



CITY OF LA MIRADA CALIFORNIA



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2014



CITY OF LA MIRADA

DEDICATED TO SERVICE
FISCAL YEAR ENDED JUNE 30, 2014

City Council

Lawrence P. Mowles, Mayor
Pauline Deal, Mayor Pro Tem
Steve De Ruse, Councilmember
Steve Jones, Councilmember
Andrew Sarega, Councilmember

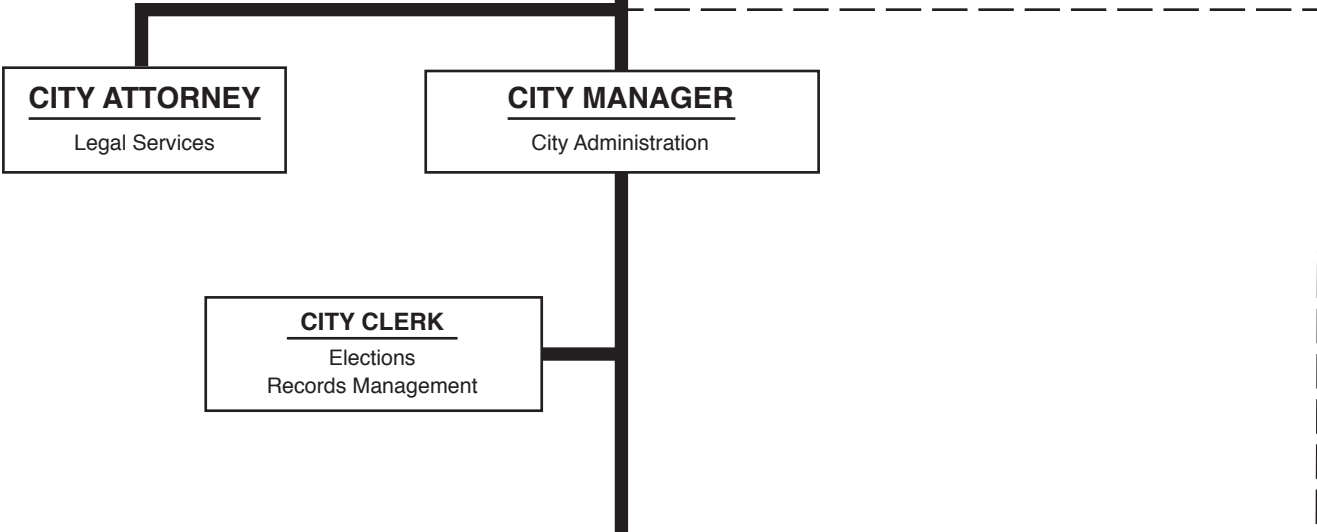
Prepared by:
Anne Haraksin, Deputy City Manager
Melissa Pascual, Senior Accountant
Judy G. Quiñonez, Senior Accountant

CITIZENS OF LA MIRADA



CITY COUNCIL SUCCESSOR AGENCY OF THE FORMER RDA

Organization Chart



| | | | | | | |
|--|--|---|--|--|---|---|
| Administration Legislation Communications Special Projects Economic Development Commissions and Advisory Councils Housing Community Revitalization | Administrative Services Business License Finance Information Technology Investments Human Resources Risk Management Support Services Transit Administration | Community Development Building & Safety CDBG Program Management CDBG Rehabilitation Planning | Community Services Aquatics Community Events Facilities Management Family Services Recreation Senior Services Youth Services | Public Safety Alcohol & Narcotics Enforcement Community Safety Programs Emergency Preparedness Code Enforcement General Law Enforcement Traffic Law Enforcement | Public Works Air & Water Resource Management Capital Projects General Maintenance Mechanical/Fleet Medians/Panels Parks Public Facilities Streets and Right-of-Way Refuse & Recycling | Theatre for the Performing Arts Administration Presentations Productions Rentals |
|--|--|---|--|--|---|---|

- Community Services Commission
- Planning Commission
- Public Safety Commission
- Community Foundation
- Historical Preservation Advisory Council
- Senior Council
- Youth Council

KEY Elected Council Appointed Programs

CITY OF LA MIRADA, CALIFORNIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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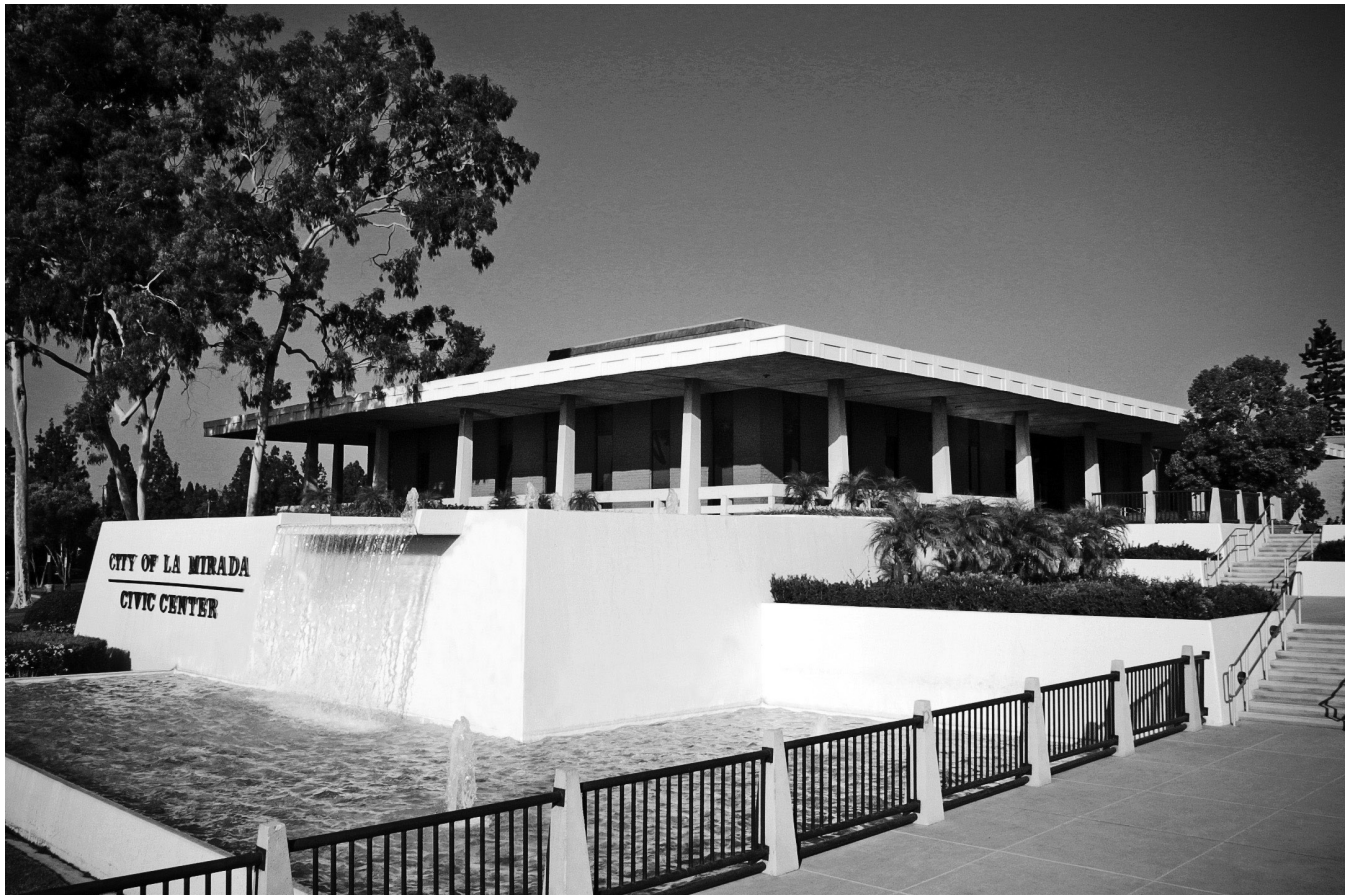
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INTRODUCTORY SECTION



CITY OF LA MIRADA

DEDICATED TO SERVICE

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P.O. Box 828
La Mirada, California 90637-0828
Phone: (562) 943-0131 Fax: (562) 943-1464
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December 2, 2014

TO THE CITIZENS, HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL OF THE CITY OF LA MIRADA:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2014. The CAFR has been prepared by the City's Administrative Services Department. Responsibility for both the accuracy and the completeness of the data and fairness of presentation, including all disclosures, rests with the City. We believe that the data as presented is accurate in all material aspects, and is presented in a manner designed to fairly set forth the financial position and results of operations of the City of La Mirada. We believe the data, as measured by the financial activities of the various funds and the appropriate disclosures, enables the reader to gain maximum understanding of the City's financial activities.

This report is presented in three sections: introductory, financial, and statistical.

- 1) The **Introductory** section includes this transmittal letter and other information to familiarize the reader with the City including a directory of officials, the City's organizational structure and values.
- 2) The **Financial** section consists of five parts: the independent auditor's report; management's discussion and analysis; the basic financial statements; required supplementary information; additional statements and schedules for nonmajor governmental funds and agency funds.
- 3) The **Statistical** section includes selected financial and demographic information, generally presented in a multi-year basis.

Transmittal letter – Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). As noted above, the MD&A appears in the Financial Section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

REPORTING ENTITY AND SERVICES PROVIDED

The City of La Mirada, located 17 miles southeast of downtown Los Angeles in Los Angeles County and bordering Orange County, provides a full range of municipal services to the community through an efficient combination of direct and contract services. These include legislative, administrative and support services, planning and building, economic and community development, public works, community services,

theatre as well as public safety (excluding fire, which is provided by the Los Angeles County Consolidated Fire Protection District). The City was incorporated March 23, 1960.

The former La Mirada Redevelopment Agency was established in June 1973, pursuant to the State of California Health and Safety Codes, Section 33000 entitled, "Community Redevelopment Law." Its purpose was to eliminate blighted areas by encouraging the development of residential, commercial, industrial, recreational and public facilities.

The Redevelopment Agency was dissolved as of January 31, 2012, through the Supreme Court decision on Assembly Bill 1 X 26. The City has elected to become the Successor Agency which will hold the assets until they are distributed to other units of state and local government. A newly established Oversight Board was created to oversee the remaining assets.

The City and the former Redevelopment Agency formed the La Mirada Public Financing Authority on August 8, 1989. The La Mirada Financial Authority was established for the purpose of providing financing for the former Redevelopment Agency.

This report combines the financial statements of the City of La Mirada, the Successor Agency to the La Mirada Redevelopment Agency and the La Mirada Public Financing Authority in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board (GASB). The financial operations of the City, the Successor Agency and the Public Financing Authority, although legally separate, are closely related, and the City Council has a continuing responsibility over each entity. City Councilmembers, in separate sessions, serve as the governing board of the Successor Agency and the Public Financing Authority. The Public Financing Authority had no financial transactions during the Fiscal Year 2013-14, and had no assets, liabilities or fund balance at June 30, 2014.

ECONOMIC CONDITION AND OUTLOOK

The City of La Mirada sales tax group is composed of business and industry, fuel and service stations, general consumer goods, building and construction, restaurants and hotels, food and drugs and autos and transportation. The sales tax generated from all business groups accounts for 30.8 percent of total General Fund revenues (excluding transfers-in).

The City's sales tax experienced a slight decline largely due to the closure of a major fuel and service station. The declines were partially offset by sales increases from general consumer goods.

On November 6, 2012, a ballot measure for a one-percent sales tax increase (Measure I) was approved by the voters. It is conservatively projected to generate an additional \$4 million in annual sales tax until it sunsets on March 31, 2018. Total Measure I revenue received through June 30, 2014, was \$5.9 million. This has been set aside for

capital projects already in the early phases of construction. In Fiscal Year 2014-15, the City expects to complete two residential neighborhood street projects using Measure I funds. Updating the City's infrastructure remains a top priority, and these funds can be used to complete needed repairs.

The housing market has continued to improve in 2014 although the pace of the improvement has slowed due to increasing interest rates and tightening inventories. In most areas, foreclosure levels have returned to levels last seen in 2006, before the real estate recession. Median sales prices for real estate have continued to increase steadily, but at a slower pace than 2013. The number of sale transactions has declined relative to 2013 statewide. The median sale price of a single family home in La Mirada from January through August was \$439,000. This represents a \$29,500 or 7.2 percent increase from the prior year.

At the local level (the Greater Los Angeles Area), unemployment continued to decrease from the record peak of 12.1 percent in June 2011 to 7.8 percent as of September 2014. La Mirada fared far better than the Greater Los Angeles area, with a 4.6 percent unemployment rate. This represents a one percent decrease from the prior year's rate.

With the dissolution of the Redevelopment Agency, the City's long term loan of \$30 million with the former Redevelopment Agency remains in jeopardy. The loan was deemed an enforceable obligation when the Successor Agency was granted a Finding of Completion by the Department of Finance (DOF), but the timing of the repayment is yet to be determined. The Successor Agency must repay the \$5.8 million SERAF loan to the Housing Successor Agency prior to making any City loan repayments. Additionally, loan repayments are subject to the residual balance available to the Successor Agency.

MAJOR INITIATIVES

During Fiscal Year 2013-14, the City continued to keep crime levels low through its strong public safety program, provided first-class recreational and cultural facilities and services, and maintained the City's physical environment. The City continued to invest in programs and projects to enhance the quality of life that La Mirada citizens and businesses expect and enjoy. A few years ago, La Mirada was named the 34th Best Place to Live in America and third Best in California by CNN *Money Magazine*. Contributing to these high ratings was the City's safe environment, the variety of cultural and recreational opportunities for citizens of all ages, and the quality of the City's physical infrastructure.

The City has also received high marks from its business community. The City received the "Most Business Friendly City" award by the Los Angeles County Economic Development Corporation.

La Mirada City departments achieved some notable accomplishments during the past year:

Public Safety

During the past year, the City of La Mirada experienced one of the region's lowest crime rates and remained one of the safest cities in Los Angeles County. Major crimes have decreased by 34 percent over the past ten years. The City's low crime rate is attributable to a strong partnership between residents, businesses and the Public Safety Team. This partnership fosters a well-coordinated team approach to fighting crime.

Last year, efforts were made to promote the Neighborhood Watch program and encourage residents to report suspicious activity in their neighborhoods. Neighborhood Watch meetings were held in all reporting districts. An e-watch newsletter is e-mailed to subscribing residents weekly. Additionally, the Public Safety Team has expanded its use of social media to enhance its outreach efforts.

Community Services

The Community Services Master Plan was updated, and will guide recreation and community services programs for the next five years. The updated plan establishes goals, identifies current recreation needs, reviews trends affecting community services, and recognizes department achievements.

Splash! continued to be a popular community destination. Buccaneer Bay had a successful summer season, and continues to serve as a premiere location for birthday parties and other celebrations.

The department continues to ensure residents have access to a wide-range of recreation and leisure activities for all interests and skill levels. Additionally, several events were held that brought the community together and promoted community spirit.

In May 2014, La Mirada was selected to serve as a host town for the 2015 Special Olympics World Games in Los Angeles. The City will host about 100 athletes in July 2015.

La Mirada Theatre for the Performing Arts

This past season featured back-to-back runs of two of the most celebrated musicals of all-time in *Cats* and *Les Miserables*, the return of the unique and intimate Onstage series with *Floyd Collins*, and the Tony Award-winning play *God of Carnage*.

The Theatre recently received 17 Ovation Award nominations from the LA Stage Alliance for the 2013-14 season, including Best Season, Best Production of a Musical, and Best Director. In addition, the Theatre won the award for Outstanding Musical in a large theatre for the production of *Floyd Collins*. The Theatre received the second most nominations for a theatre in the greater Los Angeles Area.

Public Works

Investments in local infrastructure continued, and the department completed design work on the first phase of Measure I improvements, which will address needed infrastructure repairs in La Mirada neighborhoods. Improvements will include street rehabilitation and slurry seal, curb and gutter repairs, installation of ADA curb access ramps, removal and replacement of slotted cross gutters, and storm drain pipe repairs.

Foster Park Phase III and Santa Gertrudes Sidewalk Phase I were completed. Foster Park Phase IV construction will begin in Fiscal Year 2014-15. Phase II of the Santa Gertrudes Sidewalk is in the study and design phase. The Valley View Grade Separation Project is complete. Three phases of improvements to neighborhood streets, rated as being in the worst condition, were completed using General Fund revenues. The improvements to Alondra Boulevard, Stage Road, Trojan Way, and Firestone Boulevard in advance of the I-5 freeway widening were also completed.

Community Development

La Mirada's newest housing development, The Orchards is nearly complete. The 41-home development broke ground last August and all the homes are expected to have closed escrow by January 2015.

Following renovations to the Crossroads Shopping Center last year, which helped to attract new businesses including Walmart Neighborhood Market and Walgreens Pharmacy, two shopping centers at the intersection of Valley View and Rosecrans Avenues are undergoing renovations. Improvements to the Roseview Shopping Center, located on the southeast corner, are nearing completion with new signage and parking lot landscaping to be added. Improvements to the commercial center across the street are continuing. These privately-funded improvements will enhance the aesthetics and shopping opportunities in La Mirada.

The department coordinated adoption of the General Plan Housing Element. The Housing Element was adopted in accordance with State laws and is eligible to remain on the eight year update cycle.

Administration

La Mirada was awarded the 2013 Sunny Award from Sunshine Review, a national government transparency organization, which recognizes the most transparent state and local government websites. La Mirada earned top honors with a website transparency grade of "A+."

La Mirada successfully retained all former Redevelopment Agency properties. The properties are no longer at risk of being taken by the State.

Measure I Oversight Board was formed to hold accountable the spending of Measure I funds. The board completed its first comprehensive review of Measure I revenues and expenditures and presented the report to the City Council on September 9, 2014.

Administrative Services

Administrative Services assisted with efforts to respond to the dissolution of redevelopment, including supporting the Oversight Board, and coordinating the response to numerous requests for financial information and audits. The department worked with the State's Department of Finance (DOF) to receive the Finding of Completion. This now unfreezes bond proceeds which can be spent on the final phase of infrastructure improvements in the Foster Park neighborhood and street improvements in the industrial area. The department continues to work with DOF and the Los Angeles County Auditor Controller's office regarding repayment of the City loan.

The department completed the actuarial valuation for retiree medical for July 2013. An additional study was completed to explore the possibility of cost savings benefits by modifying the retiree medical in accordance with the State's Vesting Schedule. This report will be reviewed to determine if it will provide the City future savings.

The California Joint Powers Insurance Authority (CJPIA) completed a risk management evaluation of City facilities and operations. City staff was recognized for completing all risk management action items identified in the previous evaluation. The department will continue to update policies and programs as necessary to ensure employee safety and reduce liability exposure.

PROSPECTS FOR THE FUTURE

The Congressional Budget Office expects further growth in housing construction and business investment will raise output and employment, resulting in increased consumer spending and confidence. The real GDP is expected to increase an average of 3.1 percent each year from 2014-2017.

California's current unemployment rate of 7.6 percent in May is the lowest since 2008. Although higher than the pre-recession low of 4.9 percent in 2006, it represents an improvement over the 12.4 percent peak during the recession. It is expected to decrease further, averaging 7.4 percent this fiscal year and 6.8 percent in 2015-16.

Home sales continue to rebound, but at a slower pace than the prior year due to inventory, interest rates and affordability constraints.

The City has maintained its conservative financial approach while providing quality programs, services and facilities. The City's quality of life continues to be enhanced through its economic development efforts and by working with key businesses to meet the community's needs. Local businesses generate tax revenues to pay for municipal services and programs for the community. Today, with more than 15,000 residential units, La Mirada continues its tradition of developing quality new housing developments while improving its existing housing stock in established neighborhoods.

The City's financial position continues to be solid. The City maintains its strong financial position based on the following guidelines:

- The City's conservative fiscal philosophy calls for providing quality municipal services at a level consistent with available resources.
- The City has a tradition of operating on a balanced budget.
- The City delivers services through both City employees and contracts with private companies and other governmental agencies, which has allowed greater flexibility in managing these services.
- The City maintains a healthy cash reserve for unexpected events.
- The City consistently communicates to its citizens the need to temper demand for services against available resources.
- The City supports and encourages a strong, viable business community.
- The City supports and encourages citizen volunteerism to reduce dependence on City provided services.

Municipal services are routinely evaluated to ensure residential and business needs are served efficiently. Growth in demand for City services presents the City with significant challenges. To maintain the current high level of service, the City will continue to explore ways to operate more efficiently, cut costs, and enhance its revenue base while planning to meet future infrastructure needs.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

Management staff assumes full responsibility for the completeness and reliability of the information presented in this report to provide a reasonable basis for making these representations. The City has established a comprehensive internal control framework to protect assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP.

The cost of internal controls should not outweigh their benefits, and the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The City also maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriations budget, approved by the City Council. Activities of the General Fund, Special Revenue Funds, Internal Service Funds, Fiduciary Funds, Debt Service Funds and Capital Projects Funds are included in the annual appropriations budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. The City Manager is authorized to transfer budgeted amounts within funds as deemed necessary in order to meet the City's needs; however, revisions that alter the total budget must be approved by the City Council. Encumbrances may be reappropriated as part of the following year's budget.

OTHER FINANCIAL INFORMATION

Employee Retirement – The City contributes to the California Public Employees' Retirement System (CalPERS), a multiple-employer cost-sharing public retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. In Fiscal Year 2004, the City was folded into a CalPERS Risk Pool with other agencies that have less than 100 members.

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect, creating new retirement formulas for newly hired CalPERS members and closing existing active risk pools to new employees.

In May 2014, CalPERS approved structural changes that impacted the most recent actuarial valuation as of June 30, 2013 and will take effect in Fiscal Year 2015-16. In addition, the City will be making contributions towards the unfunded liability as a fixed dollar amount instead of the prior method of a contribution rate.

As of the June 30, 2013, actuarial valuation, the City's share of the Plan's unfunded liability is \$7.77 million (81.3 percent funded).

The City fully funds the City's retiree health benefits and retiree pension enhancement plans. The accrued liability for the post retirement health benefit of \$10.45 million was fully funded in Fiscal Year 2008-09 with CalPERS CERBT trust.

The City funds a supplemental retirement program for qualifying full-time employees hired before July 1, 2011, through the Public Agency Retirement System (PARS). The City also contributes toward a retirement plan for all hourly employees through PARS.

Spending Limitation – Under Article XIIB of the California Constitution (the GANN Spending Limit Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes. If proceeds of taxes exceed allowed appropriations, the excess must be returned to the taxpayers through revised tax rates, revised fee schedules, or other refund arrangements. For the Fiscal Year ended June 30, 2014, based on calculations by City Management, proceeds of taxes did not exceed appropriations.

AUDIT AND FINANCIAL REPORTING

Independent Audit – The City's financial statements have been audited by Lance, Soll and Lunghard, LLP, a firm of licensed certified public accountants. The goal of the audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2014, are free of material misstatement.

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 La Mirada for its Comprehensive Annual Financial Report for

the Fiscal Year ended June 30, 2013. This was the twenty-fifth consecutive year that the City of La Mirada has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe this current Comprehensive Annual Financial Report again meets the Certificate of Achievement Program's requirements, and we are submitting the report to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The continued dedicated and efficient service of the Administrative Service staff is appreciated by all levels of City Management. Our independent auditors, Lance, Soll and Lunghard, LLP, provided expertise and advice in preparing an outstanding financial report this past year.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the entire Administrative Services Department. Staff members are appreciated for their contributions made in the preparation of this report. Credit must also be given to the City Council and the City's executive management team for their support for maintaining the highest standards of professionalism in the management of the City of La Mirada.

Respectfully submitted,



Jeff Boynton
City Manager



Anne Haraksin
Deputy City Manager



Government Finance Officers Association

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

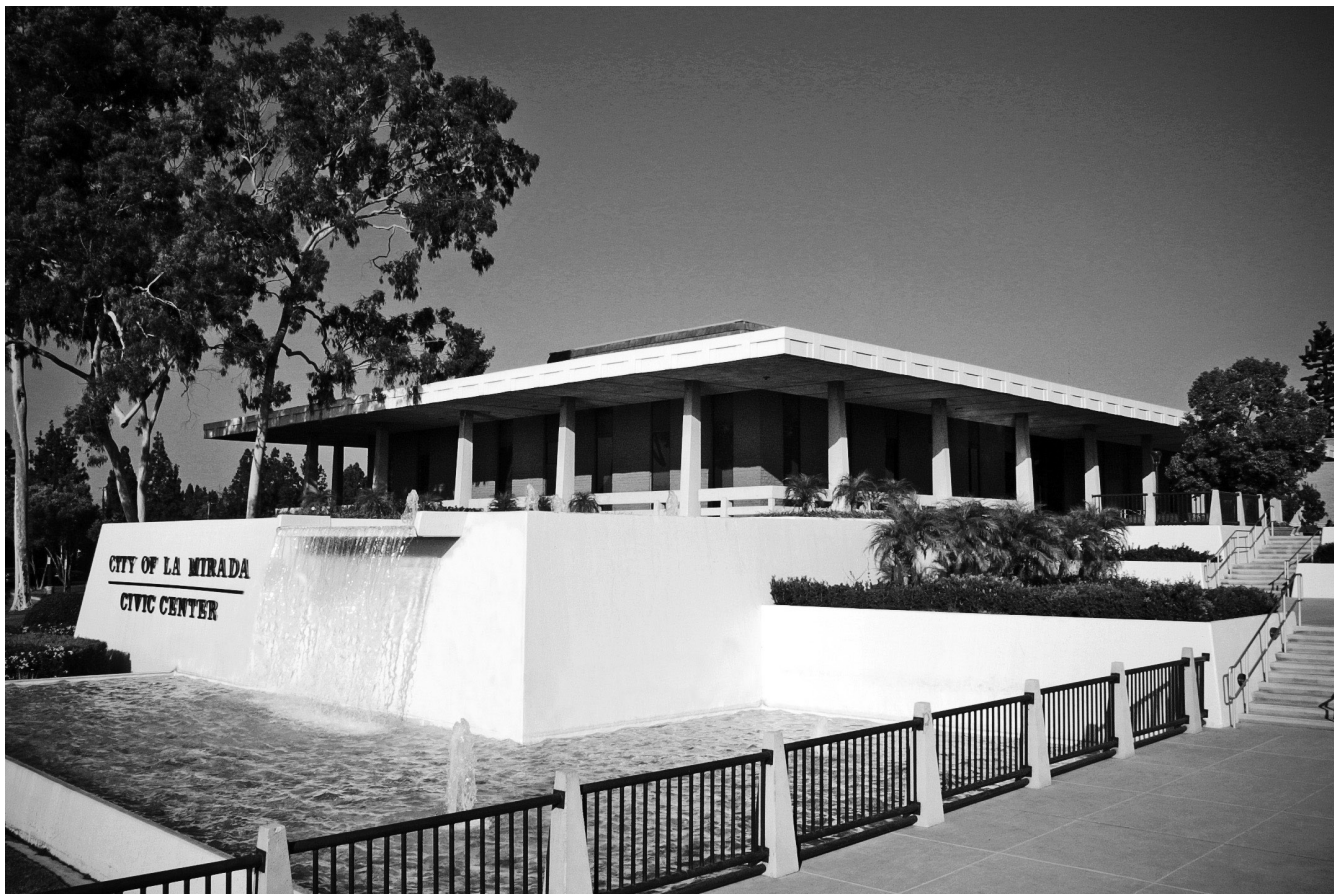
Presented to

**City of La Mirada
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of La Mirada, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of La Mirada, California, (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



To the Honorable Mayor and Members of the City Council
City of La Mirada, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of La Mirada, California, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information for the General Fund and Housing and Community Development Fund as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during 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.

