



# CITY OF LA MIRADA CALIFORNIA



## Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2012



# CITY OF LA MIRADA

*D E D I C A T E D   T O   S E R V I C E*

FISCAL YEAR ENDED JUNE 30, 2012

## **City Council**

Gabriel P. Garcia, Mayor  
Steve De Ruse, Mayor Pro Tem  
Pauline Deal, Councilmember  
Steve Jones, Councilmember  
Lawrence P. Mowles, Councilmember

## **Administrative Personnel**

Thomas E. Robinson, City Manager  
Anne Haraksin, Deputy City Manager  
Jeff Boynton, Deputy City Manager  
Steve S. Forster, Public Works Director  
Rueben Arceo, Community Development Director  
Brian Kite, Theatre Director  
Lori Thompson, Community Services Director

Prepared by:

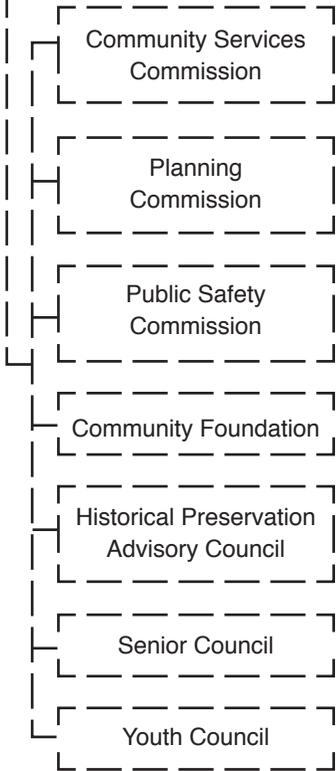
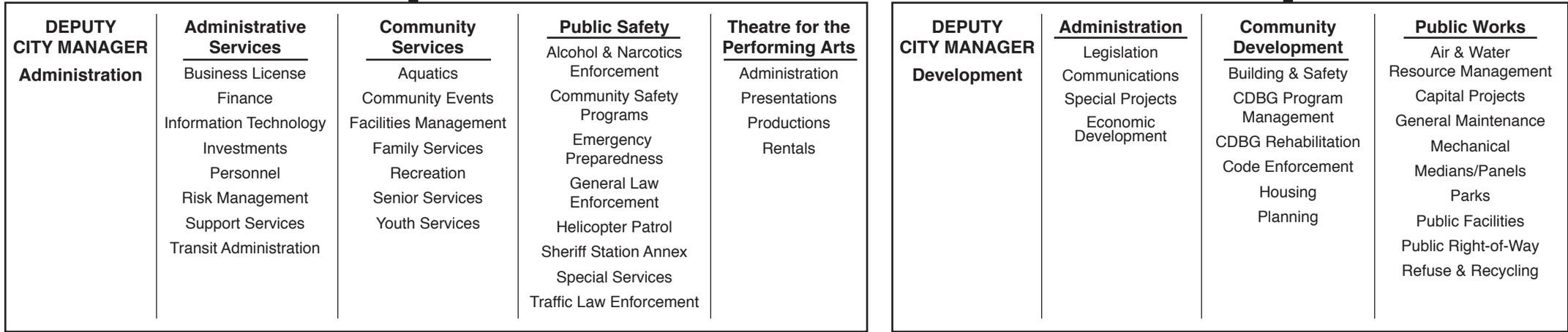
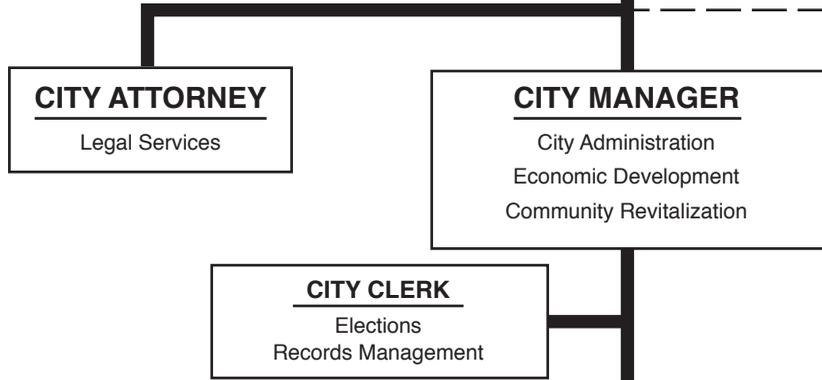
Anne Haraksin, Deputy City Manager  
Melissa Pascual, Senior Accountant  
Judy G. Quiñonez, Senior Accountant



# CITIZENS OF LA MIRADA

## Organization Chart

### CITY COUNCIL



**KEY** Elected Council Appointed Programs

CITY OF LA MIRADA, CALIFORNIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

Page  
Number

Elected Officials and Administrative Personnel  
 Organizational Chart

**INTRODUCTORY SECTION**

Letter of Transmittal i  
 GFOA Certificate of Achievement ix

**FINANCIAL SECTION**

INDEPENDENT AUDITORS' REPORT 1  
 MANAGEMENT'S DISCUSSION AND ANALYSIS 3

**BASIC FINANCIAL STATEMENTS:**

Government-Wide Financial Statements:  
 Statement of Net Assets 13  
 Statement of Activities 14

Fund Financial Statements:  
 Balance Sheet-Governmental Funds 15

Reconciliation of the Balance Sheet of Governmental Funds to the  
 Statement of Net Assets 17

Statement of Revenues, Expenditures and Changes in Fund  
 Balances-Governmental Funds 18

Reconciliation of the Statement of Revenues, Expenditures and  
 Changes in Fund Balances of Governmental Funds to the Statement  
 of Activities 20

Budgetary Comparison Statement-General Fund 21

Statement of Net Assets-Proprietary Funds 22

Statement of Revenues, Expenses and Changes in Fund Net Assets-  
 Proprietary Funds 23

Statement of Cash Flows- Proprietary Funds 24

Statement of Fiduciary Net Assets 25

Statement of Changes in Fiduciary Net Assets 26

Notes to Financial Statements 27

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

Description of Nonmajor Governmental Funds 68

Combining Balance Sheet- Nonmajor Governmental Funds 70

Combining Statement of Revenues, Expenditures and Changes in Fund  
 Balances- Nonmajor Governmental Funds 74

CITY OF LA MIRADA, CALIFORNIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

