)	-	-	(5,971,704)
Infrastructure	(133,863,738)	(5,142,645)	-	-	(139,006,383)
Total Accumulated Depreciation	(152,187,982)	(5,911,097)	-	-	(158,099,079)
Total Capital Assets, Being Depreciated, Net	122,312,719	(5,641,299)	-	5,201,737	121,873,157
Leased Assets					
Right to Use Asset - Equipment	111,108	-	-	-	111,108
Accumulated amortization	-	(25,485)	-	-	(25,485)
Total Capital Assets, Not Being Depreciated	111,108	(25,485)	-	-	85,623
Governmental Activities Capital and Leased Assets	<u>\$ 260,794,346</u>	<u>\$ 3,687,652</u>	<u>\$ (929,664)</u>	<u>\$ -</u>	<u>\$ 263,552,334</u>

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

General Government	\$ 404,685
Public Safety	9,117
Public Works	4,421,619
Parks and Recreation	1,072,389
Community Development	3,287
Total Depreciation Expense	<u>\$ 5,911,097</u>

Amortization expense was charged to general government.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 CAPITAL ASSETS (CONTINUED)

Business-Type Activities

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance at July 1, 2021	Additions	Deletions	Transfers of Construction In Progress	Balance at June 30, 2022
Capital Assets, Not Being Depreciated:					
Land	\$ 18,174,060	\$ -	\$ -	\$ -	\$ 18,174,060
Rights of Way	5,579,916	-	-	-	5,579,916
Construction in Progress	2,061,999	4,063,374	(185,809)	(1,637,071)	4,302,493
Total Capital Assets, Not Being Depreciated	25,815,975	4,063,374	(185,809)	(1,637,071)	28,056,469
Capital Assets, Being Depreciated:					
Structures and Improvements	5,228,051	-	-	-	5,228,051
Utility Plant in Service	21,785,673	-	-	-	21,785,673
Equipment	1,081,077	392,391	-	-	1,473,468
Infrastructure	16,055,216	-	-	1,637,071	17,692,287
Total Capital Assets, Being Depreciated	44,150,017	392,391	-	1,637,071	46,179,479
Less Accumulated Depreciation for:					
Structures and Improvements	(4,205,940)	(71,553)	-	-	(4,277,493)
Utility Plant in Service	(8,007,905)	(336,986)	-	-	(8,344,891)
Equipment	(1,018,792)	(36,233)	-	-	(1,055,025)
Infrastructure	(10,275,292)	(384,968)	-	-	(10,660,260)
Total Accumulated Depreciation	(23,507,929)	(829,740)	-	-	(24,337,669)
Total Capital Assets, Being Depreciated, Net	20,642,088	(437,349)	-	1,637,071	21,841,810
Business-Type Activities Capital Assets, Net	\$ 46,458,063	\$ 3,626,025	\$ (185,809)	\$ -	\$ 49,898,279

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

Water Operations	\$ 772,972
Sports Arena	30,305
Golf Course	26,463
Total Depreciation Expense	<u>\$ 829,740</u>

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 LONG-TERM LIABILITIES

Changes in long-term liabilities activity for the year ended June 30, 2022, were as follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022	Due Within One Year	Due in More Than One Year
Governmental Activities:						
Other Debt:						
2016 Lease Revenue Bonds	\$ 25,915,000	\$ -	\$ (955,000)	\$ 24,960,000	\$ 995,000	\$ 23,965,000
Bond Premium	2,412,238	-	(134,028)	2,278,210	-	2,278,210
2018 Series A Certificates of Participation	13,970,000	-	(275,000)	13,695,000	290,000	13,405,000
Bond Premium	633,010	-	(23,445)	609,565	-	609,565
Other Liabilities:						
Lease Liability	111,108		(24,584)	86,524	25,205	61,319
Compensated Absences	1,430,502	659,250	(621,247)	1,468,505	286,100	1,182,405
Claims and Judgements	1,696,000	923,371	(311,371)	2,308,000	858,000	1,450,000
Total Governmental Activities	<u>\$ 46,167,858</u>	<u>\$ 1,582,621</u>	<u>\$ (2,344,675)</u>	<u>\$ 45,405,804</u>	<u>\$ 2,454,305</u>	<u>\$ 42,951,499</u>
Business-Type Activities:						
Other Debt:						
Revenue Bonds Payable	\$ 29,485,000	\$ -	\$ (20,180,000)	\$ 9,305,000	\$ 1,125,000	\$ 8,180,000
Add (Less):						
Bond Premium	312,225	-	(39,861)	272,364	-	272,364
Bond Discount	(251,506)	-	251,506	-	-	-
Subtotal Revenue Bonds Payable	29,545,719	-	(19,968,355)	9,577,364	1,125,000	8,452,364
Other Liabilities:						
Compensated Absences	318,588	91,267	(120,908)	288,947	28,895	260,052
Total Business-Type Activities	<u>\$ 29,864,307</u>	<u>\$ 91,267</u>	<u>\$ (20,089,263)</u>	<u>\$ 9,866,311</u>	<u>\$ 1,153,895</u>	<u>\$ 8,712,416</u>

Governmental Activities

Compensated Absences

The City's policies relating to compensated absences are described in Note 1L. The liability amounts of \$1,468,505 at June 30, 2022, 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.

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, 2022

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

2016 Lease Revenue Bonds (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,085,000	828,200	1,913,200
2027	1,130,000	783,900	1,913,900
2028 - 2032	6,260,000	3,300,000	9,560,000
2033 - 2037	7,920,000	1,593,413	9,513,413
2038 - 2040	5,475,000	249,675	5,724,675
Total	<u>\$ 24,960,000</u>	<u>\$ 9,430,763</u>	<u>\$ 34,390,763</u>

2018 Series A Certificates of Participation

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

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 290,000	\$ 546,169	\$ 836,169
2024	300,000	531,669	831,669
2025	320,000	516,669	836,669
2026	335,000	500,669	835,669
2027	350,000	483,919	833,919
2028 - 2032	2,030,000	2,138,594	4,168,594
2033 - 2037	2,570,000	1,603,525	4,173,525
2038 - 2042	3,060,000	1,105,825	4,165,825
2043 - 2047	3,635,000	531,300	4,166,300
2048	805,000	28,175	833,175
Total	<u>\$ 13,695,000</u>	<u>\$ 7,986,514</u>	<u>\$ 21,681,514</u>

Business-Type Activities

Compensated Absences

The City's policies relating to compensated absences are described in Note 1L. The liability amount of \$288,947 at June 30, 2022, is expected to be paid in future years from future resources.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 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, 2022, is \$600,000.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,320,000	315,425	1,635,425
2027	1,395,000	242,825	1,637,825
2028	1,470,000	166,100	1,636,100
2029	1,550,000	85,250	1,635,250
Total	<u>\$ 9,305,000</u>	<u>\$ 2,155,725</u>	<u>\$ 11,460,725</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. During the fiscal year, the Bonds were paid off, see details on Note 15.

NOTE 7 COMMITMENTS AND CONTINGENCIES

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.

**CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

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, 2022, totaled \$376,249.

NOTE 8 DEFINED BENEFIT PENSION PLANS

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, 2022**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2021, the measurement date, are summarized as follows:

	Miscellaneous Plan		
	Prior to June 26, 2012	On or After 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 Percent of Eligible Compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates	7.30%	7.30%	6.25%
Required Employer Contribution Rates:			
Normal Cost Rate	10.970%	11.290%	7.860%
Payment of Unfunded Liability	\$ 3,012,659	\$ -	\$ -

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.

**CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

City Council Retirement Enhancement Plan (Continued)

The Council Plan provisions and benefits in effect at June 30, 2022, the measurement date, are summarized as follows:

	<u>Council Plan</u> Prior to <u>January 1, 2013</u>
Hire Date	
Benefit Formula	<u>4%@55</u>
Benefit Vesting Schedule	5 years of service
Benefit Payments	monthly for life
Retirement Age	55
Monthly Benefits, as a Percent of Eligible Compensation	1.67% to 3.33%
Required Employee Contribution Rates	0.0%
Required Employer Contribution Rates	33.70%

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	272	5
Inactive Employees Entitled to But		
Not Yet Receiving Benefits	153	2
Active Employees	<u>135</u>	<u>1</u>
Total	<u><u>560</u></u>	<u><u>8</u></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. During the fiscal year June 30, 2022, the City contributed \$4,115,660 and \$3,591 to the Miscellaneous Plan and Council Plan, respectively.

**CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The net pension liability of the Council Plan is measured as of June 30, 2022, using an actuarial valuation date of June 30, 2022. 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, 2020 and June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Council Plan</u>
Valuation Date	June 30, 2020	June 30, 2022
Measurement Date	June 30, 2021	June 30, 2022
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)	0.00%
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: Consistent with the Non-Industrial rates used to value the Miscellaneous Agency CalPERS pension Plans after June 30, 2017

(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

There were no changes in the assumptions in the current year.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2022

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Estate	13.00	3.75	4.93
Liquidity	1.00	-	(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, 2022.

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	6.96 %	0.21 %	0.20 %
U.S. Core Fixed Income	35.98	1.95	1.84
U.S. Equity Market	45.73	5.70	4.10
Foreign Developed Equity	5.58	7.30	5.56
Emerging Markets Equity	3.74	9.44	5.97
U.S. REITs	2.01	6.27	4.11
Total	<u>100.00 %</u>		

(a) An expected inflation of 1.25% used in calculating the long-term expected rate of return.

Subsequent Events

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

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2020 (Measurement Date)	\$ 119,635,936	\$ 78,875,641	\$ 40,760,295
Changes in the Year:			
Service Cost	1,825,934	-	1,825,934
Interest on the Total Pension Liability	8,390,682	-	8,390,682
Differences between Expected and Actual Experience	(227,395)	-	(227,395)
Changes in Assumptions	-	-	-
Plan-to-Plan Resource Movement	-	-	-
Contribution - Employer	-	3,785,703	(3,785,703)
Contribution - Employee	-	773,207	(773,207)
Net Investment Income	-	17,874,219	(17,874,219)
Administrative Expenses	-	(78,792)	78,792
Benefit Payments, Including Refunds of Employee Contributions	(5,938,611)	(5,938,611)	-
Net Changes	<u>4,050,610</u>	<u>16,415,726</u>	<u>(12,365,116)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 123,686,546</u>	<u>\$ 95,291,367</u>	<u>\$ 28,395,179</u>

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability (Continued)

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2021 (Measurement Date)	\$ 222,309	\$ 199,687	\$ 22,622
Changes in the Year:			
Service Cost	748	-	748
Interest on the Total Pension Liability	14,044	-	14,044
Differences between Actual and Expected Experience	-	-	-
Changes in Economic/Demographic	-	-	-
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Contribution - Employer	-	3,591	(3,591)
Contribution - Employee	-	-	-
Net Investment Income	-	(26,881)	26,881
Administrative Expenses	-	(959)	959
Benefit Payments, Including Refunds of Employee Contributions	(14,214)	(14,214)	-
Net Changes	578	(38,463)	39,041
Balance at June 30, 2022 (Measurement Date)	<u>\$ 222,887</u>	<u>\$ 161,224</u>	<u>\$ 61,663</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		
	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability	<u>\$ 44,413,608</u>	<u>\$ 28,395,179</u>	<u>\$ 15,110,486</u>
	Council		
	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Net Pension Liability	<u>\$ 83,579</u>	<u>\$ 61,663</u>	<u>\$ 43,279</u>

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

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

For the year ended June 30, 2022, the City recognized pension expense of \$1,699,798 and \$20,171 for the miscellaneous and council plans, respectively. At June 30, 2022, 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	\$ 4,115,660	\$ -
Differences Between Expected and Actual Experience	-	(173,109)
Change in Assumptions	-	-
Net Differences Between Projected and Actual		
Earnings on Plan Investments	-	(8,910,340)
Total Miscellaneous Plan	<u>\$ 4,115,660</u>	<u>\$ (9,083,449)</u>
 Differences Between Expected and Actual Experience	 \$ 3,728	 \$ (1,129)
Change in Assumptions	1,357	-
Net Differences Between Projected and Actual		
Earnings on Plan Investments	14,983	-
Total Council Plan	<u>\$ 20,068</u>	<u>\$ (1,129)</u>

An amount of \$4,115,660 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Miscellaneous</u>	<u>Council</u>
2023	\$ (2,369,766)	\$ 6,800
2024	(2,119,796)	2,792
2025	(2,135,117)	1,449
2026	(2,458,770)	7,898
2027	-	-
Thereafter	-	-

Payable to the Pension Plans

At June 30, 2022, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2022.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 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, 2022, the City's payroll covered by the defined contribution plan was \$1,713,978. The City made employer contributions of \$64,056 (3.75% of current covered payroll), and employees contributed \$64,056 (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.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

General Information about the OPEB Plan

Plan Description

The City has established an agent multiple-employer Defined Benefit Postemployment Healthcare Plan (DPHP) that provides postretirement 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, 2022

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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, 2021, 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	20
Active Employees	137
Total	<u>270</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, 2022, the City's cash contributions were \$1,052,248 in cash benefit payments and \$954,000 contributions to the trust, estimated implied subsidy was \$151,000 and administrative expense paid by were \$2,455 resulting in total contributions of \$2,159,703.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021. 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, 2022

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Total OPEB Liability

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	2.50%
Projected Salary Increase	2.75% per annum, in aggregate
Expected Long-Term Investment Rate of Return	6.25%
Healthcare Cost Trend Rates	6.25% Non-Medicare/5.65% Medicare (Non-Kaiser), 4.6% Medicare (Kaiser) decreasing to 3.75% in 2076
Mortality	Derived from CalPERS 2000-2019 experience study

The actuarial assumptions used in the June 30, 2021, 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, 2021, 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 %	4.56 %
Fixed Income	25.00	0.78
TIPS	5.00	(0.08)
Commodities	3.00	1.22
REITs	8.00	4.06
Total	<u>100.00 %</u>	

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Total OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. 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

Discount rate was updated based on newer capital market assumptions, inflation rate decreased 25 basis point, demographic assumptions were updated to CalPERS 2000-2019 Experience Study. mortality improvement scale was updated to Scale MP-2021, medical trend rate for Kaiser Senior Advantage was decreased and Medicare Advantage age-related claims were removed.

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, 2020 (Measurement Date)	\$ 27,185,246	\$ 4,930,408	\$ 22,254,838
Changes in the Year:			
Service Cost	568,492	-	568,492
Interest on the Total OPEB Liability	1,832,841	-	1,832,841
Differences Between Actual and Expected Experience	(5,246,807)	-	(5,246,807)
Changes in Assumptions	(412,400)	-	(412,400)
Changes in Benefit Terms	-	-	-
Contribution - Employer	-	1,203,599	(1,203,599)
Net Investment Income	-	1,356,239	(1,356,239)
Administrative Expenses	-	(4,388)	4,388
Benefit Payments	(1,201,078)	(1,201,078)	-
Net Changes	(4,458,952)	1,354,372	(5,813,324)
Balance at June 30, 2021 (Measurement Date)	<u>\$ 22,726,294</u>	<u>\$ 6,284,780</u>	<u>\$ 16,441,514</u>

**CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Changes in the Net OPEB Liability (Continued)

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

CalPERS approved new CERBT asset allocations in March 2022. This is not expected to impact the expected long-term rate of return assumption for CERBT Strategy 1.