Other Information

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2014 on our consideration of the City's internal control over financial reporting and on our



To the Honorable Mayor and Members of the City Council
City of La Mirada, California

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

Lance, Soll & Lughard, LLP

Brea, California
December 1, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) provides an overview of the financial performance of the City of La Mirada for the Fiscal Year ended June 30, 2014. This MD&A should be read in conjunction with the transmittal letter in the introductory section of this report and with the City's financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

The City's total Net Position increased over the course of the Fiscal Year by \$14.5 million. The General Fund, which is included in the combined Governmental Funds, on the current financial resources basis, reported a fund balance net increase of \$11.7 million.

- The City of La Mirada's Transaction and Use Tax (Measure I) of 1% became effective in April 2013 and will sunset in March 2018. Fiscal Year 2013-14 is the first full year of Measure I revenue, of which the City received approximately \$4.5 million.
- Fiscal Year 2013-14 marks a second round of an aggressive Capital Improvement Plan. Identified projects planned for Fiscal Year 2013-14 have completed the design and award stages, and construction is scheduled to begin in Fiscal Year 2014-15. Projects include the first phase of Measure I funded Neighborhood Improvements. Improvements will include street rehabilitation and slurry seal, curb and gutter repairs, installation of ADA curb access ramps, removal and replacement of slotted cross gutters, and storm drain pipe repairs. Foster Park Phase IV construction will begin in Fiscal Year 2014-15.
- In Fiscal Year 2012-13, the City advanced the Successor Agency \$2.56 million for the City of Carson litigation case. The Agency repaid the advance in June 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the City of La Mirada's basic financial statements comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. These statements are designed to provide

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

readers with a broad overview of the City's finances using the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of accounting, transactions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, liabilities, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and accrued but unpaid interest expense).

The Statement of Net Position presents information on all of the City's assets and liabilities, including capital assets and long-term liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or declining. The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. Functional activities are highlighted in this statement, whereby direct and indirect function costs are shown net of related program revenue. This statement shows the extent to which the various functions depend on general taxes and non-program revenues for support.

The government-wide financial statements report information on all of the activities of the primary government. Governmental activities are supported by taxes and intergovernmental revenues. All fiduciary activities are reported only in the fund financial statements and are excluded from government-wide financial statements. The governmental activities of the City include general government, public safety, community development, leisure and cultural, public works.

The government-wide financial statements include the City and the Financing Authority.

Fund Financial Statements

The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City has three types of fund financial statements:

Governmental funds statements tell how general government services such as public safety, public works, community development, and leisure and cultural were financed in the short term as well as what remains for future spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow each of the governmental funds statements.

Proprietary funds are generally used to account for services for which the City charges customers, either outside customers, or internal units of City departments. Proprietary funds provide the same type of information as shown in the government-wide financial

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

statements, only in more detail. Proprietary funds are used to report the same functions presented as governmental activities in the government-wide financial statements.

Fiduciary fund statements are used to account for assets held by the City in trustee or custodial capacity for individuals, private organizations, other governments, and/or other funds. Fiduciary funds are not reflected in the City-wide financial statements because the resources of those funds are not available to support the City's programs. Accordingly, only assets and liabilities and changes in assets and liabilities are reported for these funds. The assets and liabilities of the former redevelopment agency were transferred to a private-purpose trust fund.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. Additionally, the government-wide financial statements provide short and long-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

NET POSITION As of June 30, 2014

| | Governmental Activities | |
|----------------------------------|------------------------------------|--------------------|
| | Fiscal Year | |
| | 2013 | 2014 |
| Current & other assets | 104,326,488 | 111,669,442 |
| Capital assets | 97,932,712 | 100,134,743 |
| Total assets | 202,259,200 | 211,804,185 |
| Long-term debt liabilities | 13,868,841 | 13,138,210 |
| Other liabilities | 8,893,154 | 4,632,123 |
| Total liabilities | 22,761,995 | 17,770,333 |
| Net Position | | |
| Net investment in capital assets | 86,581,992 | 89,231,607 |
| Restricted | 34,083,335 | 34,152,613 |
| Unrestricted | 58,831,878 | 70,649,632 |
| Total Net Assets | 179,497,205 | 194,033,852 |

At the close of Fiscal Year 2013-14, assets exceed liabilities by \$194 million. In Fiscal Year 2012-13, the City recorded an extraordinary loss of \$14.9 million due to the dissolution of the former Redevelopment Agency.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The City continues to make progress towards addressing its infrastructure needs. A number of projects were completed in Fiscal Year 2012-13. The design and contract awards for projects planned in Fiscal Year 2013-14 are complete with construction expected in Fiscal Year 2014-15.

CHANGES IN NET POSITION

As of June 30, 2014

| | Governmental Activities | |
|------------------------------------|----------------------------|--------------------|
| | Fiscal Year | |
| | 2013 | 2014 |
| REVENUES | | |
| Program Revenues: | | |
| Charges for services | 8,782,683 | 10,362,690 |
| Operating grants and contributions | 3,589,280 | 2,658,984 |
| Capital grants and contributions | 55,794 | 3,254,432 |
| General Revenues: | | |
| Property taxes | 9,661,518 | 9,513,978 |
| Sales and use tax | 13,572,127 | 15,209,182 |
| Transient occupancy taxes | 1,218,046 | 1,366,458 |
| Franchise taxes | 2,590,407 | 2,723,472 |
| Other taxes | 494,896 | 467,479 |
| Intergovernmental | 21,415 | - |
| Use of money and property | 963,339 | 979,340 |
| Miscellaneous | 94,837 | 2,522,290 |
| Extraordinary gain/loss | (14,879,577) | - |
| Total revenues | 26,164,765 | 49,058,305 |
| EXPENSES | | |
| Governmental Activities: | | |
| General government | 5,559,670 | 4,051,569 |
| Public safety | 8,855,190 | 9,197,072 |
| Community development | 8,883,197 | 1,411,686 |
| Public works | 7,727,791 | 7,655,602 |
| Leisure and cultural | 11,476,686 | 11,689,280 |
| Interest on long-term debt | 484,884 | 516,449 |
| Total expenses | 42,987,418 | 34,521,658 |
| Excess (deficit) before transfers | (16,822,653) | 14,536,647 |
| INCREASE IN NET POSITION | (16,822,653) | 14,536,647 |
| Net position - beginning | 196,611,420 | 179,497,205 |
| Restatement of net position | (291,562) | - |
| Net position - ending | 179,497,205 | 194,033,852 |

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The City's revenues totaled \$49 million for Fiscal Year 2013-14 in comparison to \$26.1 million from the previous year. In the prior year, an extraordinary loss of \$14.9 million was recorded due to the dissolution of the former Redevelopment Agency.

Program revenues increased \$3.8 million or 31 percent from the prior year. In Fiscal Year 2013-14, the City received \$2.8 million from the Los Angeles County Metro Measure R for the completion of the I-5 Freeway Widening Project along Firestone Boulevard South, Trojan Way, Alondra Boulevard and Stage Road.

The City's La Mirada Splash! Aquatics Center and the La Mirada Theatre for the Performing Arts had successful seasons. Splash! continued to be a popular community destination. The Theatre's 2013-14 season featured back-to-back runs of two all-time favorite musicals in *Cats* and *Les Miserables*.

General revenues increased \$19 million, an increase of 138.6 percent from the prior year mainly due to the extraordinary loss recorded in Fiscal Year 2012-13 as a result of the Agency dissolution.

Measure I, a one percent transactions and use tax approved by 66.63% of La Mirada voters went into effect on April 1, 2013. This fiscal year is the first full-year of Measure I revenue. The City received \$4.5 million as of June 30, 2014.

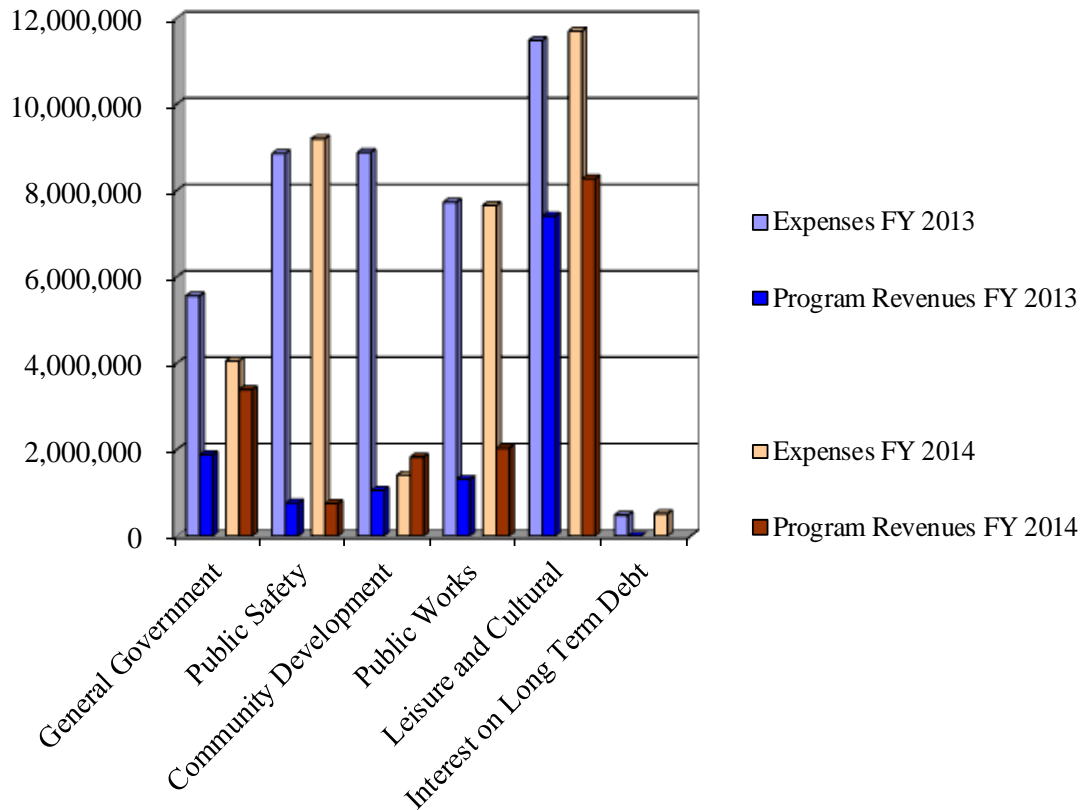
In addition, the Agency repaid the advance of \$2.6 million for the litigation with the City of Carson.

City expenses for the year totaled \$34.5 million, a decrease of \$8.5 million from the prior year primarily due to the property sold for the housing development "The Orchards" in the prior year.

EXPENSES AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES

Governmental activity revenues totaled \$49 million. Governmental activity expenses totaled \$34.5 million. The following chart compares expenses and program revenues by Function for governmental activities for Fiscal Years 2012-13 and 2013-14:

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)



NET COST OF GOVERNMENTAL ACTIVITIES

As of June 30, 2014

| | Total Cost of Services | | Net Cost of Services | |
|----------------------------|------------------------|-------------------|----------------------|-------------|
| | Fiscal Year | | Fiscal Year | |
| | 2013 | 2014 | 2013 | 2014 |
| Governmental Activities: | | | (in millions) | |
| General Government | 5,559,670 | 4,051,569 | 3.7 | 0.6 |
| Public Safety | 8,855,190 | 9,197,072 | 8.1 | 8.4 |
| Community Development | 8,883,197 | 1,411,686 | 7.8 | (0.4) |
| Public Works | 7,727,791 | 7,655,602 | 6.4 | 5.6 |
| Leisure and Cultural | 11,476,686 | 11,689,280 | 4.1 | 3.4 |
| Interest on Long Term Debt | 484,884 | 516,449 | 0.5 | 0.5 |
| Total | 42,987,418 | 34,521,658 | 30.6 | 18.1 |

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The City's governmental funds provide information on near-term inflows, outflows and balance of spendable resources. The City's governmental funds reported a combined fund balance at June 30, 2014 of \$87.7 million, a net increase of \$12.8 million.

- An increase of \$11.7 million in the General Fund was due to Measure I revenue, repayment from the Agency, and County reimbursement for the I-5 Freeway Widening project.
- Low and Moderate Housing Fund and Capital Projects Fund increased \$47,982 and \$7,788, respectively, due to interest income allocations.

GENERAL FUND BUDGETARY HIGHLIGHTS

The net difference between the final amended budget and actual amounts was a variance of \$11.5 million. The Notes to Required Supplemental Information provides more details regarding budgeting policies and practice.

Budgetary highlights are summarized as follows:

- Taxes increased \$1.8 million in comparison to the budget due to conservative forecasting of the City's property tax revenue and Measure I revenue.
- Transfers out decreased \$8.3 million in comparison to the budget. The City budgets transfers out to the Capital Projects with the expectation that planning and construction will be completed within the fiscal year. Foster Park Phase IV and Phase I Measure I Neighborhood Improvements will be completed in Fiscal Year 2014-15.

CAPITAL ASSETS

The City's investment in capital assets for its governmental activities amounts to \$100.1 million (net of accumulated depreciation). This investment in capital assets includes: land, construction in progress, land improvements, buildings and structures, machinery and equipment, automotive equipment, infrastructure, and intangible assets. Note 3, Changes in Capital Assets, provides more detailed information on the capital assets.

LONG-TERM DEBT

At June 30, 2014, the City had \$13.1 million in long-term debt outstanding. The indebtedness of the former Redevelopment Agency in the amount of \$105.7 million was transferred to the Successor Agency. All of the Tax Allocation Bonds are insured. More detailed information is included in Notes 7 and 13.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

OUTSTANDING DEBT

As of June 30, 2014

| | Governmental Activities | |
|-------------------------|----------------------------|-------------------|
| | Fiscal Year | |
| | 2013 | 2014 |
| Lease Revenue Bonds* | 12,294,565 | 11,822,325 |
| Lease Payable | 81,841 | 80,683 |
| Claims and Judgments | 968,044 | 617,853 |
| Compensated Absences | 524,391 | 617,349 |
| Total | 13,868,841 | 13,138,210 |
| * includes bond premium | | |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City of La Mirada is located in the Los Angeles-Long Beach-Santa Ana Area MSA labor market. Non-farm employment constitutes 86.5% of the work force, mostly comprised of manufacturing (7.7%), trade, transportation and utilities (15.86%), financial activities (5%), professional and business services (13.4%), education and health services (14%), and leisure and hospitality (9.8%). The June 2014 unemployment rate in the Greater Los Angeles area and in La Mirada was 7.4% and 4.9%, respectively.

Home sales continue to show steady growth, but at a slower pace than the prior year. The median sales price in La Mirada is \$439,000.

The adopted budget was developed using a conservative approach to revenue forecasting as the economy continues to show signs of improvement since the "Great Recession." While actual Sales Tax and Property Tax and other major revenue sources far exceeded what was forecasted for this fiscal year, the Fiscal Year 2014-15 was conservatively projected showing slight increases from prior year's budget. La Mirada's sales tax base is largely business-to-business and any increase in other industry categories could largely be offset by business-to-business relocations or closures. Property Tax projections show a conservative increase from prior year as it continues to be relatively stable from year to year. Building Permits shows a conservative increase to reflect additional construction and home improvement activities.

The City's General Fund operations have undergone multiple years of significant expenditure reductions. Basic services continue to be delivered by a very lean staffing complement with minimal funds budgeted for contingencies. The City continues to explore services that may be contracted out. The budget provides public safety services at a high level, maintains most City programs at levels expected by the public, and schedules an ambitious slate of capital improvement projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The City's General Fund adopted revenue and expenditures for Fiscal Year 2014-15 are \$37.1 million and \$29.1 million, respectively. The Fiscal Year 2014-15 adopted budget provides the resources to meet the City's strategic goals while taking into consideration the continuing recovery of the local economy. The budget may be amended, as necessary, to respond to changing conditions to ensure the City's ongoing fiscal stability. Questions or requests for information regarding the City of La Mirada's 2014-15 adopted budget should be sent to the Deputy City Manager at the address below.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of La Mirada's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report, or for additional financial information, should be addressed to the Deputy City Manager, City of La Mirada, 13700 La Mirada Boulevard, La Mirada, California 90638.



Basic Financial Statements

CITY OF LA MIRADA

STATEMENT OF NET POSITION
JUNE 30, 2014

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| Assets: | |
| Cash and investments | \$ 55,723,199 |
| Receivables: | |
| Accounts | 233,477 |
| Taxes | 3,881,428 |
| Notes and loans | 7,405,696 |
| Accrued interest | 112,875 |
| Advances to Successor Agency of Former RDA | 30,663,977 |
| Prepaid costs | 1,549,983 |
| Due from other governments | 367,670 |
| Land held for resale | 528,436 |
| Restricted assets: | |
| Cash and investments | 100,286 |
| Cash with fiscal agent | 999,872 |
| Net OPEB asset | 10,102,543 |
| Capital assets not being depreciated | 8,502,808 |
| Capital assets, net of depreciation | <u>91,631,935</u> |
| Total Assets | <u>211,804,185</u> |
| Liabilities: | |
| Accounts payable | 2,221,164 |
| Accrued liabilities | 453,306 |
| Accrued interest | 166,396 |
| Unearned revenue | 1,543,323 |
| Deposits payable | 247,934 |
| Noncurrent liabilities: | |
| Due within one year | 697,908 |
| Due in more than one year | <u>12,440,302</u> |
| Total Liabilities | <u>17,770,333</u> |
| Net Position: | |
| Net investment in capital assets | 89,231,607 |
| Restricted for: | |
| Public works | 11,476,194 |
| Public safety | 109,725 |
| Capital projects | 3,145,007 |
| Debt service | 1,051,750 |
| Leisure and cultural | 1,512,211 |
| Low and moderate housing | 16,857,726 |
| Unrestricted | <u>70,649,632</u> |
| Total Net Position | <u>\$ 194,033,852</u> |

CITY OF LA MIRADA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

| | Expenses | Program Revenues | | Capital Contributions and Grants | Net (Expenses) Revenues and Changes in Net Assets |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---|
| | | Charges for Services | Operating Contributions and Grants | | Primary Governmental Activities |
| Functions/Programs | | | | | |
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| General government | \$ 4,051,569 | \$ 454,754 | \$ 170,028 | \$ 2,766,354 | \$ (660,433) |
| Public safety | 9,197,072 | 622,233 | 129,238 | - | (8,445,601) |
| Community development | 1,411,686 | 1,357,604 | 472,248 | - | 418,166 |
| Leisure and cultural | 11,689,280 | 7,928,099 | 302,911 | 39,655 | (3,418,615) |
| Public works | 7,655,602 | - | 1,584,559 | 448,423 | (5,622,620) |
| Interest on long-term debt | 516,449 | - | - | - | (516,449) |
| Total Governmental Activities | \$ 34,521,658 | \$ 10,362,690 | \$ 2,658,984 | \$ 3,254,432 | (18,245,552) |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes, levied for general purpose | | | | | 9,513,978 |
| Transient occupancy taxes | | | | | 1,366,458 |
| Sales taxes | | | | | 15,209,182 |
| Franchise taxes | | | | | 2,723,472 |
| Business licenses taxes | | | | | 326,759 |
| Other taxes | | | | | 140,720 |
| Use of money and property | | | | | 979,340 |
| Other | | | | | 2,522,290 |
| Total General Revenues | | | | | 32,782,199 |
| Change in Net Position | | | | | 14,536,647 |
| Net Position at Beginning of Year | | | | | 179,497,205 |
| Net Position at End of Year | | | | | \$ 194,033,852 |

CITY OF LA MIRADA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

| | General | Special Revenue Funds | |
|--|----------------------|---|--------------------------------|
| | | Housing and Community Development | Low and Moderate Housing |
| Assets: | | | |
| Pooled cash and investments | \$ 35,359,735 | \$ - | \$ 4,502,025 |
| Receivables: | | | |
| Accounts | 231,903 | - | 1,466 |
| Taxes | 3,730,785 | - | - |
| Notes and loans | - | 891,180 | 6,514,516 |
| Accrued interest | 78,666 | - | - |
| Prepaid costs | 1,013,674 | - | - |
| Due from other governments | 88,432 | 13,119 | 15,395 |
| Due from other funds | 130,362 | 25,863 | - |
| Advances to Successor Agency of Former RDA | 24,828,264 | - | 5,835,713 |
| Land held for resale | - | - | - |
| Restricted assets: | | | |
| Cash and investments | - | 1,028 | - |
| Cash and investments with fiscal agents | - | - | - |
| Total Assets | \$ 65,461,821 | \$ 931,190 | \$ 16,869,115 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts payable | \$ 1,791,195 | \$ 31,090 | \$ 1,105 |
| Accrued liabilities | 345,581 | - | - |
| Unearned revenues | 1,390,085 | - | - |
| Deposits payable | 247,934 | - | - |
| Due to other funds | 344,281 | 8,920 | 10,284 |
| Total Liabilities | 4,119,076 | 40,010 | 11,389 |
| Deferred Inflows of Resources: | | | |
| Unavailable revenues | 1,930,027 | 891,180 | - |
| Total Deferred Inflows of Resources | 1,930,027 | 891,180 | - |
| Fund Balances: | | | |
| Nonspendable: | | | |
| Prepaid costs | 1,013,674 | - | - |
| Advances to Successor Agency | 24,762,287 | - | - |
| Restricted for: | | | |
| Public safety | - | - | - |
| Leisure and cultural | - | - | - |
| Public works | - | - | - |
| Capital Projects | - | - | - |
| Debt service | - | - | - |
| Low and Moderate Housing | - | - | 16,857,726 |
| Committed to: | | | |
| Economic uncertainty | 6,625,000 | - | - |
| Assigned to: | | | |
| Capital Projects | 5,833,389 | - | - |
| Unassigned | 21,178,368 | - | - |
| Total Fund Balances | 59,412,718 | - | 16,857,726 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 65,461,821 | \$ 931,190 | \$ 16,869,115 |

CITY OF LA MIRADA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

| | <u>Capital Projects Funds</u> | | |
|--|-----------------------------------|---|---|
| | <u>Capital Improvement</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
| Assets: | | | |
| Pooled cash and investments | \$ 2,611,236 | \$ 7,363,898 | \$ 49,836,894 |
| Receivables: | | | |
| Accounts | - | - | 233,369 |
| Taxes | - | 150,643 | 3,881,428 |
| Notes and loans | - | - | 7,405,696 |
| Accrued interest | 5,079 | 13,067 | 96,812 |
| Prepaid costs | - | 57,574 | 1,071,248 |
| Due from other governments | - | 204,587 | 321,533 |
| Due from other funds | 261,952 | 25,746 | 443,923 |
| Advances to Successor Agency of Former RDA | - | - | 30,663,977 |
| Land held for resale | 528,436 | - | 528,436 |
| Restricted assets: | | | |
| Cash and investments | - | - | 1,028 |
| Cash and investments with fiscal agents | - | 999,872 | 999,872 |
| Total Assets | \$ 3,406,703 | \$ 8,815,387 | \$ 95,484,216 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts payable | \$ 261,696 | \$ 132,922 | \$ 2,218,008 |
| Accrued liabilities | - | 3,220 | 348,801 |
| Unearned revenues | - | 153,238 | 1,543,323 |
| Deposits payable | - | - | 247,934 |
| Due to other funds | - | 193,753 | 557,238 |
| Total Liabilities | 261,696 | 483,133 | 4,915,304 |
| Deferred Inflows of Resources: | | | |
| Unavailable revenues | - | 15,763 | 2,836,970 |
| Total Deferred Inflows of Resources | - | 15,763 | 2,836,970 |
| Fund Balances: | | | |
| Nonspendable: | | | |
| Prepaid costs | - | 57,574 | 1,071,248 |
| Advances to Successor Agency | - | - | 24,762,287 |
| Restricted for: | | | |
| Public safety | - | 109,725 | 109,725 |
| Leisure and cultural | - | 1,454,637 | 1,454,637 |
| Public works | - | 5,642,805 | 5,642,805 |
| Capital Projects | 3,145,007 | - | 3,145,007 |
| Debt service | - | 1,051,750 | 1,051,750 |
| Low and Moderate Housing | - | - | 16,857,726 |
| Committed to: | | | |
| Economic uncertainty | - | - | 6,625,000 |
| Assigned to: | | | |
| Capital Projects | - | - | 5,833,389 |
| Unassigned | - | - | 21,178,368 |
| Total Fund Balances | 3,145,007 | 8,316,491 | 87,731,942 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 3,406,703 | \$ 8,815,387 | \$ 95,484,216 |

CITY OF LA MIRADA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

Fund balances of governmental funds \$ 87,731,942

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

Capital assets net of depreciation have not been included as financial resources in governmental fund activity.

| | | |
|--------------------------|---------------------|------------|
| Capital assets | \$ 135,280,507 | |
| Accumulated depreciation | <u>(35,805,682)</u> | 99,474,825 |

This issuance of long-term (e.g., bonds, leases, compensated absences, claims and judgments) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and deferral on loss of refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

| | | |
|--|------------------|--------------|
| Lease revenue bonds | (11,822,325) | |
| Lease payable | (80,683) | |
| Accrued claims and judgments - General liability | (259,600) | |
| Compensated Absences | <u>(617,349)</u> | (12,779,957) |

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds. (166,396)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 2,836,970