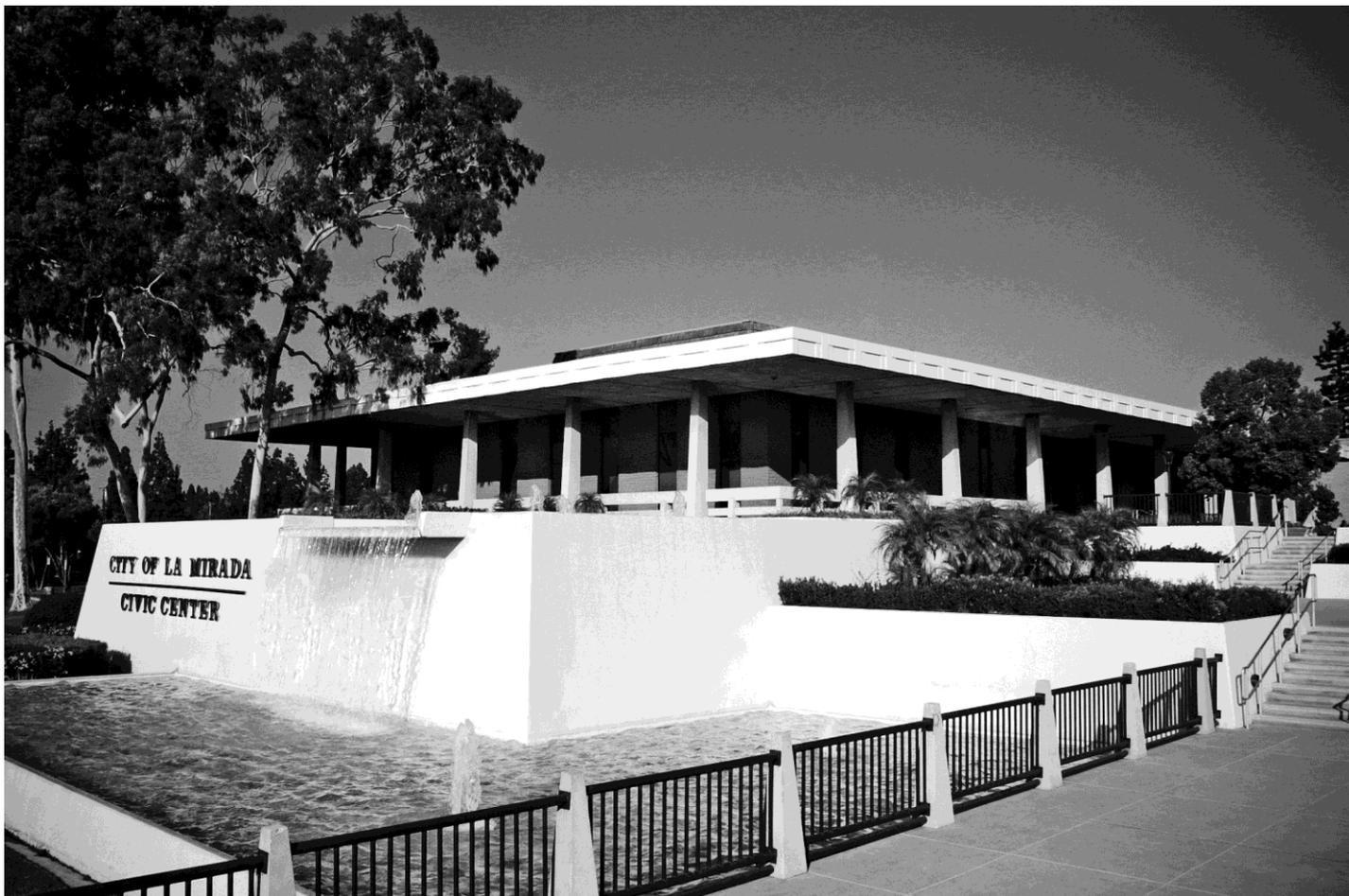
	<u>Page Number</u>
Budgetary Comparison Schedules- Special Revenue Funds	
Gas Tax	78
Local Transportation	79
Transit	80
Proposition A	81
Proposition C	82
Park Grants	83
Housing and Community Development	84
Air Quality Management Distribution	85
Used Oil Recycling Grant	86
Beverage Container Recycling	87
Federal Grants	88
State Public Safety Grants	89
Grant Fund	90
Measure R	91
Budgetary Comparison Schedules-Capital Project Fund	
Capital Improvement	92
Capital Project-Redevelopment Agency	93
Budgetary Comparison Schedule- Debt Service Fund	
Debt Service Fund	94
Debt Service Fund- Redevelopment Agency	95
Descriptions of Internal Service Funds	96
Combining Statement of Net Assets-Internal Service Funds	97
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets-Internal Service Funds	98
Combining Statement of Cash Flows-Internal Service Funds	99
<b>STATISTICAL SECTION</b>	100
Net assets by Component, Last Ten Fiscal Years	101
Changes in Net Assets, Last Ten Fiscal Years	103
Fund Balance of Governmental Funds, Last Ten Fiscal Years	107
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	109
Principal Property Tax Payers, Current Year and Nine Years Ago	112
Property Tax Levies and Collections, Last Ten Fiscal Years	113
Assessed Value of Taxable Property, Last Ten Fiscal Years	114
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	115
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	116
Direct and Overlapping Governmental Activities Debt, June 30, 2012	117
Legal Debt Margin Information, Last Ten Fiscal Years	118

CITY OF LA MIRADA, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	<u>Page Number</u>
Pledged-Revenue Coverage, Last Ten Fiscal Years	119
Demographic and Economic Statistics, June 30, 2012	120
Building Valuation and Bank Deposits, Last Ten Fiscal Years	122
Principal Employers, Current and Ten Years ago	123
Full-Time Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years	124
Operating Indicators by Function/Program, Last Ten Fiscal Years	125
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	126





**INTRODUCTORY SECTION**



# CITY OF LA MIRADA

DEDICATED TO SERVICE

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La Mirada, California 90638

P.O. Box 828  
La Mirada, California 90637-0828

Phone: (562) 943-0131 Fax: (562) 943-1464  
www.cityoflamirada.org

December 20, 2012

## 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, 2012. 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 marks the tenth year the City has prepared the CAFR using the new financial reporting requirements as prescribed by the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – Management Discussion and Analysis – for State and Local Governments. Among other requirements, this GASB Statement requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

### 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 Fire 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 financial activities of the Redevelopment Agency and the Public Financing Authority are included with the capital projects funds and debt service funds. The Public Financing Authority had no financial transactions during the Fiscal Year 2011-12, and had no assets, liabilities or fund balance at June 30, 2012.

## **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 26 percent of total General Fund revenues (excluding transfers-in). There have been signs of slow recovery in California's economy since the unprecedented loss over the last few years. The City's sales tax revenue experienced approximately 12 percent in sales tax growth over the last fiscal year. Better performance from several business to business industries and higher service station fuel prices were primarily responsible for the increase. Sales tax revenues are, however, still 22 percent below peak receipts levels of Fiscal Year 2006-07.

The housing market remained weak through 2011, as home buying decreased due to skittish buyers and uncertainty in the economy. New home construction was at its lowest level in a decade and sales of homes more than \$500,000 were slow due to loan restrictions. While economic conditions continue to keep home prices and interest rates at historic lows, there have been some indicators that the housing market may be taking a small step to normalization. Shares of home sales from foreclosures have declined. Major California markets have cut inventory, reduced REOs and now are witnessing growing demand and improving prices. The median sale price of a single home in La Mirada from October 2011 through October 2012 was \$356,000. This represents a .28% increase in median sales price from 2011.

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 10.4 percent as of June 2012. La Mirada fared far better than the Greater Los Angeles area, with a 6.7 percent unemployment rate.

Actions by the State of California continue to be very damaging to La Mirada and other local governments. In recent years, the State inappropriately shifted many of its costs to cities. The negative impacts of bad State policies on La Mirada have been very significant, most notably, the taking of over \$5.9 million in redevelopment funds in the last two fiscal years.

With the dissolution of the Redevelopment Agency, the City's long term loan of \$30.9 million with the former Redevelopment Agency and use of bond proceeds are in jeopardy. Successor Agencies will only be allocated revenue in the amount that is necessary to pay approved enforceable obligations.

Economic conditions, combined with the State's fiscal situation, have continued to impose financial constraints on the City. These constraints have caused City staff to continue to carefully evaluate City programs and services. Despite these financial constraints, the City has continued efforts to provide excellent customer service to the community through prudent use of available resources. Due to healthy General Fund reserves, La Mirada is better positioned than most cities to absorb the impact of recent economic volatility. However, the City will continue to control spending, and actively seek ways to protect revenues. Through economic development efforts, the City will continue working to attract and retain quality businesses to sustain and increase the local tax base.

## **MAJOR INITIATIVES**

The City provides a wide range of quality services designed to improve its quality of life. The City continued its aggressive efforts to ensure public safety, make significant improvements in recreational facilities and services, and generally improve the livability of the community. The City also invested in numerous programs and projects to enhance the quality of life that La Mirada citizens have come to expect and enjoy. The City has received high marks from its business community. The most recent survey of businesses indicated 79 percent perceived La Mirada as a business friendly city and 88 percent of those who interacted with staff reported receiving good customer service. Also, the City has been named among the Best Places to Live in America by CNN Money Magazine.