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 (5.25%) or one percentage point higher (7.25%) than the current discount rate:

	1% Decrease (5.25%)	Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability	<u>\$ 19,243,555</u>	<u>\$ 16,441,514</u>	<u>\$ 14,101,033</u>

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 (5.25% Non-Medicare/4.65% Medicare (Non-Kaiser)/3.6% Medicare (Kaiser) decreasing to 2.75%) or one percentage point higher (7.25% Non-Medicare/6.65% Medicare (Non-Kaiser)/5.6% Medicare (Kaiser) decreasing to 4.75%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	<u>\$ 13,846,633</u>	<u>\$ 16,441,514</u>	<u>\$ 19,594,631</u>

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense of \$557,609. At June 30, 2022, 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	\$ 2,159,703	\$ -
Differences Between Actual and Expected Experience	-	(5,544,145)
Change in Assumptions	-	(829,925)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(726,864)
Total	<u>\$ 2,159,703</u>	<u>\$ (7,100,934)</u>

An amount of \$2,159,703 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (1,509,373)
2024	(1,499,170)
2025	(1,504,318)
2026	(1,178,035)
2027	(895,567)
Thereafter	(514,471)

Payable to the OPEB Plan

At June 30, 2022, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2022.

NOTE 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.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 RISK MANAGEMENT (CONTINUED)

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, 2022, \$1,139,000 has been accrued for general liability claims and \$1,169,000 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, 2022, 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, 2022 and 2021, are as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2020-2021	\$ 1,404,000	\$ 562,514	\$ (270,514)	\$ 1,696,000
2021-2022	1,696,000	923,371	(311,371)	2,308,000

**CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The City's governmental fund balances at June 30, 2022, are tabulated below, followed by explanations as to the nature and purpose of each classification.

	General	Special Revenue Funds Housing Agency Section 8	Capital Projects Fund 2018 Series A COP	Other Govt. Funds	Total Govt. Funds
Nonspendable:					
Long-Term Receivables/					
Advances	\$ 26,032,325	\$ -	\$ -	\$ -	\$ 26,032,325
Inventories	3,825	-	-	-	3,825
Prepaid Items	102,954	-	-	-	102,954
Restricted for:					
Housing Agency	-	475,051	-	-	475,051
State Gas Tax	-	-	-	4,543,892	4,543,892
HOME	-	-	-	2,579,299	2,579,299
CalHome Grant	-	-	-	703,303	703,303
Lighting Assessment District	-	-	-	1,309,912	1,309,912
Park Development	-	-	-	229,025	229,025
Prop A	-	-	-	3,319,585	3,319,585
Prop C	-	-	-	3,154,909	3,154,909
Measure R	-	-	-	1,682,727	1,682,727
Measure M	-	-	-	387,616	387,616
AQMD	-	-	-	454,527	454,527
Economic Development					
Assistance Grant	-	-	-	963,014	963,014
Image Enhancement	-	-	-	567,731	567,731
Reach Grants	-	-	-	492,506	492,506
Cable/PEG Support	-	-	-	300,872	300,872
Housing Agency LMIHF	-	-	-	2,668,604	2,668,604
Measure W	-	-	-	1,161,998	1,161,998
Paramount/Mines Landscape					
Maintenance District	-	-	-	57,636	57,636
Pension Contribution	1,180,688	-	-	-	1,180,688
Capital Improvements	-	-	12,376,791	-	12,376,791
Committed to:					
Emergency Reserve/					
Economic Stabilization/					
Stimulus	24,517,211	-	-	-	24,517,211
Assigned to:					
OPEB Unfunded Liability	822,080	-	-	-	822,080
Leave Liability	195,780	-	-	-	195,780
Equipment Replacement	846,020	-	-	-	846,020
Self-insured Retention	500,000	-	-	-	500,000
Bond Refinancing/Reserve	1,000,000	-	-	-	1,000,000
Capital improvements	2,000,000	-	-	11,590,609	13,590,609
Deferred Maintenance	1,000,000	-	-	-	1,000,000
Energy Efficiency	1,000,000	-	-	-	1,000,000
Economic Sustainability	1,000,000	-	-	-	1,000,000
Open Purchase Orders	1,277,109	-	-	-	1,277,109
Other Continuing Appropriations	5,285,802	-	-	-	5,285,802
Unassigned	6,458,368	-	-	(502,874)	5,955,494
Total Fund Balances	<u>\$ 73,222,162</u>	<u>\$ 475,051</u>	<u>\$ 12,376,791</u>	<u>\$ 35,664,891</u>	<u>\$ 121,738,895</u>

Nonspendable Fund Balances

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

**CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 GOVERNMENTAL FUND BALANCE CLASSIFICATIONS (CONTINUED)

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.

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. On July 28, 2020, the City Council adopted revised risk-based General Fund Reserve Policies, which increased the General Fund’s commitment to emergencies/economic stabilization from 25% to 50% of the General Fund’s annual operating revenues. For the fiscal year ending June 30, 2022, this commitment is equal to \$24,517,211.

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.

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, 2022

NOTE 12 GOVERNMENTAL FUND BALANCE CLASSIFICATIONS (CONTINUED)

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, 2022, total assignments equal \$14,926,791.

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, 2022, the General Fund unassigned fund balance is \$6,458,368.

**CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 OTHER REQUIRED DISCLOSURES

Deficit Fund Balances or Net Position

The following funds reported deficit fund balances or net position at June 30, 2022:

Other Governmental Funds:

Community Development Block Grant Special Revenue Fund	\$ 1,762
County Grants Special Revenue Fund	107,244
State Grants Special Revenue Fund	155,554
Sewer Maintenance Special Revenue Fund	20,548
Transportation Development Act Special Revenue Fund	5,492
Federal Grants Special Revenue Fund	212,274

Other Enterprise Fund - Golf Course Fund	2,939,359
--	-----------

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

Excess of Expenditures Over Appropriations

Expenditures exceeded budgeted appropriations in the following funds:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Major Funds:			
Housing Agency Section 8 Special Revenue Fund	\$ 5,363,930	\$ 6,075,409	\$ (711,479)
Other Governmental Funds:			
HOME Grant Special Revenue Fund	-	193	(193)

NOTE 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, 2022 totaled \$678,776.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 PICO RIVERA INNOVATIVE MUNICIPAL ENERGY (CONTINUED)

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, 2022, the total payments made by PRIME under the take or pay contracts was \$15,565,916. At June 30, 2022, the remaining take or pay contracts for PRIME is \$11,102,689 through December 2036.

NOTE 15 SUCCESSOR AGENCY DISCLOSURES

The assets and liabilities of the former Redevelopment Agency were transferred to the Successor Agency to the City of Pico Rivera Redevelopment Agency on February 1, 2012, as a result of the dissolution of the former Redevelopment Agency.

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

Capital Assets

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
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	(131,641)	(3,238)	-	(134,879)
Furniture and Equipment	(5,110)	-	-	(5,110)
Infrastructure	(19,786)	(1,131)	-	(20,917)
Total Accumulated Depreciation	(156,537)	(4,369)	-	(160,906)
Total Capital Assets, Being Depreciated, Net	61,425	(4,369)	-	57,056
Successor Agency Activities, Capital Assets, Net	<u>\$ 319,448</u>	<u>\$ (4,369)</u>	<u>\$ -</u>	<u>\$ 315,079</u>

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

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, 2022, is \$332,597.

Payable to the City of Pico Rivera

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, 2022, the net advance balance was \$17,814,118, which included accrued interest of \$8,651,548 and a 25% reserve against this balance totaling \$4,453,530 due to the estimated collectability by the General Fund as a result of the winding down of the affairs of the former Redevelopment Agency.

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, 2022, the balance of the City Deferrals including interest was \$29,275,398.

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 \$29,275,398 has been recorded in the statement of fiduciary net position. Under the terms of the agreement, payments are to be made by the Successor Agency to the City to the extent money is available. Due to the payment terms, the long-term nature of the loan, and management's expectation that repayment will not begin for some time, the City has fully reserved against the receivable on the statement of net position.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Payable to the City of Pico Rivera (Continued)

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

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

The advances are to be repaid with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by the funds deposited into LAIF. The annual advance repayments are subject to certain limitations, including the requirement that 20% of all advance repayments are to be transferred to the Housing Agency Low and Moderate Income Housing Special Revenue Fund to fund Housing Successor Agency activity. Additionally, repayments are subject to a formula distribution and have a lower priority for repayment as described in AB 1484 (Health and Safety Code Section 34191.4(2)(A)).

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

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. Total outstanding balance at June 30, 2022 was \$1,639,164.

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.

CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Payable to the Pico Rivera Water Authority

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, 2022, the net advance balance was \$252,932, which includes accrued interest of \$122,932 and a 25% reserve against this balance totaling \$63,233 due to the estimated collectability by the Water A as a result of the winding down of the affairs of the former Redevelopment Agency.

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. During the year, the Water Authority's advances to the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund was paid off from the proceeds of the 2021 Tax Allocation Refunding Bonds.

Tax Allocation Refunding Bonds

On December 16, 2021, the Successor Agency issued Tax Allocation Refunding Bonds, Series 2021 (the 2021 SA TARBs), in the aggregate principal amount of \$13,470,000. These bonds were issued to refinance the 2001 Successor Agency's Tax Allocation Refunding Bonds, Series 2001 (2001 SA TARBs). At the closing date, the outstanding principal balance on the 2001 SA TABs was \$18,242,289. The City contributed \$5,000,000 from the General Fund Bond Refinancing Reserve to fully defease the outstanding 2001 SA TARBs.

The redemption price of the 2001 TABs (\$18,242,289) was applied to 1) redeem and defease the Pico River Water Authority Revenue Bonds, 2001 Series A (2001 Water Bonds), in full, at a redemption price of approximately \$17,261,471, and 2) pay \$980,818 into the Water Fund. In addition, approximately \$2,100,000 held by U.S. Bank, as trustee for the 2001 Water Bond, was transferred by the Trustee to the Water Fund upon the defeasance of the 2001 Water bonds.

The Bond refunding resulted in cash flow difference of \$10,870,632 and an economic gain of \$4,268,954 (difference between present values of the old debt and new debt service payment, net of City contribution of \$5,000,000).

**CITY OF PICO RIVERA, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Tax Allocation Refunding Bonds (Continued)

The 2021 SA TARBs pay interest at a rate of 1.5% payable semiannually on June 1 and December 1, commencing on June 1, 2022. Annual debt service for the 2021 SA TARBs is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,500,000	\$ 176,972	\$ 3,676,972
2024	3,615,000	123,254	3,738,254
2025	3,720,000	67,874	3,787,874
2026	2,635,000	19,895	2,654,895
Total	<u>\$ 13,470,000</u>	<u>\$ 387,995</u>	<u>\$ 13,857,995</u>

Payable to the County of Los Angeles

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, 2022, the balance of the County Deferral including interest was \$46,082,854. There is no fixed payment schedule for the repayment of the County Deferral.

Additionally at June 30, 2022, 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.

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank.

CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
MISCELLANEOUS PLAN
LAST TEN FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015
	June 30, 2021	June 30, 2020	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	\$ 1,825,934	\$ 1,776,130	\$ 1,749,749	\$ 1,668,403	\$ 1,660,852	\$ 1,410,606	\$ 1,411,834	\$ 1,447,138
Interest on Total Pension Liability	8,390,682	8,115,666	7,844,359	7,428,615	7,124,315	6,980,849	6,826,754	6,624,512
Differences Between Expected and Actual Experience	(227,395)	(96,456)	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	(5,938,611)	(5,747,216)	(5,685,436)	(5,375,555)	(4,857,602)	(4,769,549)	(4,686,299)	(4,544,162)
Net Change in Total Pension Liability	4,050,610	4,048,124	6,116,052	4,305,040	8,612,408	2,126,175	1,025,305	3,527,488
Total Pension Liability - Beginning of Year	119,635,936	115,587,812	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>\$ 123,686,546</u>	<u>\$ 119,635,936</u>	<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	3,785,703	3,510,945	3,152,902	2,902,032	2,552,475	2,352,483	2,240,763	2,552,214
Contributions - Employee	773,207	824,722	817,187	838,924	741,941	681,785	716,687	671,298
Net Investment Income	17,874,219	3,795,360	4,813,665	5,870,873	7,274,632	328,225	1,459,065	10,012,754
Administrative Expenses	(78,792)	(107,987)	(52,319)	(314,561)	(94,514)	(39,896)	(73,643)	-
Benefit Payments	(5,938,611)	(5,747,216)	(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	16,415,726	2,275,824	3,045,999	3,921,542	5,616,932	(1,446,952)	(343,415)	8,692,104
Plan Fiduciary Net Position - Beginning of Year	78,875,641	76,599,817	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>\$ 95,291,367</u>	<u>\$ 78,875,641</u>	<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>\$ 28,395,179</u>	<u>\$ 40,760,295</u>	<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	77.04%	65.93%	66.27%	67.19%	66.21%	66.30%	69.32%	70.45%
Covered Payroll	\$ 11,613,022	\$ 11,103,243	\$ 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	244.51%	367.10%	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.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

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

See accompanying Note to Required Supplementary Information.

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS
MISCELLANEOUS PLAN
LAST TEN FISCAL YEARS***

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 4,115,660	\$ 3,510,945	\$ 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	(4,115,660)	(3,510,945)	(3,511,156)	(3,152,687)	(2,902,032)	(2,552,475)	(2,352,483)	(2,240,763)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 12,290,342	\$ 11,613,022	\$ 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	33.49%	30.23%	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	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:								
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Inflation	2.75%	2.75%	2.75%	2.50%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.375% (3)	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)	(4)	(4)
Mortality	(5)	(5)	(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 eight years are shown.

CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
COUNCIL PLAN
LAST TEN FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Period:	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability:								
Service Cost	\$ 748	\$ 2,351	\$ 2,283	\$ 6,794	\$ 6,533	\$ 6,809	\$ 6,547	\$ 6,329
Interest on Total Pension Liability	14,044	12,821	11,252	11,243	11,848	11,642	11,117	10,751
Differences Between Expected and Actual Experience	-	-	-	-	-	-	(9,032)	-
Changes in Economic/Demographic	-	22,057	22,367	-	(16,557)	-	-	-
Changes in Assumptions	-	(2,461)	2,623	-	-	8,226	7,389	-
Benefit Payments, Including Refunds of Employee Contributions	(14,214)	(14,492)	(14,412)	(12,399)	(10,426)	(10,426)	(10,426)	(10,426)
Net Change in Total Pension Liability	578	20,276	24,113	5,638	(8,602)	16,251	5,595	6,654
Total Pension Liability - Beginning of Year	222,309	202,033	177,920	172,282	180,884	164,633	159,038	152,384
Total Pension Liability - End of Year (a)	222,887	222,309	202,033	177,920	172,282	180,884	164,633	159,038
Plan Fiduciary Net Position:								
Contributions - Employer	3,591	7,183	10,774	14,227	18,648	17,266	18,647	17,957
Contributions - Employee	-	-	-	-	-	-	-	-
Net Investment Income	(26,881)	42,720	3,916	9,833	10,214	13,784	83	2,392
Administrative Expenses	(959)	(925)	(834)	(808)	(762)	(655)	(575)	(540)
Benefit Payments	(14,214)	(14,492)	(14,412)	(12,399)	(10,426)	(10,426)	(10,426)	(10,426)
Net Change in Plan Fiduciary Net Position	(38,463)	34,486	(556)	10,853	17,674	19,969	7,729	9,383
Plan Fiduciary Net Position - Beginning of Year	199,687	165,201	165,757	154,904	137,230	117,261	109,532	100,149
Plan Fiduciary Net Position - End of Year (b)	161,224	199,687	165,201	165,757	154,904	137,230	117,261	109,532
Net Pension Liability - Ending (a)-(b)	<u>\$ 61,663</u>	<u>\$ 22,622</u>	<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	72.33%	89.82%	81.77%	93.16%	89.91%	75.87%	71.23%	68.87%
Covered Payroll	\$ 10,655	\$ 9,865	\$ 32,924	\$ 39,460	\$ 55,406	\$ 57,622	\$ 55,406	\$ 57,622
Net Pension Liability as Percentage of Covered Payroll	578.72%	229.32%	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 eight years are shown.