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position. 16,936,468

Net Position of governmental activities \$ 194,033,852

CITY OF LA MIRADA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

| | General | Special Revenue Funds | |
|--|----------------------|---|--------------------------------|
| | | Housing and Community Development | Low and Moderate Housing |
| Revenues: | | | |
| Taxes | \$ 27,706,904 | \$ - | \$ - |
| Licenses and permits | 1,363,566 | - | - |
| Intergovernmental | 2,957,797 | 716,926 | - |
| Charges for services | 8,382,699 | 1,262 | - |
| Use of money and property | 677,046 | - | 86,729 |
| Fines and forfeitures | 576,987 | - | - |
| Contributions | 50,460 | - | - |
| Miscellaneous | 2,517,586 | - | 4,704 |
| Total Revenues | 44,233,045 | 718,188 | 91,433 |
| Expenditures: | | | |
| Current: | | | |
| General government | 2,900,237 | - | - |
| Public safety | 7,735,712 | 29,900 | - |
| Community development | 983,556 | 36,060 | 43,451 |
| Leisure and cultural | 10,000,530 | 34,393 | - |
| Public works | 5,741,717 | - | - |
| Capital outlay | 23,149 | - | - |
| Debt service: | | | |
| Principal retirement | 24,307 | - | - |
| Interest and fiscal charges | - | - | - |
| Total Expenditures | 27,409,208 | 100,353 | 43,451 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 16,823,837 | 617,835 | 47,982 |
| Other Financing Sources (Uses): | | | |
| Transfers in | 1,116,294 | 32,287 | - |
| Transfers out | (6,295,568) | (650,122) | - |
| Capital leases | 23,149 | - | - |
| Total Other Financing Sources (Uses) | (5,156,125) | (617,835) | - |
| Net Change in Fund Balances | 11,667,712 | - | 47,982 |
| Fund Balances, Beginning of Year | 47,745,006 | - | 16,809,744 |
| Fund Balances, End of Year | \$ 59,412,718 | \$ - | \$ 16,857,726 |

CITY OF LA MIRADA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

| | <u>Capital Projects Funds</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-----------------------------------|---|---|
| | <u>Capital Improvement</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
| Revenues: | | | |
| Taxes | \$ - | \$ 3,602,074 | \$ 31,308,978 |
| Licenses and permits | - | - | 1,363,566 |
| Intergovernmental | - | 869,767 | 4,544,490 |
| Charges for services | - | 36,926 | 8,420,887 |
| Use of money and property | 7,787 | 158,806 | 930,368 |
| Fines and forfeitures | - | - | 576,987 |
| Contributions | - | - | 50,460 |
| Miscellaneous | - | 1,250 | 2,523,540 |
| Total Revenues | 7,787 | 4,668,823 | 49,719,276 |
| Expenditures: | | | |
| Current: | | | |
| General government | - | 1,300 | 2,901,537 |
| Public safety | - | 22,735 | 7,788,347 |
| Community development | - | - | 1,063,067 |
| Leisure and cultural | - | 950,390 | 10,985,313 |
| Public works | 472,220 | 54,773 | 6,268,710 |
| Capital outlay | 6,770,536 | - | 6,793,685 |
| Debt service: | | | |
| Principal retirement | - | 470,000 | 494,307 |
| Interest and fiscal charges | - | 524,871 | 524,871 |
| Total Expenditures | 7,242,756 | 2,024,069 | 36,819,837 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (7,234,969) | 2,644,754 | 12,899,439 |
| Other Financing Sources (Uses): | | | |
| Transfers in | 7,242,757 | 1,648,903 | 10,040,241 |
| Transfers out | - | (3,220,622) | (10,166,312) |
| Capital leases | - | - | 23,149 |
| Total Other Financing Sources (Uses) | 7,242,757 | (1,571,719) | (102,922) |
| Net Change in Fund Balances | 7,788 | 1,073,035 | 12,796,517 |
| Fund Balances, Beginning of Year | 3,137,219 | 7,243,456 | 74,935,425 |
| Fund Balances, End of Year | \$ 3,145,007 | \$ 8,316,491 | \$ 87,731,942 |

CITY OF LA MIRADA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014**

Net change in fund balances - total governmental funds \$ 12,796,517

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 costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

| | | |
|----------------|--------------|-----------|
| Capital outlay | \$ 6,685,766 | |
| Depreciation | (4,276,796) | |
| Disposals | (4,384) | |
| | | 2,404,586 |

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Whereas, issuance of long-term debt is a current financial resource in the governmental funds, but the issuance increase long-term debt in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and deferral on loss on refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

| | | |
|---|----------|---------|
| Lease revenue bonds principal repayment | 470,000 | |
| Capital lease payments | 24,307 | |
| Bond discount/premium amortization | 2,240 | |
| Changes in claims payable | 266,219 | |
| New capital leases obligation | (23,149) | |
| | | 739,617 |

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 6,182

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (92,958)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. (709,944)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. (607,353)

Change in net position of governmental activities \$ 14,536,647

CITY OF LA MIRADA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2014

| | Governmental Activities- Internal Service Funds |
|--|--|
| Assets: | |
| Current: | |
| Cash and investments | \$ 5,886,305 |
| Receivables: | |
| Accounts | 108 |
| Accrued interest | 16,063 |
| Prepaid costs | 478,735 |
| Due from other governments | 46,137 |
| Due from other funds | 137,134 |
| Restricted: | |
| Cash and investments | 99,258 |
| Total Current Assets | 6,663,740 |
| Noncurrent: | |
| Net OPEB asset | 10,102,543 |
| Capital assets - net of accumulated depreciation | 659,918 |
| Total Noncurrent Assets | 10,762,461 |
| Total Assets | \$ 17,426,201 |
| Liabilities and Net Position: | |
| Liabilities: | |
| Current: | |
| Accounts payable | \$ 3,156 |
| Accrued liabilities | 104,505 |
| Due to other funds | 23,819 |
| Accrued claims and judgments | 89,563 |
| Total Current Liabilities | 221,043 |
| Noncurrent: | |
| Accrued claims and judgments | 268,690 |
| Total Noncurrent Liabilities | 268,690 |
| Total Liabilities | 489,733 |
| Net Position: | |
| Investment in capital assets | 659,918 |
| Unrestricted | 16,276,550 |
| Total Net Position | 16,936,468 |
| Total Liabilities and Net Position | \$ 17,426,201 |

CITY OF LA MIRADA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014

| | <u>Governmental Activities- Internal Service Funds</u> |
|---|--|
| Operating Revenues: | |
| Sales and service charges | \$ 3,422,920 |
| Miscellaneous | <u>52,485</u> |
| Total Operating Revenues | <u>3,475,405</u> |
| Operating Expenses: | |
| Administration and general | 3,910,309 |
| Depreciation expense | <u>347,493</u> |
| Total Operating Expenses | <u>4,257,802</u> |
| Operating Income (Loss) | <u>(782,397)</u> |
| Nonoperating Revenues (Expenses): | |
| Interest revenue | <u>48,973</u> |
| Total Nonoperating Revenues (Expenses) | <u>48,973</u> |
| Income (Loss) Before Transfers | (733,424) |
| Transfers in | <u>126,071</u> |
| Changes in Net Position | <u>(607,353)</u> |
| Net Position: | |
| Beginning of Year | <u>17,543,821</u> |
| End of Fiscal Year | <u>\$ 16,936,468</u> |

CITY OF LA MIRADA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2014

| | Governmental Activities- Internal Service Funds |
|---|--|
| Cash Flows from Operating Activities: | |
| Cash received from customers and users | \$ 3,450,537 |
| Cash paid to suppliers for goods and services | (7,168) |
| Cash paid to employees for services | (3,749,635) |
| Cash received from (payments to) others | 52,485 |
| | <u>52,485</u> |
| Net Cash Provided (Used) by Operating Activities | <u>(253,781)</u> |
| Cash Flows from Non-Capital Financing Activities: | |
| Cash transfers in | 126,071 |
| Repayment received from other funds | (349,760) |
| | <u>(349,760)</u> |
| Net Cash Provided (Used) by Non-Capital Financing Activities | <u>(223,689)</u> |
| Cash Flows from Capital and Related Financing Activities: | |
| Purchases of capital assets | (144,938) |
| | <u>(144,938)</u> |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(144,938)</u> |
| Cash Flows from Investing Activities: | |
| Interest received | 57,201 |
| | <u>57,201</u> |
| Net Cash Provided (Used) by Investing Activities | <u>57,201</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>(565,207)</u> |
| Cash and Cash Equivalents at Beginning of Year | <u>6,550,770</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 5,985,563</u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | |
| Operating income (loss) | \$ (782,397) |
| Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities: | |
| Depreciation | 347,493 |
| (Increase) decrease in accounts receivable | 186 |
| (Increase) decrease in due from other governments | 27,431 |
| (Increase) decrease in prepaid expense | 7,693 |
| (Increase) decrease in Net OPEB asset | 240,653 |
| Increase (decrease) in accounts payable | (7,223) |
| Increase (decrease) in accrued liabilities | (3,645) |
| Increase (decrease) in claims and judgments | (83,972) |
| | <u>(83,972)</u> |
| Total Adjustments | <u>528,616</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (253,781)</u> |

See Notes to Financial Statements

CITY OF LA MIRADA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2014

| | <u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u> |
|---|--|
| Assets: | |
| Pooled cash and investments | \$ 13,916,067 |
| Receivables: | |
| Taxes | 7,700 |
| Accrued interest | 10,782 |
| Due from other governments | 384 |
| Restricted assets: | |
| Cash and investments with fiscal agents | <u>3,236,152</u> |
| Total Assets | <u>17,171,085</u> |
| Deferred Outflows of Resources: | |
| Deferred charge on refunding | <u>764,119</u> |
| Total Deferred Outflows of Resources | <u>764,119</u> |
| Liabilities: | |
| Accounts payable | 167,820 |
| Accrued interest | 1,072,068 |
| Due to other governments | 15,645 |
| Long-term liabilities: | |
| Due in one year | 3,840,602 |
| Due in more than one year | <u>101,864,889</u> |
| Total Liabilities | <u>106,961,024</u> |
| Net Position: | |
| Held in trust for other purposes | <u>(89,025,820)</u> |
| Total Net Position | <u>\$ (89,025,820)</u> |

CITY OF LA MIRADA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2014

| | <u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u> |
|--|--|
| Additions: | |
| Taxes | \$ 8,476,569 |
| Interest and change in fair value of investments | 21,587 |
| Total Additions | <u>8,498,156</u> |
| Deductions: | |
| Administrative expenses | 224,405 |
| Contractual services | 2,909,726 |
| Interest expense | 3,938,247 |
| Total Deductions | <u>7,072,378</u> |
| Changes in Net Position | 1,425,778 |
| Net Position - Beginning of the Year | <u>(90,451,598)</u> |
| Net Position - End of the Year | <u>\$ (89,025,820)</u> |

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The City of La Mirada (City) was incorporated March 23, 1960, under the General Laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety (police), highway and streets, leisure and cultural, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, the financial statements of the City of La Mirada include the financial activities of the City and the La Mirada Public Financing Authority. The La Mirada City Council acts as the Board of Directors for the Public Financing Authority, so the City is considered to be the primary government and the Public Financing Authority a component unit of the City. The governing boards of the City and the component unit are the same. The financial statements of the City and the component unit are blended. Blended component units, although legally separate entities, are part of the City's operations; data from these units are combined with data of the primary government.

The City formed the La Mirada Public Financing Authority on August 8, 1989, for the purpose of providing financing for the City. The Public Financing Authority had no financial transactions during the 2013-2014 fiscal year, and has no assets, liabilities or fund balance at June 30, 2014.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities that are normally supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All fiduciary activities are reported only in the fund financial statements and are excluded from government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All fiduciary activities are reported only in the fund financial statements and are excluded from the government-wide financial statements.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide, proprietary, and private-purpose trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange 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 from which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the fiscal year from which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are measurable and available as net current assets. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources susceptible to accrual are property, sales, highway user taxes, state gas tax subventions, investment income, and court fines and capital project financing sources. Primary sources not susceptible to accrual are licenses and permits and charges for current services. Expenditures are generally recognized under the accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt, which is recognized when due.

The City reports the following major funds:

Governmental Funds:

- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in another fund.
- The Housing and Community Development Fund was established to account for revenues received and expenditures made for community development and housing assistance. Financing is provided under agreement with the County whereby the City is a secondary recipient with funds made available from the U.S. Department of Housing and Urban Development under the Housing and Community Development Acts of 1974 and 1977.
- The Low and Moderate Housing Fund was established to account for the assets of the former Redevelopment Agency's Low and Moderate Housing Fund.
- The Capital Improvement Fund was established to account for all of the City public improvement projects. Funding is provided by general and special revenue funds.

Additionally, the City reports the following fund types:

- Special Revenue Funds are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

- Debt Service Funds are used to account for financial resources that are being accumulated for principal and interest maturing in future years on the City's Lease Revenue Bonds.
- Internal Service Funds account for employee benefits and replacement of equipment provided to other departments of the government, on a cost reimbursement basis.
- The Private-purpose trust fund is used to account for the assets and liabilities of the former redevelopment agency and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Internal Service Funds are charges to customers for sales and services. Operating expenses for Internal Service 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed.

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. All cash and investments are held in the City's cash management pool. Therefore, all cash and investments in the Proprietary Funds are considered cash and cash equivalents.

Investments

Investments for the City as well as for its component units are stated at fair value (the value at which financial instruments could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale). The State Treasurer's

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the purchases method in both government-wide and fund financial statements, and using the consumption method in the proprietary funds.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure used in the operation of the governmental funds, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such capital assets are valued at historical cost or estimated historical costs if actual historical cost is not available. Donated capital assets are valued at their fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives and capitalization thresholds are as follows:

| <u>Capital Asset Type</u> | <u>Useful Lives</u> | <u>Capitalization Threshold</u> |
|---------------------------|---------------------|---------------------------------|
| Building and Improvements | 50 years | \$5,000 |
| Furniture and Equipment | 5-20 years | 5,000 |
| Vehicles | 5-15 years | 5,000 |
| Infrastructure | 20-50 years | 5,000 - 25,000 |
| Construction in Progress | N/A | 5,000 - 25,000 |
| Intangible Assets | Indefinite | 25,000 |

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Statement of Fiduciary Net Position reports deferred charge on refunding in this category.

In addition to liabilities, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources such as, grant revenue, taxes and other special revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

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 policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental 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 policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Compensated Absences

In governmental funds, compensated absences are recorded as expenditures in the year paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources rather than currently available financial resources. Accordingly, the entire unpaid liability for governmental funds is recorded as long-term liabilities in the applicable funds.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1, and are payable in two installments on December 10 and April 10. The County of Los Angeles bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when received except at year-end when property taxes received within 60 days are accrued as revenue. The County is permitted by state law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the property-assessed value no more than 2% per year. The City of La Mirada as a no/low property tax City does not levy property taxes from its residents, but receives an allocation from the County of Los Angeles based on the City's assessed valuation and a proportionate share for maintenance and operations of the Southeast Park and Recreation District.

Fund Equity

The City Manager authorizes assigned amounts for specific purposes pursuant to the fund balance policy-making powers granted to him, which was established by the governing body in a resolution.

In the fund financial statements, governmental funds report the following fund balance classification:

Nonspendable - include 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 - include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed - include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, the City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by Resolution. As of June 30, 2014, the City committed \$6,625,000 for economic uncertainty.

Assigned - include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. City's transaction and use tax fund (Measure 1) is intended for future capital improvement projects.

Unassigned - include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

e. Budget

During fiscal year, supplemental budget appropriations were approved by the City Council. The effects of the supplemental appropriations were minor, with exceptions to:

- Proposition C Fund transfers out increased by \$472,560 for additional capital projects.

II. DETAILED NOTES ON ALL FUNDS

Note 2: Cash and Investments

Cash and Investments

As of June 30, 2014, cash and investments were reported in the accompanying financial statements as follows:

| | |
|----------------------------|----------------------|
| Governmental activities | \$ 56,823,357 |
| Fiduciary funds | <u>17,152,219</u> |
| Total Cash and Investments | <u>\$ 73,975,576</u> |

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on monthly cash and investment balances. Interest Income from cash and investments with fiscal agents is credited directly to the related fund.

Deposits

At June 30, 2014, the carrying amount of the City's deposits was \$16,435,147 and the bank balance was \$16,505,098. The \$69,951 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an Agent of Depository has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California Agents of Depository is considered to be held for, and in the name of, the local governmental agency.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 2: Cash and Investments (Continued)

Investments

Under provisions of the City's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- Securities issued by the US Treasury
- Securities issued and fully guaranteed as to payment by the US Government
- Bankers Acceptances with a maturity of 180 days or less
- Federally insured time deposits with a maturity of 180 days or less
- Bank deposits (non-negotiable certificates of deposit) with a maturity of 180 days or less
- Negotiable certificates of deposit with a maturity of two years or less
- Repurchase Agreements with a maturity of 30 days or less
- Commercial Paper with a maturity of 270 days or less
- State of California Local Agency Investment Fund (LAIF)
- Corporate medium term notes (5-yr maturity or less) of domestic Corporations or Depository Institutions
- Mortgage pass-through securities and asset-backed securities with a maturity of five years or less
- Money market mutual funds

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy.

Investments in State Investment Pool

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. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shared.

GASB Statement No. 31

The City adopted GASB Statement of No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Credit Risk

The City's investment policy limits investments in medium term notes (MTNs) to those rated in the top three rating categories by two of the three largest nationally recognized

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 2: Cash and Investments (Continued)

rating services at time of purchase. As of June 30, 2014, the City's investment in medium term notes were rated "A3" or higher by Moody's. As of June 30, 2014, the City's investments in Federal Agency Securities, FDIC insured U.S. Corporate Notes, and money market fund were rated "Aaa" by Moody's. All securities were investment grade and were legal under State and City law. Investments in U.S. government securities including U.S. Treasuries are not considered to have credit risk; therefore, their credit quality is not disclosed. The City's investment in external investment pool is unrated.

Custodial Credit Risk

The 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 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 to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2014, none of the City's deposits or investments was exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions on the maximum percentage it can invest in a single type of investment with any one issuer. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the U.S. Government, its agencies and instrumentalities. As of June 30, 2014, the City is in compliance with the restrictions of its investment policy.

In addition, GASB 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value. As of June 30, 2014, investments in Federal Home Loan Mortgage Corporation and Federal National Mortgage Association represented 5.0% and 6.2%, respectively of the City's total investment value. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that the City's investment portfolio will not directly invest in securities maturing in more than five years. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 2: Cash and Investments (Continued)

As of June 30, 2014, the City had the following investments and original maturities:

| Investment Type: | Rating S&P/Moody's | Investment Maturities | | | | Fair Value |
|--|-----------------------|-----------------------|-----------------------|----------------------|---------------------|----------------------|
| | | 6 months or less | 6 months to 1 year | 1 to 3 years | 3 to 5 years | |
| Local Agency Investment Fund | N/R | \$ 30,702,488 | \$ - | \$ - | \$ - | \$ 30,702,488 |
| Money Market | N/R | 167,687 | - | - | - | 167,687 |
| Medium Term Notes | AA+ - A-/Aaa - A3 | 385,476 | 2,325,652 | 2,099,115 | 883,058 | 5,693,301 |
| US Treasury Notes | AAA/Aaa | 115,243 | - | 2,303,742 | 2,327,094 | 4,746,079 |
| Federal National Mortgage Assoc. | AA+/Aaa | - | - | 2,020,879 | 1,572,170 | 3,593,049 |
| Federal Home Loan Mortgage Corp. | AA+/Aaa | 150,107 | - | 1,274,581 | 1,468,614 | 2,893,302 |
| Federal Home Loan Bank | AA+/Aaa | 332,087 | - | 1,509,354 | 943,268 | 2,784,709 |
| Federal Farm Credit Banks | AA+/Aaa | 935,625 | - | 1,788,166 | - | 2,723,791 |
| Investments with Fiscal Agent: Money Market | N/R | 4,236,023 | - | - | - | 4,236,023 |
| | | <u>\$ 37,024,736</u> | <u>\$ 2,325,652</u> | <u>\$ 10,995,837</u> | <u>\$ 7,194,204</u> | <u>\$ 57,540,429</u> |

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 3: Capital Assets

Changes in Capital Assets

The City has reported all capital assets including its infrastructure in the Government-Wide Statement of Net Position. A summary of changes in City capital assets is as follows:

| | Beginning Balance | Additions | Deletions | Transfers | Ending Balance |
|---|----------------------|--------------|-----------|-------------|-------------------|
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 4,540,989 | \$ - | \$ - | \$ - | \$ 4,540,989 |
| Construction in progress | 2,459,433 | 6,556,128 | - | (5,053,742) | 3,961,819 |
| Total capital assets, not being depreciated | 7,000,422 | 6,556,128 | - | (5,053,742) | 8,502,808 |
| Capital assets, being depreciated: | | | | | |
| Land improvements | 22,022,712 | - | - | 388,441 | 22,411,153 |
| Buildings & Structures | 70,648,399 | - | - | - | 70,648,399 |
| Machinery and equipment | 5,102,374 | 156,043 | 53,790 | - | 5,204,627 |
| Automotive Equipment | 2,742,650 | 118,533 | 111,267 | - | 2,749,916 |
| Infrastructure | 22,123,204 | - | - | 4,665,301 | 26,788,505 |
| Intangible Assets | 3,829,412 | - | - | - | 3,829,412 |
| Total capital assets, being depreciated | 126,468,751 | 274,576 | 165,057 | 5,053,742 | 131,632,012 |
| Less accumulated depreciation for: | | | | | |
| Land improvements | 3,991,977 | 830,659 | - | - | 4,822,636 |
| Buildings & Structures | 14,279,774 | 1,411,852 | - | - | 15,691,626 |
| Machinery and equipment | 3,573,938 | 338,876 | 49,406 | - | 3,863,408 |
| Automotive Equipment | 2,350,658 | 202,310 | 111,267 | - | 2,441,701 |
| Infrastructure | 10,142,595 | 796,207 | - | - | 10,938,802 |
| Intangible Assets | 1,197,519 | 1,044,385 | - | - | 2,241,904 |
| Total accumulated depreciation | 35,536,461 | 4,624,289 | 160,673 | - | 40,000,077 |
| Total capital assets being depreciated, net | 90,932,290 | (4,349,713) | 4,384 | 5,053,742 | 91,631,935 |
| Governmental activities capital assets, net | \$ 97,932,712 | \$ 2,206,415 | \$ 4,384 | \$ - | \$ 100,134,743 |

Depreciation expense was charged to the following functions/programs of the primary government as follows:

| | |
|--------------------------|---------------------|
| Governmental Activities: | |
| General Government | \$ 598,751 |
| Community Development | 342,144 |
| Public Safety | 1,411,342 |
| Public Works | 1,240,271 |
| Leisure and Culture | 684,288 |
| Internal Service Funds | 347,493 |
| | <u>\$ 4,624,289</u> |

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 4: Notes and Loans Receivables

As of June 30, 2014, loans receivable consisted of the following:

| | |
|---|---------------------|
| Low and Moderate Housing: | |
| Rehabilitation Loans: | |
| HIP Loans | \$ 3,800,516 |
| DPAP Loans | 87,584 |
| Promissory Loans: | |
| Grayville Limited Partnership Loan | 1,193,850 |
| Condominium Loans | 1,432,566 |
| Housing and Community Development Fund: | |
| HIP Loans | <u>891,180</u> |
| | <u>\$ 7,405,696</u> |

Home Improvement Program (HIP) is a home assistance program for low-to moderate-income La Mirada homeowners used to correct violations and repair deteriorating conditions in their homes. The assistance is provided through an emergency grant of up to \$5,000. The maximum low-interest deferred loan available to residents at 3% annual simple interest is \$30,000 with the City Manager having the authorization to approve a maximum loan of \$40,000 under special conditions. Effective July 2014, the maximum loan under special conditions was increased to \$85,000. The loan is secured by a deed of trust and does not need to be repaid until the property is sold, refinanced, no longer owner-occupied, or ownership transferred. At that time, the loan and interest is due and payable. Loans of \$4,691,696 were outstanding as of June 30, 2014.

Down Payment Assistance Program (DPAP) is a deferred loan of up to 10% of the home purchase price at 3% simple interest for low-to moderate-income first time homebuyers used to purchase a single-family detached home in the City of La Mirada. Loans of \$87,584 were outstanding as of June 30, 2014.

On November 7, 2000, the Agency entered into a loan agreement with Grayville Limited Partnership in connection with the development of a 122-unit affordable senior housing project. The loan amount is \$847,064, and bearing non-compounding simple interest at the rate of 3% annually. No payments shall be due until the fifteenth anniversary date of the note. The payments shall be interest only payments in the amount of \$25,412. Any amounts of interest not paid when due shall accrue with interest at the rate of 8% annually. All outstanding principal and any unpaid interest accrued thereon shall be due and payable in full upon expiration of the term. The loan shall mature and all outstanding principal and accrued interest thereon shall be due and payable the sooner of forty years or the date of maturity of the permanent loan. The balance at June 30, 2014, including accrued interest of \$346,786, is \$1,193,850.

The note receivables of \$1,432,566 are a second trust deed on condominiums. The loan is paid off when the loan recipient sells the condo. On that date, the interest is then calculated. There is no established interest as it is considered a contingent deferred interest which is dependent on a variety of factors.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 5: Advances to Successor Agency of Former RDA

The advances to the Successor Agency of the former Redevelopment Agency (RDA) consist of \$24,828,264 loans made to the former RDA to assist in various Redevelopment projects and a \$5,835,713 advance for the SERAF payment. During fiscal year 2012-2013, the City advanced \$2,563,312 to the Successor Agency for payment due to the City of Carson regarding a litigation case the City lost. During the current year, the Successor Agency paid off the balance of \$2,563,312. As of June 30, 2014, the advance to the Successor Agency of the former RDA balance is \$30,663,977.

Note 6: Interfund Receivables, Payables, and Transfers

a. Due To/From Other Funds

| <u>Receivable Funds</u> | <u>Payable Funds</u> | |
|-----------------------------------|-----------------------------------|-------------------|
| General Fund | Housing and Community Development | \$ 8,920 |
| | Non-major governmental | 97,623 |
| | Internal Service Funds | <u>23,819</u> |
| | | <u>130,362</u> |
| Housing and Community Development | General Fund | 15,579 |
| | Low and Moderate Housing | <u>10,284</u> |
| | | <u>25,863</u> |
| Capital Improvement | General Fund | 193,562 |
| | Non-major governmental | <u>68,390</u> |
| | | <u>261,952</u> |
| Non-major governmental | Non-major governmental | <u>25,746</u> |
| Internal Service | General Fund | 135,140 |
| | Non-major governmental | <u>1,994</u> |
| | | <u>137,134</u> |
| | Total Due To/From Other Funds | <u>\$ 581,057</u> |

Due To/From amounts were short-term receivables and payables in order to cover negative cash balances, capital improvement projects, and benefit accrual.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 6: Interfund Receivables, Payables, and Transfers (Continued)

b. Transfers In/Out

| | Transfers Out | | | Totals |
|--------------------------------------|---------------------|---|--------------------------|----------------------|
| | General | Housing and Community Development | Nonmajor Governmental | |
| Transfers In: | | | | |
| General Fund | \$ - | \$ - | \$ 1,116,294 | \$ 1,116,294 |
| Housing and Community Development | 32,287 | - | - | 32,287 |
| Capital Improvement | 5,290,807 | 650,122 | 1,301,828 | 7,242,757 |
| Nonmajor Governmental | 972,474 | - | 676,429 | 1,648,903 |
| Internal Service | - | - | 126,071 | 126,071 |
| Totals | <u>\$ 6,295,568</u> | <u>\$ 650,122</u> | <u>\$ 3,220,622</u> | <u>\$ 10,166,312</u> |

Interfund transfers from the General Fund were used to fund non-major funds operations, debt service activity and capital improvements expenditures.