### **Public Safety**

The City remained one of the safest cities in southeast Los Angeles County and northern Orange County. La Mirada's crime rate was its third lowest in the past decade and decreased 16 percent from ten years ago. This excellent record was attributable to a strong partnership between residents, businesses and the City's Public Safety team. Public Safety

worked cooperatively with other agencies to reduce crime and enhance the quality of life in La Mirada. Community participation in the City's Neighborhood Watch, Business Watch, HAM Watch and Volunteers on Patrol programs was encouraged throughout the year. These programs trained residents how to observe and report suspicious activity in their neighborhoods. The community's vigilance was key to deterring crime. With the recent development of E-Watch, residents became better informed of criminal incidents and crime prevention techniques.

### Community Services

Through continued monitoring and evaluation of programs, facility hours, and staffing levels, Community Services reduced operational costs by an estimated \$145,000. These reductions occurred without sacrificing service quality or safety for program participants. Community Services continued to develop new and existing partnerships with corporate sponsors resulting in approximately \$30,000 in monetary donations. With additional program offerings, the Community Gymnasium and Contract Class programs increased participation and exceeded budgeted revenue projections by a combined \$12,000. Splash! La Mirada Regional Aquatics Center continued to set high attendance marks, increase season pass sales, and reached a 100% cost recovery rate.

### La Mirada Theatre for the Performing Arts

The La Mirada Theatre for the Performing Arts enjoyed a successful season with sold-out performances, critical acclaim, and the strongest revenue numbers in the Theatre's 35-year history. McCoy Rigby Entertainment continued to produce a series of top quality, Broadway-style productions. Peter Pan and Miss Saigon became the top-grossing musicals in La Mirada Theatre history and each was seen by over 22,000 patrons. Resident groups, a children's series, a world-class cabaret series, concert events, HD screenings, rentals, and cultural performances continued to thrive.

### Public Works

In advance of the Interstate 5 freeway improvements, Public Works completed street rehabilitation work on Valley View Avenue from Artesia Boulevard to Gannet Street, and Alondra Boulevard from Canary Avenue to Freeway Drive. La Mirada also worked collaboratively with the City of Santa Fe Springs to complete street rehabilitation work on Freeway Drive from Alondra Boulevard to the I-5, Valley View Avenue from Stage Road to Rosecrans Avenue, and Rosecrans Avenue from Valley View Avenue to the western City limit. Intersection improvements were completed utilizing Federal grant funding for Valley View Avenue and Alondra Boulevard, and Valley View Avenue and Rosecrans Avenue. Additional collector road rehabilitation work was completed on Escalona Road from Alondra Boulevard to Rosecrans Avenue, Foster Road from La Mirada Boulevard to Santa Gertrudes Avenue, and Adelfa Drive from Foster Road to Santa Gertrudes Avenue.

Public Works completed 165,000 linear feet of pavement grinding and the subsequent slurry sealing of more than 4.5 million square feet of residential streets. The second phase of Foster Park infrastructure improvements comprising more than \$5 million

worth of infrastructure rehabilitation and reconstruction was completed. Improvements included underground storm drains systems, street renovations, curbs, gutters, and sidewalk improvements in the north Foster Park area. Plans and specifications for the final phase were also completed. Work on this final phase will commence once the State “unfreezes” redevelopment bond funding available for this project. Public Works also completed an update of the City’s comprehensive infrastructure needs assessment, identifying more than \$67 million of improvements needed in future years. Plans have been completed for Imperial Highway median improvements from the western City limits to the eastern City limits with work scheduled to begin in 2013. The Department completed the installation of a new citywide phone system for improved service, reliability, and substantial annual cost reductions. The department also negotiated an agreement for the City’s refuse hauler to assume the costs of street sweeping operations, and reduce the City’s costs by more than \$238,000, annually.

The Department was actively involved in planning and engineering efforts related to the I-5 Freeway improvement project, which is scheduled to begin construction in FY 2012-2013. Public Works also monitored planning for the State’s proposed High Speed Rail System, and continued work on the Valley View Grade Separation Project by acquiring needed rights of way and finalizing plans. Public Works also completed “shelf ready” project plans for the rehabilitation of two major street projects. Additional I-5 street mitigation plans are being developed for Trojan Way from Firestone Boulevard to Alondra Boulevard, Alondra Boulevard from Trojan Way to Stage Road, and Stage Road from Alondra Boulevard to Castellon Road.

#### Community Development

Community Development is working to prepare the I-5 Freeway Specific Plan, which will provide the planning and economic foundation for the future land use development of the freeway corridor. The plan will help ensure that the freeway commercial area’s land use potential is fully maximized once the freeway’s expansion is completed. Community Development is also involved in the implementation of the Imperial Corridor Specific Plan, which was recognized by the Southern California Association of Governments for promoting planning excellence.

Staff continues to improve and expand the Community Development “one-stop” permit system to help expedite the plan check process and shorten the time period required to obtain a building permit.

#### Administration

Administration engaged in extensive public education efforts to inform residents of the impacts of the State’s actions eliminating redevelopment agencies and taking nearly \$58 million from La Mirada to resolve its budget deficits. Administration also coordinated meetings with the 29-member Citizen Task Force on City Finances and Operations, which developed recommendations to the City Council for addressing La Mirada’s unmet infrastructure needs, enhancing revenues, and preserving La Mirada’s quality of life. “The Orchards” 41-home neighborhood development on Alondra Boulevard progressed with the approval of the environmental cleanup plan and the

acquisition of the final parcel owned by BP. The City continued its business outreach efforts, and completed a Retail Study identifying strategies for improving La Mirada's retail opportunities. La Mirada was recognized as a finalist for the Los Angeles County Economic Development Corporation's "Most Business Friendly City" award for the fourth consecutive year.

#### Administrative Services

Administrative Services staff 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. Staff also coordinated a new approach to the Capital Improvement Program (CIP) process, supported Citizen Task Force programming, reviewed and updated personnel and safety policies and procedures, and coordinated citywide staff training. Staff continued to manage the La Mirada Transit service contract, focusing on system productivity and customer service. Staff also prepared and submitted numerous financial reports to local, state, and federal agencies in order to comply with various funding requirements.

### **PROSPECTS FOR THE FUTURE**

During these uncertain economic times, the City has maintained its conservative financial approach while maintaining quality programs, services and facilities. The City's quality of life continues to be enhanced through its economic development efforts and by working with new businesses that meet the community's needs. Local businesses such as Holiday Inn, U.S. Foodservice, Staples, Living Spaces and Home Depot provide local revenue 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 help reduce dependence on City provided services.

As the City experiences modest population growth and limited economic expansion,

municipal services are constantly being reassessed to ensure residential and business needs are served in the most efficient way possible. 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.

Fiscal year 2012-13 brings along many challenges and first-time endeavors for the City of La Mirada. On the November 6, 2012, a ballot measure for a one-percent sales tax measure was passed by the voters. It is projected to bring an additional \$4 to \$5 million in annual sales tax for the next five years to fund future capital projects. The City has identified over \$100 million in infrastructure “needs” and “wants” over the next ten years. The first phase of the infrastructure needs is being addressed in the Fiscal Year 2012-13 adopted budget. The City continues to work with the State’s Department of Finance to resolve issues regarding the repayment of the City’s note by the redevelopment agency, and the unfreezing of agency bond proceeds.

### **ACCOUNTING SYSTEM AND BUDGETARY CONTROLS**

The City’s management staff is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft, or misuse. All internal control evaluations occur within the above framework. We believe the City’s internal accounting controls safeguard assets and provide assurance of proper recording of financial transactions. Accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

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 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 small cities. This Risk Pool’s most recent actuarial valuation reflects a

liability of \$362,656,828 (89 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 2008-2009 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 XIII B 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, 2012, based on calculations by City Management, proceeds of taxes did not exceed appropriations.