See accompanying Note to Required Supplementary Information.

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS
COUNCIL PLAN
LAST TEN FISCAL YEARS***

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 7,715	\$ 7,715	\$ 9,938	\$ 17,226	\$ 17,900	\$ 18,616	\$ 17,266	\$ 17,957
Contributions in Relation to the Actuarially Determined Contributions	(3,591)	(7,183)	(10,774)	(14,227)	(18,648)	(17,266)	(18,647)	(17,957)
Contribution Deficiency (Excess)	<u>\$ 4,124</u>	<u>\$ 532</u>	<u>\$ (836)</u>	<u>\$ 2,999</u>	<u>\$ (748)</u>	<u>\$ 1,350</u>	<u>\$ (1,381)</u>	<u>\$ -</u>
Covered Payroll	\$ 10,655	\$ 9,865	\$ 32,924	\$ 39,460	\$ 55,406	\$ 57,622	\$ 55,406	\$ 57,622
Contributions as a Percentage of Covered Payroll	33.70%	72.81%	32.72%	36.05%	33.66%	29.96%	33.66%	31.16%
Notes to Schedule:								
Valuation Date	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017	7/1/2015	7/1/2015	6/30/2013
Methods and Assumptions Used to Determine Contribution Rates:								
Single Employer Plan	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	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	Level dollar, closed period	Level dollar, closed period
Remaining Amortization Period	3-year fixed	3-year fixed	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	Market	Market
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	3.00%
Salary Increases	0.00%	3.00%	3.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Investment Rate of Return	6.50%	6.50%	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	55 years	55 years
Mortality	(1)	(1)	(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.

See accompanying Note to Required Supplementary Information.

CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

Fiscal Year-End	2022	2021	2020	2019	2018
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:					
Service Cost	\$ 568,492	\$ 585,937	\$ 605,152	\$ 614,912	\$ 597,000
Interest on Total OPEB Liability	1,832,841	1,790,952	1,873,005	1,792,862	1,717,000
Differences Between Expected and Actual Experience	(5,246,807)	-	(2,149,380)	-	-
Changes in Assumptions	(412,400)	(495,461)	(269,581)	-	-
Benefit Payments	(1,201,078)	(1,285,726)	(1,225,426)	(1,196,000)	(1,212,000)
Net Change in Total OPEB Liability	(4,458,952)	595,702	(1,166,230)	1,211,774	1,102,000
Total OPEB Liability - Beginning of Year	27,185,246	26,589,544	27,755,774	26,544,000	25,442,000
Total OPEB Liability - End of Year (a)	22,726,294	27,185,246	26,589,544	27,755,774	26,544,000
Plan Fiduciary Net Position:					
Contributions - Employer	1,203,599	1,288,526	1,227,833	1,199,000	5,212,000
Net Investment Income	1,356,239	168,441	277,177	331,815	165,000
Administrative Expenses	(4,388)	(5,129)	(3,369)	(10,734)	(1,000)
Benefit Payments	(1,201,078)	(1,285,726)	(1,225,426)	(1,196,000)	(1,212,000)
Net Change in Plan Fiduciary Net Position	1,354,372	166,112	276,215	324,081	4,164,000
Plan Fiduciary Net Position - Beginning of Year	4,930,408	4,764,296	4,488,081	4,164,000	-
Plan Fiduciary Net Position - End of Year (b)	6,284,780	4,930,408	4,764,296	4,488,081	4,164,000
Net OPEB Liability - Ending (a)-(b)	<u>\$ 16,441,514</u>	<u>\$ 22,254,838</u>	<u>\$ 21,825,248</u>	<u>\$ 23,267,693</u>	<u>\$ 22,380,000</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	27.65%	18.14%	17.92%	16.17%	15.69%
Covered - Employee Payroll	\$ 12,992,596	\$ 12,474,643	\$ 12,334,638	\$ 10,314,000	\$ 9,770,000
Net OPEB Liability as Percentage of Covered - Employee Payroll	126.55%	178.40%	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

From fiscal year June 30, 2020 to June 30, 2021:

ACA excise tax removed

From fiscal year June 30, 2021 to June 30, 2022:

Discount rate was updated based on newer capital market assumptions and inflation rate decreased 25 basis point

Demographic assumptions were updated to CalPERS 2000-2019 Experience Study.

Medical trend rate decreased for Kaiser Senior Advantage and Medicare Advantage age-related claims removed

Mortality improvement scale was updated to Scale MP-2021

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

See accompanying Note to Required Supplementary Information.

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS – OPEB PLAN
LAST TEN FISCAL YEARS***

	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 3,135,000	\$ 3,065,000	\$ 2,790,000	\$ 2,739,000	\$ 2,688,000
Contributions in Relation to the Actuarially Determined Contributions	(2,159,703)	(1,203,599)	(1,288,526)	(1,227,833)	(1,199,000)
Contribution Deficiency (Excess)	<u>\$ 975,297</u>	<u>\$ 1,861,401</u>	<u>\$ 1,501,474</u>	<u>\$ 1,511,167</u>	<u>\$ 1,489,000</u>
Covered - Employee Payroll	\$ 12,284,836	\$ 12,992,596	\$ 12,474,643	\$ 12,334,638	\$ 10,314,000
Contributions as a Percentage of Covered - Employee Payroll	17.58%	9.26%	10.33%	9.95%	11.62%

Notes to Schedule:

Valuation Date	6/30/2021	6/30/2019	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%	2.75%	2.75%	2.75%	2.75%
Medical Trend	Non-Medicare - 6.5% decreasing to 3.75%	Non-Medicare - 7.25% decreasing to 4.0%	Non-Medicare - 7.25% decreasing to 4.0%	Non-Medicare - 7.25% decreasing to 4.0%	Non-Medicare - 7.25% decreasing to 4.0%
	Medicare (Non-Kaiser) - 5.65% decreasing to 4.0%	Medicare - 6.3% decreasing to 4.0%	Medicare - 6.3% decreasing to 4.0%	Medicare - 6.3% decreasing to 4.0%	Medicare - 6.3% decreasing to 4.0%
	Medicare (Kaiser) - 4.6% decreasing to 4.0%				
Investment Rate of Return	6.25%	6.75%	6.75%	6.75%	6.75%
Mortality	CalPERS 2000-2019 Experience Study	CalPERS 1997-2015 Experience Study	CalPERS 1997-2015 Experience Study	CalPERS 1997-2015 Experience Study	CalPERS 1997-2015 Experience Study

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

See accompanying Note to Required Supplementary Information.

**CITY OF PICO RIVERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes and Assessments	\$ 37,063,961	\$ 39,292,263	\$ 42,417,105	\$ 3,124,842
Licenses and Permits	2,738,769	2,938,769	3,612,057	673,288
Intergovernmental	1,299,864	1,299,864	807,076	(492,788)
Charges for Services	1,385,236	1,221,136	1,309,387	88,251
Fines, Forfeitures, and Penalties	903,229	903,229	1,199,256	296,027
Investment and Rental	159,341	159,341	(906,232)	(1,065,573)
Miscellaneous	262,814	262,814	595,753	332,939
Total Revenues	<u>43,813,214</u>	<u>46,077,416</u>	<u>49,034,402</u>	<u>2,956,986</u>
EXPENDITURES				
Current:				
General Government	9,766,331	11,157,545	9,271,265	1,886,280
Public Safety	12,713,448	13,232,015	1,907,786	11,324,229
Public Works	8,597,127	9,029,243	8,553,652	475,591
Parks and Recreation	5,593,484	5,967,363	5,581,524	385,839
Community Development	5,777,999	12,046,864	10,652,585	1,394,279
Debt Service:				
Principal	955,000	955,000	955,000	-
Interest and Fiscal Charges	965,250	965,250	965,250	-
Lease Principal	-	-	24,584	(24,584)
Lease Interest	-	-	2,497	(2,497)
Total Expenditures	<u>44,368,639</u>	<u>53,353,280</u>	<u>37,914,143</u>	<u>15,439,137</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(555,425)</u>	<u>(7,275,864)</u>	<u>11,120,259</u>	<u>18,396,123</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,620,456	11,848,256	1,479,066	(10,369,190)
Transfers Out	<u>(1,065,000)</u>	<u>(12,577,135)</u>	<u>(12,577,135)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>555,456</u>	<u>(728,879)</u>	<u>(11,098,069)</u>	<u>(10,369,190)</u>
NET CHANGE IN FUND BALANCE	31	(8,004,743)	22,190	8,026,933
Fund Balance - Beginning of Year	<u>73,199,972</u>	<u>73,199,972</u>	<u>73,199,972</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 73,200,003</u>	<u>\$ 65,195,229</u>	<u>\$ 73,222,162</u>	<u>\$ 8,026,933</u>

See accompanying Note to Required Supplementary Information.

**CITY OF PICO RIVERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
HOUSING AGENCY SECTION 8 SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,191,400	\$ 5,191,400	\$ 6,255,260	\$ 1,063,860
Investment and Rental	-	-	451	451
Miscellaneous	22,272	22,272	43,334	21,062
Total Revenues	5,213,672	5,213,672	6,299,045	1,085,373
EXPENDITURES				
Current:				
Health and Welfare	5,363,930	5,363,930	6,075,409	(711,479)
NET CHANGE IN FUND BALANCE	(150,258)	(150,258)	223,636	373,894
Fund Balance - Beginning of Year	251,415	251,415	251,415	-
FUND BALANCE - END OF YEAR	<u>\$ 101,157</u>	<u>\$ 101,157</u>	<u>\$ 475,051</u>	<u>\$ 373,894</u>

See accompanying Note to Required Supplementary Information.

**CITY OF PICO RIVERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 10,227,800	\$ 10,227,800	\$ -
EXPENDITURES				
Current:				
Public Safety	-	10,227,800	10,227,800	-
Public Works	-	4,272,455	-	4,272,455
Total Expenditures	-	14,500,255	10,227,800	4,272,455
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(4,272,455)	-	4,272,455
OTHER FINANCING SOURCES (USES)				
Transfers In	15,530,000	5,302,200	-	(5,302,200)
NET CHANGE IN FUND BALANCE	15,530,000	1,029,745	-	(1,029,745)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ 15,530,000</u>	<u>\$ 1,029,745</u>	<u>\$ -</u>	<u>\$ (1,029,745)</u>

See accompanying Note to Required Supplementary Information.

CITY OF PICO RIVERA, CALIFORNIA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 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.

SUPPLEMENTARY INFORMATION

This page intentionally left blank.

CITY OF PICO RIVERA, CALIFORNIA
DESCRIPTION OF OTHER GOVERNMENTAL FUNDS
JUNE 30, 2022

SPECIAL REVENUE FUNDS

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

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

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

Light 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 U.S. Department of Housing and Urban Development for the purpose of housing loans and rehabilitation.

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

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.

CITY OF PICO RIVERA, CALIFORNIA
DESCRIPTION OF OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

SPECIAL REVENUE FUNDS (CONTINUED)

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.

Measure W accounts for the revenues and expenditures provided to the city by the Los Angeles County Measure W Safe Clean Water Program. The revenues are a parcel tax to be utilized to increase the local water supply, improve water quality, and invest in making the City of Pico Rivera greener or more livable.

Federal Grants Fund accounts for the various federal grants that are restricted to expenditures for specific programs and projects.

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.

This page intentionally left blank.

**CITY OF PICO RIVERA, CALIFORNIA
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022**

	Special Revenue Funds			
	Community Development Block Grant	State Gas Tax	Lighting Assessment District	Park Development
ASSETS				
Cash and Investments	\$ -	\$ 4,612,448	\$ 1,318,151	\$ 228,773
Accounts Receivable	305,935	-	-	-
Taxes Receivable	-	331,454	81,262	-
Interest Receivable	-	5,186	1,494	252
Long-Term Receivables	176,409	-	-	-
Receivables from Successor Agency	-	-	-	-
Total Assets	<u>\$ 482,344</u>	<u>\$ 4,949,088</u>	<u>\$ 1,400,907</u>	<u>\$ 229,025</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 133,766	\$ 398,562	\$ 72,061	\$ -
Accrued Liabilities	3,169	6,634	18,934	-
Retention Payable	-	-	-	-
Due to Other Funds	170,762	-	-	-
Due to Other Agencies	176,409	-	-	-
Total Liabilities	<u>484,106</u>	<u>405,196</u>	<u>90,995</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted	-	4,543,892	1,309,912	229,025
Assigned	-	-	-	-
Unassigned	(1,762)	-	-	-
Total Fund Balances (Deficits)	<u>(1,762)</u>	<u>4,543,892</u>	<u>1,309,912</u>	<u>229,025</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 482,344</u>	<u>\$ 4,949,088</u>	<u>\$ 1,400,907</u>	<u>\$ 229,025</u>

**CITY OF PICO RIVERA, CALIFORNIA
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

Special Revenue Funds (Continued)

Prop A	Prop C	Measure R	Measure M	Measure A	HOME Grant	CalHOME Grant
\$ 3,425,176	\$ 3,267,442	\$ 2,207,773	\$ 389,242	\$ -	\$ 2,577,813	\$ 703,303
-	-	1,297,576	-	-	6	-
-	-	-	-	-	-	-
3,757	3,660	1,154	495	-	-	-
-	-	-	-	-	2,586,210	1,103,329
-	-	-	-	-	-	-
<u>\$ 3,428,933</u>	<u>\$ 3,271,102</u>	<u>\$ 3,506,503</u>	<u>\$ 389,737</u>	<u>\$ -</u>	<u>\$ 5,164,029</u>	<u>\$ 1,806,632</u>
\$ 97,772	\$ 87,789	\$ 345,360	\$ 1,585	\$ -	\$ 548	\$ -
11,576	6,352	3,623	536	-	-	-
-	22,052	208,258	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,584,182	1,103,329
<u>109,348</u>	<u>116,193</u>	<u>557,241</u>	<u>2,121</u>	<u>-</u>	<u>2,584,730</u>	<u>1,103,329</u>
-	-	1,266,535	-	-	-	-
3,319,585	3,154,909	1,682,727	387,616	-	2,579,299	703,303
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,319,585</u>	<u>3,154,909</u>	<u>1,682,727</u>	<u>387,616</u>	<u>-</u>	<u>2,579,299</u>	<u>703,303</u>
<u>\$ 3,428,933</u>	<u>\$ 3,271,102</u>	<u>\$ 3,506,503</u>	<u>\$ 389,737</u>	<u>\$ -</u>	<u>\$ 5,164,029</u>	<u>\$ 1,806,632</u>