Note 7: Long-Term Debt

a. Governmental Activities:

The following is a summary of the changes in the governmental funds long-term debt, for the year ended June 30, 2014:

| | Balance July 1, 2013 | Additions | Deletions | Balance June 30, 2014 | Due Within One Year |
|--------------------------|-------------------------|---------------------|---------------------|--------------------------|------------------------|
| Governmental Activities: | | | | | |
| Lease Revenue Bonds | \$ 12,255,000 | \$ - | \$ 470,000 | \$ 11,785,000 | \$ 490,000 |
| Lease Payable | 81,841 | 23,149 | 24,307 | 80,683 | 22,545 |
| Claims and Judgments | 968,044 | 1,201,898 | 1,552,089 | 617,853 | 154,463 |
| Compensated Absences | 524,391 | 116,202 | 23,244 | 617,349 | 30,900 |
| Total | <u>\$ 13,829,276</u> | <u>\$ 1,341,249</u> | <u>\$ 2,069,640</u> | 13,100,885 | <u>\$ 697,908</u> |
| Plus: | | | | | |
| Bond premium | | | | <u>37,325</u> | |
| | | | | <u>\$ 13,138,210</u> | |

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 7: Long-Term Debt (Continued)

Lease Revenue Bonds

\$15,145,000 2006 Lease Revenue Bonds:

| <u>Auth/Issued</u> | <u>Description</u> | <u>Principal</u> | <u>Date</u> | <u>Rate</u> |
|--------------------|--------------------|-------------------------|---------------|----------------|
| \$ 15,145,000 | Serial | \$ 375,000 / 955,000 | 2006- 2019 | 4.00% 4.50% |

The bonds were issued to provide funds to pay for the construction of the La Mirada Aquatic Center. The bonds maturing on or before March 1, 2016, are not subject to redemption prior to maturity. The bonds maturing on or after March 1, 2017, are subject to redemption prior to maturity at the option of the Authority, on any date on or after March 1, 2016.

\$11,785,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

| | <u>2006 Lease Revenue Bonds</u> | |
|-------------|---------------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2014 - 2015 | \$ 490,000 | \$ 506,071 |
| 2015 - 2016 | 510,000 | 486,471 |
| 2016 - 2017 | 530,000 | 466,071 |
| 2017 - 2018 | 550,000 | 444,871 |
| 2018 - 2019 | 575,000 | 422,871 |
| 2019 - 2024 | 3,250,000 | 1,737,961 |
| 2024 - 2029 | 4,010,000 | 973,001 |
| 2029 - 2034 | 1,870,000 | 127,125 |
| Totals | <u>\$ 11,785,000</u> | <u>\$ 5,164,442</u> |

Lease Payable

On September 13, 2008, the City entered into a non-interest bearing five-year lease with CIT Technology Financing Services, Inc. for a copy machine for \$19,503. The General Fund services the lease obligation. At June 30, 2014, the outstanding balance on the lease was paid off during the current year.

On November 17, 2011, the City entered into a non-interest bearing three-year lease with LDI Color Toolbox for \$11,659. The General Fund services the lease obligation. At June 30, 2014, the outstanding balance on the lease was \$2,267.

On February 27, 2013, the City entered into a non-interest bearing five-year lease with LDI Color Toolbox for \$78,388. The General Fund services the lease obligation. At June 30, 2014, the outstanding balance on the lease was \$58,740.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 7: Long-Term Debt (Continued)

On August 8, 2013, the City entered into a non-interest bearing five-year lease with LDI Color Toolbox for \$23,149. The General Fund services the lease obligation. At June 30, 2014, the outstanding balance on the lease was \$19,676.

\$80,683

At June 30, 2014, the annual requirements to repay the outstanding indebtedness were as follows:

| Year Ending June 30, | Total |
|------------------------------------|------------------|
| 2015 | \$ 22,545 |
| 2016 | 20,278 |
| 2017 | 20,278 |
| 2018 | 16,365 |
| 2019 | <u>1,217</u> |
| Total payments | 80,683 |
| Less amounts representing interest | <u>-</u> |
| Outstanding principal | <u>\$ 80,683</u> |

Claims and judgments

The City's liability regarding self insurance is described in Note 9 of the Notes to Financial Statements. The liability will be paid in future years from the Self Insurance Fund.

\$617,853

Compensated Absences

The City's policies relating to compensated absences are described in Note 1 of the Notes to Financial Statements. This liability will be paid in future years from future resources, typically from the General Fund.

\$617,349

III. OTHER INFORMATION

Note 8: Pension Plan

a. Defined Benefit Plan

Plan Description

The City of La Mirada contributes to the California Public Employees' Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their office: 400 P Street, Sacramento, CA 95814.

Note 8: Pension Plan (Continued)

Funding Policy

Classic members hired before the City's contract amendment date of October 22, 2012, and classic members from another PERS agency hired on or after October 22, 2012 are required to contribute 7% of their annual covered salary. The City makes the contributions required of City employees who are considered classic members on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate was 10.781% for non-safety employees of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Assembly Bill 340 created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and final compensation period, as well as new contribution requirements for employees who are new members of PERS hired on or after January 1, 2013. Existing active risk pools are closed to new employees. The normal cost for June 2013 through June 2015, will be 12.5% of payroll, 6.25% contributed by new City employees and 6.25% contributed by the City.

Required Contribution

For the year ended June 30, 2014, the City's contribution of \$872,387 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected annual salary increases 3.30% to 14.20% depending on age, service, and type of employment and (c) 3.00% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.75%. The actuarial value of PERS assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a 15 year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The average remaining amortization period at June 30, 2014, was 20 years as of the valuation date.

| Three-Year Trend Information for PERS | | |
|---------------------------------------|-----------------------|------------------------|
| Fiscal Year | Required Contribution | Percentage Contributed |
| 6/30/2012 | \$ 963,614 | 100% |
| 6/30/2013 | 844,860 | 100% |
| 6/30/2014 | 872,387 | 100% |

The City of La Mirada participates in a CalPERS risk pool. Risk pooling consists of combining assets and liabilities across employers to produce large groups where the impact of a catastrophic demographic event is shared among all employers of the same risk pool. Participation in risk pools is mandatory for all rate plans with less than 100 active members. In May 2014, CalPERS approved structural change that impacted the most recent actuarial valuation as of June 30, 2013 and will take effect in fiscal year 2015-16. In addition, the City will be making contributions towards the unfunded liability as a fixed dollar amount instead of the prior method of a contribution rate.

Note 8: Pension Plan (Continued)

b. Defined Contribution Plan

In accordance with the Federal Omnibus Budget Reconciliation Act of 1990, the City provides pension benefits for all of its hourly employees through a defined contribution plan provided and administered by the Public Agency Retirement System Alternate Retirement System Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All hourly employees are eligible to participate from the date of employment. Federal legislation requires contribution of at least 7.5% to a retirement plan. The plan is established by City ordinance. The City contributes 2.5% of the employee's salary as deferred compensation. Additionally, employees contribute 5.0% of salary towards this program on a pre-tax basis. The City's contribution for each employee (and interest earned by the accounts) is fully vested immediately.

For the year ended June 30, 2014, the City's payroll covered by the plan was \$2,788,263. The City made employer contributions of \$69,613 (2.5% of current covered payroll), and employees contributed \$139,413 (5% of current covered payroll).

c. Public Agency Retirement System (PARS)

Retirement Enhancement Plan

Effective February 2001, the City of La Mirada entered into an agreement with Public Agency Retirement Services (PARS) for a retirement enhancement program.

PARS provides an offset to CalPERS benefit for a maximum of 3% retirement benefit (combined CalPERS and PARS). Upon retirement at age 55, for full-time employees hired before July 1, 2011, the plan provides the employees with up to 1% times their years of service with the City times their highest annual salary. Eligibility requires 5 years of continual service, and retirement from the City and CalPERS concurrently at age 55 or greater for Classic members.

For City Council members elected or appointed before July 1, 2011, eligibility is defined as reaching age 55, completing 12 years of continual service, and retiring concurrently from both the City and CalPERS.

As of the June 30, 2011, valuation, the City contributes based on a 10 year amortization at a rate of 10.5%.

Excess Benefit Plan

Effective February 1, 2001, the City established a multi-employer defined benefit plan to supplement the benefits of certain employees under the PARS Retirement Enhancement Plan to the extent that such benefits are reduced by the limitations on benefits imposed by Section 415 of the Internal Revenue Code of 1986 as amended. The plan shall be unfunded and benefits under the plan shall be paid from the general fund to the Employee Benefits Fund subject to the claims of the City's general creditors. The City's share of the fair value balance at June 30, 2014, is \$99,258.

Note 9: Liability, Workers' Compensation, and Purchased Insurance

a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of La Mirada is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

b. Self-Insurance Programs of the Authority

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

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

General Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million to \$20 million are paid under reinsurance agreements. (7) Costs of covered claims from \$20 million to \$50 million are paid under excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 9: Liability, Workers' Compensation, and Purchased Insurance (Continued)

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$30 million per occurrence. This \$30 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$15 million in reinsurance, subject to the same annual aggregate deductibles previously stated, and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate limit.

Changes in the aggregate liabilities for general liability for the years ended June 30, 2013 and June 30, 2014, are as follows:

| Year Ended | Claims Payable July 1 | Claims and Changes in Estimates | Claims Payments | Claims Payable June 30 |
|---------------|-----------------------|---------------------------------|-----------------|------------------------|
| June 30, 2013 | \$ 330,401 | \$ 206,459 | \$ (11,041) | \$ 525,819 |
| June 30, 2014 | 525,819 | - | (266,219) | 259,600 |

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

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

Changes in the aggregate liabilities for workers' compensation liability for the years ended June 30, 2013 and June 30, 2014, are as follows:

| Year Ended | Claims Payable July 1 | Claims and Changes in Estimates | Claims Payments | Claims Payable June 30 |
|---------------|-----------------------|---------------------------------|-----------------|------------------------|
| June 30, 2013 | \$ 257,431 | \$ 1,234,097 | \$(1,049,303) | \$ 442,225 |
| June 30, 2014 | 442,225 | 1,201,898 | (1,285,870) | 358,253 |

Note 9: Liability, Workers' Compensation, and Purchased Insurance (Continued)

c. Purchased Insurance

Pollution Legal Liability Insurance

The City of La Mirada participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of La Mirada. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of La Mirada participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of La Mirada property is currently insured according to a schedule of covered property submitted by the City of La Mirada to the Authority. City of La Mirada property currently has all-risk property insurance protection in the amount of \$92,089,489. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City of La Mirada purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of La Mirada property currently has earthquake protection in the amount of \$13,614,744. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City of La Mirada purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

Special Event Tenant User Liability Insurance

The City of La Mirada further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of La Mirada according to a schedule. The City of La Mirada then pays for the insurance. The insurance is arranged by the Authority.

d. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2013-14.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 10: Transportation Development Act

The City contracts out with MV Transportation for Dial-A-Ride services.

Note 11: Post Employment Benefits

Plan Description

The City provides other postemployment benefits (OPEB) through the California Employers' Retiree Benefit Fund (CERBT), an agent multiple-employer defined benefit healthcare plan administered by the California Public Employees' Retirement System (CalPERS) by contributing 100% of all premiums charged under the health benefit plan for all eligible employees and qualified family members. These benefits are provided per contract between the City and the employee associations. Separate financial statements for the CERBT may be obtained by writing to CalPERS at Lincoln Plaza North 400 Q Street, Sacramento, CA 95814 or by visiting the CalPERS website at www.calpers.ca.gov.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City, City Council, and/or employee associations. Currently, contributions are not required from plan members. A contribution of \$593,523 was made during the 2013-2014 fiscal year and was not included in the actuarial study. The purpose of the contribution was for the payment of benefits to current retirees.

As a result, the City calculated and recorded a Net OPEB Asset, representing the difference between the Annual Required Contribution (ARC) and actual contributions, as presented below:

| | |
|--|-------------------------------|
| Annual required contribution (ARC) | \$ 324,363 |
| Interest on net OPEB obligation (asset) | (775,740) |
| Adjustment to ARC | <u>692,030</u> |
| Annual OPEB Cost | 240,653 |
| Contributions made | <u>-</u> |
| (Decrease) Increase in Net OPEB obligation | 240,653 |
| Net OPEB obligation (asset) June 30, 2013 | <u>(10,343,196)</u> |
| Net OPEB obligation (asset) June 30, 2014 | <u><u>\$ (10,102,543)</u></u> |

The contribution rate of 7.50% is based on the ARC of \$324,363, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover the annual normal cost and the amortization of unfunded actuarial liabilities (or funding excess) over a thirty year period initially established on July 1, 2008.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 11: Post Employment Benefits (Continued)

Annual OPEB Costs and Net OPEB Obligation (Asset)

For the fiscal year 2013-2014, the City's annual OPEB cost (expense) was \$240,653. The Net OPEB Asset for the current and prior two fiscal years is presented below:

| Fiscal Year End | Annual OPEB Cost | Actual Contribution (Net of Adjustments) | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation (Asset) |
|-----------------|------------------|--|--|-----------------------------|
| 6/30/2012 | \$ (11,745) | \$ 106,785 | -909% | \$ (10,245,063) |
| 6/30/2013 | 216,021 | 314,154 | 145% | (10,343,196) |
| 6/30/2014 | 240,653 | - | 0% | (10,102,543) |

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. This is presented for the periods beginning 7/1/2010, 7/1/2011, and 7/1/2013.

| Type of Valuation | Actuarial Valuation Date | Actuarial Value of Assets | Unfunded Actuarial Accrued Liability | Funded Ratio | Covered Payroll | UAAL as percent of Covered Payroll | Interest Rate | Salary Scale |
|-------------------|--------------------------|---------------------------|--------------------------------------|--------------|-----------------|------------------------------------|---------------|--------------|
| Actual | 7/1/2010 | \$ 13,437,218 | \$ (4,165,024) | 131.0% | \$ 5,516,635 | -75% | 7.75% | 3.25% |
| Actual | 7/1/2011 | 18,437,769 | (3,507,069) | 119.0% | 5,447,217 | -64% | 7.50% | 3.25% |
| Actual | 7/1/2013 | 17,780,696 | (6,386,505) | 135.9% | 4,505,781 | -142% | 7.50% | 3.25% |

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation, the Entry Age normal cost method was used. The actuarial assumptions include a 7.50% investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an inflation rate of 3.25%, and annual healthcare cost trend rate of 9.0% beginning January 1, 2014, and reduced by decrements to an ultimate rate of 4.5% after nine years.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 11: Post Employment Benefits (Continued)

The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at June 30, 2014, was twenty-five years. As of the actuarial date, the City had 72 active participants and 60 retirees.

Note 12: Construction Commitments

The following material construction commitments existed at June 30, 2014:

| Project Name | Contract Amount | Expenditures to date as of June 30, 2014 | Remaining Commitments |
|---|-----------------|--|-----------------------|
| Trojan/Alondra/Stage/Firestone Street Project | \$ 2,731,183 | \$ 2,731,183 | - |
| Phase III Street Rehab | 1,075,485 | 1,075,485 | - |

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency

The California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of La Mirada that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On September 13, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 11-34.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

a. Cash and Investments

As of June 30, 2014, cash and investments were reported in the accompanying financial statements as follows:

| | |
|--|----------------------|
| Cash and investments | \$ 13,916,067 |
| Cash and investments with fiscal agent | <u>3,236,152</u> |
| Total Cash and Investments | <u>\$ 17,152,219</u> |

Deposits

At June 30, 2014, the carrying amount of the Successor Agency's deposits was \$3,304,914 and the bank balance was \$3,454,986. The \$150,072 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure the Successor Agency's deposits by pledging government securities with a value of 110% of a Successor Agency's deposits. California law also allows financial institutions to secure Successor Agency deposits by pledging first trust deed mortgage notes having a value of 150% of a Successor Agency's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an Agent of Depository has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California Agents of Depository is considered to be held for, and in the name of, the local governmental agency.

Investments

Under provisions of the Successor Agency's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- Securities issued by the US Treasury
- Securities issued and fully guaranteed as to payment by the US Government
- Bankers Acceptances with a maturity of 180 days or less
- Federally insured time deposits with a maturity of 180 days or less
- Bank deposits (non-negotiable certificates of deposit) with a maturity of 180 days or less
- Negotiable certificates of deposit with a maturity of two years or less
- Repurchase Agreements with a maturity of 30 days or less
- Commercial Paper with a maturity of 270 days or less
- State of California Local Agency Investment Fund (LAIF)
- Corporate medium term notes (5-yr maturity or less) of domestic Corporations or Depository Institutions

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

- Mortgage pass-through securities and asset-backed securities with a maturity of five years or less
- Money market mutual funds

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the Successor Agency's investment policy.

Investments in State Investment Pool

The Successor Agency 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. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shared.

GASB Statement No. 31

The Successor Agency adopted GASB Statement of No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the Successor Agency reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Credit Risk

The Successor Agency's investment policy limits investments in medium term notes (MTNs) to those rated in the top three rating categories by two of the three largest nationally recognized rating services at time of purchase. As of June 30, 2014, the Successor Agency's investments in Federal Agency Securities, FDIC insured U.S. Corporate Notes, and money market fund were rated "Aaa" by Moody's. All securities were investment grade and were legal under State and Successor Agency law. Investments in U.S. government securities including U.S. Treasuries are not considered to have credit risk; therefore, their credit quality is not disclosed. The Successor Agency's investment in external investment pool is unrated.

Custodial Credit Risk

The 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 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 to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

As of June 30, 2014, none of the Successor Agency's deposits or investments were exposed to custodial credit risk.

Concentration of Credit Risk

The Successor Agency's investment policy imposes restrictions on the maximum percentage it can invest in a single type of investment with any one issuer. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the U.S. Government, its agencies and instrumentalities. As of June 30, 2014, the Successor Agency is in compliance with the restrictions of its investment policy.

In addition, GASB 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value. As of June 30, 2014, no single issuer investment consisted more than 5% of the Successor Agency's total investment value. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

Interest Rate Risk

The Successor Agency's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Successor Agency's investment policy states that the Successor Agency's investment portfolio will not directly invest in securities maturing in more than five years. The Successor Agency has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2014, the Successor Agency had the following investments and original maturities:

| Investment Type: | Rating S&P/Moody's | Investment Maturities | | | | | Fair Value |
|--|-----------------------|-----------------------|-----------------------|-------------------|-----------------|----------------------|----------------------|
| | | 6 months or less | 6 months to 1 year | 1 to 3 years | 3 to 5 years | More Than 5 years | |
| Local Agency Investment Fund | N/R | \$ 9,915,594 | \$ - | \$ - | \$ - | \$ - | \$ 9,915,594 |
| Money Market | N/R | 135,000 | - | - | - | - | 135,000 |
| US Treasury Notes | AAA/Aaa | 115,243 | - | 152,590 | - | - | 267,833 |
| Federal Home Loan Mortgage Corp. | AA+/Aaa | 150,108 | - | - | - | - | 150,108 |
| Federal Farm Credit Banks | AA+/Aaa | - | - | 142,620 | - | - | 142,620 |
| Investments with Fiscal Agent: Money Market | N/R | 3,236,150 | - | - | - | - | 3,236,150 |
| | | <u>\$ 13,552,095</u> | <u>\$ -</u> | <u>\$ 295,210</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 13,847,305</u> |

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

b. Long-Term Debt

The following is a summary of the changes in the Successor Agency debt for the year ending June 30, 2014:

| | Outstanding July 1, 2013 | Additions | Deletions | Outstanding June 30, 2014 | Due Within One Year |
|---------------------------------|-----------------------------|-------------------|---------------------|------------------------------|------------------------|
| Fiduciary Activities | | | | | |
| Successor Agency of the | | | | | |
| Former RDA | | | | | |
| Advances from the City | \$ 33,227,289 | \$ - | \$ 2,563,312 | \$ 30,663,977 | \$ - |
| Tax Allocation Bonds | | | | | |
| 2001 Bonds | 10,750,000 | - | 785,000 | 9,965,000 | 825,000 |
| 2002 Bonds | 810,000 | - | 255,000 | 555,000 | 270,000 |
| 2003 Series A | 2,985,000 | - | 195,000 | 2,790,000 | 205,000 |
| 2003 Series B | 10,670,000 | - | 635,000 | 10,035,000 | 670,000 |
| 2004 Series A | 12,655,000 | - | 340,000 | 12,315,000 | 360,000 |
| 2005 Series A | 5,320,000 | - | 180,000 | 5,140,000 | 185,000 |
| 2006 Series A | 9,609,007 | - | 885,631 | 8,723,376 | 880,602 |
| Accretion of 2006 Bond Series A | 3,584,612 | 556,317 * | - | 4,140,929 | - |
| 2010 Refunding Series A | 8,910,000 | - | 435,000 | 8,475,000 | 445,000 |
| 2010 Taxable Housing, Series B | 7,000,000 | - | - | 7,000,000 | - |
| Loan Payable | 5,651,399 | 395,598 | - | 6,046,997 | - |
| Totals | <u>\$ 111,172,307</u> | <u>\$ 951,915</u> | <u>\$ 6,273,943</u> | 105,850,279 | <u>\$ 3,840,602</u> |
| | | | | 54,272 | |
| | | | | (199,060) | |
| | | | | <u>\$ 105,705,491</u> | |

*Additions of \$556,317 relates to Tax Allocation Bonds accretion of interest.

Advances from the City

The advances from the City consist of \$24,828,264 loans made to the former RDA to assist in various Redevelopment projects and a \$5,835,713 advance for the SERAF payment. At June 30, 2014 the total outstanding balance is \$30,663,977.

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$97,362,431 with annual debt service requirements as indicated below. For the current year, the total property tax revenue recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$8,476,569 and the debt service obligation on the bonds was \$6,652,789.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

Tax Allocation Bonds:

\$17,310,000 2001 Tax Allocation Refunding Bonds, Series A:

| <u>Auth/Issued</u> | <u>Description</u> | <u>Principal</u> | <u>Date</u> | <u>Rate</u> |
|--------------------|--------------------|---------------------------|----------------|----------------|
| \$ 17,310,000 | Serial | \$ 480,000 / 1,380,000 | 2003 - 2024 | 3.00% 5.25% |

The Successor Agency has pledged a portion of future tax increment revenues to repay \$17,310,000 in tax allocation refunding bonds issued in May 2001. The bonds were issued to advance refund the 1992, Series A and 1995, Series C bonds as well as to partially refund the 1995 series B bonds. In addition, the bonds were used to finance additional redevelopment activities. The bonds are payable solely from tax increment revenue generated as a result of redevelopment activities. At June 30, 2014, the total principal and interest requirements for the bonds is \$12,687,969 (\$9,965,000 principal, \$2,722,969 interest), payable semiannually through August 2024.

The term bonds maturing on or after August 15, 2001, are subject to redemption prior to maturity on any payment dates beginning August 15, 2010, at redemption prices ranging from 100.0% to 102.0% of principal.

\$9,965,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

| | 2001 Tax Allocation Refunding Bonds, Series A | |
|-----------|--|---------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2014-2015 | \$ 825,000 | \$ 485,275 |
| 2015-2016 | 855,000 | 443,275 |
| 2016-2017 | 895,000 | 399,525 |
| 2017-2018 | 950,000 | 353,400 |
| 2018-2019 | 995,000 | 304,775 |
| 2019-2024 | 4,770,000 | 719,000 |
| 2024-2029 | 675,000 | 17,719 |
| Totals | <u>\$ 9,965,000</u> | <u>\$ 2,722,969</u> |

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

\$2,750,000 2002 Tax Allocation Refunding Bonds:

| <u>Auth/Issued</u> | <u>Description</u> | <u>Principal</u> | <u>Date</u> | <u>Rate</u> |
|--------------------|--------------------|-------------------------|----------------|----------------|
| \$ 670,000 | Serial | \$ 160,000 / 175,000 | 2003 - 2006 | 3.10% 4.50% |
| 800,000 | Term | 800,000 | 2010 | 5.30% |
| 1,280,000 | Term | 1,280,000 | 2015 | 5.60% |

The Successor Agency has pledged a portion of future tax increment revenues to repay \$2,750,000 in tax allocation refunding bonds issued in May of 2002. The bonds were issued to refund the Valley View Redevelopment 1987 Tax Allocation Bonds. The bonds are payable solely from tax increment revenue generated as a result of redevelopment activities. At June 30, 2014, the total principal and interest requirement for the bonds is \$586,500 (\$555,000 principal, \$31,500 interest), payable semiannually through August 2015.

The bonds are not subject to optional redemption prior to their stated maturity. The term bonds maturing on August 15, 2010 and August 15, 2015, are subject to mandatory redemption commencing August 15, 2007 and 2010, respectively, from sinking account payments at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption. The reserves are fully funded.

\$555,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

| | 2002 Tax Allocation Refunding Bonds | |
|-------------|-------------------------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2014 - 2015 | \$ 270,000 | \$ 23,520 |
| 2015 - 2016 | 285,000 | 7,980 |
| Totals | <u>\$ 555,000</u> | <u>\$ 31,500</u> |

\$4,450,000 2003 Housing Tax Allocation Bonds, Series A:

| <u>Auth/Issued</u> | <u>Description</u> | <u>Principal</u> | <u>Date</u> | <u>Rate</u> |
|--------------------|--------------------|-------------------------|----------------|----------------|
| \$ 3,275,000 | Serial | \$ 120,000 / 260,000 | 2004 - 2020 | 1.05% 4.60% |
| 1,175,000 | Term | 1,175,000 | 2024 | 5.00% |

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

The Successor Agency has pledged a portion of future housing tax revenues to repay \$4,450,000 in housing tax allocation bonds issued in October of 2003. The bonds were issued to refund the Housing Tax Allocation Bonds 1995 Series A and Housing Tax Allocation Bonds 1998 Series A Bonds. The bonds are payable solely from housing tax revenues. At June 30, 2014, the total principal and interest requirement for the bonds is \$3,584,305 (\$2,790,000 principal, \$794,305 interest), payable semiannually through August 2024.