### **AUDIT AND FINANCIAL REPORTING**

Independent Audit – The City requires an annual audit of the financial statements of the City by an independent certified public accountant. All required reporting has been filed in a timely manner.

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, 2011. This was the twenty-third 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.

Respectfully submitted,

  
\_\_\_\_\_  
Thomas E. Robinson  
City Manager

  
\_\_\_\_\_  
Anne Haraksin  
Deputy City Manager

# 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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



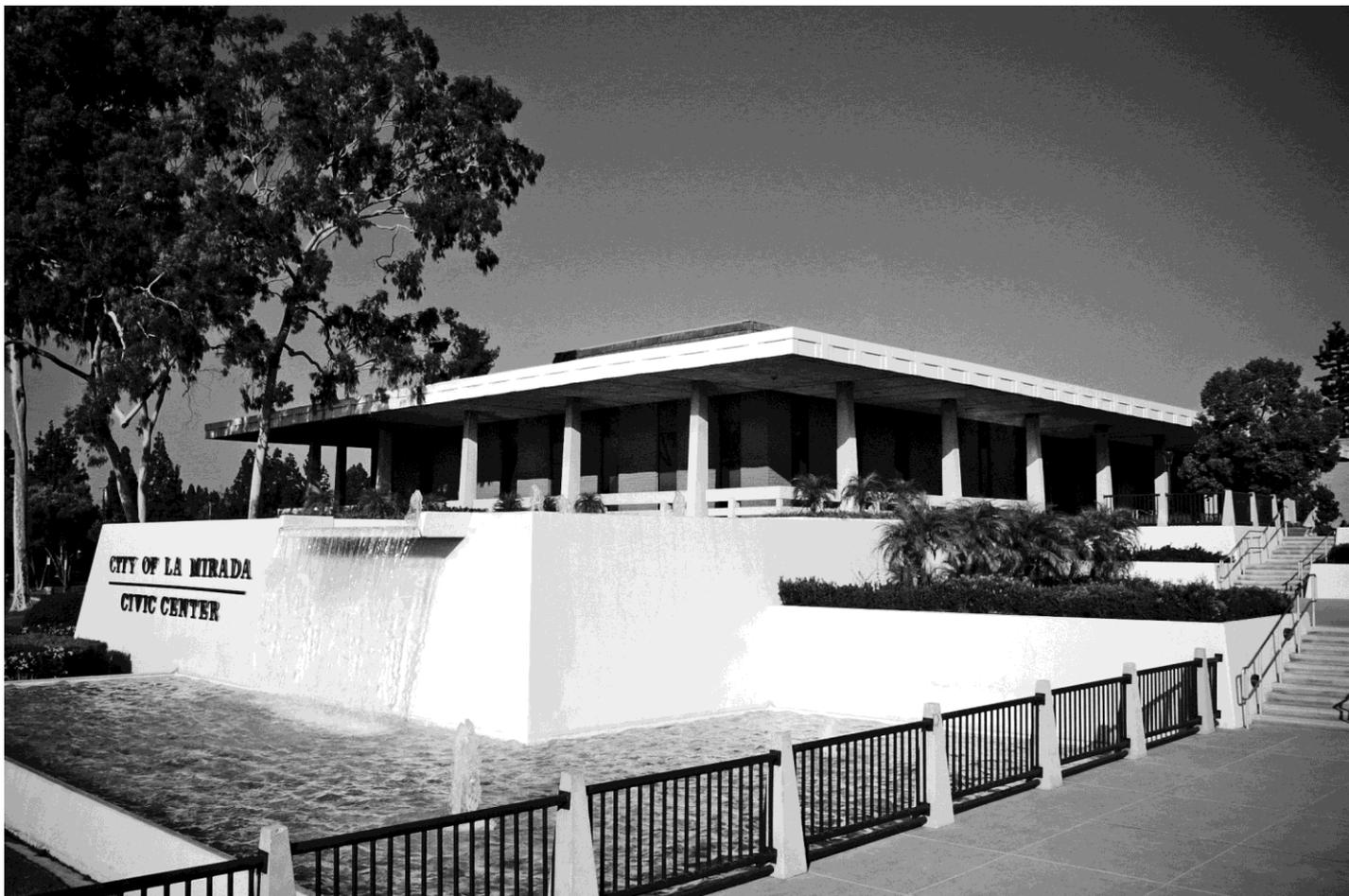
*Linda C. Davison*

President

*Jeffrey R. Egan*

Executive Director





**FINANCIAL SECTION**

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP  
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of La Mirada, California (the City), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of La Mirada's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We would like to draw the reader's attention to Note 18 – "Successor Agency Trust for Assets of Former Redevelopment Agency". The note provides information on the dissolution of the Redevelopment Agency and the new formed Successor Agency.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2012, on our consideration of the City of La Mirada's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of La Mirada, California's financial statements as a whole. 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Lane, Soll & Loughard, LLP*

Brea, California  
December 6, 2012

## **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, 2012. 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**

- On December 29, 2011, the California Supreme Court upheld Assembly Bill 1 X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. 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, 2011, the City Council elected to become the Successor Agency to the former Redevelopment Agency in accordance with the Bill as part of the City Resolution No. 11-34.
- The City's total net assets increased over the course of the Fiscal Year by \$110.6 million to \$196,611,420. Assets and liabilities of the former redevelopment agency were transferred to the City acting as the Successor Agency as of February 1, 2012, which resulted in an extraordinary gain of \$97.4 million.
- In Fiscal Year 2009-10 and Fiscal Year 2010-11, the Redevelopment Agency contributed approximately \$5.8 million to the State's Supplemental Educational Revenue Augmentation Fund (SERAF). As was permitted by budget legislation at the time, the Agency borrowed the SERAF payment from the Low and Moderate Income Housing Fund, to be repaid in 2015.
- With the dissolution of the Redevelopment Agency, the advances to the Successor Agency of the former Redevelopment Agency consist of \$30.9 million loans made to the former RDA and the \$5.8 advance for the SERAF payment. On October 9, 2012, the Department of Finance did not qualify the advance of \$30.9 million as an enforceable obligation. The Successor Agency is in the process of appealing this decision. The Successor Agency is also in the process of having the SERAF advance approved as an enforceable obligation.
- In Fiscal Year 2011-12, the City began construction on a number of major capital projects such as roadway repairs on Escalona Road and Adelfa Road. Phase II of the Foster Park Redevelopment Project area was completed. The Valley View Grade Separation and I-5 mitigation projects are currently in progress.
- The General Fund, which is included in the combined Governmental Funds, on the current financial resources basis, reported a fund balance increase of

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

approximately \$3.6 million due to City-wide operating efficiencies and cost controls, and a moderate revenue rebound.

### **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 Assets and the Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances utilizing 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 Assets 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 assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. The Statement of Activities presents information showing how the City's net assets 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 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 governmental activities of the City include general government, public safety, community development, leisure and cultural, public works, capital outlay and debt service.

The government-wide financial statements include the City, the Financing Authority, and the Successor Agency to the former Redevelopment Agency. On February 1, 2012, the Redevelopment Agency was dissolved through the Supreme Court decision on AB 1 X 26.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

### 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 statements, only in more detail. Proprietary funds are used to report the same functions presented as business-type 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 assets 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.