**CITY OF PICO RIVERA, CALIFORNIA
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

Special Revenue Funds (Continued)				
	Air Quality Improvement	County Grants	State Grants	Economic Sustainability
ASSETS				
Cash and Investments	\$ 454,033	\$ 17,334	\$ 226,918	\$ 961,954
Accounts Receivable	-	-	309,671	-
Taxes Receivable	-	-	-	-
Interest Receivable	494	-	136	1,060
Long-Term Receivables	-	-	-	-
Receivables from Successor Agency	-	-	-	-
Total Assets	<u>\$ 454,527</u>	<u>\$ 17,334</u>	<u>\$ 536,725</u>	<u>\$ 963,014</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 19,744	\$ 15,484	\$ -
Accrued Liabilities	-	4,777	7,428	-
Retention Payable	-	-	-	-
Due to Other Funds	-	100,057	359,696	-
Due to Other Agencies	-	-	-	-
Total Liabilities	<u>-</u>	<u>124,578</u>	<u>382,608</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>309,671</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted	454,527	-	-	963,014
Assigned	-	-	-	-
Unassigned	-	(107,244)	(155,554)	-
Total Fund Balances (Deficits)	<u>454,527</u>	<u>(107,244)</u>	<u>(155,554)</u>	<u>963,014</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 454,527</u>	<u>\$ 17,334</u>	<u>\$ 536,725</u>	<u>\$ 963,014</u>

**CITY OF PICO RIVERA, CALIFORNIA
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

Special Revenue Funds (Continued)

Image Enhancement	Sewer Maintenance	Reach Grants	Cable/PEG Support	Transportation Development Act
\$ 567,114	\$ -	\$ 552,174	\$ 281,679	\$ -
-	-	-	-	132,115
-	15	-	19,193	-
617	-	926	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 567,731</u>	<u>\$ 15</u>	<u>\$ 553,100</u>	<u>\$ 300,872</u>	<u>\$ 132,115</u>
\$ -	\$ 3,071	\$ 53,169	\$ -	\$ 3,360
-	-	7,425	-	589
-	-	-	-	-
-	17,492	-	-	41,499
-	-	-	-	-
<u>-</u>	<u>20,563</u>	<u>60,594</u>	<u>-</u>	<u>45,448</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,159</u>
567,731	-	492,506	300,872	-
-	-	-	-	-
-	(20,548)	-	-	(5,492)
<u>567,731</u>	<u>(20,548)</u>	<u>492,506</u>	<u>300,872</u>	<u>(5,492)</u>
<u>\$ 567,731</u>	<u>\$ 15</u>	<u>\$ 553,100</u>	<u>\$ 300,872</u>	<u>\$ 132,115</u>

**CITY OF PICO RIVERA, CALIFORNIA
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds (Continued)			
	Housing Agency LMIHF	Measure W	Federal Grants	Total Special Revenue Funds
ASSETS				
Cash and Investments	\$ 1,029,440	\$ 1,349,247	\$ 15,158	\$ 24,185,172
Accounts Receivable	-	-	294,702	2,340,005
Taxes Receivable	-	-	-	431,924
Interest Receivable	-	1,493	-	20,724
Long-Term Receivables	-	-	-	3,865,948
Receivables from Successor Agency	1,639,164	-	-	1,639,164
Total Assets	<u>\$ 2,668,604</u>	<u>\$ 1,350,740</u>	<u>\$ 309,860</u>	<u>\$ 32,482,937</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 179,382	\$ 112,839	\$ 1,524,492
Accrued Liabilities	-	28	-	71,071
Retention Payable	-	9,332	-	239,642
Due to Other Funds	-	-	320,655	1,010,161
Due to Other Agencies	-	-	-	3,863,920
Total Liabilities	<u>-</u>	<u>188,742</u>	<u>433,494</u>	<u>6,709,286</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>88,640</u>	<u>1,757,005</u>
FUND BALANCES (DEFICITS)				
Restricted	2,668,604	1,161,998	-	24,519,520
Assigned	-	-	-	-
Unassigned	-	-	(212,274)	(502,874)
Total Fund Balances (Deficits)	<u>2,668,604</u>	<u>1,161,998</u>	<u>(212,274)</u>	<u>24,016,646</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,668,604</u>	<u>\$ 1,350,740</u>	<u>\$ 309,860</u>	<u>\$ 32,482,937</u>

**CITY OF PICO RIVERA, CALIFORNIA
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

Capital Projects Funds					
Capital Improvement	Paramount/Mines Landscape Maintenance Assessment	2009 Lease Revenue Bond	Total Capital Projects Funds	Total Other Governmental Funds	
\$ 11,874,118	\$ 57,573	\$ -	\$ 11,931,691	\$ 36,116,863	
-	-	-	-	2,340,005	
-	-	-	-	431,924	
-	63	-	63	20,787	
-	-	-	-	3,865,948	
-	-	-	-	1,639,164	
<u>\$ 11,874,118</u>	<u>\$ 57,636</u>	<u>\$ -</u>	<u>\$ 11,931,754</u>	<u>\$ 44,414,691</u>	
\$ 58,865	\$ -	\$ -	\$ 58,865	\$ 1,583,357	
-	-	-	-	71,071	
-	-	-	-	239,642	
224,644	-	-	224,644	1,234,805	
-	-	-	-	3,863,920	
<u>283,509</u>	<u>-</u>	<u>-</u>	<u>283,509</u>	<u>6,992,795</u>	
-	-	-	-	1,757,005	
-	57,636	-	57,636	24,577,156	
11,590,609	-	-	11,590,609	11,590,609	
-	-	-	-	(502,874)	
<u>11,590,609</u>	<u>57,636</u>	<u>-</u>	<u>11,648,245</u>	<u>35,664,891</u>	
<u>\$ 11,874,118</u>	<u>\$ 57,636</u>	<u>\$ -</u>	<u>\$ 11,931,754</u>	<u>\$ 44,414,691</u>	

**CITY OF PICO RIVERA, CALIFORNIA
OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds			
	Community Development Block Grant	State Gas Tax	Lighting Assessment District	Park Development
REVENUES				
Taxes and Assessments	\$ -	\$ -	\$ 1,863,829	\$ -
Intergovernmental	866,285	2,745,847	-	-
Charges for Services	-	-	-	-
Investment and Rental	300	(74,513)	(19,422)	(3,688)
Miscellaneous	289	157	89,702	-
Total Revenues	<u>866,874</u>	<u>2,671,491</u>	<u>1,934,109</u>	<u>(3,688)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	626,977	1,160,038	-
Parks and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Community Development	509,421	-	-	-
Pass Through to Other Agencies	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>509,421</u>	<u>626,977</u>	<u>1,160,038</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>357,453</u>	<u>2,044,514</u>	<u>774,071</u>	<u>(3,688)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(1,478,980)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,478,980)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	357,453	565,534	774,071	(3,688)
Fund Balances (Deficits) - Beginning of Year	<u>(359,215)</u>	<u>3,978,358</u>	<u>535,841</u>	<u>232,713</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (1,762)</u>	<u>\$ 4,543,892</u>	<u>\$ 1,309,912</u>	<u>\$ 229,025</u>

**CITY OF PICO RIVERA, CALIFORNIA
OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Special Revenue Funds (Continued)

Prop A	Prop C	Measure R	Measure M	Measure A	HOME Grant	CalHOME Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,600,385	1,327,486	5,695,653	1,126,471	-	-	-
-	-	-	-	-	-	-
(54,458)	(53,866)	(9,046)	(7,400)	-	74,560	66,103
2,101	1,226	860	411	-	207,958	204,810
<u>1,548,028</u>	<u>1,274,846</u>	<u>5,687,467</u>	<u>1,119,482</u>	<u>-</u>	<u>282,518</u>	<u>270,913</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,095,029	968,873	4,596,619	114,290	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	193	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,095,029</u>	<u>968,873</u>	<u>4,596,619</u>	<u>114,290</u>	<u>-</u>	<u>193</u>	<u>-</u>
452,999	305,973	1,090,848	1,005,192	-	282,325	270,913
-	-	-	-	-	-	-
-	-	-	(832,169)	-	-	-
-	-	-	(832,169)	-	-	-
452,999	305,973	1,090,848	173,023	-	282,325	270,913
2,866,586	2,848,936	591,879	214,593	-	2,296,974	432,390
<u>\$ 3,319,585</u>	<u>\$ 3,154,909</u>	<u>\$ 1,682,727</u>	<u>\$ 387,616</u>	<u>\$ -</u>	<u>\$ 2,579,299</u>	<u>\$ 703,303</u>

**CITY OF PICO RIVERA, CALIFORNIA
OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds (Continued)			
	Air Quality Improvement	County Grants	State Grants	Economic Sustainability
REVENUES				
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	81,250	-	504,541	-
Charges for Services	-	-	-	-
Investment and Rental	(7,092)	-	(1,898)	94,111
Miscellaneous	-	-	123	-
Total Revenues	<u>74,158</u>	<u>-</u>	<u>502,766</u>	<u>94,111</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	44,886	-	-	-
Parks and Recreation	-	172,401	-	-
Health and Welfare	-	-	339,076	-
Community Development	-	-	-	396,667
Pass Through to Other Agencies	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>44,886</u>	<u>172,401</u>	<u>339,076</u>	<u>396,667</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>29,272</u>	<u>(172,401)</u>	<u>163,690</u>	<u>(302,556)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	29,272	(172,401)	163,690	(302,556)
Fund Balances (Deficits) - Beginning of Year	<u>425,255</u>	<u>65,157</u>	<u>(319,244)</u>	<u>1,265,570</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 454,527</u>	<u>\$ (107,244)</u>	<u>\$ (155,554)</u>	<u>\$ 963,014</u>

**CITY OF PICO RIVERA, CALIFORNIA
OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Special Revenue Funds (Continued)

Image Enhancement	Sewer Maintenance	Reach Grants	Cable/PEG Support	Transportation Development Act
\$ -	\$ 328	\$ 19,280	\$ -	\$ -
-	-	897,904	-	39,954
128,110	-	-	-	-
(8,596)	-	(8,420)	-	-
-	309	3,163	76,393	172
<u>119,514</u>	<u>637</u>	<u>911,927</u>	<u>76,393</u>	<u>40,126</u>
-	37,971	-	-	-
-	-	-	-	-
-	-	-	38,233	34,064
-	-	976,827	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>37,971</u>	<u>976,827</u>	<u>38,233</u>	<u>34,064</u>
<u>119,514</u>	<u>(37,334)</u>	<u>(64,900)</u>	<u>38,160</u>	<u>6,062</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
119,514	(37,334)	(64,900)	38,160	6,062
448,217	16,786	557,406	262,712	(11,554)
<u>\$ 567,731</u>	<u>\$ (20,548)</u>	<u>\$ 492,506</u>	<u>\$ 300,872</u>	<u>\$ (5,492)</u>

**CITY OF PICO RIVERA, CALIFORNIA
OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds (Continued)			
	Housing Agency LMIHF	Measure W	Federal Grants	Total Special Revenue Funds
REVENUES				
Taxes and Assessments	\$ -	\$ -	\$ -	\$ 1,883,437
Intergovernmental	-	894,020	285,800	16,065,596
Charges for Services	-	-	-	128,110
Investment and Rental	574,177	(21,848)	-	539,004
Miscellaneous	6,625	-	-	594,299
Total Revenues	580,802	872,172	285,800	19,210,446
EXPENDITURES				
Current:				
General Government	-	-	-	37,971
Public Safety	-	-	-	-
Public Works	-	-	141,518	8,820,527
Parks and Recreation	-	355,230	-	1,504,458
Health and Welfare	-	-	-	339,076
Community Development	-	-	-	906,281
Pass Through to Other Agencies	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	-	355,230	141,518	11,608,313
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	580,802	516,942	144,282	7,602,133
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(2,311,149)
Total Other Financing Sources (Uses)	-	-	-	(2,311,149)
NET CHANGE IN FUND BALANCES	580,802	516,942	144,282	5,290,984
Fund Balances (Deficits) - Beginning of Year	2,087,802	645,056	(356,556)	18,725,662
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 2,668,604</u>	<u>\$ 1,161,998</u>	<u>\$ (212,274)</u>	<u>\$ 24,016,646</u>

**CITY OF PICO RIVERA, CALIFORNIA
OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Capital Projects Funds					
Capital Improvement	Paramount/Mines Landscape Maintenance Assessment	2009 Lease Revenue Bond	Total Capital Projects Funds	Total Other Governmental Funds	
\$ -	\$ 10,359	\$ -	\$ 10,359	\$ 1,893,796	
-	-	-	-	16,065,596	
-	-	-	-	128,110	
-	(897)	-	(897)	538,107	
-	-	-	-	594,299	
-	9,462	-	9,462	19,219,908	
-	-	-	-	37,971	
-	-	-	-	-	
-	-	-	-	8,820,527	
-	-	-	-	1,504,458	
-	-	-	-	339,076	
-	-	-	-	906,281	
-	-	-	-	-	
219,003	-	-	219,003	219,003	
-	-	-	-	-	
-	-	-	-	-	
219,003	-	-	219,003	11,827,316	
(219,003)	9,462	-	(209,541)	7,392,592	
11,577,135	-	-	11,577,135	11,577,135	
-	-	(86)	(86)	(2,311,235)	
11,577,135	-	(86)	11,577,049	9,265,900	
11,358,132	9,462	(86)	11,367,508	16,658,492	
232,477	48,174	86	280,737	19,006,399	
\$ 11,590,609	\$ 57,636	\$ -	\$ 11,648,245	\$ 35,664,891	

CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 626,682	\$ 866,285	\$ 239,603
Investment and Rental	-	300	300
Miscellaneous	-	289	289
Total Revenues	<u>626,682</u>	<u>866,874</u>	<u>240,192</u>
EXPENDITURES			
Current:			
Community Development	<u>3,269,521</u>	<u>509,421</u>	<u>2,760,100</u>
NET CHANGE IN FUND BALANCE	<u>(2,642,839)</u>	<u>357,453</u>	<u>3,000,292</u>
Fund Balance (Deficit) - Beginning of Year	<u>(359,215)</u>	<u>(359,215)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ (3,002,054)</u></u>	<u><u>\$ (1,762)</u></u>	<u><u>\$ 3,000,292</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
STATE GAS TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,837,890	\$ 2,745,847	\$ (92,043)
Investment and Rental	10,980	(74,513)	(85,493)
Miscellaneous	-	157	157
Total Revenues	<u>2,848,870</u>	<u>2,671,491</u>	<u>(177,379)</u>
EXPENDITURES			
Current:			
Public Works	<u>5,456,088</u>	<u>626,977</u>	<u>4,829,111</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,607,218)	2,044,514	293,665
OTHER FINANCING USES			
Transfers Out	<u>(1,620,457)</u>	<u>(1,478,980)</u>	<u>141,477</u>
NET CHANGE IN FUND BALANCE	(4,227,675)	565,534	4,793,209
Fund Balance - Beginning of Year	<u>3,978,358</u>	<u>3,978,358</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (249,317)</u></u>	<u><u>\$ 4,543,892</u></u>	<u><u>\$ 4,793,209</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
LIGHTING ASSESSMENT DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes and Assessments	\$ 1,094,185	\$ 1,863,829	\$ 769,644
Investment and Rental	7,586	(19,422)	(27,008)
Miscellaneous	-	89,702	89,702
Total Revenues	<u>1,101,771</u>	<u>1,934,109</u>	<u>832,338</u>
EXPENDITURES			
Current:			
Public Works	<u>1,452,619</u>	<u>1,160,038</u>	<u>292,581</u>
NET CHANGE IN FUND BALANCE	<u>(350,848)</u>	<u>774,071</u>	<u>1,124,919</u>
Fund Balance - Beginning of Year	<u>535,841</u>	<u>535,841</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 184,993</u></u>	<u><u>\$ 1,309,912</u></u>	<u><u>\$ 1,124,919</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
PROP A SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,279,805	\$ 1,600,385	\$ 320,580
Investment and Rental	10,717	(54,458)	(65,175)
Miscellaneous	10,000	2,101	(7,899)
Total Revenues	<u>1,300,522</u>	<u>1,548,028</u>	<u>247,506</u>
EXPENDITURES			
Current:			
Public Works	<u>1,627,391</u>	<u>1,095,029</u>	<u>532,362</u>
NET CHANGE IN FUND BALANCE	<u>(326,869)</u>	<u>452,999</u>	<u>779,868</u>
Fund Balance - Beginning of Year	<u>2,866,586</u>	<u>2,866,586</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,539,717</u></u>	<u><u>\$ 3,319,585</u></u>	<u><u>\$ 779,868</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
PROP C SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,061,565	\$ 1,327,486	\$ 265,921
Investment and Rental	8,638	(53,866)	(62,504)
Miscellaneous	-	1,226	1,226
Total Revenues	<u>1,070,203</u>	<u>1,274,846</u>	<u>204,643</u>
EXPENDITURES			
Current:			
Public Works	<u>8,211,092</u>	<u>968,873</u>	<u>7,242,219</u>
NET CHANGE IN FUND BALANCE	<u>(7,140,889)</u>	<u>305,973</u>	<u>7,446,862</u>
Fund Balance - Beginning of Year	<u>2,848,936</u>	<u>2,848,936</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (4,291,953)</u></u>	<u><u>\$ 3,154,909</u></u>	<u><u>\$ 7,446,862</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
MEASURE R SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 796,174	\$ 5,695,653	\$ 4,899,479
Investment and Rental	3,349	(9,046)	(12,395)
Miscellaneous	-	860	860
Total Revenues	<u>799,523</u>	<u>5,687,467</u>	<u>4,887,944</u>
EXPENDITURES			
Current:			
Public Works	<u>10,174,689</u>	<u>4,596,619</u>	<u>5,578,070</u>
NET CHANGE IN FUND BALANCE	<u>(9,375,166)</u>	<u>1,090,848</u>	<u>10,466,014</u>
Fund Balance - Beginning of Year	<u>591,879</u>	<u>591,879</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ (8,783,287)</u></u>	<u><u>\$ 1,682,727</u></u>	<u><u>\$ 10,466,014</u></u>

CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
MEASURE M SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 902,330	\$ 1,126,471	\$ 224,141
Investment and Rental	2,620	(7,400)	(10,020)
Miscellaneous	-	411	411
Total Revenues	904,950	1,119,482	214,532
EXPENDITURES			
Current:			
Public Works	406,234	114,290	291,944
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	498,716	1,005,192	506,476
OTHER FINANCING USES			
Transfers Out	(832,169)	(832,169)	-
NET CHANGE IN FUND BALANCE	(333,453)	173,023	506,476
Fund Balance - Beginning of Year	214,593	214,593	-
FUND BALANCE - END OF YEAR	<u>\$ (118,860)</u>	<u>\$ 387,616</u>	<u>\$ 506,476</u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
HOME GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Investment and Rental	\$ 3,749	\$ 74,560	\$ 70,811
Miscellaneous	1,000,000	207,958	(792,042)
Total Revenues	<u>1,003,749</u>	<u>282,518</u>	<u>(721,231)</u>
EXPENDITURES			
Current:			
Community Development	<u>-</u>	<u>193</u>	<u>(193)</u>
NET CHANGE IN FUND BALANCE	1,003,749	282,325	(721,424)
Fund Balance - Beginning of Year	<u>2,296,974</u>	<u>2,296,974</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 3,300,723</u></u>	<u><u>\$ 2,579,299</u></u>	<u><u>\$ (721,424)</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
CalHOME GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Investment and Rental	\$ -	\$ 66,103	\$ 66,103
Miscellaneous	-	204,810	204,810
Total Revenues	-	270,913	270,913
 Fund Balance - Beginning of Year	 432,390	 432,390	 -
FUND BALANCE - END OF YEAR	<u>\$ 432,390</u>	<u>\$ 703,303</u>	<u>\$ 270,913</u>

CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 80,900	\$ 81,250	\$ 350
Investment and Rental	1,403	(7,092)	(8,495)
Total Revenues	<u>82,303</u>	<u>74,158</u>	<u>(8,145)</u>
EXPENDITURES			
Current:			
Public Works	<u>174,783</u>	<u>44,886</u>	<u>129,897</u>
NET CHANGE IN FUND BALANCE	<u>(92,480)</u>	<u>29,272</u>	<u>121,752</u>
Fund Balance - Beginning of Year	<u>425,255</u>	<u>425,255</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 332,775</u></u>	<u><u>\$ 454,527</u></u>	<u><u>\$ 121,752</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
COUNTY GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,060,000	\$ -	\$ (1,060,000)
EXPENDITURES			
Current:			
Parks and Recreation	\$ 1,484,929	\$ 172,401	\$ 1,312,528
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(424,929)	(172,401)	252,528
Fund Balance - Beginning of Year	65,157	65,157	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (359,772)</u>	<u>\$ (107,244)</u>	<u>\$ 252,528</u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
STATE GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 242,631	\$ 504,541	\$ 261,910
Investment and Rental	459	(1,898)	(2,357)
Miscellaneous	-	123	123
Total Revenues	<u>243,090</u>	<u>502,766</u>	<u>259,676</u>
EXPENDITURES			
Current:			
Health and Welfare	<u>4,343,480</u>	<u>339,076</u>	<u>4,004,404</u>
NET CHANGE IN FUND BALANCE	<u>(4,100,390)</u>	<u>163,690</u>	<u>4,264,080</u>
Fund Balance - Beginning of Year	<u>(319,244)</u>	<u>(319,244)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ (4,419,634)</u></u>	<u><u>\$ (155,554)</u></u>	<u><u>\$ 4,264,080</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
ECONOMIC SUSTAINABILITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Investment and Rental	\$ 3,846	\$ 94,111	\$ 90,265
EXPENDITURES			
Current:			
Community Development	471,483	396,667	74,816
NET CHANGE IN FUND BALANCE	(467,637)	(302,556)	165,081
Fund Balance - Beginning of Year	1,265,570	1,265,570	-
FUND BALANCE - END OF YEAR	<u>\$ 797,933</u>	<u>\$ 963,014</u>	<u>\$ 165,081</u>

CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
IMAGE ENHANCEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ 121,245	\$ 128,110	\$ 6,865
Investment and Rental	1,128	(8,596)	(9,724)
Total Revenues	<u>122,373</u>	<u>119,514</u>	<u>(2,859)</u>
 Fund Balance - Beginning of Year	 <u>448,217</u>	 <u>448,217</u>	 <u>-</u>
 FUND BALANCE - END OF YEAR	 <u><u>\$ 570,590</u></u>	 <u><u>\$ 567,731</u></u>	 <u><u>\$ (2,859)</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
SEWER MAINTENANCE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes and Assessments	\$ 1,600	\$ 328	\$ (1,272)
Miscellaneous	-	309	309
Total Revenues	1,600	637	(963)
EXPENDITURES			
Current:			
General Government	280,300	37,971	242,329
Public Works	5,700	-	5,700
Total Expenditures	286,000	37,971	248,029
NET CHANGE IN FUND BALANCE	(284,400)	(37,334)	247,066
Fund Balance (Deficit) - Beginning of Year	16,786	16,786	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (267,614)</u>	<u>\$ (20,548)</u>	<u>\$ 247,066</u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
REACH GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes and Assessments	\$ -	\$ 19,280	\$ 19,280
Intergovernmental	972,434	897,904	(74,530)
Investment and Rental	1,883	(8,420)	(10,303)
Miscellaneous	-	3,163	3,163
Total Revenues	<u>974,317</u>	<u>911,927</u>	<u>(62,390)</u>
EXPENDITURES			
Current:			
Parks and Recreation	<u>1,024,443</u>	<u>976,827</u>	<u>47,616</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(50,126)	(64,900)	(14,774)
Fund Balance - Beginning of Year	<u>557,406</u>	<u>557,406</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 507,280</u></u>	<u><u>\$ 492,506</u></u>	<u><u>\$ (14,774)</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
CABLE/PEG SUPPORT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Miscellaneous	\$ 25,000	\$ 76,393	\$ 51,393
EXPENDITURES			
Current:			
Public Works	286,545	38,233	248,312
NET CHANGE IN FUND BALANCE	(261,545)	38,160	299,705
Fund Balance - Beginning of Year	262,712	262,712	-
FUND BALANCE - END OF YEAR	<u>\$ 1,167</u>	<u>\$ 300,872</u>	<u>\$ 299,705</u>

CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
TRANSPORTATION DEVELOPMENT ACT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 46,423	\$ 39,954	\$ (6,469)
Miscellaneous	-	172	172
Total Revenues	<u>46,423</u>	<u>40,126</u>	<u>(6,297)</u>
EXPENDITURES			
Current:			
Public Works	<u>122,955</u>	<u>34,064</u>	<u>88,891</u>
NET CHANGE IN FUND BALANCE	(76,532)	6,062	82,594
Fund Balance (Deficit) - Beginning of Year	<u>(11,554)</u>	<u>(11,554)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ (88,086)</u></u>	<u><u>\$ (5,492)</u></u>	<u><u>\$ 82,594</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
MEASURE W SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 927,000	\$ 894,020	\$ (32,980)
Investment and Rental	-	(21,848)	(21,848)
Total Revenues	<u>927,000</u>	<u>872,172</u>	<u>(54,828)</u>
EXPENDITURES			
Current:			
Public Works	<u>1,453,442</u>	<u>355,230</u>	<u>1,098,212</u>
NET CHANGE IN FUND BALANCE	<u>(526,442)</u>	<u>516,942</u>	<u>1,043,384</u>
Fund Balance - Beginning of Year	<u>645,056</u>	<u>645,056</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 118,614</u></u>	<u><u>\$ 1,161,998</u></u>	<u><u>\$ 1,043,384</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
FEDERAL GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 3,060,000	\$ 285,800	\$ (2,774,200)
EXPENDITURES			
Current:			
Public Works	<u>7,960,338</u>	<u>141,518</u>	<u>7,818,820</u>
NET CHANGE IN FUND BALANCE	(4,900,338)	144,282	5,044,620
Fund Balance (Deficit) - Beginning of Year	<u>(356,556)</u>	<u>(356,556)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ (5,256,894)</u></u>	<u><u>\$ (212,274)</u></u>	<u><u>\$ 5,044,620</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES			
Capital Outlay	\$ 5,328,139	\$ 219,003	\$ 5,109,136
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>4,940,780</u>	<u>11,577,135</u>	<u>6,636,355</u>
NET CHANGE IN FUND BALANCE	(387,359)	11,358,132	11,745,491
Fund Balance - Beginning of Year	<u>232,477</u>	<u>232,477</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (154,882)</u></u>	<u><u>\$ 11,590,609</u></u>	<u><u>\$ 11,745,491</u></u>

CITY OF PICO RIVERA, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
PARAMOUNT/MINES LANDSCAPE MAINTENANCE ASSESSMENT CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes and Assessments	\$ 10,200	\$ 10,359	\$ 159
Investment and Rental	142	(897)	(1,039)
Total Revenues	<u>10,342</u>	<u>9,462</u>	<u>(880)</u>
 Fund Balance - Beginning of Year	 <u>48,174</u>	 <u>48,174</u>	 <u>-</u>
 FUND BALANCE - END OF YEAR	 <u><u>\$ 58,516</u></u>	 <u><u>\$ 57,636</u></u>	 <u><u>\$ (880)</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
DESCRIPTION OF OTHER ENTERPRISE FUNDS
JUNE 30, 2022**

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, CALIFORNIA
OTHER ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022**

	Sports Arena	Golf Course	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 395,967	\$ 26,241	\$ 422,208
Receivables, Net:			
Accounts	102,718	18,874	121,592
Interest	381	-	381
Inventories, at Cost	-	24,005	24,005
Total Current Assets	<u>499,066</u>	<u>69,120</u>	<u>568,186</u>
Noncurrent Assets:			
Capital Assets, Not Depreciated	3,368	38,945	42,313
Capital Assets, Depreciated, Net	6,079	234,442	240,521
Total Noncurrent Assets	<u>9,447</u>	<u>273,387</u>	<u>282,834</u>
Total Assets	<u>508,513</u>	<u>342,507</u>	<u>851,020</u>
DEFERRED OUTFLOWS OF RESOURCES			
Amount Related to Pensions	<u>8,160</u>	<u>3,343</u>	<u>11,503</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	72,039	123,854	195,893
Accrued Liabilities	2,321	53,002	55,323
Deposits	-	1,800	1,800
Total Current Liabilities	<u>74,360</u>	<u>178,656</u>	<u>253,016</u>
Noncurrent Liabilities:			
Advances from Other Funds	-	3,076,108	3,076,108
Net Pension Liability	56,295	23,066	79,361
Total Noncurrent Liabilities	<u>56,295</u>	<u>3,099,174</u>	<u>3,155,469</u>
Total Liabilities	<u>130,655</u>	<u>3,277,830</u>	<u>3,408,485</u>
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to Pensions	<u>18,008</u>	<u>7,379</u>	<u>25,387</u>
NET POSITION			
Net Investment in Capital Assets	9,447	273,387	282,834
Unrestricted	<u>358,563</u>	<u>(3,212,746)</u>	<u>(2,854,183)</u>
Total Net Position	<u>\$ 368,010</u>	<u>\$ (2,939,359)</u>	<u>\$ (2,571,349)</u>

**CITY OF PICO RIVERA, CALIFORNIA
OTHER ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022**

	Sports Arena	Golf Course	Total
OPERATING REVENUES			
Charges for Services	\$ 347,040	\$ 847,876	\$ 1,194,916
Other	169	-	169
Total Operating Revenues	<u>347,209</u>	<u>847,876</u>	<u>1,195,085</u>
OPERATING EXPENSES			
Salaries and Benefits	19,680	50,043	69,723
Contractual Services	121,673	77,178	198,851
Insurance Claims and Expenses	1,192	-	1,192
Administrative	-	868,362	868,362
Utilities	3,338	190,424	193,762
Repairs and Maintenance	-	41,531	41,531
Depreciation	30,305	26,463	56,768
Total Operating Expenses	<u>176,188</u>	<u>1,254,001</u>	<u>1,430,189</u>
OPERATING GAIN (LOSS)	171,021	(406,125)	(235,104)
NONOPERATING REVENUES			
Investment Income	<u>(5,330)</u>	<u>-</u>	<u>(5,330)</u>
CHANGE IN NET POSITION	165,691	(406,125)	(240,434)
Net Position - Beginning of Year	<u>202,319</u>	<u>(2,533,234)</u>	<u>(2,330,915)</u>
NET POSITION - END OF YEAR	<u><u>\$ 368,010</u></u>	<u><u>\$ (2,939,359)</u></u>	<u><u>\$ (2,571,349)</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
OTHER ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