The bonds maturing August 15, 2004, are subject to mandatory redemption without premium, prior to their maturity date in part by lot on August 15, in each year commencing August 15, 2021, from Sinking Account payments under the indenture. Bonds maturing on or after August 15, 2014, are subject to optional redemption prior to maturity, in whole or in part, in a manner determined by the Agency. The reserves are fully funded.

\$2,790,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

| | 2003 Housing Tax Allocation Bonds, Series A | |
|-------------|--|-------------------|
| | Principal | Interest |
| 2014 - 2015 | \$ 205,000 | \$ 124,570 |
| 2015 - 2016 | 210,000 | 116,060 |
| 2016 - 2017 | 220,000 | 107,030 |
| 2017 - 2018 | 230,000 | 97,465 |
| 2018 - 2019 | 240,000 | 87,240 |
| 2019 - 2024 | 1,370,000 | 254,065 |
| 2024 - 2029 | 315,000 | 7,875 |
| Totals | <u>\$ 2,790,000</u> | <u>\$ 794,305</u> |

\$15,470,000 2003 Housing Tax Allocation Bonds, Series B:

| <u>Auth/Issued</u> | <u>Description</u> | <u>Principal</u> | <u>Date</u> | <u>Rate</u> |
|--------------------|--------------------|------------------|-------------|-------------|
| \$ 2,555,000 | Term | \$2,555,000 | 2008 | 3.95% |
| 2,888,000 | Term | 2,888,000 | 2013 | 5.20% |
| 3,770,000 | Term | 3,770,000 | 2018 | 5.90% |
| 6,265,000 | Term | 6,265,000 | 2024 | 6.22% |

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

The Successor Agency has pledged a portion of future housing tax revenues to repay \$15,470,000 in housing tax allocation bonds issued in October of 2003. The bonds were issued to refund the Housing Tax Allocation Bonds 1995 Series A and Housing Tax Allocation Bonds 1998 Series A bonds. The bonds are payable solely from housing tax revenues. At June 30, 2014, the total principal and interest requirement for the bonds is \$13,801,537 (\$10,035,000 principal, \$3,766,537 interest), payable semiannually through August 2024.

The bonds maturing August 15, 2008, 2013, 2018 and 2024, are subject to mandatory redemption, without premium prior to their maturity date. The reserves are fully funded.

\$10,035,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

| | 2003 Housing Tax Allocation Bonds, Series B | |
|-------------|--|---------------------|
| | Principal | Interest |
| 2014 - 2015 | \$ 670,000 | \$ 592,348 |
| 2015 - 2016 | 710,000 | 551,638 |
| 2016 - 2017 | 750,000 | 508,568 |
| 2017 - 2018 | 795,000 | 462,991 |
| 2018 - 2019 | 845,000 | 414,611 |
| 2019 - 2024 | 5,060,000 | 1,198,905 |
| 2024 - 2029 | 1,205,000 | 37,476 |
| Totals | <u>\$ 10,035,000</u> | <u>\$ 3,766,537</u> |

\$13,350,000 2004 Tax Allocation Bonds, Series A:

| Auth/Issued | Description | Principal | Date | Rate |
|---------------|-------------|---------------------------|--------------|-----------------|
| \$ 13,350,000 | Serial | \$ 115,000 / 1,630,000 | 2008 2024 | 3.75% 4.625% |

The Successor Agency has pledged a portion of future tax increment revenues to repay \$13,350,000 in tax allocation bonds issued in November of 2004. The bonds were issued to finance redevelopment activities within or of benefit to the project area. The bonds are payable solely from tax increment revenues. At June 30, 2014, the total principal and interest requirement for the bonds is \$16,040,766 (\$12,315,000 principal, \$3,725,766 interest), payable semiannually through August 2024.

The bonds maturing on or after August 15, 2015, are subject to redemption in whole or in part without premium prior to their maturity date. The reserves are fully funded.

\$12,315,000

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

| | 2004 Tax Allocation Bonds, Series A | |
|-------------|--|---------------------|
| | Principal | Interest |
| 2014 - 2015 | \$ 360,000 | \$ 526,275 |
| 2015 - 2016 | 280,000 | 514,275 |
| 2016 - 2017 | 530,000 | 498,823 |
| 2017 - 2018 | 430,000 | 480,020 |
| 2018 - 2019 | 1,470,000 | 441,285 |
| 2019 - 2024 | 7,615,000 | 1,227,394 |
| 2024 - 2029 | 1,630,000 | 37,694 |
| Totals | <u>\$ 12,315,000</u> | <u>\$ 3,725,766</u> |

\$6,510,000 2005 Tax Allocation Refunding Bonds, Series A:

| Auth/Issued | Description | Principal | Date | Rate |
|--------------|-------------|---------------------------|--------------|-----------------|
| \$ 6,510,000 | Serial | \$ 165,000 / 1,200,000 | 2006 2024 | 3.00% 4.375% |

The Successor Agency has pledged a portion of future tax increment revenues to repay \$6,510,000 in tax allocation bonds issued in May 2005. The bonds were issued to finance redevelopment activities within or of benefit to the project area. The bonds are payable solely from tax increment revenues. At June 30, 2014, the total principal and interest requirement for the bonds is \$6,861,506 (\$5,140,000 principal, \$1,721,506 interest), payable semiannually through August 2024.

The bonds maturing on or after August 15, 2016, are subject to redemption in whole or in part without premium prior to their maturity date. The reserves are fully funded:

\$5,140,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

| | 2005 Tax Allocation Refunding Bonds, Series A | |
|-------------|--|---------------------|
| | Principal | Interest |
| 2014 - 2015 | \$ 185,000 | \$ 214,267 |
| 2015 - 2016 | 195,000 | 207,258 |
| 2016 - 2017 | 195,000 | 199,823 |
| 2017 - 2018 | 205,000 | 191,945 |
| 2018 - 2019 | 215,000 | 183,545 |
| 2019 - 2024 | 2,945,000 | 698,418 |
| 2024 - 2029 | 1,200,000 | 26,250 |
| Totals | <u>\$ 5,140,000</u> | <u>\$ 1,721,506</u> |

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

\$9,609,007 2006 Tax Allocation Bonds, Series A:

| <u>Auth/Issued</u> | <u>Description</u> | <u>Initial Principal</u> | <u>Final Maturity</u> | <u>Date</u> | <u>Rate</u> |
|--------------------|--------------------|--------------------------|-----------------------|-------------|-------------|
| \$ 9,609,007 | Capital | \$ 244,563 / | \$ 560,000 | 2013 | 4.00% |
| | Appreciation | 1,766,067 | 4,230,000 | 2028 | 4.60% |
| | Serial Bonds | | | | |

The Successor Agency has pledged a portion of future tax increment revenues to repay \$9,609,007 in tax allocation bonds issued in February of 2006. The bonds were issued to finance redevelopment activities within or of benefit to the project area. The bonds are payable solely from tax increment revenues. Total principal and interest requirement for the bonds is \$18,900,000 (\$12,864,305 principal, \$6,035,695 interest), payable semiannually through August 2028.

The bonds are not subject to redemption prior to maturity. Capital Appreciation Bonds shall compound in accreted value from date of delivery. For the year ended June 30, 2014, the accreted amount of interest for the bond was \$556,317. The reserves are fully funded. The outstanding balance at June 30, 2014, is \$12,864,305, which includes initial bond and the accreted value of \$8,723,376 and \$4,140,929, respectively.

\$12,864,305

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

| | 2006 Tax Allocation Bonds, Series A | |
|-----------|--|---------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2014-2015 | \$ 880,602 | \$ 4,398 |
| 2015-2016 | 912,411 | 42,589 |
| 2016-2017 | 915,499 | 84,501 |
| 2017-2018 | 802,346 | 112,654 |
| 2018-2019 | 432,120 | 82,880 |
| 2019-2024 | 2,055,048 | 754,952 |
| 2024-2029 | 6,866,279 | 4,953,721 |
| Totals | <u>\$ 12,864,305</u> | <u>\$ 6,035,695</u> |

\$10,370,000 2010 Tax Allocation Refunding Bonds, Series A

| <u>Auth/Issued</u> | <u>Description</u> | <u>Principal</u> | <u>Date</u> | <u>Rate</u> |
|--------------------|--------------------|------------------|-------------|-------------|
| \$ 8,515,000 | Serial | \$ 410,000 / | 2010 | 2.00% |
| | | 680,000 | 2025 | 4.50% |
| 1,855,000 | Term | 1,855,000 | 2028 | 5.00% |

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

During fiscal year 2009-2010, the 2010 Tax Allocation Refunding Series A bonds were issued to refund the 1998 Special Tax Bonds. The bonds are payable solely from tax increment revenue generated as a result of redevelopment activities. The reserves were fully funded. At June 30, 2014, the total principal and interest requirement for the bonds is \$11,490,298 (\$8,475,000 principal, \$3,015,298 interest).

\$8,475,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

| | 2010 RDA Tax Allocation Refunding Bonds, Series A | |
|-------------|--|---------------------|
| | Principal | Interest |
| 2014 - 2015 | \$ 445,000 | \$ 348,369 |
| 2015 - 2016 | 465,000 | 332,444 |
| 2016 - 2017 | 480,000 | 315,906 |
| 2017 - 2018 | 495,000 | 298,844 |
| 2018 - 2019 | 515,000 | 280,525 |
| 2019 - 2024 | 2,890,000 | 1,069,966 |
| 2024 - 2029 | 3,185,000 | 369,244 |
| Totals | <u>\$ 8,475,000</u> | <u>\$ 3,015,298</u> |

\$7,000,000 2010 Housing Tax Allocation Bonds, Series B

| Auth/Issued | Description | Principal | Date | Rate |
|--------------|-------------|--------------|-------------|-------|
| \$ 7,000,000 | Term | \$ 7,000,000 | 2025 - 2029 | 7.00% |

During fiscal year 2009-2010, the 2010 Housing Tax Allocation Series B Bonds were issued to fund low and moderate income housing activities of the Agency. The bonds are payable solely from and secured by a pledge of certain tax increment revenues generated as a result of redevelopment activities. The reserves are fully funded. At June 30, 2014, the total principal and interest requirement for the bonds is \$13,409,550, (\$7,000,000 principal, \$6,409,550 interest).

\$7,000,000

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2014, including interest, are as follows:

| | 2010 RDA Taxable Housing T/A Bonds, Series B | |
|-------------|---|---------------------|
| | Principal | Interest |
| 2014 - 2015 | \$ - | \$ 490,000 |
| 2015 - 2016 | - | 490,000 |
| 2016 - 2017 | - | 490,000 |
| 2017 - 2018 | - | 490,000 |
| 2018 - 2019 | - | 490,000 |
| 2019 - 2024 | - | 2,450,000 |
| 2024 - 2029 | 6,475,000 | 1,491,175 |
| 2029 - 2034 | 525,000 | 18,375 |
| Totals | <u>\$ 7,000,000</u> | <u>\$ 6,409,550</u> |

Loan Payable

On April 11, 1989, the La Mirada Redevelopment Agency entered into an agreement with the County of Los Angeles pertaining to the reimbursement of tax increment funds for its Industrial-Commercial Redevelopment Project Area. The Agreement allows for a County loan of tax increment funds to the Agency at an annual interest rate of 7%. The current year had loan additions of \$395,598. The Agency's share of tax increment revenue was \$34,203,414 as of June 30, 2014. Repayment of the loan is due when the Agency's share of tax increment revenue exceeds \$117 million. The outstanding balance as of June 30, 2014, was:

\$6,046,997

Moody's Investors Services Bond Rating Change

On May 21, 2014, Moody's Investors Services upgraded the rating on bonds noted below from Baa1 to A3:

- 2003 Series A Housing Tax Allocation Bonds
- 2003 Series B Housing Tax Allocation Bonds
- 2006 Series A Tax Allocation Bonds

Standard & Poor's Rating Services Bond Rating Change

On March 18, 2014, Standard & Poor's upgraded the rating on bonds noted below from AA- to AA:

- 2001 Series A Tax Allocation Refunding Bonds
- 2003 Series A Housing Tax Allocation Bonds
- 2003 Series B Housing Tax Allocation Bonds

Note 13: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

- 2004 Series A Tax Allocation Bonds
- 2005 Series A Tax Allocation Refunding Bonds
- 2010 Series A Tax Allocation Refunding Bonds
- 2010 Series B Tax Allocation Refunding Bonds

On March 18, 2014, Standard & Poor's upgraded the rating on the 2006 Series A Tax Allocation Bonds from A to AA-.

c. Insurance

The Successor Agency is covered under the City of La Mirada's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 9.

Note 14: Subsequent Events

On October 15, 2014, the Successor Agency to the La Mirada Redevelopment Agency issued the 2014 Subordinate Tax Allocation Refunding Bonds, Series A in the amount of \$20,555,000 and the 2014 Subordinate Taxable Tax Allocation Refunding Bonds, Series B in the amount of \$8,425,000. The Series A Bonds were issued to refinance the following obligations of the Successor Agency:

- 2001 Tax Allocation Refunding Bonds, Series A
- 2003 Housing Tax Allocation Bonds, Series A
- 2004 Tax Allocation Bonds, Series A

The Series B Bonds were issued to refinance the outstanding 2003 Taxable Housing Tax Allocation Bonds, Series B.

The Successor Agency authorized the issuance of the bonds in late July 2014. The Oversight Board then adopted a resolution affirming the Successor Agency's action, which was submitted to the State Department of Finance. The Department of Finance approval was received on September 11, 2014.



Required Supplementary Information

CITY OF LA MIRADA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014**

Budgetary Comparison Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. During May of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed revenues and expenditures.
2. Public hearings are conducted at City Council meetings to obtain taxpayer comments prior to adoption of the budget in June.
3. Prior to July 1, the budget is legally adopted for all governmental fund types through passage of a resolution.
4. The City Manager is authorized to transfer budget amounts within funds as deemed desirable and necessary in order to meet the City's needs; however, revisions that alter the total expenditures must be approved by the City Council. Formal budgetary integration is employed as a management control device during the year for the governmental type funds. The legal level of control is the fund level.

Budgets for the governmental type funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts presented are as originally adopted and as further amended by the City Council. The Low and Moderate Housing Special Revenue Fund does not have a legally adopted budget.

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2014**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|---------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$47,745,006 | \$47,745,006 | \$47,745,006 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 25,855,900 | 25,855,900 | 27,706,904 | 1,851,004 |
| Licenses and permits | 745,000 | 745,000 | 1,363,566 | 618,566 |
| Intergovernmental | 2,675,000 | 2,675,000 | 2,957,797 | 282,797 |
| Charges for services | 7,914,830 | 7,914,830 | 8,382,699 | 467,869 |
| Use of money and property | 960,000 | 960,000 | 677,046 | (282,954) |
| Fines and forfeitures | 573,000 | 573,000 | 576,987 | 3,987 |
| Contributions | 50,000 | 50,000 | 50,460 | 460 |
| Miscellaneous | 2,660,000 | 2,660,000 | 2,517,586 | (142,414) |
| Transfers in | 1,087,073 | 1,087,073 | 1,116,294 | 29,221 |
| Capital leases | - | - | 23,149 | 23,149 |
| Amounts Available for Appropriation | 90,265,809 | 90,265,809 | 93,117,494 | 2,851,685 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 3,550,174 | 3,561,324 | 2,900,237 | 661,087 |
| Public safety | 7,922,224 | 7,922,224 | 7,735,712 | 186,512 |
| Community development | 982,446 | 982,446 | 983,556 | (1,110) |
| Leisure and cultural | 9,437,970 | 9,468,473 | 10,000,530 | (532,057) |
| Public works | 5,867,863 | 5,867,863 | 5,741,717 | 126,146 |
| Capital outlay | - | - | 23,149 | (23,149) |
| Debt service: | | | | |
| Principal retirement | 24,307 | 24,307 | 24,307 | - |
| Transfers out | 14,549,771 | 14,549,771 | 6,295,568 | 8,254,203 |
| Total Charges to Appropriations | 42,334,755 | 42,376,408 | 33,704,776 | 8,671,632 |
| Budgetary Fund Balance, June 30 | \$47,931,054 | \$47,889,401 | \$59,412,718 | \$11,523,317 |

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 HOUSING AND COMMUNITY DEVELOPMENT
 YEAR ENDED JUNE 30, 2014

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 1,013,711 | 1,018,748 | 716,926 | (301,822) |
| Charges for services | 1,000 | 1,000 | 1,262 | 262 |
| Transfers in | - | - | 32,287 | 32,287 |
| Amounts Available for Appropriations | 1,014,711 | 1,019,748 | 750,475 | (269,273) |
| Charges to Appropriation (Outflow): | | | | |
| Public safety | 95,189 | 95,188 | 29,900 | 65,288 |
| Community development | 75,722 | 80,760 | 36,060 | 44,700 |
| Leisure and cultural | 43,800 | 43,800 | 34,393 | 9,407 |
| Transfers out | 800,000 | 800,000 | 650,122 | 149,878 |
| Total Charges to Appropriations | 1,014,711 | 1,019,748 | 750,475 | 269,273 |
| Budgetary Fund Balance, June 30 | \$ - | \$ - | \$ - | \$ - |





Combining and Individual Fund Statements and Schedules

DESCRIPTIONS OF NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are established to account for revenue derived from specific taxes or other earmarked revenue sources (other than for major capital projects that are restricted by law or administrative action to expenditures for specified purposes).

The Gas Tax Fund was established to account for revenues received and expenditures made for general street improvement and maintenance. Financing is provided by the City's share of state gasoline taxes collected under sections 2105, 2106, 2107, and 2107.5 of the Street Highway Code. State law requires that gasoline taxes be established to maintain streets. Gas Tax section 2103 replaced the local streets and road funds cities and counties would have received under Proposition 42 Traffic Congestion Relief Fund.

The Local Transportation Fund was established to account for revenues received and expenditures made for the installation and/or maintenance for bicycle and pedestrian paths. Financing is provided by the State of California under SB 821.

The Transit Fund was established to account for revenues received and expenditures made for transit operation within the City.

The Proposition A Fund was established to account for the Prop A Local Return Funds provided on a population-share basis from the Los Angeles County Metropolitan Transportation Authority (MTA). These funds are derived from the half-cent sales tax approved by Los Angeles County voters. These funds can only be used for transportation services

The Proposition C Fund was established to account for the Prop C Local Return Funds provided on a population-share basis from the Los Angeles County Metropolitan Transportation Authority (MTA). These funds are derived from the half-cent sales tax approved by the Los Angeles County voters. These funds are used for transportation improvement including certain street maintenance.

Measure R (Local Return) was established to account for the half-cent sales tax for Los Angeles County that would finance new transportation projects and programs, and accelerate many of those already in the pipeline, everything from new rail and/or bus rapid transit projects, commuter rail improvements, Metro Rail system improvements, highway projects, improved countywide and local bus operations and local city sponsored transportation improvements. The measure became law January 2, 2009, with the tax taking effect in July 2009 for a period of thirty (30) years.

Park Grants Fund was established to account for Prop A (Park and Open Space Grant) and other Park related grants which relate to the service and maintenance of the City's Proposition-funded projects which include the La Mirada Community Gymnasium, La Mirada Activity Center and Frontier Park Community Center.

Air Quality Management Distribution – 40% of the additional vehicle registration fees are collected through the State Vehicle registration process and are passed to the City through the Air Quality Management District on a proportional population basis. These funds are restricted to vehicle emission reduction projects designed to improve air quality.

The Used Oil Recycling Grant Fund was established to account for funds awarded by the Department of Resources Recycling and Recovery (Calrecycle).

The Beverage Container Recycling Grant Fund was established to account for grants awarded by the California Department of Resources Recycling and Recovery (Calrecycle) for programs that increase beverage container recycling.

Federal Grants was established to account for Federal Grants received from the Department of Justice and Department of Energy.

State Public Safety Grants (The Citizens Option for Public Safety Grant) was established to account for State funding received for the purpose of providing units of local government with funds to underwrite projects to reduce crime and improve public safety.

Grant Fund was established to account for grant funding awarded by the Department of Transportation and other federal or state agencies.

CITY OF LA MIRADA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

| | Special Revenue Funds | | | |
|--|-----------------------|-------------------------|-------------------|---------------------|
| | Gas Tax | Local Transportation | Transit | Proposition A |
| Assets: | | | | |
| Pooled cash and investments | \$ 1,583,472 | \$ - | \$ 435,263 | \$ 1,014,653 |
| Receivables: | | | | |
| Taxes | 150,643 | - | - | - |
| Accrued interest | 3,080 | - | 847 | 1,974 |
| Prepaid costs | - | - | 57,574 | - |
| Due from other governments | - | 39,655 | 136,106 | - |
| Due from other funds | - | - | 25,746 | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total Assets | \$ 1,737,195 | \$ 39,655 | \$ 655,536 | \$ 1,016,627 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 1,300 | \$ - | \$ 128,992 | \$ - |
| Accrued liabilities | - | - | 3,220 | - |
| Unearned revenues | - | - | - | - |
| Due to other funds | - | 39,655 | 1,994 | 25,746 |
| Total Liabilities | 1,300 | 39,655 | 134,206 | 25,746 |
| Deferred Inflows of Resources: | | | | |
| Unavailable revenues | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - |
| Fund Balances: | | | | |
| Nonspendable: | | | | |
| Prepaid costs | - | - | 57,574 | - |
| Restricted for: | | | | |
| Public safety | - | - | - | - |
| Leisure and cultural | - | - | 463,756 | 990,881 |
| Public works | 1,735,895 | - | - | - |
| Debt service | - | - | - | - |
| Total Fund Balances | 1,735,895 | - | 521,330 | 990,881 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 1,737,195 | \$ 39,655 | \$ 655,536 | \$ 1,016,627 |

CITY OF LA MIRADA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

(CONTINUED)

| | Special Revenue Funds | | | |
|--|-----------------------|---------------------|-------------|---|
| | Proposition C | Measure R | Park Grants | Air Quality Management Distribution |
| Assets: | | | | |
| Pooled cash and investments | \$ 1,345,962 | \$ 2,338,003 | \$ - | \$ 265,627 |
| Receivables: | | | | |
| Taxes | - | - | - | - |
| Accrued interest | 2,618 | 4,548 | - | - |
| Prepaid costs | - | - | - | - |
| Due from other governments | - | - | - | 15,763 |
| Due from other funds | - | - | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total Assets | \$ 1,348,580 | \$ 2,342,551 | \$ - | \$ 281,390 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Accrued liabilities | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Due to other funds | 68,390 | - | - | - |
| Total Liabilities | 68,390 | - | - | - |
| Deferred Inflows of Resources: | | | | |
| Unavailable revenues | - | - | - | 15,763 |
| Total Deferred Inflows of Resources | - | - | - | 15,763 |
| Fund Balances: | | | | |
| Nonspendable: | | | | |
| Prepaid costs | - | - | - | - |
| Restricted for: | | | | |
| Public safety | - | - | - | - |
| Leisure and cultural | - | - | - | - |
| Public works | 1,280,190 | 2,342,551 | - | 265,627 |
| Debt service | - | - | - | - |
| Total Fund Balances | 1,280,190 | 2,342,551 | - | 265,627 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 1,348,580 | \$ 2,342,551 | \$ - | \$ 281,390 |

CITY OF LA MIRADA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

| | Special Revenue Funds | | | |
|--|-----------------------------|------------------------------------|----------------|------------------------------|
| | Used Oil Recycling Grant | Beverage Container Recycling | Federal Grants | State Public Safety Grant |
| Assets: | | | | |
| Pooled cash and investments | \$ 19,402 | \$ 141,945 | \$ - | \$ 167,693 |
| Receivables: | | | | |
| Taxes | - | - | - | - |
| Accrued interest | - | - | - | - |
| Prepaid costs | - | - | - | - |
| Due from other governments | - | 13,063 | - | - |
| Due from other funds | - | - | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total Assets | \$ 19,402 | \$ 155,008 | \$ - | \$ 167,693 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 860 | \$ 1,770 | \$ - | \$ - |
| Accrued liabilities | - | - | - | - |
| Unearned revenues | - | 153,238 | - | - |
| Due to other funds | - | - | - | 57,968 |
| Total Liabilities | 860 | 155,008 | - | 57,968 |
| Deferred Inflows of Resources: | | | | |
| Unavailable revenues | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - |
| Fund Balances: | | | | |
| Nonspendable: | | | | |
| Prepaid costs | - | - | - | - |
| Restricted for: | | | | |
| Public safety | - | - | - | 109,725 |
| Leisure and cultural | - | - | - | - |
| Public works | 18,542 | - | - | - |
| Debt service | - | - | - | - |
| Total Fund Balances | 18,542 | - | - | 109,725 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 19,402 | \$ 155,008 | \$ - | \$ 167,693 |

CITY OF LA MIRADA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

| | Special Revenue Funds | Debt Service Funds | |
|--|--------------------------|-----------------------|--------------------------------|
| | Grant Fund | Debt Service Fund | Total Governmental Funds |
| Assets: | | | |
| Pooled cash and investments | \$ - | \$ 51,878 | \$ 7,363,898 |
| Receivables: | | | |
| Taxes | - | - | 150,643 |
| Accrued interest | - | - | 13,067 |
| Prepaid costs | - | - | 57,574 |
| Due from other governments | - | - | 204,587 |
| Due from other funds | - | - | 25,746 |
| Restricted assets: | | | |
| Cash and investments with fiscal agents | - | 999,872 | 999,872 |
| Total Assets | \$ - | \$ 1,051,750 | \$ 8,815,387 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts payable | \$ - | \$ - | \$ 132,922 |
| Accrued liabilities | - | - | 3,220 |
| Unearned revenues | - | - | 153,238 |
| Due to other funds | - | - | 193,753 |
| Total Liabilities | - | - | 483,133 |
| Deferred Inflows of Resources: | | | |
| Unavailable revenues | - | - | 15,763 |
| Total Deferred Inflows of Resources | - | - | 15,763 |
| Fund Balances: | | | |
| Nonspendable: | | | |
| Prepaid costs | - | - | 57,574 |
| Restricted for: | | | |
| Public safety | - | - | 109,725 |
| Leisure and cultural | - | - | 1,454,637 |
| Public works | - | - | 5,642,805 |
| Debt service | - | 1,051,750 | 1,051,750 |
| Total Fund Balances | - | 1,051,750 | 8,316,491 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ - | \$ 1,051,750 | \$ 8,815,387 |