**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

**NET ASSETS**

As of June 30, 2012

	Governmental Activities	
	Fiscal Year	
	2011	2012
Current & other assets	96,677,286	117,412,753
Capital assets	90,733,139	98,140,140
<b>Total assets</b>	<b>187,410,425</b>	<b>215,552,893</b>
Long-term debt liabilities	94,288,179	13,976,285
Other liabilities	7,144,392	4,965,188
<b>Total liabilities</b>	<b>101,432,571</b>	<b>18,941,473</b>
<b>Net assets:</b>		
Invested in capital assets	78,551,384	86,393,863
Restricted	44,396,590	31,821,550
Unrestricted	(36,970,120)	78,396,007
<b>Total Net Assets</b>	<b>85,977,854</b>	<b>196,611,420</b>

At the close of Fiscal Year 2011-12, assets exceed liabilities by \$196.6 million. As a result of the dissolution of the Redevelopment Agency, a \$97.4 million extraordinary gain was recorded in the governmental activities. In addition, capital assets increased approximately \$7 million due to major capital improvements projects that were completed during the year.

The following table summarizes the total cost and net cost of the City’s governmental activities by function type.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**CHANGES IN NET ASSETS**

As of June 30, 2012

	<b>Governmental Activities</b>	
	Fiscal Year	
	2011	2012
<b>REVENUES</b>		
Program Revenues:		
Charges for services	7,823,087	9,467,673
Operating grants and contributions	3,661,473	2,644,092
Capital grants and contributions	1,757,133	6,205,538
General Revenues:		
Property taxes	19,148,372	12,958,009
Sales and use tax	10,296,965	11,709,498
Transient occupancy taxes	1,024,679	973,207
Franchise taxes	2,630,099	2,542,800
Other taxes	1,144,448	485,572
Intergovernmental	256,058	25,873
Use of money and property	4,924,485	3,748,366
Miscellaneous	37,554	5,000
<b>Extraordinary gain/loss (note 18)</b>	<b>-</b>	<b>97,474,824</b>
<b>Total revenues</b>	<b>52,704,353</b>	<b>148,240,452</b>
<b>EXPENSES</b>		
Governmental Activities:		
General government	7,669,085	5,520,210
Public safety	8,297,156	8,334,949
Community development	1,980,295	1,777,873
Public works	6,886,493	8,371,189
Leisure and cultural	10,330,598	11,227,411
Interest on long-term debt	8,500,077	2,375,254
<b>Total expenses</b>	<b>43,663,704</b>	<b>37,606,886</b>
Excess (deficit) before transfers	9,040,649	110,633,566
<b>INCREASE IN NET ASSETS</b>	<b>9,040,649</b>	<b>110,633,566</b>
Net assets - beginning	76,937,205	85,977,854
Net assets - ending	85,977,854	196,611,420

The City's revenues totaled \$148,240,452 for the Fiscal Year 2011-12. Due to the dissolution of the Redevelopment Agency, a \$97.4 million extraordinary gain and only seven months of property tax increment revenue were recorded in the governmental activities.

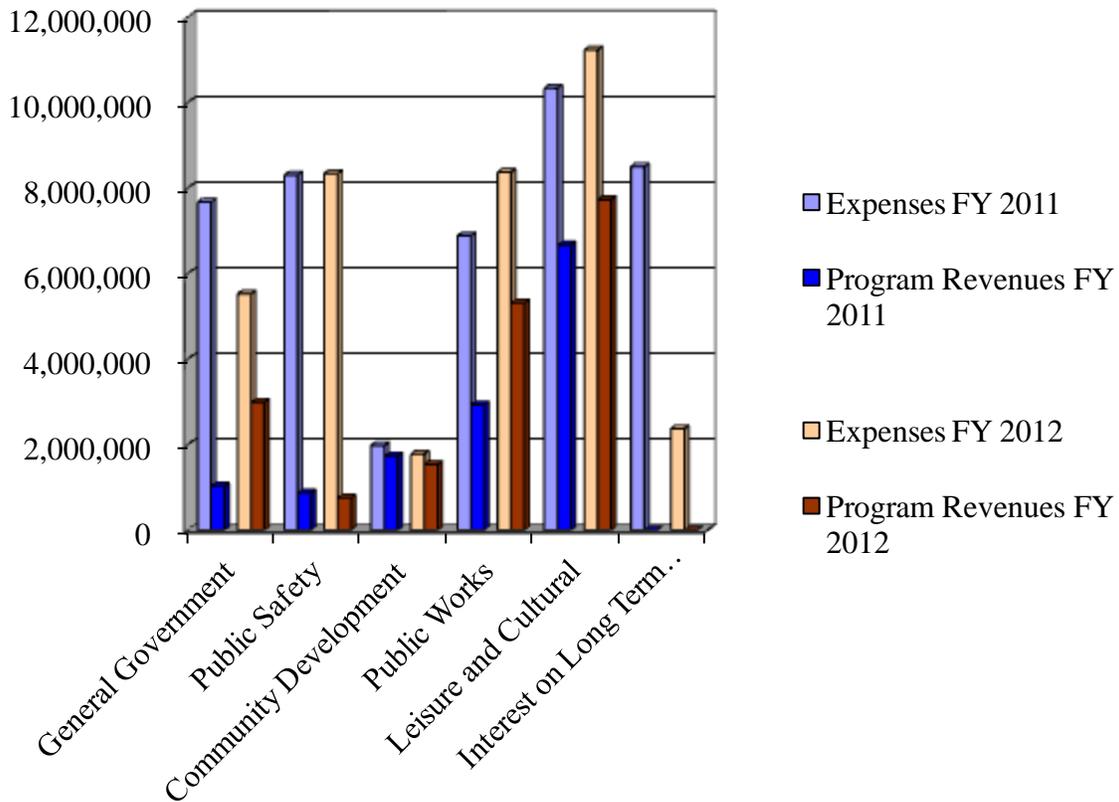
## MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Program revenues increased \$5 million or 38 percent from the prior year. The City had a very successful year with its La Mirada Aquatics Center Splash! and a record breaking theatre season at the La Mirada Theatre for the Performing Arts. The City also received grant funding for major capital projects from CDBG, and other Federal and Local grants.

City expenses for the year totaled \$37,606,886, a decrease of \$6 million from the previous fiscal year. Indebtedness of the former Redevelopment Agency was transferred to the Successor Agency.

### EXPENSES AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES

Governmental activity revenues totaled \$148,240,453 or 100% of total revenues. Governmental activity expenses totaled \$37,606,886 or 100% of total expenses. The following chart compares expenses and program revenues by Function for governmental activities for Fiscal Year’s 2010-11 and 2011-12:



**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

**NET COST OF GOVERNMENTAL ACTIVITIES**

As of June 30, 2012

	Total Cost of Services		Net Cost of Services	
	Fiscal Year		Fiscal Year	
	2011	2012	2011	2012
Governmental Activities:				
General Government	7,669,085	5,520,210	6.6	2.5
Public Safety	8,297,156	8,334,949	7.4	7.6
Community Development	1,980,295	1,777,873	0.2	0.2
Public Works	6,886,493	8,371,189	4.0	3.1
Leisure and Cultural	10,330,598	11,227,411	3.7	3.5
Interest on Long Term Debt	8,500,077	2,375,254	8.5	2.4
<b>Total</b>	<b>43,663,704</b>	<b>37,606,886</b>	<b>30.3</b>	<b>19.2</b>

**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.

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, 2012 of \$86.5 million, a net increase of \$22.5 million.