	Sports Arena	Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 244,491	\$ 847,879	\$ 1,092,370
Payments to Suppliers	(99,033)	(1,155,511)	(1,254,544)
Payments to Employees	(61,166)	(17,712)	(78,878)
Net Cash Provided (Used) by Operating Activities	<u>84,292</u>	<u>(325,344)</u>	<u>(241,052)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from Due to/from Other Funds	<u>-</u>	<u>(48,054)</u>	<u>(48,054)</u>
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>(48,054)</u>	<u>(48,054)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Market Value Adjustment	(5,956)	-	(5,956)
Interest Received	344	-	344
Net Cash Used by Investing Activities	<u>(5,612)</u>	<u>-</u>	<u>(5,612)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	78,680	(373,398)	(294,718)
Cash and Cash Equivalents - Beginning of Year	<u>317,287</u>	<u>399,639</u>	<u>716,926</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 395,967</u></u>	<u><u>\$ 26,241</u></u>	<u><u>\$ 422,208</u></u>

**CITY OF PICO RIVERA, CALIFORNIA
OTHER ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Sports Arena	Golf Course	Total
RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES			
Operating Gain (Loss)	\$ 171,021	\$ (406,125)	\$ (235,104)
Adjustments to Reconcile Operating Gain (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	30,305	26,463	56,768
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
Increase in Accounts Receivables	(102,718)	3	(102,715)
Decrease in Deferred Outflows of Resources - Amount Related to Pensions	6,150	(3,343)	2,807
Increase (Decrease) in Accounts Payable	27,170	23,954	51,124
Increase (Decrease) in Accrued Liabilities	532	3,259	3,791
Increase (Decrease) in Net Pension Liability	(65,986)	23,066	(42,920)
Increase (Decrease) in Deferred Inflows of Resources - Amounts Related to Pensions	17,818	7,379	25,197
Total Adjustments	<u>(86,729)</u>	<u>80,781</u>	<u>(5,948)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 84,292</u>	<u>\$ (325,344)</u>	<u>\$ (241,052)</u>

**STATISTICAL SECTION
(UNAUDITED)**

This page intentionally left blank.

CITY OF PICO RIVERA, CALIFORNIA
DESCRIPTION OF STATISTICAL SECTION CONTENTS
JUNE 30, 2022

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:	Pages
<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.	150-159
<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.	160-167
<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.	168-174
<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.	175-176
<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.	177-181

**CITY OF PICO RIVERA, CALIFORNIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Governmental Activities:				
Net investment in capital assets	\$ 232,734,954	\$ 224,917,267	\$ 224,650,021	\$ 231,562,736
Restricted	12,426,012	13,016,383	14,236,953	11,854,987
Unrestricted	<u>39,163,377</u>	<u>43,883,873</u>	<u>22,142,254</u>	<u>23,639,282</u>
Total governmental activities net position	<u>284,324,343</u>	<u>281,817,523</u>	<u>261,029,228</u>	<u>267,057,005</u>
Business-type Activities:				
Net investment in capital assets	30,079,954	30,964,232	31,370,373	31,761,672
Restricted	-	-	-	-
Unrestricted	<u>(17,473,063)</u>	<u>(16,212,613)</u>	<u>(18,465,237)</u>	<u>(16,385,687)</u>
Total business-type activities net position	<u>12,606,891</u>	<u>14,751,619</u>	<u>12,905,136</u>	<u>15,375,985</u>
Primary Government:				
Net investment in capital assets	262,814,908	255,881,499	256,020,394	263,324,408
Restricted	12,426,012	13,016,383	14,236,953	11,854,987
Unrestricted	<u>21,690,314</u>	<u>27,671,260</u>	<u>3,677,017</u>	<u>7,253,595</u>
Total primary government net position	<u>\$ 296,931,234</u>	<u>\$ 296,569,142</u>	<u>\$ 273,934,364</u>	<u>\$ 282,432,990</u>

Source: Statement of Net Position

**CITY OF PICO RIVERA, CALIFORNIA
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS**

<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
\$ 223,976,465	\$ 230,499,724	\$ 232,291,558	\$ 235,399,358	\$ 234,764,478	\$ 237,260,527
13,274,422	16,360,144	19,565,580	22,661,392	23,672,803	27,978,094
<u>25,960,550</u>	<u>18,735,128</u>	<u>17,860,702</u>	<u>15,000,619</u>	<u>23,195,137</u>	<u>38,557,279</u>
 263,211,437	 265,594,996	 269,717,840	 273,061,369	 281,632,418	 303,795,900
 32,604,651	 33,236,723	 33,680,356	 34,129,206	 36,403,397	 40,280,888
-	-	-	-	-	-
<u>(13,590,642)</u>	<u>(13,570,480)</u>	<u>(10,315,352)</u>	<u>(3,505,373)</u>	<u>(4,457,768)</u>	<u>(4,543,616)</u>
 19,014,009	 19,666,243	 23,365,004	 30,623,833	 31,945,629	 35,737,272
 256,581,116	 263,736,447	 265,971,914	 269,528,564	 271,167,875	 277,541,415
13,274,422	16,360,144	19,565,580	22,661,392	23,672,803	27,978,094
<u>12,369,908</u>	<u>5,164,648</u>	<u>7,545,350</u>	<u>11,495,246</u>	<u>18,737,369</u>	<u>34,013,663</u>
<u><u>\$ 282,225,446</u></u>	<u><u>\$ 285,261,239</u></u>	<u><u>\$ 293,082,844</u></u>	<u><u>\$ 303,685,202</u></u>	<u><u>\$ 313,578,047</u></u>	<u><u>\$ 339,533,172</u></u>

CITY OF PICO RIVERA, CALIFORNIA
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2012-13	2013-14	2014-15	2015-16	2016-17
Expenses:					
Governmental Activities:					
General government	\$ 8,339,448	\$ 9,954,786	\$ 9,248,597	\$ 8,790,816	\$ 10,048,704
Public safety	10,946,303	11,202,782	10,457,770	10,468,357	12,330,023
Public works	12,843,460	10,498,605	14,545,183	14,472,969	15,104,130
Parks and recreation	5,483,656	5,422,037	5,600,669	5,585,521	6,263,237
Health and welfare	5,678,172	5,339,488	4,840,878	5,266,352	5,587,157
Community development	2,207,716	2,511,556	2,761,524	2,827,231	2,540,908
Interest and fiscal charges	975,580	1,742,562	1,656,613	1,626,960	2,628,006
Bond issuance costs	-	-	-	-	-
Total governmental activities net expenses	<u>46,474,335</u>	<u>46,671,816</u>	<u>49,111,234</u>	<u>49,038,206</u>	<u>54,502,165</u>
Business-type Activities:					
Water	7,846,884	8,386,111	8,044,302	7,865,853	8,155,205
Pico Rivera Innovative Municipal Energy	-	-	-	-	-
Other enterprise funds	980,618	1,054,837	1,320,585	1,624,391	1,622,319
Total business-type activities net expenses	<u>8,827,502</u>	<u>9,440,948</u>	<u>9,364,887</u>	<u>9,490,244</u>	<u>9,777,524</u>
Total primary government expenses	<u>\$ 55,301,837</u>	<u>\$ 56,112,764</u>	<u>\$ 58,476,121</u>	<u>\$ 58,528,450</u>	<u>\$ 64,279,689</u>
Program Revenues:					
Governmental Activities:					
Charges for services:					
General government	\$ 138,144	\$ 497,518	\$ 574,846	\$ 606,726	\$ 739,432
Public safety	1,226,044	1,207,766	1,125,660	1,022,464	962,627
Public works	751,194	744,905	1,821,210	1,788,821	786,053
Parks and recreation	763,094	693,884	743,400	578,529	773,631
Health and welfare	142,291	188,767	232,824	202,262	174,314
Community development	468,266	712,626	644,344	746,395	873,536
Operating contributions and grants	12,357,708	13,322,885	12,236,612	12,817,403	11,093,802
Capital contributions and grants	7,346,536	2,378,797	2,287,187	1,620,798	778,116
Total governmental activities program revenues	<u>23,193,277</u>	<u>19,747,148</u>	<u>19,666,083</u>	<u>19,383,398</u>	<u>16,181,511</u>
Business-type Activities:					
Charges for services:					
Water utility	7,866,087	8,909,351	8,698,444	8,304,240	8,819,676
Pico Rivera Innovative Municipal Energy	-	-	-	-	-
Other enterprise funds	898,336	921,432	996,548	1,302,652	1,478,893
Operating grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>8,764,423</u>	<u>9,830,783</u>	<u>9,694,992</u>	<u>9,606,892</u>	<u>10,298,569</u>
Primary government program revenues	<u>\$ 31,957,700</u>	<u>\$ 29,577,931</u>	<u>\$ 29,361,075</u>	<u>\$ 28,990,290</u>	<u>\$ 26,480,080</u>
Net (Expense)/Revenue:					
Governmental activities	\$ (23,281,058)	\$ (26,924,668)	\$ (29,445,151)	\$ (29,654,808)	\$ (38,320,654)
Business-type activities	<u>(63,079)</u>	<u>389,835</u>	<u>330,105</u>	<u>116,648</u>	<u>521,045</u>
Total primary government net expense	<u>\$ (23,344,137)</u>	<u>\$ (26,534,833)</u>	<u>\$ (29,115,046)</u>	<u>\$ (29,538,160)</u>	<u>\$ (37,799,609)</u>

Source: City of Pico Rivera Finance Division

CITY OF PICO RIVERA, CALIFORNIA
CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
\$ 8,190,494	\$ 10,589,517	\$ 11,832,065	\$ 8,452,818	\$ 8,089,449
11,885,957	11,998,792	12,460,600	12,314,336	12,144,703
12,488,922	16,339,812	15,688,114	16,977,788	14,700,643
7,146,278	7,958,749	7,319,903	6,869,152	7,457,649
5,311,548	5,416,605	5,508,857	6,248,362	6,414,485
4,407,647	4,194,760	5,269,424	4,729,823	10,891,361
1,013,498	1,507,430	1,527,256	1,486,071	1,450,395
-	398,345	-	-	-
<u>50,444,344</u>	<u>58,404,010</u>	<u>59,606,219</u>	<u>57,078,350</u>	<u>61,148,685</u>
8,382,375	8,506,305	8,743,689	9,503,242	9,570,530
4,900,927	12,944,076	12,800,550	16,116,785	17,222,547
2,270,317	1,804,018	1,411,093	1,980,185	1,430,189
<u>15,553,619</u>	<u>23,254,399</u>	<u>22,955,332</u>	<u>27,600,212</u>	<u>28,223,266</u>
<u>\$ 65,997,963</u>	<u>\$ 81,658,409</u>	<u>\$ 82,561,551</u>	<u>\$ 84,678,562</u>	<u>\$ 89,371,951</u>
\$ 493,265	\$ 657,280	\$ 310,572	\$ 415,826	\$ 545,101
1,044,921	1,114,647	970,410	1,160,968	1,163,935
801,487	836,847	852,467	878,464	882,256
791,906	579,751	359,398	63,530	279,041
198,238	205,328	9,104	155,361	285,648
1,196,287	982,241	826,524	1,240,644	1,681,960
16,678,586	13,168,680	13,826,068	16,416,848	26,561,448
2,874,341	3,604,445	5,855,720	2,986,830	5,387,593
<u>24,079,031</u>	<u>21,149,219</u>	<u>23,010,263</u>	<u>23,318,471</u>	<u>36,786,982</u>
9,802,992	9,904,084	10,376,513	10,641,130	11,180,400
5,354,524	13,581,101	16,685,058	14,798,777	18,030,558
1,176,972	1,119,812	1,056,567	1,841,744	1,195,085
-	-	-	-	476,602
<u>16,334,488</u>	<u>24,604,997</u>	<u>28,118,138</u>	<u>27,281,651</u>	<u>30,882,645</u>
<u>\$ 40,413,519</u>	<u>\$ 45,754,216</u>	<u>\$ 51,128,401</u>	<u>\$ 50,600,122</u>	<u>\$ 67,669,627</u>
\$ (26,365,313)	\$ (37,254,791)	\$ (36,595,956)	\$ (33,759,879)	\$ (24,361,703)
780,869	1,350,598	5,162,806	(318,561)	2,659,379
<u>\$ (25,584,444)</u>	<u>\$ (35,904,193)</u>	<u>\$ (31,433,150)</u>	<u>\$ (34,078,440)</u>	<u>\$ (21,702,324)</u>

CITY OF PICO RIVERA, CALIFORNIA
CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2012-13	2013-14	2014-15	2015-16
General Revenues and Other Changes in Net Position:				
Governmental Activities:				
Property taxes	\$ 8,941,441	\$ 9,269,468	\$ 9,611,244	\$ 10,049,454
Sales taxes	15,028,866	16,435,053	16,368,367	17,766,538
Franchise taxes	1,683,174	1,641,171	1,646,884	1,654,275
Utility users taxes	3,397,538	3,504,363	3,525,036	3,385,361
Other taxes	1,595,125	1,710,630	1,760,876	1,850,151
Unrestricted motor vehicle license in lieu				
Investment Earnings	209,340	39,582	151,636	193,684
Other	125,691	139,486	613,592	283,352
Transfers	371,165	648,626	611,727	479,232
Gain on sale of property	205,756	104,912	257,194	174,424
Special Item	(10,921,476)	(9,075,443)	1,059,577	(704,496)
Total governmental activities	20,636,620	24,417,848	35,606,133	35,131,975
Business-type Activities:				
Investment Earnings	2,367,181	2,308,060	2,226,339	2,128,937
Other	4,898	95,459	12,179	-
Transfers	(371,165)	(648,626)	(611,727)	(479,232)
Gain on bond defeasance	-	-	-	-
Extraordinary item	(149,583)	-	-	704,496
Total business-type activities	1,851,331	1,754,893	1,626,791	2,354,201
Total primary government	\$ 22,487,951	\$ 26,172,741	\$ 37,232,924	\$ 37,486,176
Change in Net Position:				
Governmental activities	\$ (2,644,438)	\$ (2,506,820)	\$ 6,160,982	\$ 5,477,167
Business-type activities	1,788,252	2,144,728	1,956,896	2,470,849
Total primary government	\$ (856,186)	\$ (362,092)	\$ 8,117,878	\$ 7,948,016