CITY OF LA MIRADA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

| | Special Revenue Funds | | | |
|--|-----------------------|-------------------------|-------------------|-------------------|
| | Gas Tax | Local Transportation | Transit | Proposition A |
| Revenues: | | | | |
| Taxes | \$ 1,568,796 | \$ - | \$ - | \$ 830,430 |
| Intergovernmental | - | 39,655 | 283,592 | - |
| Charges for services | - | - | 36,926 | - |
| Use of money and property | 33,552 | - | 9,145 | 28,227 |
| Miscellaneous | - | - | 1,250 | - |
| Total Revenues | 1,602,348 | 39,655 | 330,913 | 858,657 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 1,300 | - | - | - |
| Public safety | - | - | - | - |
| Leisure and cultural | - | - | 950,390 | - |
| Public works | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 1,300 | - | 950,390 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,601,048 | 39,655 | (619,477) | 858,657 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | 676,428 | - |
| Transfers out | (852,063) | (39,655) | - | (676,428) |
| Total Other Financing Sources (Uses) | (852,063) | (39,655) | 676,428 | (676,428) |
| Net Change in Fund Balances | 748,985 | - | 56,951 | 182,229 |
| Fund Balances, Beginning of Year | 986,910 | - | 464,379 | 808,652 |
| Fund Balances, End of Year | \$ 1,735,895 | \$ - | \$ 521,330 | \$ 990,881 |

CITY OF LA MIRADA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

(CONTINUED)

| | Special Revenue Funds | | | |
|--|-----------------------|---------------------|-----------------|-------------------------------------|
| | Proposition C | Measure R | Park Grants | Air Quality Management Distribution |
| Revenues: | | | | |
| Taxes | \$ 688,787 | \$ 514,061 | \$ - | \$ - |
| Intergovernmental | - | - | 20,100 | 44,830 |
| Charges for services | - | - | - | - |
| Use of money and property | 32,847 | 55,035 | - | - |
| Miscellaneous | - | - | - | - |
| Total Revenues | 721,634 | 569,096 | 20,100 | 44,830 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Leisure and cultural | - | - | - | - |
| Public works | - | - | - | 40,000 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | - | - | - | 40,000 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 721,634 | 569,096 | 20,100 | 4,830 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (1,072,174) | - | (20,100) | (118,533) |
| Total Other Financing Sources (Uses) | (1,072,174) | - | (20,100) | (118,533) |
| Net Change in Fund Balances | (350,540) | 569,096 | - | (113,703) |
| Fund Balances, Beginning of Year | 1,630,730 | 1,773,455 | - | 379,330 |
| Fund Balances, End of Year | \$ 1,280,190 | \$ 2,342,551 | \$ - | \$ 265,627 |

CITY OF LA MIRADA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

| | Special Revenue Funds | | | |
|--|--------------------------------|------------------------------------|-------------------|------------------------------|
| | Used Oil Recycling Grant | Beverage Container Recycling | Federal Grants | State Public Safety Grant |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 13,992 | 360 | 219,238 | 100,000 |
| Charges for services | - | - | - | - |
| Use of money and property | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total Revenues | 13,992 | 360 | 219,238 | 100,000 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | 22,735 | - |
| Leisure and cultural | - | - | - | - |
| Public works | 14,413 | 360 | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 14,413 | 360 | 22,735 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (421) | - | 196,503 | 100,000 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 421 | - | 2,997 | - |
| Transfers out | - | - | (197,538) | (96,131) |
| Total Other Financing Sources (Uses) | 421 | - | (194,541) | (96,131) |
| Net Change in Fund Balances | - | - | 1,962 | 3,869 |
| Fund Balances, Beginning of Year | 18,542 | - | (1,962) | 105,856 |
| Fund Balances, End of Year | \$ 18,542 | \$ - | \$ - | \$ 109,725 |

CITY OF LA MIRADA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

| | <u>Special Revenue Funds</u> | <u>Debt Service Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------------------|-------------------------------|---|
| | <u>Grant Fund</u> | <u>Debt Service Fund</u> | |
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ 3,602,074 |
| Intergovernmental | 148,000 | - | 869,767 |
| Charges for services | - | - | 36,926 |
| Use of money and property | - | - | 158,806 |
| Miscellaneous | - | - | 1,250 |
| Total Revenues | 148,000 | - | 4,668,823 |
| Expenditures: | | | |
| Current: | | | |
| General government | - | - | 1,300 |
| Public safety | - | - | 22,735 |
| Leisure and cultural | - | - | 950,390 |
| Public works | - | - | 54,773 |
| Debt service: | | | |
| Principal retirement | - | 470,000 | 470,000 |
| Interest and fiscal charges | - | 524,871 | 524,871 |
| Total Expenditures | - | 994,871 | 2,024,069 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 148,000 | (994,871) | 2,644,754 |
| Other Financing Sources (Uses): | | | |
| Transfers in | - | 969,057 | 1,648,903 |
| Transfers out | (148,000) | - | (3,220,622) |
| Total Other Financing Sources (Uses) | (148,000) | 969,057 | (1,571,719) |
| Net Change in Fund Balances | - | (25,814) | 1,073,035 |
| Fund Balances, Beginning of Year | - | 1,077,564 | 7,243,456 |
| Fund Balances, End of Year | \$ - | \$ 1,051,750 | \$ 8,316,491 |

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 YEAR ENDED JUNE 30, 2014

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 986,910 | \$ 986,910 | \$ 986,910 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 1,469,953 | 1,469,953 | 1,568,796 | 98,843 |
| Use of money and property | 60,000 | 60,000 | 33,552 | (26,448) |
| Amounts Available for Appropriations | 2,516,863 | 2,516,863 | 2,589,258 | 72,395 |
| Charges to Appropriation (Outflow): | | | | |
| General government | - | - | 1,300 | (1,300) |
| Transfers out | 1,562,073 | 1,562,073 | 852,063 | 710,010 |
| Total Charges to Appropriations | 1,562,073 | 1,562,073 | 853,363 | 708,710 |
| Budgetary Fund Balance, June 30 | \$ 954,790 | \$ 954,790 | \$ 1,735,895 | \$ 781,105 |

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 LOCAL TRANSPORTATION
 YEAR ENDED JUNE 30, 2014

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|----------------|---------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 31,000 | 31,000 | 39,655 | 8,655 |
| Amounts Available for Appropriations | 31,000 | 31,000 | 39,655 | 8,655 |
| Charges to Appropriation (Outflow): | | | | |
| Transfers out | 31,000 | 31,000 | 39,655 | (8,655) |
| Total Charges to Appropriations | 31,000 | 31,000 | 39,655 | (8,655) |
| Budgetary Fund Balance, June 30 | \$ - | \$ - | \$ - | \$ - |

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 TRANSIT
 YEAR ENDED JUNE 30, 2014

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 464,379 | \$ 464,379 | \$ 464,379 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 496,787 | 496,787 | 283,592 | (213,195) |
| Charges for services | 32,000 | 32,000 | 36,926 | 4,926 |
| Use of money and property | 20,000 | 20,000 | 9,145 | (10,855) |
| Miscellaneous | - | - | 1,250 | 1,250 |
| Transfers in | 813,179 | 813,179 | 676,428 | (136,751) |
| Amounts Available for Appropriations | 1,826,345 | 1,826,345 | 1,471,720 | (354,625) |
| Charges to Appropriation (Outflow): | | | | |
| Leisure and cultural | 1,080,944 | 1,080,944 | 950,390 | 130,554 |
| Total Charges to Appropriations | 1,080,944 | 1,080,944 | 950,390 | 130,554 |
| Budgetary Fund Balance, June 30 | \$ 745,401 | \$ 745,401 | \$ 521,330 | \$ (224,071) |

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION A
 YEAR ENDED JUNE 30, 2014

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 808,652 | \$ 808,652 | \$ 808,652 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 725,000 | 725,000 | 830,430 | 105,430 |
| Use of money and property | 25,000 | 25,000 | 28,227 | 3,227 |
| Amounts Available for Appropriations | 1,558,652 | 1,558,652 | 1,667,309 | 108,657 |
| Charges to Appropriation (Outflow): | | | | |
| Transfers out | 813,179 | 813,179 | 676,428 | 136,751 |
| Total Charges to Appropriations | 813,179 | 813,179 | 676,428 | 136,751 |
| Budgetary Fund Balance, June 30 | \$ 745,473 | \$ 745,473 | \$ 990,881 | \$ 245,408 |

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C
 YEAR ENDED JUNE 30, 2014

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|-------------------|---------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 1,630,730 | \$ 1,630,730 | \$ 1,630,730 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 600,000 | 600,000 | 688,787 | 88,787 |
| Use of money and property | 130,000 | 130,000 | 32,847 | (97,153) |
| Amounts Available for Appropriations | 2,360,730 | 2,360,730 | 2,352,364 | (8,366) |
| Charges to Appropriation (Outflow): | | | | |
| Transfers out | 1,160,400 | 1,632,960 | 1,072,174 | 560,786 |
| Total Charges to Appropriations | 1,160,400 | 1,632,960 | 1,072,174 | 560,786 |
| Budgetary Fund Balance, June 30 | \$ 1,200,330 | \$ 727,770 | \$ 1,280,190 | \$ 552,420 |

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 MEASURE R
 YEAR ENDED JUNE 30, 2014

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 1,773,455 | \$ 1,773,455 | \$ 1,773,455 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 450,000 | 450,000 | 514,061 | 64,061 |
| Use of money and property | 55,000 | 55,000 | 55,035 | 35 |
| Amounts Available for Appropriations | 2,278,455 | 2,278,455 | 2,342,551 | 64,096 |
| Budgetary Fund Balance, June 30 | \$ 2,278,455 | \$ 2,278,455 | \$ 2,342,551 | \$ 64,096 |

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 PARK GRANTS
 YEAR ENDED JUNE 30, 2014

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 25,000 | 25,000 | 20,100 | (4,900) |
| Amounts Available for Appropriations | 25,000 | 25,000 | 20,100 | (4,900) |
| Charges to Appropriation (Outflow): | | | | |
| Transfers out | 201,000 | 201,000 | 20,100 | 180,900 |
| Total Charges to Appropriations | 201,000 | 201,000 | 20,100 | 180,900 |
| Budgetary Fund Balance, June 30 | \$ (176,000) | \$ (176,000) | \$ - | \$ 176,000 |

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY MANAGEMENT DISTRIBUTION
 YEAR ENDED JUNE 30, 2014

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 379,330 | \$ 379,330 | \$ 379,330 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 60,000 | 60,000 | 44,830 | (15,170) |
| Amounts Available for Appropriations | 439,330 | 439,330 | 424,160 | (15,170) |
| Charges to Appropriation (Outflow): | | | | |
| Public works | 55,600 | 55,600 | 40,000 | 15,600 |
| Transfers out | - | 130,000 | 118,533 | 11,467 |
| Total Charges to Appropriations | 55,600 | 185,600 | 158,533 | 27,067 |
| Budgetary Fund Balance, June 30 | \$ 383,730 | \$ 253,730 | \$ 265,627 | \$ 11,897 |

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 USED OIL RECYCLING GRANT
 YEAR ENDED JUNE 30, 2014

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 18,542 | \$ 18,542 | \$ 18,542 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 16,000 | 16,000 | 13,992 | (2,008) |
| Transfers in | - | - | 421 | 421 |
| Amounts Available for Appropriations | 34,542 | 34,542 | 32,955 | (1,587) |
| Charges to Appropriation (Outflow): | | | | |
| Public works | 16,000 | 16,000 | 14,413 | 1,587 |
| Total Charges to Appropriations | 16,000 | 16,000 | 14,413 | 1,587 |
| Budgetary Fund Balance, June 30 | \$ 18,542 | \$ 18,542 | \$ 18,542 | \$ - |

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE
BEVERAGE CONTAINER RECYCLING
YEAR ENDED JUNE 30, 2014**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 3,000 | 3,000 | 360 | (2,640) |
| Amounts Available for Appropriations | 3,000 | 3,000 | 360 | (2,640) |
| Charges to Appropriation (Outflow): | | | | |
| Public works | 3,000 | 3,000 | 360 | 2,640 |
| Transfers out | 140,000 | 140,000 | - | 140,000 |
| Total Charges to Appropriations | 143,000 | 143,000 | 360 | 142,640 |
| Budgetary Fund Balance, June 30 | \$ (140,000) | \$ (140,000) | \$ - | \$ 140,000 |

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE
FEDERAL GRANTS
YEAR ENDED JUNE 30, 2014**

| | <u>Budget Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-----------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Budgetary Fund Balance, July 1 | \$ (1,962) | \$ (1,962) | \$ (1,962) | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 228,140 | 228,140 | 219,238 | (8,902) |
| Transfers in | - | - | 2,997 | 2,997 |
| Amounts Available for Appropriations | 226,178 | 226,178 | 220,273 | (5,905) |
| Charges to Appropriation (Outflow): | | | | |
| Public safety | 29,340 | 29,340 | 22,735 | 6,605 |
| Transfers out | 198,800 | 206,339 | 197,538 | 8,801 |
| Total Charges to Appropriations | 228,140 | 235,679 | 220,273 | 15,406 |
| Budgetary Fund Balance, June 30 | \$ (1,962) | \$ (9,501) | \$ - | \$ 9,501 |

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE
STATE PUBLIC SAFETY GRANT
YEAR ENDED JUNE 30, 2014**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-----------------------|-------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 105,856 | \$ 105,856 | \$ 105,856 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 100,000 | 100,000 | 100,000 | - |
| Amounts Available for Appropriations | 205,856 | 205,856 | 205,856 | - |
| Charges to Appropriation (Outflow): | | | | |
| Transfers out | 100,000 | 100,000 | 96,131 | 3,869 |
| Total Charges to Appropriations | 100,000 | 100,000 | 96,131 | 3,869 |
| Budgetary Fund Balance, June 30 | \$ 105,856 | \$ 105,856 | \$ 109,725 | \$ 3,869 |

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE
GRANT FUND
YEAR ENDED JUNE 30, 2014**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | - | - | 148,000 | 148,000 |
| Amounts Available for Appropriations | - | - | 148,000 | 148,000 |
| Charges to Appropriation (Outflow): | | | | |
| Transfers out | 250,000 | 250,000 | 148,000 | 102,000 |
| Total Charges to Appropriations | 250,000 | 250,000 | 148,000 | 102,000 |
| Budgetary Fund Balance, June 30 | \$ (250,000) | \$ (250,000) | \$ - | \$ 250,000 |

CAPITAL PROJECT FUND

The Capital Project Fund was established to account for all of the City public improvement projects. Funding is provided by general and special revenue funds.

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT
 YEAR ENDED JUNE 30, 2014

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 3,137,219 | \$ 3,137,219 | \$ 3,137,219 | \$ - |
| Resources (Inflows): | | | | |
| Use of money and property | - | - | 7,787 | 7,787 |
| Miscellaneous | 5,765,000 | 5,765,000 | - | (5,765,000) |
| Transfers in | 17,125,971 | 17,598,531 | 7,242,757 | (10,355,774) |
| Amounts Available for Appropriation | 26,028,190 | 26,500,750 | 10,387,763 | (16,112,987) |
| Charges to Appropriation (Outflow): | | | | |
| Public works | 472,220 | 472,220 | 472,220 | - |
| Capital outlay | 24,768,215 | 25,252,925 | 6,770,536 | 18,482,389 |
| Total Charges to Appropriations | 25,240,435 | 25,725,145 | 7,242,756 | 18,482,389 |
| Budgetary Fund Balance, June 30 | \$ 787,755 | \$ 775,605 | \$ 3,145,007 | \$ 2,369,402 |

DEBT SERVICE FUND

The Debt Service Fund was established to account for the debt service payments of the 2006 Lease Revenue Bond for the construction of the La Mirada Aquatics Center.

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 YEAR ENDED JUNE 30, 2014

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 1,077,564 | \$ 1,077,564 | \$ 1,077,564 | \$ - |
| Resources (Inflows): | | | | |
| Transfers in | 955,000 | 955,000 | 969,057 | 14,057 |
| Amounts Available for Appropriation | 2,032,564 | 2,032,564 | 2,046,621 | 14,057 |
| Charges to Appropriation (Outflow): | | | | |
| Debt service: | | | | |
| Principal retirement | 455,000 | 455,000 | 470,000 | (15,000) |
| Interest and fiscal charges | 500,000 | 500,000 | 524,871 | (24,871) |
| Total Charges to Appropriations | 955,000 | 955,000 | 994,871 | (39,871) |
| Budgetary Fund Balance, June 30 | \$ 1,077,564 | \$ 1,077,564 | \$ 1,051,750 | \$ (25,814) |

DESCRIPTIONS OF INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one City department to others, or to other governmental units on a cost-reimbursement basis (including depreciation).

The Employee Benefits Fund was established to account for the City's costs of the following employment benefit programs: retirement, life and disability, medical, dental and vision, worker's compensation, unemployment and Medicare.

The Equipment Replacement Fund was established to charge departments for the replacement cost of equipment. Assets from the general government and Dial-A-Ride were transferred to the Equipment Fund. The custodial responsibility of these assets remains with the general government. The Finance Department administers the accounting for these assets.

CITY OF LA MIRADA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014

| | <u>Employee Benefits</u> | <u>Equipment Replacement</u> | <u>Totals</u> |
|--|------------------------------|----------------------------------|----------------------|
| Assets: | | | |
| Current: | | | |
| Cash and investments | \$ 1,237,995 | \$ 4,648,310 | \$ 5,886,305 |
| Receivables: | | | |
| Accounts | 108 | - | 108 |
| Accrued interest | 16,063 | - | 16,063 |
| Prepaid costs | 478,735 | - | 478,735 |
| Due from other governments | 46,137 | - | 46,137 |
| Due from other funds | 137,134 | - | 137,134 |
| Restricted: | | | |
| Cash and investments | 99,258 | - | 99,258 |
| Total Current Assets | 2,015,430 | 4,648,310 | 6,663,740 |
| Noncurrent: | | | |
| Net OPEB asset | 10,102,543 | - | 10,102,543 |
| Capital assets - net of accumulated depreciation | - | 659,918 | 659,918 |
| Total Noncurrent Assets | 10,102,543 | 659,918 | 10,762,461 |
| Total Assets | \$ 12,117,973 | \$ 5,308,228 | \$ 17,426,201 |
| Liabilities and Net Position: | | | |
| Liabilities: | | | |
| Current: | | | |
| Accounts payable | \$ 3,156 | \$ - | \$ 3,156 |
| Accrued liabilities | 104,505 | - | 104,505 |
| Due to other funds | 23,819 | - | 23,819 |
| Accrued claims and judgments | 89,563 | - | 89,563 |
| Total Current Liabilities | 221,043 | - | 221,043 |
| Noncurrent: | | | |
| Accrued claims and judgments | 268,690 | - | 268,690 |
| Total Noncurrent Liabilities | 268,690 | - | 268,690 |
| Total Liabilities | 489,733 | - | 489,733 |
| Net Position: | | | |
| Investment in capital assets | - | 659,918 | 659,918 |
| Unrestricted | 11,628,240 | 4,648,310 | 16,276,550 |
| Total Net Position | 11,628,240 | 5,308,228 | 16,936,468 |
| Total Liabilities and Net Position | \$ 12,117,973 | \$ 5,308,228 | \$ 17,426,201 |

CITY OF LA MIRADA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014

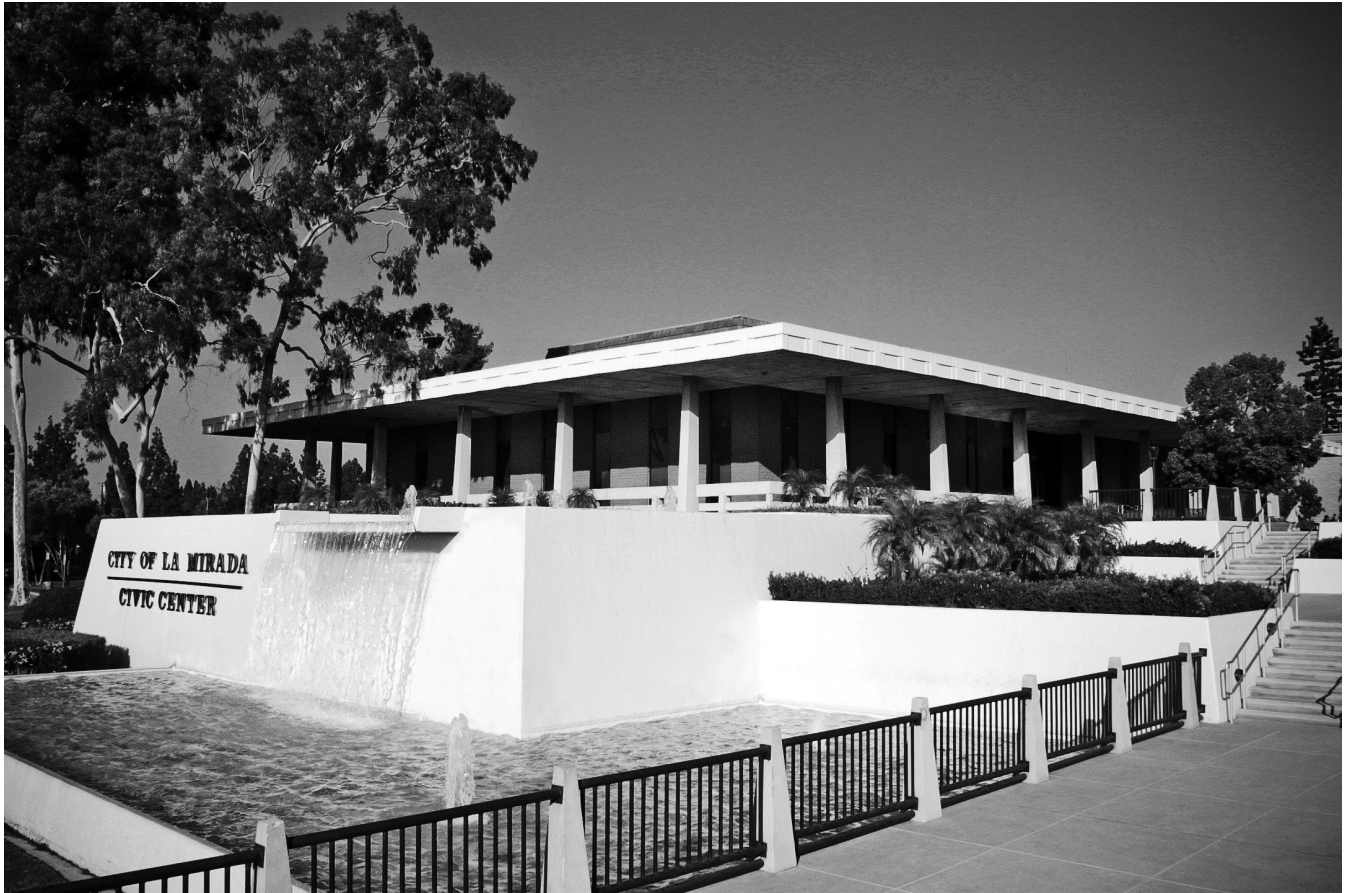
| | <u>Employee Benefits</u> | <u>Equipment Replacement</u> | <u>Totals</u> |
|---|------------------------------|----------------------------------|----------------------|
| Operating Revenues: | | | |
| Sales and service charges | \$ 3,422,920 | \$ - | \$ 3,422,920 |
| Miscellaneous | 52,485 | - | 52,485 |
| Total Operating Revenues | 3,475,405 | - | 3,475,405 |
| Operating Expenses: | | | |
| Administration and general | 3,910,309 | - | 3,910,309 |
| Depreciation expense | - | 347,493 | 347,493 |
| Total Operating Expenses | 3,910,309 | 347,493 | 4,257,802 |
| Operating Income (Loss) | (434,904) | (347,493) | (782,397) |
| Nonoperating Revenues (Expenses): | | | |
| Interest revenue | 48,973 | - | 48,973 |
| Total Nonoperating Revenues (Expenses) | 48,973 | - | 48,973 |
| Income (Loss) Before Transfers | (385,931) | (347,493) | (733,424) |
| Transfers in | - | 126,071 | 126,071 |
| Changes in Net Position | (385,931) | (221,422) | (607,353) |
| Net Position: | | | |
| Beginning of Year | 12,014,171 | 5,529,650 | 17,543,821 |
| End of Fiscal Year | \$ 11,628,240 | \$ 5,308,228 | \$ 16,936,468 |

CITY OF LA MIRADA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014

| | Employee Benefits | Equipment Replacement | Totals |
|---|----------------------|--------------------------|---------------------|
| Cash Flows from Operating Activities: | | | |
| Cash received from customers and users | \$ 3,450,537 | \$ - | \$ 3,450,537 |
| Cash paid to suppliers for goods and services | - | (7,168) | (7,168) |
| Cash paid to employees for services | (3,749,635) | - | (3,749,635) |
| Cash received from (payments to) others | 52,485 | - | 52,485 |
| Net Cash Provided (Used) by Operating Activities | (246,613) | (7,168) | (253,781) |
| Cash Flows from Non-Capital Financing Activities: | | | |
| Cash transfers in | - | 126,071 | 126,071 |
| Repayment received from other funds | (349,760) | - | (349,760) |
| Net Cash Provided (Used) by Non-Capital Financing Activities | (349,760) | 126,071 | (223,689) |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Purchases of capital assets | - | (144,938) | (144,938) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | - | (144,938) | (144,938) |
| Cash Flows from Investing Activities: | | | |
| Interest received | 57,201 | - | 57,201 |
| Net Cash Provided (Used) by Investing Activities | 57,201 | - | 57,201 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (539,172) | (26,035) | (565,207) |
| Cash and Cash Equivalents at Beginning of Year | 1,876,425 | 4,674,345 | 6,550,770 |
| Cash and Cash Equivalents at End of Year | \$ 1,337,253 | \$ 4,648,310 | \$ 5,985,563 |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating income (loss) | \$ (434,904) | \$ (347,493) | \$ (782,397) |
| Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities: | | | |
| Depreciation | - | 347,493 | 347,493 |
| (Increase) decrease in accounts receivable | 186 | - | 186 |
| (Increase) decrease in due from other governments | 27,431 | - | 27,431 |
| (Increase) decrease in prepaid expense | 7,693 | - | 7,693 |
| (Increase) decrease in Net OPEB asset | 240,653 | - | 240,653 |
| Increase (decrease) in accounts payable | (55) | (7,168) | (7,223) |
| Increase (decrease) in accrued liabilities | (3,645) | - | (3,645) |
| Increase (decrease) in claims and judgments | (83,972) | - | (83,972) |
| Total Adjustments | 188,291 | 340,325 | 528,616 |
| Net Cash Provided (Used) by Operating Activities | \$ (246,613) | \$ (7,168) | \$ (253,781) |





STATISTICAL SECTION

Statistical Section

This part of the City of Statistical'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 says about the city's overall financial health.