- The General Fund increased \$3.7 million due to department wide cost savings and efficiencies, moderate growth in sales tax revenue and successful program seasons in charges for services.
- Low and Moderate Housing Fund and Redevelopment Agency Capital Projects and Debt Service Funds were dissolved and transferred to the Successor Agency.
- Capital Projects Fund increased \$1.1 million from the prior year. The City transferred an additional \$1.1 million to plan for an aggressive capital projects program for Fiscal Year 2012-13.
- Other Governmental Funds decreased \$722,849 due to grant revenues not received by June 30, 2012 and expected to be received during Fiscal Year 2012-13.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The net difference between the final amended budget and actual amounts was a positive variance of \$3.1 million. Note 2, Stewardship, Compliance and Accountability, provides more details regarding budgeting policies and practice.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Budgetary highlights are summarized as follows:

- Taxes increased \$1.6 million in comparison to the budget due to a modest rebound in sales tax revenue.
- Intergovernmental Revenue increased \$1 million in comparison to the budget due to local grant funding received for the Valley View Grade Separation Project.
- Charges for services increased \$1 million in comparison to the budget. The La Mirada Aquatics Center Splash! and the La Mirada Theatre for the Performing Arts had successful Fiscal Year 2011-12 seasons.
- Contributions decreased \$2.7 million in comparison to the budget. The planning and construction phase of identified county earmarked funds have not been started as of Fiscal Year 2011-12.
- Transfers out decreased \$1.7 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. Projects funded with federal grants or bond proceeds were completed first.

### **CAPITAL ASSETS**

The City's investment in capital assets for its governmental activities amounts to \$98.1 million (net of accumulated depreciation), an increase of \$7.4 million or 8.1% from Fiscal Year 2010-11. This investment in capital assets includes: land, construction in progress, buildings, improvements other than buildings, equipment, and infrastructure. Note 4, Changes in Capital Assets, provides more detailed information on the capital assets.

### **LONG-TERM DEBT**

At June 30, 2012, the City had \$14.0 million in long-term debt outstanding. The indebtedness of the former Redevelopment Agency in the amount of \$79.5 million was transferred to the Successor Agency. All of the Tax Allocation Bonds are insured. More detailed information is included in Note 8 and Note 18.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### OUTSTANDING DEBT

As of June 30, 2012

	Governmental Activities	
	Fiscal Year	
	2011	2012
Tax Allocation Bonds *	76,175,971	-
Lease Revenue Bonds	13,145,000	12,710,000
Loan Payable	4,936,151	-
Lease Payable	22,470	19,049
Claims and Judgments	587,834	587,832
Compensated Absences	559,618	617,599
Total	95,427,044	13,934,480

\* As a result of the dissolution of the Redevelopment Agency, indebtedness of the former Redevelopment Agency was transferred to the Successor Agency. (See Note 18 for disclosure for indebtedness)

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

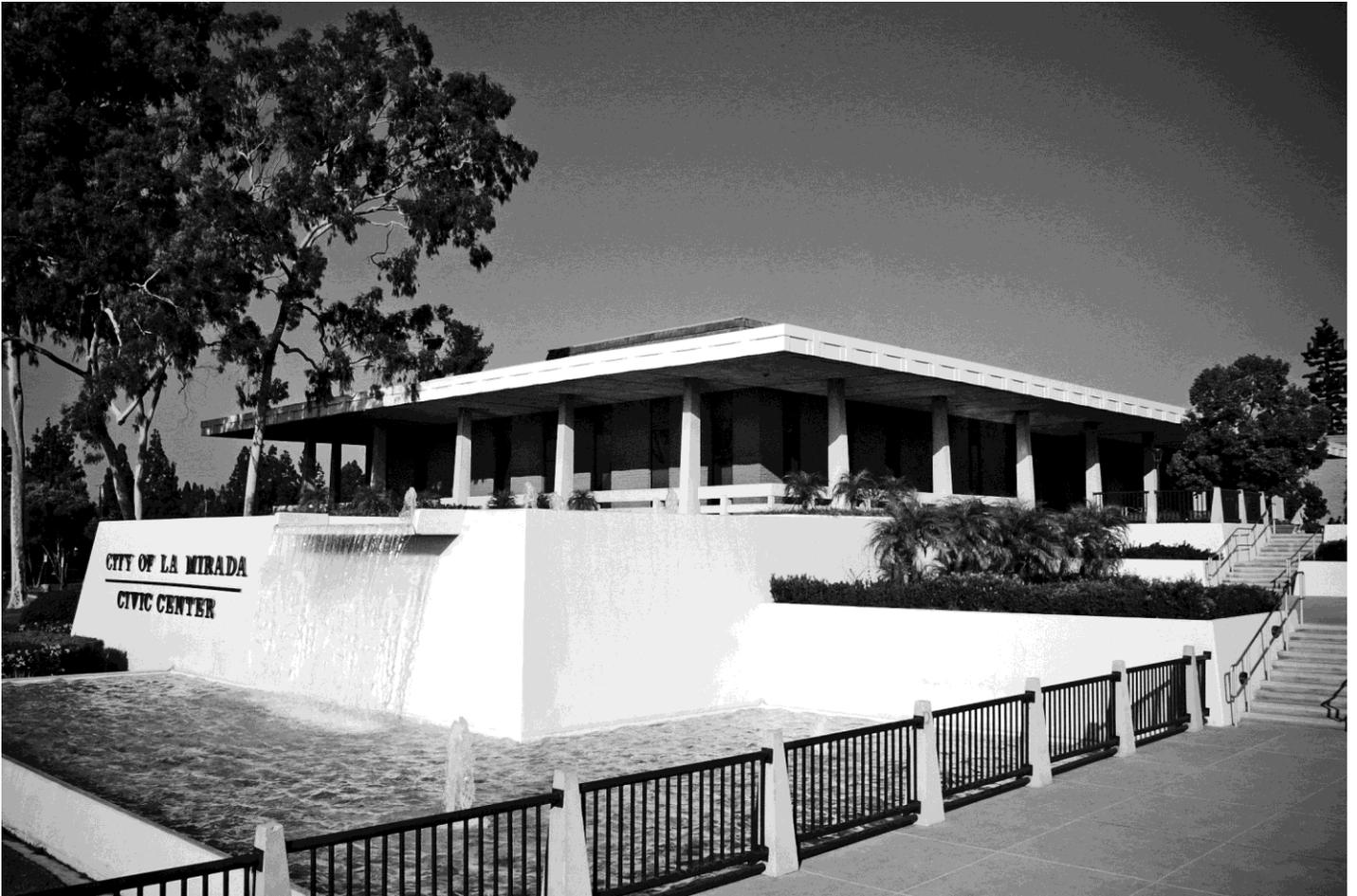
The City of La Mirada is located in the Los Angeles-Long Beach-Santa Ana Area MSA labor market. Non-farm employment constitutes 99% of the work force, mostly comprised of manufacturing (9.8%), trade, transportation and utilities (19.0%), financial activities (6.0%), professional and business services (15.4%), education and health services (13.2%), and leisure and hospitality (11.3%). The June 2012 unemployment rate in the Greater Los Angeles area was 10.4%. La Mirada fared much better than the Greater Los Angeles area with a 6.7% unemployment rate.