Source: City of Pico Rivera Finance Division

**CITY OF PICO RIVERA, CALIFORNIA
CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
\$ 10,591,691	\$ 11,173,640	\$ 11,734,058	\$ 12,259,774	\$ 13,000,934	\$ 13,831,113
17,637,948	17,575,729	19,468,221	19,364,272	21,325,436	24,551,320
1,582,026	1,703,255	1,729,336	1,787,568	1,876,407	1,956,998
3,276,321	3,142,090	2,939,221	3,064,500	3,157,258	3,567,128
1,632,337	1,807,130	1,968,094	1,690,687	2,055,932	1,926,617
					-
347,422	637,086	1,528,199	1,502,934	542,108	(197,845)
450,783	662,225	1,007,091	269,750	372,853	889,854
(1,043,442)	42,027	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>34,475,086</u>	<u>36,743,182</u>	<u>40,374,220</u>	<u>39,939,485</u>	<u>42,330,928</u>	<u>46,525,185</u>
2,073,537	2,025,078	2,140,163	2,096,023	1,640,357	449,236
-	-	-	-	-	-
1,043,442	(42,027)	-	-	-	-
-	-	-	-	-	683,028
-	-	-	-	-	-
<u>3,116,979</u>	<u>1,983,051</u>	<u>2,140,163</u>	<u>2,096,023</u>	<u>1,640,357</u>	<u>1,132,264</u>
<u>\$ 37,592,065</u>	<u>\$ 38,726,233</u>	<u>\$ 42,514,383</u>	<u>\$ 42,035,508</u>	<u>\$ 43,971,285</u>	<u>\$ 47,657,449</u>
\$ (3,845,568)	\$ 10,377,869	\$ 3,119,429	3,343,529	8,571,049	22,163,482
3,638,024	2,763,920	3,490,761	7,258,829	1,321,796	3,791,643
<u>\$ (207,544)</u>	<u>\$ 13,141,789</u>	<u>\$ 6,610,190</u>	<u>\$ 10,602,358</u>	<u>\$ 9,892,845</u>	<u>\$ 25,955,125</u>

CITY OF PICO RIVERA, CALIFORNIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2012-13	2013-14	2014-15	2015-16
General Fund:				
Nonspendable	\$ 25,222,739	\$ 25,222,739	\$ 25,222,739	\$ 25,198,662
Restricted	2,334,811	2,446,856	2,358,919	2,368,600
Committed	5,974,566	9,330,000	9,316,732	9,479,500
Assigned	6,745,120	8,285,480	10,272,833	14,376,800
Unassigned	50,490	48,092	4,341,395	12,882,331
Reserved	-	-	-	-
Unreserved	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general fund	<u>\$ 40,327,726</u>	<u>\$ 45,333,167</u>	<u>\$ 51,512,618</u>	<u>\$ 64,305,893</u>
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	14,808,900	10,669,538	11,366,458	11,074,536
Committed	-	-	-	-
Assigned	600,000	600,000	600,000	600,000
Unassigned	(3,012,144)	(3,335,743)	(2,869,762)	(2,141,161)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt Service funds	-	-	-	-
Capital projects funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 12,396,756</u>	<u>\$ 7,933,795</u>	<u>\$ 9,096,696</u>	<u>\$ 9,533,375</u>

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

Source: City of Pico Rivera Finance Division

CITY OF PICO RIVERA, CALIFORNIA
FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
\$ 25,209,917	\$ 25,168,800	\$ 28,002,854	\$ 22,096,478	\$ 23,232,000	\$ 26,139,104
-	-	1,061,066	1,087,825	1,372,990	1,180,688
9,476,700	9,665,400	10,284,000	10,169,300	20,510,328	24,517,211
14,426,700	13,256,200	14,039,900	13,991,300	13,717,940	14,926,791
10,851,445	12,063,120	9,067,136	17,752,704	14,366,714	6,458,368
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 59,964,762</u>	<u>\$ 60,153,520</u>	<u>\$ 62,454,956</u>	<u>\$ 65,097,607</u>	<u>\$ 73,199,972</u>	<u>\$ 73,222,162</u>
\$ -	\$ 4,508	\$ -	\$ -	\$ -	\$ -
12,927,436	15,566,814	31,791,493	33,195,861	34,780,540	37,428,998
-	-	-	-	-	-
600,000	600,000	600,000	-	232,477	11,590,609
(1,749,394)	(1,607,854)	(60,712)	(1,257,821)	(1,046,569)	(502,874)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 11,778,042</u>	<u>\$ 14,563,468</u>	<u>\$ 32,330,781</u>	<u>\$ 31,938,040</u>	<u>\$ 33,966,448</u>	<u>\$ 48,516,733</u>

CITY OF PICO RIVERA, CALIFORNIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenues:					
Taxes and Assessments	\$ 30,782,011	\$ 33,100,095	\$ 34,083,110	\$ 35,534,141	\$ 34,592,924
Licenses and permits	1,912,315	2,320,618	2,363,477	2,491,636	2,442,190
Intergovernmental	18,257,848	10,891,308	11,703,565	12,214,500	11,927,598
Charges for services	1,717,790	1,964,785	1,889,338	1,871,009	2,124,665
Fines, forfeitures and penalties	1,234,368	1,224,540	1,134,906	1,031,031	898,203
Investment income	398,030	244,614	336,077	341,746	488,369
Miscellaneous	951,402	1,333,203	2,535,295	785,171	538,177
Gain on sale of land held for resale	-	-	-	-	-
Extraordinary item	(5,029,315)	-	-	-	-
Total revenues	50,224,449	51,079,163	54,045,768	54,269,234	53,012,126
Expenditures:					
General government	6,555,866	7,183,738	6,884,398	6,805,810	11,819,289
Public safety	10,940,211	11,188,047	10,435,184	10,439,469	11,375,573
Public works	7,976,019	8,561,977	9,621,311	9,707,823	10,255,784
Parks and recreation	4,967,899	4,890,183	4,794,720	4,554,724	5,374,259
Health and welfare	5,678,172	5,339,488	4,840,878	5,266,352	5,587,157
Community development	2,189,841	2,490,769	2,730,123	2,787,070	3,435,809
Pass through to other agencies	-	-	-	-	-
Loss on sale of land held for resale	-	-	-	-	-
Capital outlay	20,528,630	7,719,114	5,175,862	7,287,913	2,453,883
Debt service:					
Principal retirement	560,000	585,000	610,000	635,000	980,000
Interest and other charges	1,094,198	1,734,538	1,710,638	1,682,562	655,944
Lease Principal	-	-	-	-	-
Lease Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	520,424
payments to refunding escrow agent	-	-	-	-	2,368,685
Total expenditures	60,490,836	49,692,854	46,803,114	49,166,723	54,826,807
Excess (deficiency) of revenues over (under) expenditures	(10,266,387)	1,386,309	7,242,654	5,102,511	(1,814,681)
Other Financing Sources (Uses):					
Transfers in	24,558,694	11,719,264	7,618,952	19,274,660	3,986,323
Transfers out	(31,667,462)	(12,118,893)	(7,987,933)	(10,488,538)	(5,029,765)
Bond issuance	-	-	-	-	30,470,000
Bond premium	-	-	-	-	3,082,378
Payments to refunding escrow agent	-	-	-	-	(33,021,008)
Total other financing sources (uses)	(7,108,768)	(399,629)	(368,981)	8,786,122	(512,072)
Special Item:					
Forgiveness of debt	-	-	-	(90,000)	-
Net change in fund balances	(17,375,155)	986,680	6,873,673	13,798,633	(2,326,753)
Fund balances - July 1	70,099,637	52,180,282	53,166,962	60,040,635	73,839,268
Fund balances - June 30	\$ 52,724,482	\$ 53,166,962	\$ 60,040,635	\$ 73,839,268	\$ 71,512,515
Debt service as a percentage of noncapital expenditures	4.14%	5.53%	5.57%	5.53%	8.64%

CITY OF PICO RIVERA, CALIFORNIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

2017-18	2018-19	2019-20	2020-21	2021-22
\$ 35,567,380	\$ 38,653,543	\$ 39,179,631	\$ 39,647,861	\$ 44,310,901
2,960,639	2,861,711	2,212,910	3,209,557	3,612,057
13,433,014	12,973,062	15,079,031	19,310,930	33,355,732
1,851,030	1,819,310	1,443,249	1,234,332	1,437,497
1,002,532	1,109,430	952,095	1,108,568	1,199,256
812,776	1,433,476	1,523,385	557,114	(359,384)
5,593,359	1,436,364	996,245	600,081	1,233,409
-	-	-	-	-
-	-	-	-	-
61,220,730	60,286,896	61,386,546	65,668,443	84,789,468
12,938,296	7,901,483	8,291,063	7,367,989	9,309,236
11,857,271	11,971,740	12,433,612	12,286,345	12,135,586
14,095,351	15,527,553	17,986,339	16,457,143	17,374,179
6,122,665	6,993,470	6,356,907	5,766,663	7,085,982
5,311,548	5,416,605	5,508,857	6,248,362	6,414,485
4,367,766	4,157,152	5,231,905	4,591,099	11,558,866
-	-	-	-	-
-	-	-	-	-
1,547,832	1,633,063	571,952	64,075	2,559,159
865,000	1,090,000	1,155,000	1,190,000	1,230,000
1,061,150	1,530,496	1,601,001	1,565,994	1,522,419
-	-	-	-	24,584
-	-	-	-	2,497
-	398,345	-	-	-
-	-	-	-	-
58,166,879	56,619,907	59,136,636	55,537,670	69,216,993
3,053,851	3,666,989	2,249,910	10,130,773	15,572,475
3,309,866	4,667,515	2,986,078	2,491,287	24,116,170
(3,767,839)	(4,667,515)	(2,986,078)	(2,491,287)	(25,116,170)
-	14,695,000	-	-	-
-	703,345	-	-	-
-	-	-	-	-
(457,973)	15,398,345	-	-	(1,000,000)
-	-	-	-	-
2,595,878	19,065,334	2,249,910	10,130,773	14,572,475
72,121,110	75,720,403	94,785,737	97,035,647	107,166,420
\$ 74,716,988	\$ 94,785,737	\$ 97,035,647	\$ 107,166,420	\$ 121,738,895
3.42%	6.17% #	5.42% #	5.46% #	4.66%

**CITY OF PICO RIVERA, CALIFORNIA
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
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	12,209,094	19,364,271	438,232	50,679	1,787,568
2020-21	12,954,453	21,325,436	433,797	46,481	1,876,407
2021-22	13,758,151	24,551,320	533,482	72,962	1,956,998
Change from Base Year 2012-13	54%	63%	60%	468%	16%

Source: City of Pico Rivera Finance Division

CITY OF PICO RIVERA, CALIFORNIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE (CONTINUED)
LAST TEN FISCAL YEARS

Utility Users Tax	Business License Tax	Total
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
3,064,500	1,209,199	38,123,543
3,157,258	1,611,415	41,405,247
3,567,128	1,393,084	45,833,126
5%	12%	50%

**CITY OF PICO RIVERA, CALIFORNIA
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
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
2020-21	3,895,827,995	639,397,804	823,738,292	382,305,577	104,282	5,741,373,950	0.0923
2021-22	4,079,513,033	657,191,391	978,113,682	374,506,281	105,361	6,089,429,748	0.0921

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

Source: Los Angeles County Assessor

**CITY OF PICO RIVERA, CALIFORNIA
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	
		PERCENT OF AMOUNT	PERCENT OF LEVY		AMOUNT	FINAL PERCENT OF LEVY
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%
2020-21	3,322,924	3,261,695	98.16%	-	3,261,695	98.16%
2021-22	3,496,505	3,433,991	98.21%	-	3,433,991	98.21%

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

Source: County Assessor General Ledger, MuniServices, LLC

**CITY OF PICO RIVERA, CALIFORNIA
DIRECT AND OVERLAPPING GOVERNMENTS PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Agency	2012-13	2013-14	2014-15	2015-16
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	0.09985	0.09571	0.09907	0.09630
LA Community College District	0.04875	0.04454	0.04017	0.03575
LA County Flood Control	0.00000	0.00000	0.00000	0.00000
Little Lake City School District	0.06942	0.08537	0.07964	0.06522
Los Nietos School District	0.03351	0.02810	0.03041	0.08062
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350
Montebello Unified School District	0.09630	0.09457	0.08750	0.08715
Rio Hondo Community College Dist	0.02812	0.02892	0.02821	0.02712
Whittier City School District	0.03439	0.06110	0.05792	0.05757
Whittier Union High School Dist	0.04556	0.04473	0.05270	0.05063
Total Direct & Overlapping Tax Rate	1.45940	1.48654	1.47912	1.50386
City's Share of 1% Levy Per Prop 13	0.08917	0.08917	0.08917	0.08917
City Redevelopment Rate	0.00000	0.00000	0.00000	0.00000
Total Direct Rate	0.26391	0.09412	0.09381	0.09355

- (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.

**CITY OF PICO RIVERA, CALIFORNIA
DIRECT AND OVERLAPPING GOVERNMENTS PROPERTY TAX RATES (CONTINUED)
LAST TEN YEARS**

2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.09627	0.19173	0.17840	0.17835	0.18754	0.15321
0.03596	0.04599	0.04621	0.02717	0.04016	0.04376
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.07063	0.08396	0.06878	0.06576	0.06442	0.05249
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
0.14705	0.13514	0.13921	0.09306	0.09706	0.09031
0.02808	0.02748	0.02554	0.02571	0.01361	0.01526
0.05441	0.04781	0.05534	0.05096	0.05151	0.04780
0.06035	0.05781	0.05822	0.05502	0.05433	0.05395
1.49625	1.59342	1.57521	1.49952	1.51214	1.46028
0.08917	0.08917	0.08917	0.08917	0.08917	0.08917
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.09330	0.09301	0.09280	0.09245	0.09231	0.09210

**CITY OF PICO RIVERA, CALIFORNIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO**

Taxpayer	2021-22		2012-13	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Paramount Pico Rivera Industrial	\$ 83,995,603	1.38%		
Vestar California XXVI LLC	75,216,953	1.24%	\$ 67,538,683	1.80%
BCORE Mercury Lane Owner LLC	62,000,000	1.02%		
Majestic AMB Pico Rivera	48,030,449	0.79%	40,880,783	1.09%
8540 Whittier Boulevard	41,400,435	0.68%		
Wal-Mart Real Estate Business Trust	38,210,384	0.63%	32,860,662	0.80%
Pico Rivera Holdings LVT LLC	37,132,826	0.61%		
Pavilion Affordable Housing LP	33,975,375	0.56%		
GGF Pico Rivera LLC	33,242,566	0.55%	26,329,507	
Airef Pico Rivera Distribution Center	33,230,739	0.55%		
Iron Mountain Information			35,323,793	0.44%
Princeton Medical Holdings LLC			30,287,000	0.81%
General American Life Insurance Company			27,121,587	0.72%
Showprop Pico Rivera			24,820,949	0.66%
Bakemark Ingredients West			21,944,870	0.57%
Public Storage Inc			21,338,578	0.57%
	<u>\$ 486,435,330</u>	<u>7.99%</u>	<u>\$ 328,446,412</u>	<u>8.35%</u>

Excludes government and tax-exempt property owners

Total City Value for 2012-13	\$ 3,931,538,791
Total City Value for 2021-22	\$ 6,089,429,748