| <u>Contents</u> | <u>Page</u> |
|--|-------------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time. | 98 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes. | 108 |
| Debt Capacity | 112 |
| These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future. | |
| Demographic and Economic Information | 113 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments. | |
| Operating Information | 120 |
| These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs. | |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Schedule 1
City of La Mirada
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| Governmental activities | | | | | |
| Net investment in capital assets | \$ 33,475,908 | \$ 34,949,246 | \$ 49,272,086 | \$ 70,755,443 | \$ 70,256,831 |
| Restricted | 12,954,982 | 12,809,199 | 38,208,320 | 34,583,482 | 36,422,061 |
| Unrestricted | 161,606 | 1,943,794 | (27,613,557) | (38,084,224) | (36,134,141) |
| Total governmental activities net position | <u>\$ 46,592,496</u> | <u>\$ 49,702,239</u> | <u>\$ 59,866,849</u> | <u>\$ 67,254,701</u> | <u>\$ 70,544,751</u> |
| Business-type activities | | | | | |
| Net investment in capital assets | \$ 3,148,280 | \$ 4,065,029 | \$ 4,150,147 | \$ 3,994,861 | \$ 3,843,832 |
| Unrestricted | 1,818,538 | 1,592,794 | 1,581,092 | 1,424,157 | 1,062,568 |
| Total business-type activities net position | <u>\$ 4,966,818</u> | <u>\$ 5,657,823</u> | <u>\$ 5,731,239</u> | <u>\$ 5,419,018</u> | <u>\$ 4,906,400</u> |
| Total primary government net position | <u>\$ 51,559,314</u> | <u>\$ 55,360,062</u> | <u>\$ 65,598,088</u> | <u>\$ 72,673,719</u> | <u>\$ 75,451,151</u> |

Schedule 1
City of La Mirada
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | |
|--|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| Governmental activities | | | | | |
| Net investment in capital assets | \$ 75,122,496 | \$ 78,551,384 | \$ 86,393,863 | \$ 86,581,992 | \$ 89,231,607 |
| Restricted | 54,395,377 | 44,396,590 | 31,821,550 | 34,083,335 | 34,152,613 |
| Unrestricted | (52,580,668) | (36,970,120) | 78,396,007 | 58,831,878 | 70,649,632 |
| Total governmental activities net position | <u>\$ 76,937,205</u> | <u>\$ 85,977,854</u> | <u>\$ 196,611,420</u> | <u>\$ 179,497,205</u> | <u>\$ 194,033,852</u> |
| | | | | | |
| Total primary government net position | <u>\$ 76,937,205</u> | <u>\$ 85,977,854</u> | <u>\$ 196,611,420</u> | <u>\$ 179,497,205</u> | <u>\$ 194,033,852</u> |

Schedule 2
City of La Mirada
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 13,161,324 | \$ 8,693,153 | \$ 5,976,250 | \$ 7,198,083 | \$ 6,798,443 |
| Public safety | 7,210,025 | 7,539,891 | 7,962,390 | 8,540,381 | 8,860,511 |
| Community development | - | 4,223,697 | 4,419,179 | 4,160,494 | 3,681,116 |
| Leisure and cultural | 3,275,612 | 3,593,974 | 3,776,332 | 5,371,609 | 7,117,230 |
| Public works | 6,447,965 | 9,750,907 | 8,994,633 | 11,183,479 | 8,364,475 |
| Interest on long-term debt | 4,188,856 | 5,420,786 | 6,072,121 | 6,283,570 | 6,604,442 |
| Total governmental activities expenses | <u>34,283,782</u> | <u>39,222,408</u> | <u>37,200,905</u> | <u>42,737,616</u> | <u>41,426,217</u> |
| Business-type activities: | | | | | |
| Theatre | 3,567,987 | 3,970,880 | 4,036,284 | 4,041,246 | 4,578,245 |
| Total Primary Government Expenses | <u>\$ 37,851,769</u> | <u>\$ 43,193,288</u> | <u>\$ 41,237,189</u> | <u>\$ 46,778,862</u> | <u>\$ 46,004,462</u> |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | \$ 2,043,184 | \$ 2,802,458 | \$ 2,392,792 | \$ 2,628,062 | \$ 1,641,717 |
| Public safety | 660,536 | 697,812 | 695,311 | 750,230 | 675,202 |
| Community Development | - | - | - | - | 21,788 |
| Leisure and cultural | 704,811 | 719,883 | 732,955 | 1,323,407 | 2,621,886 |
| Public works | 18,047 | 45,166 | 55,120 | 42,442 | - |
| Operating grants and contributions | 3,097,553 | 2,036,939 | 2,239,570 | 2,300,439 | 1,943,227 |
| Capital grants and contributions | 22,034 | 241,465 | 1,998,127 | 3,152,736 | 1,223,358 |
| Total governmental activities program revenues | <u>6,546,165</u> | <u>6,543,723</u> | <u>8,113,875</u> | <u>10,197,316</u> | <u>8,127,178</u> |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Theatre | 3,005,603 | 2,779,553 | 3,073,897 | 2,724,885 | 3,387,148 |
| Operating grants and contributions | - | - | - | - | - |
| Capital grants and contributions | 39,917 | 1,053,502 | 247,323 | - | 896 |
| Total business-type activities program revenues | <u>3,045,520</u> | <u>3,833,055</u> | <u>3,321,220</u> | <u>2,724,885</u> | <u>3,388,044</u> |
| Total Primary Government Program Revenues | <u>\$ 9,591,685</u> | <u>\$ 10,376,778</u> | <u>\$ 11,435,095</u> | <u>\$ 12,922,201</u> | <u>\$ 11,515,222</u> |

Schedule 2
City of La Mirada
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| Net (Expense)/Revenue | | | | | |
| Governmental activities | \$ (27,737,617) | \$ (32,678,685) | \$ (29,087,030) | \$ (32,540,300) | \$ (33,299,039) |
| Business-type activities | (522,467) | (137,825) | (715,064) | (1,316,361) | (1,190,201) |
| Total primary government net expense | <u>\$ (28,260,084)</u> | <u>\$ (32,816,510)</u> | <u>\$ (29,802,094)</u> | <u>\$ (33,856,661)</u> | <u>\$ (34,489,240)</u> |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Taxes | | | | | |
| Property taxes | \$ 15,195,171 | \$ 17,316,768 | \$ 18,417,288 | \$ 20,268,927 | \$ 19,873,296 |
| Transient occupancy taxes | 695,922 | 827,828 | 907,549 | 889,777 | 724,655 |
| Sales taxes | 11,971,161 | 11,827,615 | 12,228,463 | 11,938,398 | 10,474,837 |
| Franchise taxes | 1,387,819 | 1,371,888 | 1,446,091 | 1,628,317 | 1,531,991 |
| Business licenses taxes | 285,561 | 274,423 | 310,700 | 436,931 | 357,232 |
| Other taxes | 275,131 | 245,196 | 248,182 | 91,891 | 129,957 |
| Motor vehicle licenses taxes | 4,276,590 | 371,161 | 292,713 | 223,724 | 171,528 |
| Use of money and property | 2,806,473 | 4,054,567 | 6,053,260 | 4,124,483 | 3,535,373 |
| Other | 538,243 | 192,925 | 101,376 | 1,289,394 | 331,648 |
| Transfers | (425,909) | (793,943) | (745,604) | (963,690) | (610,546) |
| Total governmental activities | <u>37,006,162</u> | <u>35,688,428</u> | <u>39,260,018</u> | <u>39,928,152</u> | <u>36,519,971</u> |
| Business-type activities: | | | | | |
| Use of money and property | 22,374 | 23,575 | 29,616 | 28,010 | 54,649 |
| Other | 49,547 | 11,312 | 13,260 | 12,440 | 12,388 |
| Transfers | 425,909 | 793,943 | 745,604 | 963,690 | 610,546 |
| Total business-type activities | <u>497,830</u> | <u>828,830</u> | <u>788,480</u> | <u>1,004,140</u> | <u>677,583</u> |
| Total primary government | <u>\$ 37,503,992</u> | <u>\$ 36,517,258</u> | <u>\$ 40,048,498</u> | <u>\$ 40,932,292</u> | <u>\$ 37,197,554</u> |
| Change in Net Position | | | | | |
| Governmental activities | \$ 9,268,545 | \$ 3,009,743 | \$ 10,172,988 | \$ 7,387,852 | \$ 3,220,932 |
| Business-type activities | (24,637) | 691,005 | 73,416 | (312,221) | (512,618) |
| Total primary government | <u>\$ 9,243,908</u> | <u>\$ 3,700,748</u> | <u>\$ 10,246,404</u> | <u>\$ 7,075,631</u> | <u>\$ 2,708,314</u> |

Schedule 2
City of La Mirada
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 10,264,609 | \$ 7,669,085 | \$ 5,520,210 | \$ 5,559,670 | \$ 4,051,569 |
| Public safety | 8,703,105 | 8,297,156 | 8,334,949 | 8,855,190 | 9,197,072 |
| Community development | 2,253,928 | 1,980,295 | 1,777,873 | 8,883,197 | 1,411,686 |
| Leisure and cultural | 10,944,535 | 10,330,598 | 11,227,411 | 11,476,686 | 11,689,280 |
| Public works | 8,139,643 | 6,886,493 | 8,371,189 | 7,727,791 | 7,655,602 |
| Interest on long-term debt | 8,596,585 | 8,500,077 | 2,375,254 | 484,884 | 516,449 |
| Total governmental activities expenses | <u>\$ 48,902,405</u> | <u>\$ 43,663,704</u> | <u>\$ 37,606,886</u> | <u>\$ 42,987,418</u> | <u>\$ 34,521,658</u> |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | \$ 1,230,312 | \$ 985,339 | \$ 639,799 | \$ 169,930 | \$ 454,754 |
| Public safety | 600,672 | 709,304 | 619,303 | 631,442 | 622,233 |
| Community development | 26,055 | 46,892 | 695,572 | 840,083 | 1,357,604 |
| Leisure and cultural | 5,731,830 | 6,081,552 | 7,512,999 | 7,141,228 | 7,928,099 |
| Public works | - | - | - | - | - |
| Operating contributions and grants | 3,572,312 | 3,661,473 | 2,644,092 | 3,589,280 | 2,658,984 |
| Capital contributions and grants | 974,126 | 1,757,133 | 6,205,538 | 55,794 | 3,254,432 |
| Total governmental activities program revenues | <u>\$ 12,135,307</u> | <u>\$ 13,241,693</u> | <u>\$ 18,317,303</u> | <u>\$ 12,427,757</u> | <u>\$ 16,276,106</u> |

Schedule 2
City of La Mirada
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | |
|---|--------------------|-----------------|-----------------|-----------------|-----------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| Net (Expense)/Revenue | | | | | |
| Total Governmental activities | \$ (36,767,098) | \$ (30,422,011) | \$ (19,289,583) | \$ (30,559,661) | \$ (18,245,552) |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Taxes | | | | | |
| Property taxes | \$ 19,313,343 | \$ 19,148,372 | \$ 12,958,009 | \$ 9,661,518 | \$ 9,513,978 |
| Transient occupancy taxes | 803,425 | 1,024,679 | 973,207 | 1,218,046 | 1,366,458 |
| Sales taxes | 9,270,279 | 10,296,965 | 11,709,498 | 13,572,127 | 15,209,182 |
| Franchise taxes | 2,493,098 | 2,630,099 | 2,542,800 | 2,590,407 | 2,723,472 |
| Business licenses taxes | 347,448 | 314,324 | 303,618 | 294,963 | 326,759 |
| Other taxes | 437,351 | 830,124 | 181,954 | 199,933 | 140,720 |
| Motor vehicle licenses taxes | 148,048 | 256,058 | 25,873 | 21,415 | - |
| Use of money and property | 5,376,050 | 4,924,485 | 3,748,366 | 963,339 | 979,340 |
| Other | 64,110 | 37,554 | 5,000 | 94,837 | 2,522,290 |
| Extraordinary gain | - | - | 97,474,824 | (14,879,577) | - |
| Transfers | 4,906,400 | - | - | - | - |
| Total governmental activities | 43,159,552 | 39,462,660 | 129,923,149 | 13,737,008 | 32,782,199 |
| Business-type activities: | | | | | |
| Use of money and property | - | - | - | - | - |
| Other | - | - | - | - | - |
| Transfers | (4,906,400) | - | - | - | - |
| Total business-type activities | (4,906,400) | - | - | - | - |
| Total primary government | \$ 38,253,152 | \$ 39,462,660 | \$ 129,923,149 | \$ 13,737,008 | \$ 32,782,199 |
| Change in Net Position | | | | | |
| Governmental activities | \$ 6,392,454 | \$ 9,040,649 | \$ 110,633,566 | \$ (16,822,653) | \$ 14,536,647 |
| Business-type activities | (4,906,400) | - | - | - | - |
| Total primary government | \$ 1,486,054 | \$ 9,040,649 | \$ 110,633,566 | \$ (16,822,653) | \$ 14,536,647 |

Schedule 3
City of La Mirada
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | FISCAL YEAR | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| General Fund | | | | | |
| Reserved | \$ 40,944,000 | \$ 42,400,183 | \$ 37,790,469 | \$ 31,461,844 | \$ 31,653,456 |
| Nonspendable | - | - | - | - | - |
| Unreserved | 32,731,457 | 24,526,361 | 22,540,484 | 13,465,055 | 14,703,205 |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total General Fund | <u>\$ 73,675,457</u> | <u>\$ 66,926,544</u> | <u>\$ 60,330,953</u> | <u>\$ 44,926,899</u> | <u>\$ 46,356,661</u> |
| All Other Governmental Funds | | | | | |
| Reserved | \$ 5,186,867 | \$ 29,416,991 | \$ 19,226,515 | \$ 21,711,404 | \$ 22,030,048 |
| Unreserved: | | | | | |
| Unreserved, reported in nonmajor: | | | | | |
| Special revenue funds | 3,497,294 | 3,667,236 | 3,488,942 | 4,121,741 | 5,582,174 |
| Capital projects fund | - | - | - | - | - |
| Designated for: | | | | | |
| Capital projects | 24,458,157 | 23,814,770 | 15,492,379 | 8,969,697 | 8,809,839 |
| Debt service funds | (31,189,555) | (30,880,444) | (26,958,177) | (23,553,181) | (23,446,075) |
| Nonspendable | - | - | - | - | - |
| Restricted for: | | | | | |
| Community development projects | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Leisure and cultural | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Capital projects | - | - | - | - | - |
| Low and Moderate Housing | - | - | - | - | - |
| Debt service | - | - | - | - | - |
| Unassigned | | | | | |
| Total all other governmental funds | <u>\$ 1,952,763</u> | <u>\$ 26,018,553</u> | <u>\$ 11,249,659</u> | <u>\$ 11,249,661</u> | <u>\$ 12,975,986</u> |

GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions" was effective for periods beginning after June 15, 2010.

Schedule 3
City of La Mirada
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | FISCAL YEAR | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| General Fund | | | | | |
| Reserved | \$ 31,308,820 | \$ - | \$ - | \$ - | \$ - |
| Nondisposable | - | 27,834,161 | 27,633,979 | 27,601,922 | 25,775,961 |
| Unreserved | 16,959,343 | - | - | - | - |
| Committed | - | - | - | 6,625,000 | 6,625,000 |
| Assigned | - | - | - | - | 5,833,389 |
| Unassigned | - | 20,693,194 | 24,253,682 | 20,143,084 | 21,178,368 |
| Total General Fund | <u>\$ 48,268,163</u> | <u>\$ 48,527,355</u> | <u>\$ 51,887,661</u> | <u>\$ 54,370,006</u> | <u>\$ 59,412,718</u> |
| All Other Governmental Funds | | | | | |
| Reserved | \$ 26,471,271 | \$ - | \$ - | \$ - | \$ - |
| Unreserved: | | | | | |
| Unreserved, reported in nonmajor: | | | | | |
| Special revenue funds | 5,826,119 | - | - | - | - |
| Capital projects fund | (528,436) | - | - | - | - |
| Designated for: | | | | | |
| Capital projects | 12,566,623 | - | - | - | - |
| Debt service funds | (28,655,632) | - | - | - | - |
| Nondisposable | - | 25,946,094 | 53,485,934 | 528,436 | 57,574 |
| Restricted for: | | | | | |
| Community development projects | - | 9 | - | - | - |
| Public safety | - | 102,100 | 88,693 | 105,856 | 109,725 |
| Leisure and cultural | - | 1,918,490 | 778,849 | 1,273,031 | 1,454,637 |
| Public works | - | 4,350,060 | 4,554,036 | 7,397,750 | 5,642,805 |
| Capital projects | - | 11,531,958 | - | - | 3,145,007 |
| Low and Moderate Housing | - | - | - | 16,809,744 | 16,857,726 |
| Debt service | - | 1,076,315 | 1,076,453 | 1,077,564 | 1,051,750 |
| Unassigned | - | (29,434,825) | 26,561,735 | (1,962) | - |
| Total all other governmental funds | <u>\$ 15,679,945</u> | <u>\$ 15,490,201</u> | <u>\$ 86,545,700</u> | <u>\$ 27,190,419</u> | <u>\$ 28,319,224</u> |

GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions" was effective for periods beginning after June 15, 2010.

Schedule 4
City of La Mirada
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | |
|---|----------------------|----------------------|------------------------|------------------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| Revenues | | | | | |
| Taxes | \$ 28,876,518 | \$ 31,022,918 | \$ 33,537,901 | \$ 35,727,260 | \$ 33,950,858 |
| Licenses and permits | 569,158 | 767,620 | 456,641 | 488,475 | 526,139 |
| Fines and penalties | 634,956 | 588,411 | 579,120 | 641,787 | 594,846 |
| Charges for services | 776,427 | 1,701,986 | 1,883,198 | 2,517,099 | 3,029,409 |
| Intergovernmental | 7,062,158 | 2,825,423 | 3,938,191 | 3,599,273 | 3,000,593 |
| Use of money and property | 2,459,256 | 4,233,210 | 6,197,660 | 3,708,600 | 3,474,698 |
| Contributions | 22,034 | 16,420 | 728,566 | 3,234,384 | 99,925 |
| Miscellaneous | 1,534,980 | 618,414 | 397,439 | 1,160,003 | 232,082 |
| Total revenues | 41,935,487 | 41,774,402 | 47,718,716 | 51,076,881 | 44,908,550 |
| Expenditures | | | | | |
| General government | 10,058,044 | 6,196,575 | 5,934,656 | 6,733,138 | 5,790,740 |
| Public safety | 6,876,269 | 7,197,416 | 7,606,031 | 7,992,255 | 8,133,571 |
| Community development | - | 4,223,696 | 4,335,330 | 4,031,523 | 3,504,888 |
| Public works | 5,474,571 | 6,037,000 | 6,427,913 | 6,554,912 | 7,704,992 |
| Leisure and cultural | 3,129,594 | 3,432,809 | 3,608,633 | 5,113,667 | 6,764,774 |
| Capital Outlay | 2,303,304 | 5,712,731 | 32,562,849 | 27,004,236 | 1,344,826 |
| Debt service | | | | | |
| Interest and fiscal charges | 5,646,357 | 5,025,628 | 5,447,911 | 6,122,852 | 5,981,076 |
| Principal retirement | 2,100,721 | 1,850,250 | 2,498,319 | 2,562,473 | 2,782,588 |
| Pass-thru agreement payments | 3,098,653 | 876,466 | - | - | - |
| Debt issuance costs | - | 889,799 | - | - | - |
| Payment to refunded bond escrow agent | 150,973 | - | - | - | - |
| Total expenditures | 38,838,486 | 41,442,370 | 68,421,642 | 66,115,056 | 42,007,455 |
| Excess of revenues over (under) expenditures | 3,097,001 | 332,032 | (20,702,926) | (15,038,175) | 2,901,095 |
| Other Financing Sources (Uses) | | | | | |
| Long-term debt issued | 390,071 | 25,100,959 | 241,870 | 708,462 | 276,917 |
| Premium on long-term debt issued | - | 55,990 | - | - | - |
| Discount on long-term debt issued | - | - | - | - | - |
| Capital leases | - | - | - | 41,640 | 19,503 |
| Notes and loans issued | - | - | - | - | - |
| Contributions from other governments | - | - | - | - | - |
| Refunding bonds issued | 19,860,000 | - | - | - | - |
| Payments to escrow agent | (6,366,517) | - | - | - | - |
| Loss on sale of land held for resale | - | - | - | - | - |
| Transfers in | 8,881,509 | 10,602,605 | 46,934,919 | 28,892,238 | 10,557,520 |
| Transfers out | (9,328,312) | (19,267,688) | (47,838,348) | (30,008,217) | (10,668,066) |
| Total other financing sources (uses) | 13,436,751 | 16,491,866 | (661,559) | (365,877) | 185,874 |
| Extraordinary gain/(loss) | - | - | - | - | - |
| Net change in fund balances | \$ 16,533,752 | \$ 16,823,898 | \$ (21,364,485) | \$ (15,404,052) | \$ 3,086,969 |
| Debt service as a percentage of noncapital expenditures | 29.50% | 22.10% | 20.80% | 20.07% | 21.54% |

Schedule 4
City of La Mirada
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | |
|---|---------------------|-------------------|----------------------|------------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| Revenues | | | | | |
| Taxes | \$ 32,972,100 | \$ 34,721,315 | \$ 29,843,830 | \$ 28,767,326 | \$ 31,308,978 |
| Licenses and permits | 654,882 | 891,207 | 745,278 | 867,388 | 1,363,566 |
| Fines and penalties | 555,850 | 641,179 | 554,301 | 560,895 | 576,987 |
| Charges for services | 6,058,797 | 6,253,631 | 8,153,135 | 7,314,020 | 8,420,887 |
| Intergovernmental | 4,085,201 | 3,439,471 | 3,381,677 | 2,768,723 | 4,544,490 |
| Use of money and property | 5,393,378 | 2,645,372 | 2,652,528 | 897,361 | 930,368 |
| Contributions | 39,722 | 28,713 | 2,386,236 | 45,409 | 50,460 |
| Miscellaneous | 27,602 | 68,013 | 19,959 | 134,195 | 2,523,540 |
| Total revenues | 49,787,532 | 48,688,901 | 47,736,944 | 41,355,317 | 49,719,276 |
| Expenditures | | | | | |
| General government | 10,215,234 | 7,453,971 | 4,800,297 | 3,679,288 | 2,901,537 |
| Public safety | 7,950,681 | 7,481,904 | 7,521,387 | 7,506,665 | 7,788,347 |
| Community development | 2,058,652 | 1,791,027 | 1,565,395 | 2,028,689 | 1,063,067 |
| Public works | 7,487,466 | 6,282,179 | 7,480,792 | 6,522,535 | 6,268,710 |
| Leisure and cultural | 10,416,447 | 9,946,396 | 10,800,649 | 10,423,318 | 10,985,313 |
| Capital Outlay | 2,212,063 | 5,634,803 | 10,234,039 | 4,608,363 | 6,793,685 |
| Debt service | | | | | |
| Interest and fiscal charges | 8,576,531 | 7,636,610 | 3,146,930 | 493,108 | 524,871 |
| Principal retirement | 2,897,149 | 2,952,145 | 2,830,080 | 470,508 | 494,307 |
| Pass-thru agreement payments | - | - | - | - | - |
| Debt issuance costs | - | - | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - | - |
| Total expenditures | 51,814,223 | 49,179,035 | 48,379,569 | 35,732,474 | 36,819,837 |
| Excess of revenues over (under) expenditures | (2,026,691) | (490,134) | (642,625) | 5,622,843 | 12,899,439 |
| Other Financing Sources (Uses) | | | | | |
| Long-term debt issued | 17,750,357 | 322,926 | - | - | - |
| Premium on long-term debt issued | 72,994 | - | - | - | - |
| Discount on long-term debt issued | (109,900) | - | - | - | - |
| Capital leases | - | - | 11,659 | 78,300 | 23,149 |
| Notes and loans issued | - | - | 201,559 | - | - |
| Contributions from other governments | - | - | 2,450,210 | - | - |
| Refunding bonds issued | (10,165,000) | - | - | - | - |
| Payments to escrow agent | - | - | - | - | - |
| Loss on sale of land held for resale | - | - | - | (6,835,816) | - |
| Transfers in | 17,415,717 | 16,990,767 | 15,239,592 | 7,803,854 | 10,040,241 |
| Transfers out | (18,322,016) | (16,754,111) | (15,639,592) | (7,803,854) | (10,166,312) |
| Total other financing sources (uses) | 6,642,152 | 559,582 | 2,263,428 | (6,757,516) | (102,922) |
| Extraordinary gain/(loss) | - | - | 20,907,341 | (10,475,602) | - |
| Net change in fund balances | \$ 4,615,461 | \$ 69,448 | \$ 22,528,144 | \$ (11,610,275) | \$ 12,796,517 |
| Debt service as a percentage of noncapital expenditures | 23.21% | 24.34% | 15.66% | 3.05% | 3.38% |

| FY 2014 | |
|---------------------------------------|------------|
| Total expenditures | 36,819,837 |
| Less: Capital outlay | 6,685,766 |
| Noncapital expenditures | 30,134,071 |
| Debt Service expenditures | 1,019,178 |
| Percentage of noncapital expenditures | 3.38% |

**Schedule 5
City of La Mirada
Principal Property Tax Payers
Current Year and Nine Years Ago**

| <u>Taxpayer</u> | <u>2014</u> | | <u>2005</u> | |
|--|-------------------------------|--|-------------------------------|--|
| | <u>Taxable Assessed Value</u> | <u>Percentage of Total City Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Percentage of Total City Taxable Assessed Value</u> |
| Duke Realty LP | \$ 64,464,000 | 1.21% | | |
| PR 1 La Mirada Industrial California LLC | \$ 49,124,629 | 0.92% | | |
| Price Reit Inc. | \$ 46,767,441 | 0.88% | | |
| USF Propco LLC | \$ 43,733,255 | 0.82% | | |
| Realty Associates Fund X LP | \$ 31,033,280 | 0.58% | | |
| Knott Avenue Owner LLC | \$ 27,527,000 | 0.52% | | |
| Dexus Social LLC | \$ 27,310,500 | 0.51% | | |
| UDR Rosebeach Apartments II LP | \$ 24,383,815 | 0.46% | | |
| Cha La Mirada LLC | \$ 21,091,666 | 0.40% | \$ 21,640,892 | 0.55% |
| Time Warner Cable Pacific West | \$ 21,004,366 | 0.39% | | |
| Price Reit Inc/Costco | | | \$ 43,462,077 | 1.10% |
| Rohm and Haas Chemicals LLC | | | \$ 29,190,809 | 0.74% |
| Rykoff Sexton | | | \$ 28,284,306 | 0.72% |
| Capstar Radio Operating Company | | | \$ 26,596,924 | 0.67% |
| MC and C Fortis II LLC | | | \$ 25,215,780 | 0.64% |
| Owens-Illinois Plastic Products Inc. | | | \$ 23,034,174 | 0.58% |
| Cabot industrial Properties LP | | | \$ 17,842,451 | 0.45% |
| La Mirada Center | | | \$ 17,432,900 | 0.44% |
| NewAge La Mirada Inn LLC | | | \$ 16,549,376 | 0.42% |
| Top Ten Totals | <u>\$ 356,439,952</u> | <u>6.70%</u> | <u>\$ 249,249,689</u> | <u>6.32%</u> |
| City Totals | \$ 5,319,525,500 | | \$ 3,944,533,705 | |

Source: Hdl Coren & Cone

**Schedule 6
City of La Mirada
Property Tax Levies and Collections
Last Ten Fiscal Years**

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | (A) Collections in Subsequent Years | Total Collections to Date | |
|----------------------------|----------------------------------|--|--------------------|--|---------------------------|--------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2005 | \$ 4,746,403 | \$ 4,416,732 | 93.05% | - | \$4,416,732 | 93.05% |
| 2006 | \$ 4,927,990 | \$ 4,196,265 | 85.15% | - | \$4,196,265 | 85.15% |
| 2007 | \$ 4,664,855 | \$ 4,477,375 | 95.98% | - | \$4,477,375 | 95.98% |
| 2008 | \$ 4,461,833 | \$ 4,411,806 | 98.88% | - | \$4,411,806 | 98.88% |
| 2009 | \$ 4,687,593 | \$ 4,492,307 | 95.83% | - | \$4,492,307 | 95.83% |
| 2010 | \$ 4,827,893 | \$ 4,370,391 | 90.52% | - | \$4,370,391 | 90.52% |
| 2011 | \$ 4,674,448 | \$ 4,413,468 | 94.42% | - | \$4,413,468 | 94.42% |
| 2012 | \$ 5,068,156 | \$ 4,461,207 | 88.02% | (15,297) | \$4,445,910 | 87.72% |
| 2013 | \$ 4,997,467 | \$ 4,727,993 | 94.61% | (4,190) | \$4,723,803 | 94.52% |
| 2014 | \$ 5,237,024 | \$ 4,986,037 | 95.21% | (6,816) | \$4,979,221 | 95.08% |

The City recorded both secured and unsecured taxes levied

(A) Information provided by Los Angeles County may not clearly identify the year collected.