The adopted budget was developed using a conservative approach to revenue forecasting. Unprecedented revenue losses experienced in recent years due to the "Great Recession" now appear to have abated, and modest revenue growth is forecast for Fiscal Year 2012-13; however, revenue items continue to be below the peak levels of Fiscal Year 2006-07. Expenditures continue to be controlled by following the prudent financial course laid out in the City's Financial Contingency Options Plan, which was developed in 2009. The State of California's budget deficit continues to be a significant factor in the adopted budget. The City's General Fund Adopted Revenue and Expenditure Budget for Fiscal Year 2011-12 are \$33.5 million and \$33.4 million, respectively. Detailed information regarding the City of La Mirada's economic factors is provided in the Transmittal Letter.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of La Mirada's finances. 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 ASSETS  
JUNE 30, 2012

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 36,833,953
Receivables:	
Accounts	555,693
Taxes	4,597,834
Notes and loans	7,938,388
Accrued interest	168,436
Advances to Successor Agency of Former RDA	36,760,148
Prepaid costs	1,262,817
Due from other governments	3,934,886
Deferred charges	291,562
Land held for resale	13,110,272
Restricted assets:	
Cash and investments	689,126
Cash with fiscal agent	1,024,575
Net OPEB asset	10,245,063
Capital assets not being depreciated	16,558,071
Capital assets, net of depreciation	<u>81,582,069</u>
<b>Total Assets</b>	<b><u>215,552,893</u></b>
<b>Liabilities:</b>	
Accounts payable	2,824,557
Accrued liabilities	473,301
Accrued interest	178,562
Unearned revenue	1,330,377
Deposits payable	156,303
Due to other governments	2,088
Noncurrent liabilities:	
Due within one year	644,777
Due in more than one year	<u>13,331,508</u>
<b>Total Liabilities</b>	<b><u>18,941,473</u></b>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	86,393,863
Restricted for:	
Public works	4,554,036
Public safety	88,693
Debt service	1,076,453
Leisure and cultural	815,528
Low and moderate housing	25,286,840
Unrestricted	<u>78,396,007</u>
<b>Total Net Assets</b>	<b><u>\$ 196,611,420</u></b>

CITY OF LA MIRADA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012

Functions/Programs	Program Revenues				Net (Expenses)
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Revenues and Changes in Net Assets
					Primary Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ 5,520,210	\$ 639,799	\$ 6,828	\$ 2,345,921	\$ (2,527,662)
Public safety	8,334,949	619,303	134,208	-	(7,581,438)
Community development	1,777,873	695,572	839,064	-	(243,237)
Leisure and cultural	11,227,411	7,512,999	187,759	24,105	(3,502,548)
Public works	8,371,189	-	1,476,233	3,835,512	(3,059,444)
Interest on long-term debt	2,375,254	-	-	-	(2,375,254)
<b>Total Governmental Activities</b>	<b>\$37,606,886</b>	<b>\$ 9,467,673</b>	<b>\$ 2,644,092</b>	<b>\$ 6,205,538</b>	<b>(19,289,583)</b>
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purpose					12,958,009
Transient occupancy taxes					973,207
Sales taxes					11,709,498
Franchise taxes					2,542,800
Business licenses taxes					303,618
Other taxes					181,954
Motor vehicle in lieu - unrestricted					25,873
Use of money and property					3,748,366
Other					5,000
<b>Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 18)</b>					<u>97,474,824</u>
<b>Total General Revenues and Extraordinary Items</b>					<u><b>129,923,149</b></u>
Change in Net Assets					110,633,566
Net Assets at Beginning of Year					<u>85,977,854</u>
<b>Net Assets at End of Year</b>					<u><b>\$ 196,611,420</b></u>

CITY OF LA MIRADA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	<u>General</u>	<u>Special Revenue Fund Low and Moderate Housing</u>	<u>Capital Projects Fund Capital Improvement</u>	<u>Capital Projects Fund Redevelopment Agency</u>
<b>Assets:</b>				
Pooled cash and investments	\$ 24,314,509	\$ -	\$ -	\$ -
Receivables:				
Accounts	554,910	-	-	-
Taxes	4,455,099	-	-	-
Notes and loans	-	6,869,291	-	-
Accrued interest	115,087	-	-	-
Prepaid costs	798,700	-	-	-
Due from other governments	146,400	-	2,842,413	-
Due from other funds	587,005	-	252,411	-
Advances to Successor Agency of Former RDA	30,924,435	5,835,713	-	-
Land held for resale	-	12,581,836	528,436	-
Restricted assets:				
Cash and investments	-	-	588,056	-
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 61,896,145</b>	<b>\$ 25,286,840</b>	<b>\$ 4,211,316</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,575,654	\$ -	\$ 1,045,472	\$ -
Accrued liabilities	346,462	-	-	-
Deferred revenues	6,532,240	-	-	-
Unearned revenues	1,188,455	-	-	-
Deposits payable	146,991	-	-	-
Due to other governments	2,088	-	-	-
Due to other funds	216,594	-	33,380	-
<b>Total Liabilities</b>	<b>10,008,484</b>	<b>-</b>	<b>1,078,852</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	798,700	-	-	-
Land held for resale	-	12,581,836	528,436	-
Notes and loans	-	6,869,291	-	-
Advances to other funds	26,835,279	5,835,713	-	-
<b>Restricted for:</b>				
Public safety	-	-	-	-
Leisure and cultural	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	-	-
<b>Unassigned</b>	<b>24,253,682</b>	<b>-</b>	<b>2,604,028</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>51,887,661</b>	<b>25,286,840</b>	<b>3,132,464</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 61,896,145</b>	<b>\$ 25,286,840</b>	<b>\$ 4,211,316</b>	<b>\$ -</b>

CITY OF LA MIRADA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	<b>Debt Service Fund</b>		
	<b>Redevelopment Agency</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Pooled cash and investments	\$ -	\$ 5,547,960	\$ 29,862,469
Receivables:			
Accounts	-	-	554,910
Taxes	-	142,735	4,597,834
Notes and loans	-	1,069,097	7,938,388
Accrued interest	-	19,831	134,918
Prepaid costs	-	36,679	835,379
Due from other governments	-	892,952	3,881,765
Due from other funds	-	132,992	972,408
Advances to Successor Agency of Former RDA	-	-	36,760,148
Land held for resale	-	-	13,110,272
Restricted assets:			
Cash and investments	-	-	588,056
Cash and investments with fiscal agents	-	1,024,575	1,024,575
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 8,866,821</b>	<b>\$ 100,261,122</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 191,785	\$ 2,812,911
Accrued liabilities	-	5,156	351,618
Deferred revenues	-	1,414,805	7,947,045
Unearned revenues	-	141,922	1,330,377
Deposits payable	-	-	146,991
Due to other governments	-	-	2,088
Due to other funds	-	874,418	1,124,392
<b>Total Liabilities</b>	<b>-</b>	<b>2,628,086</b>	<b>13,715,422</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid costs	-	36,679	835,379
Land held for resale	-	-	13,110,272
Notes and loans	-	-	6,869,291
Advances to other funds	-	-	32,670,992
<b>Restricted for:</b>			
Public safety	-	88,693	88,693
Leisure and cultural	-	778,849	778,849
Public works	-	4,554,036	4,554,036
Debt service	-	1,076,453	1,076,453
<b>Unassigned</b>	<b>-</b>	<b>(295,975)</b>	<b>26,561,735</b>
<b>Total Fund Balances</b>	<b>-</b>	<b>6,238,735</b>	<b>86,545,700</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 8,866,821</b>	<b>\$ 100,261,122</b>

CITY OF LA MIRADA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2012**

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Fund balances of governmental funds \$ 86,545,700

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

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

Capital assets	\$ 125,385,422	
Accumulated depreciation	<u>(28,364,850)</u>	
		97,020,572

Governmental funds report the effect of issuance costs when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. 291,562

The issuance of long-term debt (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		(12,751,805)
Lease payable		(19,049)
Accrued claims and judgments - General liability		(330,401)
Compensated absences		(617,599)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds. (178,562)

Certain revenues in governmental funds are deferred because they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis used in the government-wide statements. 7,947,045