Source: Los Angeles County Assessor 2021-22 and 2012-13 Combined Tax Rolls

**CITY OF PICO RIVERA, CALIFORNIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO**

Fiscal Year 2021-22		Fiscal Year 2012-13	
Taxpayers	Business Type	Taxpayers	Business Type
1 76	Service Stations	76	Service Stations
2 Arco AM PM	Service Stations	Arco AM PM	Service Stations
3 Arco AM PM	Service Stations	Arco AM PM	Service Stations
4 Calply	Building Materials	Cal Wholesale Material Supply	Building Materials
5 Chevron	Service Stations	Chevron	Service Stations
6 Chevron	Service Stations	Chevron	Service Stations
7 Cintas	Business Services	Cintas	Business Services
8 Dal Rae	Fine Dining	Circle K	Service Stations
9 Lowes	Building Materials	Food 4 Less	Grocery Stores
10 Marshalls	Family Apparel	Home Depot	Building Materials
11 McDonalds	Quick-Service Restaurants	King Taco	Quick-Service Restaurants
12 Miss Lola	Fulfillment Centers	Kwik/Al Sal Oil	Service Stations
13 Raising Cane's	Quick-Service Restaurants	Lowes	Building Materials
14 Ross	Family Apparel	Marshalls	Family Apparel
15 Rush Peterbilt Truck Center	New Motor Vehicle Dealers	McDonalds	Quick-Service Restaurants
16 Saw Service of America	Heavy Industrial	Oxnard Building Materials	Building Materials
17 Shell	Service Stations	Pico Rivera Gas & Carwash	Service Stations
18 Sunbelt Rentals	Repair Shop/Equip. Rentals	Ross	Family Apparel
19 Target	Discount Dept Stores	Rush Peterbilt Truck Center	New Motor Vehicle Dealers
20 Unisource	Office Supplies/Furniture	Saw Service of America	Heavy Industrial
21 United Rentals	Repair Shop/Equip. Rentals	So Cal Material Handling	Warehse/Farm/Const. Equip.
22 Versai Petroleum	Petroleum Prod/Equipment	Target	Discount Dept Stores
23 Vesta Home	Home Furnishings	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 =

2021-22	64.68%
2012-13	65.32%

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

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

**CITY OF PICO RIVERA, CALIFORNIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-Type Activities		
	County Deferral	Net Pension Obligation (3)	Finance Authority Revenue Bonds (1)	Revenue Bonds	Net Pension Obligation	
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)	31,078,035	31,439,322	37,620,169	4,473,787
2018-19	-	(2)	30,962,654	45,590,194	35,082,018	4,967,451
2019-20	-	(2)	33,878,412	44,277,732	32,393,869	5,146,415
2020-21	-	(2)	34,179,750	42,930,248	29,545,719	6,603,167
2021-22		(2)	23,242,557	41,542,775	9,577,364	5,214,285

- (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. Prior Year Governmental Activities information had been updated to provide figures from FY 17-18 to FY 20-21.

**CITY OF PICO RIVERA, CALIFORNIA
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS**

<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Debt Per Capita</u>
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%	1,640
104,611,313	8.73%	1,628
116,602,317	9.12%	1,821
115,696,428	8.61%	1,826
113,258,884	7.61%	1,793
79,576,981	4.79%	1,295

**CITY OF PICO RIVERA, CALIFORNIA
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
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
2020-21	-	42,930,248	42,930,248	0.748%	679.74
2021-22	-	41,542,775	41,542,775	0.682%	676.13

(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, CALIFORNIA
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2022**

2021-22 Assessed Valuation:	\$ 4,954,321,179
Incremental Valuation:	<u>1,135,108,569</u>
Adjusted Assessed Valuation:	\$3,819,212,610

	<u>Total Debt 6/30/2022</u>	<u>% Applicable (1)</u>	<u>City's Share of Debt 6/30/22</u>
<u>DIRECT DEBT</u>			
City of Pico Rivera	41,542,775	100.000%	41,542,775
TOTAL DIRECT DEBT	<u>41,542,775</u>		<u>41,542,775</u>

OVERLAPPING DEBT:

Metropolitan Water District	9,835,780	0.368%	36,196
Los Angeles Community College District	4,146,515,000	0.013%	539,047
Rio Hondo Community College District	113,112,824	13.079%	14,794,026
El Rancho Unified School District	99,377,735	99.996%	99,373,760
Montebello Unified School District	155,962,324	0.684%	1,066,782
Whittier Union High School District	142,799,361	0.488%	696,861
Los Nietos School District	41,732,715	0.046%	19,197
Whittier City School District	<u>69,530,000</u>	1.762%	<u>1,225,119</u>
TOTAL OVERLAPPING DEBT	4,778,865,739		117,750,988

TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	159,293,763
---	--------------------

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:

Direct Debt	0.84%
Total Overlapping Tax and Assessment Debt.....	2.38%

Ratios to Adjusted Assessed Valuation:

Direct Debt	1.09%
Total Overlapping Tax and Assessment Debt.....	3.08%
Combined Total Debt.....	4.17%

**CITY OF PICO RIVERA, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2012-13	2013-14	2014-15	2015-16
Debt limit	\$ 596,007,885	\$ 618,519,977	\$ 643,657,163	\$ 673,079,843
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 596,007,885</u>	<u>\$ 618,519,977</u>	<u>\$ 643,657,163</u>	<u>\$ 673,079,843</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	\$ 3,931,538,791	\$ 4,065,546,441	\$ 4,249,444,059	\$ 4,443,723,085
Add back: exempt real property	<u>41,847,108</u>	<u>57,920,073</u>	<u>41,603,696</u>	<u>43,475,869</u>
Total assessed value	<u>\$ 3,973,385,899</u>	<u>\$ 4,123,466,514</u>	<u>\$ 4,291,047,755</u>	<u>\$ 4,487,198,954</u>
Debt limit (15% of total assessed value)	\$ 596,007,885	\$ 618,519,977	\$ 643,657,163	\$ 673,079,843
Debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 596,007,885</u>	<u>\$ 618,519,977</u>	<u>\$ 643,657,163</u>	<u>\$ 673,079,843</u>

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

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

**CITY OF PICO RIVERA, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year					
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
\$ 710,507,871	\$ 750,729,280	\$ 791,460,728	\$ 836,367,534	\$ 868,018,885	\$ 926,960,187
-	-	-	-	-	-
<u>\$ 710,507,871</u>	<u>\$ 750,729,280</u>	<u>\$ 791,460,728</u>	<u>\$ 836,367,534</u>	<u>\$ 868,018,885</u>	<u>\$ 926,960,187</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 4,699,049,996	\$ 4,960,278,250	\$ 5,223,378,886	\$ 5,524,451,955	\$ 5,741,373,950	\$ 6,134,582,164
37,669,146	44,583,616	53,025,964	51,331,603	45,418,617	45,152,416
<u>\$ 4,736,719,142</u>	<u>\$ 5,004,861,866</u>	<u>\$ 5,276,404,850</u>	<u>\$ 5,575,783,558</u>	<u>\$ 5,786,792,567</u>	<u>\$ 6,179,734,580</u>
\$ 710,507,871	\$ 750,729,280	\$ 791,460,728	\$ 836,367,534	\$ 868,018,885	\$ 926,960,187
-	-	-	-	-	-
<u>\$ 710,507,871</u>	<u>\$ 750,729,280</u>	<u>\$ 791,460,728</u>	<u>\$ 836,367,534</u>	<u>\$ 868,018,885</u>	<u>\$ 926,960,187</u>

**CITY OF PICO RIVERA, CALIFORNIA
PLEDGED REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

1999 WATER AUTHORITY REVENUE BONDS - Last Ten Fiscal Years

Fiscal Year	Gross Revenue ⁽¹⁾	Less: Direct	Net Revenue	1999 Bonded Debt (P & I)	Coverage
		Costs ⁽²⁾	Available for Debt Service		
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%
2020-21	12,260,342	(6,897,155)	5,363,187	1,635,900	3.28%
2021-22	12,457,186	(7,692,571)	4,764,615	1,635,350	2.91%

(1) Total Water Authority revenues

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

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	43,598,587	865,000.00	1,061,150	1,926,150	22.64
2018-19	41,859,180	885,000.00	1,043,650	1,928,650	21.70
2019-20	41,115,931	900,000.00	1,023,450	1,923,450	21.38
2020-21	45,235,968	925,000.00	998,225	1,923,225	23.52
2021-22	49,034,402	955,000.00	965,520	1,920,520	25.53

(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	901,383	205,000.00	486,846	691,846	1.30
2019-20	871,222	255,000.00	577,969	832,969	1.05
2020-21	909,366	265,000.00	567,769	832,769	1.09
2021-22	1,126,471	275,000.00	557,169	832,169	1.35

(1) Total Metropolitan Transportation Authority Measure M local return revenues

2021 REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS (2)

Fiscal Year	Gross Revenue ⁽¹⁾	Principal	Interest	Total	Coverage
2021-22	8,595,990	-	93,224	93,224	92.21

(1) Total Successor revenues

(2) In 2021 the City of Pico Rivera refinanced its 2001 Redevelopment Agency Tax Allocation Refunding Bonds

Source: City of Pico Rivera Finance Department

**CITY OF PICO RIVERA, CALIFORNIA
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>
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%
2020-21	63,157	1,487,725	23,556	13.40%
2021-22	61,442	1,662,431	27,057	4.60%

(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, CALIFORNIA
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO**

Employer	Business Type	2021-22		2012-13	
		Employees	% of Total City Employment	Employees	% of Total City Employment
Los Angeles Unified School District	Exempt	350	1.20%		
Wal-Mart Supercenter	Department Store	250	0.86%	425	1.57%
Feit Electric Company, Inc	Warehouse For Distribution	197	0.67%		
Target	Department Store	191	0.65%	201	0.74%
Parts Authority LLC	Wholesale Business	191	0.65%		
Riviera Nursing & Convalescent	Healthcare & Hospitals	173	0.59%		
Vesta Home	Home Furnishing & Applian	142	0.49%		
Manning Beef LLC	Meat - Miscellaneous	125	0.43%		
American Meat Companies	Meat - Wholesale	111	0.38%		
El Rancho Vista Healthcare Center	Healthcare & Hospitals	110	0.38%		
Bay Cities Container	Yard Storage Use Only	104	0.36%		
El Super	Grocery Store	104	0.36%		
Raising Cane's Chicken Fingers Restaurant	Restaurant - Without Alcoho	104	0.36%		
Unisource Solutions	Wholesale Business	103	0.35%		
Amini Innovation Corp Aico	Wholesale Business	95	0.33%		
Southern California Permanente Medical Group	Healthcare & Hospitals	87	0.30%		
Dal Rae Restaurant	Restaurant - With Alcohol S	86	0.29%		
Boxpress Mfg	Manufacturing	85	0.29%		
Aoclsc, Inc	Manufacturing	85	0.29%		
Miss Lola	Service - General	84	0.29%		
Mcdonald's	Restaurant - Without Alcoho	82	0.28%		
Food 4 Less	Grocery Store	75	0.26%		
Reeve Store Equipment Co	Manufacturing	71	0.24%		
ABF Freight System, Inc	Exempt	70	0.24%		
Krieger Steel Products	Manufacturing	68	0.23%		
Total Top Employers		3,143	10.76%	626	2.32%
Total City Employment (1)		29,200		27,000	

Source: HDL Companies

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

** Includes FTE and temp service employees

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

**CITY OF PICO RIVERA, CALIFORNIA
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
General Government	29	29	30	25	30	30	31	30	29	31
Public Safety	5	5	5	8	8	9	9	7	7	7
Public Works	47	47	54	55	64	65	66	51	51	48
Parks & Recreation	20	20	21	21	26	26	27	24	25	26
Community Development	16	16	16	15	20	19	20	20	20	24
Water	11	11	11	8	9	10	10	10	10	9
Total	128	128	137	132	157	159	163	142	142	145

Source: City of Pico Rivera Finance Department
The city historically only reports full-time salaried positions on this schedule.

**CITY OF PICO RIVERA, CALIFORNIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year			
	2012-13	2013-14	2014-15	2015-16
Police:				
Calls dispatched	22,369	21,602	21,878	24,523
Crime reports	7,062	9,775	10,725	10,268
Moving citations	4,947	4,822	4,250	3,296
Parking citations - Sheriff	302	549	147	171
Parking citations issued by Public Safety	16,161	16,303	15,152	15,468
Streets and Highways:				
Asphalt repair (in tons)	669	160	427	100
Curb & gutter repair (lineal ft.)	1,059	26	530	500
Sidewalk repair (lineal ft.)	4,690	877	1,200	1,600
Traffic signals maintained	51	42	45	47
Water:				
Number of customer accounts	9,510	9,393	9,400	9,435
Average daily consumption (millions of gallons)	6	5	5	4
Water samples taken (annual)	783	900	1,162	520
Sewers:				
Feet of sewer mains root cut/chemically treated	11	11	11	0*
Maintenance:				
Square ft. graffiti removal	120,200	95,353	101,419	100,000
Streetsweeping miles	21,285	21,285	21,285	10,400
Trees trimmed per year	4,543	4,258	4,998	5,000
Culture and Recreation:				
Youth sports	835	856	856	818
Aquatics	11,800	16,179	16,179	6,960
Recreation classes	14,983	16,415	16,415	4,825
Senior Center participants	133,143	117,978	117,978	110,632

(A) Information is not available

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

**CITY OF PICO RIVERA, CALIFORNIA
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year					
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
26,177	25,363	22,854	31,780	29,039	29,532
7,275	6,680	6,288	5,969	5,255	5,563
3,146	3,931	3,216	1,770	2,720	3,168
158	69	167	74	20	22
16,285	15,985	28,037	16,543	20,974	20,957
2,523	7,263	4,813	4,061	1,312	12,114
146	121	200	606	1,220	5,904
2,523	7,263	208	2,008	2,400	9,010
47	47	47	47	48	48
9,435	9,435	9,435	9,450	9,452	9,470
			4	4	4
			728	749	840
0	0	0	0	0	0
150,000	229,000	117,536	89,299	260,000	265,000
21,285	21,285	21,285	21,285	21,285	21,285
4,000	3,000	2,500	751	614	3,035
671	517	825	292	0	530
10,715	10,502	11,114	8,811	0	0
4,932	7,076	10,398	5,107	2,289	1,678
135,889	151,669	135,354	97,080	0	5,500

**CITY OF PICO RIVERA, CALIFORNIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year			
	2012-13	2013-14	2014-15	2015-16
Public Safety:				
Police stations	1	1	1	1
Number of patrol units	12	12	12	12
Highways and Streets:				
Miles of streets	115.2	115.2	115.2	115.2
Traffic Signals	43	43	43	47
Water:				
Number of active water wells	8	8	8	8
Number of reservoirs	3	3	3	3
Miles of lines & mains	98	98	98	98
Sewer:				
Miles of sanitary sewers	285	285	285	285
Miles of flood control channel	17	17	17	17
Culture and Recreation:				
Number of parks	8	8	8	8
Number of community centers	6	6	6	6

**CITY OF PICO RIVERA, CALIFORNIA
CAPITAL ASSET STATISTICS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year					
<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
1	1	1	1	1	1
14	14	14	14	14	14
115.2	115.2	115.2	115.2	115.2	115.2
47	47	47	47	48	50
8	8	8	8	8	8
3	3	3	3	3	3
98	98	98	98	98	98
285	285	285	285	285	285
17	17	17	17	17	17
8	8	8	8	8	9
6	6	6	6	6	6



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