Sources: Los Angeles County Auditor Controller's Office and Administrative Services Department

**Schedule 7
City of La Mirada
Assessed Value of Taxable Property
Last Ten Fiscal Years**

| Category | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Residential | 2,737,047,637 | 2,989,948,869 | 3,274,261,943 | 3,511,555,626 | 3,588,813,969 | 3,369,865,912 | 3,386,246,339 | 3,485,456,815 | 3,579,314,818 | 3,722,151,646 |
| Commercial | 273,791,739 | 285,392,251 | 300,968,973 | 327,028,307 | 338,334,425 | 354,519,136 | 355,404,910 | 357,288,157 | 369,649,074 | 376,593,364 |
| Industrial | 627,026,437 | 669,484,477 | 708,251,711 | 719,281,824 | 783,794,550 | 805,287,401 | 776,816,288 | 774,546,776 | 801,823,836 | 888,676,913 |
| Govt. Owned | 3,344,085 | 3,410,966 | 3,479,185 | 2,900,000 | 3,200,000 | 3,211,354 | 3,211,327 | 3,211,412 | 3,211,640 | 3,211,872 |
| Institutional | 16,887,365 | 17,179,690 | 17,439,131 | 19,957,357 | 18,417,330 | 22,915,720 | 21,681,628 | 39,490,637 | 22,910,095 | 30,538,714 |
| Miscellaneous | 1,216,271 | 1,240,594 | 1,265,402 | 1,130,221 | 1,152,822 | 1,175,874 | 1,173,084 | 1,181,914 | 7,622,709 | 2,867,186 |
| Recreational | 7,052,758 | 11,552,357 | 18,386,200 | 18,753,924 | 19,129,002 | 21,075,355 | 20,173,693 | 18,455,654 | 18,642,766 | 17,767,620 |
| Vacant | 11,777,538 | 12,280,516 | 9,989,978 | 13,374,024 | 14,165,409 | 12,675,741 | 12,635,954 | 23,015,327 | 24,723,951 | 23,761,197 |
| SBE Nonunitary | 3,389,502 | 3,420,688 | 3,200,925 | 462,093 | 557,085 | 557,085 | 557,085 | 619,095 | 619,095 | 619,095 |
| Cross Reference | 14,690,042 | 14,079,598 | 13,666,108 | 40,865,573 | 18,301,566 | 13,088,278 | 11,852,415 | 11,426,576 | 15,206,309 | 18,613,470 |
| Unsecured | 248,310,331 | 274,582,176 | 249,991,053 | 249,939,125 | 267,354,790 | 261,972,890 | 258,867,082 | 245,221,992 | 219,396,050 | 234,724,423 |
| Exempt | [22,317,199] | [22,539,964] | [22,948,360] | [24,785,800] | [24,807,732] | [25,694,172] | [24,504,373] | [26,049,299] | [25,353,083] | [25,452,004] |
| TOTALS | 3,944,533,705 | 4,282,572,182 | 4,600,900,609 | 4,905,248,074 | 5,053,220,948 | 4,866,344,746 | 4,848,619,805 | 4,959,914,355 | 5,063,120,343 | 5,319,525,500 |
| Total Direct Rate | 0.32697 | 0.33440 | 0.33323 | 0.33408 | 0.34066 | 0.34744 | 0.36251 | 0.36064 | 0.35616 | 0.09398 |

Notes:
Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Data Source: L. A. County Assessor 2004/05 - 2013/14 Combined Tax Rolls

Prepared On 8/13/2014 By MV

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Schedule 8
City of La Mirada
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

| | (1) | (2) | Overlapping Rates (3) | | | | | | | (4) | |
|-------------|--|---|-----------------------|-------------------------------|----------------------|---------------|----------------|--|-------------------|-----|--|
| Fiscal Year | City's Share of 1% Levy per Prop 13 | Prop 13 Direct Tax Less City Share of 1% | School District | Community College District | Detention Facilities | Flood Control | Water District | Total Direct and Overlapping Tax Rates | Total Direct Rate | | |
| 2005 | 0.09468 | 0.90532 | 0.15877 | 0.05519 | 0.00092 | 0.00025 | 0.00580 | 1.22093 | 0.32697 | | |
| 2006 | 0.09468 | 0.90532 | 0.17096 | 0.05888 | 0.00080 | 0.00005 | 0.00520 | 1.23589 | 0.33440 | | |
| 2007 | 0.09468 | 0.90532 | 0.20533 | 0.05305 | 0.00066 | 0.00005 | 0.00470 | 1.26379 | 0.33323 | | |
| 2008 | 0.09468 | 0.90532 | 0.16115 | 0.03942 | - | - | 0.00450 | 1.20507 | 0.33408 | | |
| 2009 | 0.09468 | 0.90532 | 0.17138 | 0.04807 | - | - | 0.00430 | 1.22375 | 0.34066 | | |
| 2010 | 0.09468 | 0.90532 | 0.18111 | 0.06217 | - | - | 0.00430 | 1.24758 | 0.34744 | | |
| 2011 | 0.09468 | 0.90532 | 0.18820 | 0.07874 | - | - | 0.00370 | 1.27064 | 0.36251 | | |
| 2012 | 0.09468 | 0.90532 | 0.18650 | 0.06942 | - | - | 0.00370 | 1.25962 | 0.36064 | | |
| 2013 | 0.09468 | 0.90532 | 0.19609 | 0.07308 | - | - | 0.00350 | 1.27267 | 0.35616 | | |
| 2014 | 0.09468 | 0.90532 | 0.19940 | 0.07098 | - | - | 0.00350 | 1.27388 | 0.09398 | | |

(1) Rate includes City rate (.0671) and La Mirada South East Rec and Park (.0276)

(2) The Prop 13 rate of 1% includes allocations of .09468 for the City of La Mirada

(3) 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.

(4) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information. The percentages presented in the columns above do not sum across rows

Excludes Redevelopment Rate

Source: Los Angeles County Assessor and HDL, Coren and Cone

Schedule 9
City of La Mirada
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | | Business Type Activities | | * | | |
|-------------|-------------------------|-------------------|---------------|---------------------|--------------|--------------------------|---------------|--------------------------|--|-------------------------|
| | Tax Allocation Bonds | Special Tax Bonds | Notes Payable | Lease Revenue Bonds | Loan Payable | Lease Payable | Lease Payable | Total Primary Government | Percentage of Personal Income ^a | Per Capita ^a |
| 2005 | \$ 57,210,000 | \$13,110,000 | \$ - | \$ - | \$ 3,229,234 | \$ 14,798 | \$ - | \$ 73,564,032 | 6.06% | \$3,029.20 |
| 2006 | \$ 65,504,007 | \$12,580,000 | \$ - | \$ 15,145,000 | \$ 3,455,280 | \$ 9,548 | \$ - | \$ 96,693,835 | 7.63% | \$3,823.10 |
| 2007 | \$ 64,531,394 | \$12,025,000 | \$ - | \$ 14,735,000 | \$ 3,697,150 | \$ 9,607 | \$ - | \$ 94,998,151 | 7.15% | \$3,546.03 |
| 2008 | \$ 63,391,055 | \$11,440,000 | \$ - | \$ 14,360,000 | \$ 3,955,951 | \$ 38,774 | \$ - | \$ 93,185,780 | 6.73% | \$3,353.82 |
| 2009 | \$ 62,100,960 | \$10,820,000 | \$ - | \$ 13,970,000 | \$ 4,232,868 | \$ 45,689 | \$ 11,075 | \$ 91,180,592 | 6.54% | \$3,254.71 |
| 2010 | \$ 78,148,202 | \$ - | \$ - | \$ 13,565,000 | \$ 4,613,225 | \$ 16,543 | \$ - | \$ 96,342,970 | 7.09% | \$3,529.82 |
| 2011 | \$ 76,175,971 | \$ - | \$ - | \$ 13,145,000 | \$ 4,936,151 | \$ 22,470 | \$ - | \$ 94,279,592 | 6.56% | \$3,282.49 |
| 2012 (b) | \$ - | \$ - | \$ - | \$ 12,751,805 | \$ - | \$ 19,049 | \$ - | \$ 12,770,854 | 0.93% | \$455.09 |
| 2013 (b) | \$ - | \$ - | \$ - | \$ 12,294,565 | \$ - | \$ 81,841 | \$ - | \$ 12,376,406 | 0.90% | \$439.85 |
| 2014 (b) | \$ - | \$ - | \$ - | \$ 11,822,325 | \$ - | \$ 80,683 | \$ - | \$ 11,903,008 | 0.87% | \$425.52 |

Notes: * Excludes non-committal debt. Details regarding the city's outstanding debt can be found in the notes to the financial statements.

a) These ratios are calculated using Personal Income and Per Capita Personal Income. (See Schedule 13)

b) The tax allocation bonds of the former redevelopment agency have been transferred to the Successor Agency. In addition, Lease Revenue Bonds includes bond premium

Schedule 10
City of La Mirada
Direct and Overlapping Governmental Activities Debt
June 30, 2014

2013-14 Assessed Valuation \$ 5,319,525,500

| | Total Debt | | City's Share |
|--|-------------------|-------------------------|-----------------------|
| | 6/30/2014 | % Applicable (1) | of Debt |
| | | | 6/30/2014 |
| Overlapping Tax and Assessment Debt: | | | |
| Los Angeles County Flood Control District | \$ 17,480,000 | 0.484% | \$ 84,603 |
| Metropolitan Water District | 132,275,000 | 0.244 | 322,751 |
| Cerritos Community College District | 187,115,285 | 13.192 | 24,684,248 |
| North Orange County Joint Community College District | 201,239,001 | 0.004 | 8,050 |
| Rio Hondo Community College District | 164,103,211 | 1.206 | 1,979,085 |
| ABC Unified School District | 41,254,966 | 5.022 | 2,071,824 |
| Norwalk-La Mirada Unified School District | 138,517,323 | 42.708 | 59,157,978 |
| Fullerton Joint Union High School District | 50,237,910 | 0.016 | 8,038 |
| Whittier Union High School District | 131,854,107 | 1.890 | 2,492,043 |
| East Whittier City School District | 8,325,000 | 5.865 | 488,261 |
| Los Angeles County Regional Park and Open Space Asst Dist. | 113,615,000 | 0.467 | 530,582 |
| Total Overlapping Tax and Assessment Debt | | | \$ 91,827,464 |
| Direct and Overlapping General Fund Debt: | | | |
| Overlapping | | | |
| Los Angeles County General Fund Obligations | \$ 1,835,420,030 | 0.467% | \$ 8,571,412 |
| Los Angeles County Superintendent of Schools COP | 9,529,882 | .467 | 44,505 |
| Los Angeles County Sanitation District No. 18 Authority | 12,154,632 | 16.654 | 2,024,232 |
| Fullerton Joint Union High School District COP | 22,255,000 | .016 | 3,561 |
| Norwalk-La Mirada Unified School District COP | 2,770,165 | 42.708 | 1,183,082 |
| Direct | | | |
| Capital Leases | 80,683 | 100 | 80,683 |
| City of La Mirada General Fund Obligations | 11,822,325 | 100 | 11,822,325 |
| Total Gross Overlapping and Direct General Fund Debt | | | 23,729,799 |
| Less: Los Angeles County General Fund Obligations supported by landfill revenues | | | 23,515 |
| Total Net Overlapping and Direct General Fund Debt | | | \$ 23,706,284 |
| Overlapping Tax Increment Debt (Successor Agency) | | | |
| Combined Redevelopment Project Area Tax Allocation Bonds | \$ 54,700,467 | 100% | 54,700,467 |
| Industrial-Commercial Redevelopment Project Area Tax Allocation Bonds | 9,965,000 | 100 | 9,965,000 |
| Valley View Redevelopment Project Area Tax Allocation Bonds | 555,000 | 100 | 555,000 |
| Total Overlapping Tax Increment Debt | | | \$ 65,220,467 |
| Net Combined Total Direct and Overlapping Debt | | | \$ 180,754,215 |

(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 2013-14 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.73%

Ratios to Adjusted Assessed Valuation:

Direct Debt (\$11,903,008) 0.22%

Gross Combined Total Debt 3.39%

Net Combined Total Debt 3.39%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,595,311,624)

Overlying Tax Increment Debt 4.09%

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of La Mirada. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident—and therefore responsible for repaying the debt—of each overlapping government.

Sources: CalMuni Statistics

Schedule 11
 City of La Mirada
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2014

| | |
|--|-----------------|
| Total assessed value of all real and personal property | \$5,319,525,500 |
| Debt limit percentage | <u>3.75%</u> |
| Total debt limit | 199,482,206 |
| Amount of debt applicable to debt limit | <u>0</u> |
| Legal debt margin | \$ 199,482,206 |
| Total debt applicable to the limit as a percentage of debt limit | 0% |

| <u>Fiscal Year</u> | <u>Debt Limit</u> | <u>Total debt applicable to the limit as a percentage of debt limit</u> |
|--------------------|-------------------|---|
| 2005 | \$ 591,171,630 | 0% |
| 2006 | \$ 642,385,827 | 0% |
| 2007 | \$ 690,135,091 | 0% |
| 2008 | \$ 735,787,211 | 0% |
| 2009 | \$ 189,495,786 | 0% |
| 2010 | \$ 182,487,928 | 0% |
| 2011 | \$ 181,823,243 | 0% |
| 2012 | \$ 185,996,788 | 0% |
| 2013 | \$ 189,867,013 | 0% |
| 2014 | \$ 199,482,206 | 0% |

Note: California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 3.75% is (one-fourth the limit of 15%)

Schedule 12
City of La Mirada
Pledged-Revenue Coverage
Last Eight Fiscal Years

| Tax Increment Bonds | | | | |
|----------------------------|--------------------------|---------------------|-----------------|-----------------|
| Fiscal Year | Tax Increment | Debt Service | | Coverage |
| | | Principal | Interest | |
| 2005 | \$ 7,984,490 | \$ 2,095,000 | \$ 3,169,689 | 1.52% |
| 2006 | \$ 8,928,210 | \$ 1,845,000 | \$ 3,365,178 | 1.71% |
| 2007 | \$ 10,326,162 | \$ 2,080,000 | \$ 3,358,329 | 1.90% |
| 2008 | \$ 14,961,029 | \$ 2,175,000 | \$ 3,268,446 | 2.75% |
| 2009 | \$ 14,940,332 | \$ 2,380,000 | \$ 3,169,091 | 2.69% |
| 2010 | \$ 15,374,000 | \$ 1,820,000 | \$ 2,768,747 | 3.35% |
| 2011 | \$ 14,787,569 | \$ 2,515,000 | \$ 3,096,286 | 2.64% |
| 2012 (A) | - | - | - | - |

(A) The redevelopment agency dissolved in January 31, 2012. The liabilities and assets have been transferred to the Successor Agency.

**Schedule 13
City of La Mirada
Demographic and Economic Statistics
June 30, 2014**

General Information

| | |
|-----------------------|------------------|
| Date of Incorporation | 1960 |
| Form of Government | Council/Manager |
| Area | 7.8 square miles |
| Miles of Streets | 128 |

Demographic and Statistical Information

| | |
|----------------------------|-----------------|
| Population | 49,178 |
| Median Household Income | \$72,039 |
| Median Age of Population | 38 |
| Residential Units | 15,255 |
| Registered Voters | 27,616 |
| Assessed Valuation | \$5,319,525,500 |
| Number of Businesses | approx. 2,300 |
| Unemployment Rate (county) | 8.20% |
| Unemployment Rate (city) | 4.60% |

Public Safety

| | |
|-------------------|---|
| Police Protection | Los Angeles County Sheriff Department direct patrol and support services and the La Mirada Community Sheriff's Station |
| Fire Protection | Los Angeles County Fire Department - One station located within City limits. Fire station as a joint effort of the Los Angeles County Fire Protection District and the cities of La Habra and La Mirada. |

Recreation

| | |
|--------------|-----|
| Parks | 11 |
| Park Acreage | 193 |
| Libraries | 1 |

Water Services

| | |
|------------------|--|
| Service Provider | Suburban Water Systems, 14,000 customers |
|------------------|--|

Education

| | |
|--------------------|---|
| School District | Norwalk-La Mirada Unified School District |
| Schools | 1 High School, 3 Middle Schools, 6 Elementary Schools, 1 adult school |
| Student Enrollment | approx. 6891 (excludes adult school enrollment) |
| University | Biola University |
| Student Enrollment | approx. 6302 |

City Employees

| | |
|-----------|-----|
| Full-Time | 66 |
| Part-Time | 237 |

Source: City of La Mirada Administrative Services Department and Community Development Department, State of California Employment Development Department, California Department of Finance

Schedule 13
City of La Mirada
Demographic and Economic Statistics
Last Ten Calendar Years

| Calendar Year | (1) Population | (3) Personal Income (in thousands) | (3) Per Capita Personal Income | (2) Unemployment Rate |
|---------------|-------------------|--|--------------------------------------|-----------------------------|
| 2004 | 49,988 | \$ 1,213,944 | \$ 24,285 | 3.9% |
| 2005 | 50,132 | \$ 1,267,957 | \$ 25,292 | 3.2% |
| 2006 | 49,611 | \$ 1,329,060 | \$ 26,790 | 2.8% |
| 2007 | 49,805 | \$ 1,383,816 | \$ 27,785 | 3.0% |
| 2008 | 49,741 | \$ 1,393,479 | \$ 28,015 | 4.5% |
| 2009 | 49,761 | \$ 1,358,180 | \$ 27,294 | 7.1% |
| 2010 | 50,015 | \$ 1,436,531 | \$ 28,722 | 7.8% |
| 2011 | 48,697 | \$ 1,366,535 | \$ 28,062 | 6.7% |
| 2012 | 48,930 | \$ 1,376,792 | \$ 28,138 | 6.2% |
| 2013 | 49,178 | \$ 1,375,656 | \$ 27,973 | 4.6% |

Notes:

- (1) California State Department of Finance
- (2) California Employment Development Department
- (3) HDL Coren and Cone

**Schedule 14
City of La Mirada
Building Valuation
Last Ten Fiscal Years**

(Thousands of Dollars)

| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | (a) 2010-11 | (a) 2011-12 | (a) 2012-13 | 2013-14 |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------|------------------------|------------------------|----------------|
| Residential | 8,584 | 23,221 | 10,537 | 7,216 | 5,186 | 5,994 | 13,209 | 20,719 | 9,207 | 53,993 |
| Non-Residential | 23,765 | 64,211 | 19,883 | 15,467 | 29,027 | 10,839 | 26,885 | 13,008 | 39,914 | 22,051 |
| | 32,349 | 87,432 | 30,420 | 22,683 | 34,213 | 16,833 | 40,094 | 33,727 | 49,121 | 76,044 |

(a) Figure restated based on updated figures

Source: Building Valuation- County of Los Angeles Public Works Department

**Schedule 15
City of La Mirada
Principal Employers
Current Year and Ten Years Ago**

| <u>Employer</u> | <u>2014</u> | | <u>2005</u> | |
|---|---------------------|--|---------------------|--|
| | <u>Employees</u> | <u>Percentage of Total City Employment</u> | <u>Employees</u> | <u>Percentage of Total City Employment</u> |
| Biola University | 1,380 | 5.59% | 1,177 | NA |
| Norwalk-La Mirada Unified School District | 372 | 1.51% | 822 | |
| US Foodservice | 700 | 2.83% | 623 | NA |
| Kindred Hospital | 292 | 1.18% | | |
| City of La Mirada (+) | 288 | 1.17% | | |
| Frito Lay, Inc. | | | 300 | |
| A Better Tomorrow Education | 250 | 1.01% | | |
| Crothall-Bellwood Laundry and Linen | 220 | 0.89% | | |
| Mirada Hills Rehabilitation (+) | 200 | 0.81% | | |
| Home Depot | 170 | 0.69% | | |
| Imperial Convalescent Hospital | 146 | 0.59% | | |
| Corporate Express | | | 568 | NA |
| GI Trucking | | | 280 | NA |
| Makita USA | | | 170 | NA |
| Babcock | | | 155 | NA |
| Coyle Reproductions, Inc. | | | 150 | NA |
| Siemens | | | 160 | NA |
| Total | <u>4,018</u> | <u>16.27%</u> | <u>4,405</u> | <u>NA</u> |

(1) Labor Force 24,700

Source: MuniServices, LLC and Administrative Services Department

Information for Percentage of Total City Employment not available for 2005

Results based on direct correspondence with City's local businesses

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

(+) Includes full-time and part-time

Schedule 16
City of La Mirada
Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

| <u>Function/Program</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | | | | | | | | | | |
| Legislative | 8 | 7 | 7 | 8 | 8 | 8 | 7 | 7 | 7 | 6 |
| Administration and Support ^(c) | 10 | 15 | 15 | 12 | 13 | 11 | 14 | 12 | 11 | 12 |
| Community Development ^(b) | 10 | 9 | 9 | 10 | 8 | 8 | 7 | 7 | 3 | 3 |
| Leisure and cultural | 12 | 15 | 15 | 18 | 17 | 11 | 8 | 8 | 9 | 10 |
| Public Safety ^(a) | 6 | 8 | 8 | 8 | 7 | 2 | 6 | 6 | 8 | 8 |
| Public Works ^(d) | 36 | 37 | 37 | 37 | 35 | 36 | 29 | 28 | 28 | 26 |
| Transit ^(e) | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | - | - |
| Theatre | 7 | 9 | 9 | 9 | 9 | 7 | 7 | 8 | 7 | 7 |
| Total | 90 | 101 | 101 | 103 | 99 | 85 | 80 | 78 | 73 | 72 |

Source: Administrative Services Department - Annual Budget

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

- (a) The City contracts with LA County Sheriff's for public safety services
- (b) The City contracts with LA County Public Works for building and safety services
- (c) The City contracts with the City of Brea for information technology services
- (d) The City contracts for Engineering services
- (e) The City contracts with MV Transit for transit services

Schedule 17
City of La Mirada
Operating Indicators by Function/Program
Last Ten Fiscal Years

| Function/Program | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | | | | | | | | | | |
| Building permits issued | 687 | 881 | 704 | 634 | 499 | 532 | 659 | 645 | 554 | 716 |
| Public Safety | | | | | | | | | | |
| Parking violations | 7,941 | 7,052 | 5,971 | 7,731 | 8,833 | 8,665 | 7,967 | 6,254 | 6,885 | 6,764 |
| Traffic violations | 7,087 | 8,473 | 7,921 | 7,077 | 8,769 | 7,478 | 7,465 | 7,066 | 6,160 | 6,009 |
| Public Works | | | | | | | | | | |
| Street resurfacing (miles) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Parks and recreation (A) | | | | | | | | | | |
| Recreation classes | 588 | 645 | 663 | 671 | 586 | 550 | 552 | 526 | 454 | 362 |
| Aquatics Programs | - | - | - | 54 | 84 | 93 | 92 | 92 | 94 | 83 |
| Number of Senior programs | 35 | 58 | 47 | 58 | 73 | 114 | 91 | 105 | 114 | 134 |
| Facility reservations issued | 1,754 | 2,445 | 1,273 | 2,006 | 2,769 | 4,405 | 5,275 | 6,374 | 6,691 | 5,615 |
| Transit | | | | | | | | | | |
| Total route miles | 151,924 | 125,942 | 119,974 | 116,657 | 120,635 | 133,755 | 168,303 | 158,375 | 180,590 | 170,010 |
| Passengers | 58,194 | 47,900 | 48,644 | 50,342 | 45,620 | 47,194 | 52,630 | 51,674 | 53,578 | 52,001 |
| Theatre | | | | | | | | | | |
| Number of productions | 105 | 105 | 105 | 119 | 121 | 124 | 115 | 128 | 107 | 111 |
| Number of rentals | 146 | 146 | 142 | 167 | 160 | 141 | 140 | 121 | 78 | 79 |
| Number of presentations | 15 | 16 | 18 | 21 | 19 | 25 | 39 | 43 | 37 | 46 |

Sources: Various city departments.

(A) Figure restated based on updated figures

Schedule 18
City of La Mirada
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

| Function/Program | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police | | | | | | | | | | |
| Stations ^(a) | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public works | | | | | | | | | | |
| Streets (miles) | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 |
| Playgrounds | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Traffic signals | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 |
| Parks | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Park acreage | 193 | 193 | 193 | 193 | 193 | 193 | 193 | 193 | 193 | 193 |
| Bridges | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Buildings | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Parks and recreation ^(b) | | | | | | | | | | |
| Activity Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Gymnasium | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Aquatics Center ^(b) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Resource Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Transit—buses | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Theatre | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

Sources: Various city departments.

Notes: No capital asset indicators are available for the general government

(a) Sheriff Station completed in Fiscal Year 2007-08

(b) Aquatics Center completed in Fiscal Year 2007-08