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 assets 18,703,957

**Net assets of governmental activities \$ 196,611,420**

CITY OF LA MIRADA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	General	Special Revenue Fund Low and Moderate Housing	Capital Projects Fund Capital Improvement	Capital Projects Fund Redevelopment Agency
<b>Revenues:</b>				
Taxes	\$ 22,009,771	\$ -	\$ -	\$ -
Licenses and permits	745,278	-	-	-
Intergovernmental	1,199,509	-	-	-
Charges for services	8,121,709	-	-	-
Use of money and property	2,117,453	-	32,464	92,540
Fines and forfeitures	554,301	-	-	-
Contributions	2,386,059	-	177	-
Miscellaneous	-	-	-	5,000
<b>Total Revenues</b>	<b>37,134,080</b>	<b>-</b>	<b>32,641</b>	<b>97,540</b>
<b>Expenditures:</b>				
Current:				
General government	3,923,930	-	-	624,347
Public safety	7,486,457	-	-	-
Community development	1,326,592	-	-	2,396
Leisure and cultural	9,660,120	-	-	-
Public works	6,064,942	-	1,348,188	-
Capital outlay	11,659	-	10,222,380	-
Debt service:				
Principal retirement	15,080	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>28,488,780</b>	<b>-</b>	<b>11,570,568</b>	<b>626,743</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,645,300	-	(11,537,927)	(529,203)
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,494,203	-	10,220,181	358,578
Transfers out	(6,491,661)	-	-	(2,859,199)
Capital leases	11,659	-	-	-
Notes and loans issued	-	-	-	-
Contributions from other governments	-	-	2,450,210	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,985,799)</b>	<b>-</b>	<b>12,670,391</b>	<b>(2,500,621)</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note18)	-	25,286,840	-	(33,875,896)
<b>Net Change in Fund Balances</b>	<b>\$ 3,659,501</b>	<b>\$ 25,286,840</b>	<b>\$ 1,132,464</b>	<b>\$ (36,905,720)</b>
<b>Fund Balances:</b>				
Beginning of year, as previously reported	\$ 48,527,355	\$ -	\$ 2,000,000	\$ 36,905,720
Restatements	(299,195)	-	-	-
Beginning of year, as restated	48,228,160	-	2,000,000	36,905,720
Net change in fund balances	3,659,501	25,286,840	1,132,464	(36,905,720)
<b>End of Year</b>	<b>\$ 51,887,661</b>	<b>\$ 25,286,840</b>	<b>\$ 3,132,464</b>	<b>\$ -</b>

CITY OF LA MIRADA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>Redevelopment Agency</u>		
<b>Revenues:</b>			
Taxes	\$ 4,645,099	\$ 3,188,960	\$ 29,843,830
Licenses and permits	-	-	745,278
Intergovernmental	-	2,182,168	3,381,677
Charges for services	-	31,426	8,153,135
Use of money and property	81,953	328,118	2,652,528
Fines and forfeitures	-	-	554,301
Contributions	-	-	2,386,236
Miscellaneous	-	14,959	19,959
<b>Total Revenues</b>	<b>4,727,052</b>	<b>5,745,631</b>	<b>47,736,944</b>
<b>Expenditures:</b>			
Current:			
General government	252,020	-	4,800,297
Public safety	-	34,930	7,521,387
Community development	106,104	130,303	1,565,395
Leisure and cultural	-	1,140,529	10,800,649
Public works	-	67,662	7,480,792
Capital outlay	-	-	10,234,039
Debt service:			
Principal retirement	2,380,000	435,000	2,830,080
Interest and fiscal charges	2,636,700	510,230	3,146,930
<b>Total Expenditures</b>	<b>5,374,824</b>	<b>2,318,654</b>	<b>48,379,569</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(647,772)	3,426,977	(642,625)
<b>Other Financing Sources (Uses):</b>			
Transfers in	1,386,302	1,780,328	15,239,592
Transfers out	(358,578)	(5,930,154)	(15,639,592)
Capital leases	-	-	11,659
Notes and loans issued	201,559	-	201,559
Contributions from other governments	-	-	2,450,210
<b>Total Other Financing Sources (Uses)</b>	<b>1,229,283</b>	<b>(4,149,826)</b>	<b>2,263,428</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 18)	29,496,397	-	20,907,341
<b>Net Change in Fund Balances</b>	<b>\$ 30,077,908</b>	<b>\$ (722,849)</b>	<b>\$ 22,528,144</b>
<b>Fund Balances:</b>			
Beginning of year, as previously reported	\$ (30,077,908)	\$ 6,662,389	\$ 64,017,556
Restatements	-	299,195	-
Beginning of year, as restated	(30,077,908)	6,961,584	64,017,556
Net change in fund balances	30,077,908	(722,849)	22,528,144
<b>End of Year</b>	<b>\$ -</b>	<b>\$ 6,238,735</b>	<b>\$ 86,545,700</b>

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, 2012**

Net change in fund balances - total governmental funds \$ 22,528,144

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	\$ 10,211,865	
Depreciation	<u>(2,630,768)</u>	7,581,097

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 assets. 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 assets. Also, governmental funds report the effect of issuance costs, 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.

Tax allocation bonds principal repayment	2,393,500	
Lease revenue bonds principal repayment	435,000	
Capital leases payments	1,580	
Bond discount/premium amortization	(4,873)	
Bond issuance cost amortization	(90,880)	
Amortization of deferred loss on refunding	(46,076)	
Changes in claims payable	(162,873)	
Accreted interest on tax allocation bonds	(293,221)	
New capital leases obligation	(11,659)	
Changes in pollution remediation obligation	(344,783)	
Increased in loan payable	<u>(201,559)</u>	1,674,156

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 1,206,726

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 (57,981)

Certain revenues in governmental funds are deferred because they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis used in the government-wide statements. 1,210,188

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 (76,247)

Extraordinary gains and losses relating to capital assets and long term liabilities transferred to the Successor Agency are reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.

Long-term liabilities	78,441,964	
Unamortized bond issuance costs	<u>(1,874,481)</u>	<u>76,567,483</u>

**Change in net assets of governmental activities \$ 110,633,566**

CITY OF LA MIRADA

**BUDGETARY COMPARISON STATEMENT  
GENERAL FUND  
YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 48,228,160	\$ 48,228,160	\$ 48,228,160	\$ -
<b>Resources (Inflows):</b>				
Taxes	20,394,602	20,394,602	22,009,771	1,615,169
Licenses and permits	748,000	748,000	745,278	(2,722)
Intergovernmental	150,000	150,000	1,199,509	1,049,509
Charges for services	6,967,542	6,967,542	8,121,709	1,154,167
Use of money and property	2,533,458	2,533,458	2,117,453	(416,005)
Fines and forfeitures	590,000	590,000	554,301	(35,699)
Contributions	2,911,000	5,152,967	2,386,059	(2,766,908)
Transfers in	1,336,500	1,436,500	1,494,203	57,703
Capital leases	-	-	11,659	11,659
<b>Amounts Available for Appropriation</b>	<b>83,859,262</b>	<b>86,201,229</b>	<b>86,868,102</b>	<b>666,873</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	4,063,088	4,063,088	3,923,930	139,158
Public safety	8,068,825	8,068,825	7,486,457	582,368
Community development	1,505,864	1,505,864	1,326,592	179,272
Leisure and cultural	9,076,022	9,076,022	9,660,120	(584,098)
Public works	6,478,829	6,478,829	6,064,942	413,887
Capital outlay	-	-	11,659	(11,659)
Debt service:				
Principal retirement	15,080	15,080	15,080	-
Transfers out	5,999,166	8,271,133	6,491,661	1,779,472
<b>Total Charges to Appropriation</b>	<b>35,206,874</b>	<b>37,478,841</b>	<b>34,980,441</b>	<b>2,498,400</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 48,652,388</b>	<b>\$ 48,722,388</b>	<b>\$ 51,887,661</b>	<b>\$ 3,165,273</b>

CITY OF LA MIRADA

STATEMENT OF FUND NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2012

	<b>Governmental Activities- Internal Service Funds</b>
<b>Assets:</b>	
Current:	
Pooled cash and investments	\$ 6,971,484
Receivables:	
Accounts	783
Accrued interest	33,518
Prepaid costs	427,438
Due from other governments	53,121
Due from other funds	151,984
Restricted:	
Cash and investments	<u>101,070</u>
<b>Total Current Assets</b>	<b><u>7,739,398</u></b>
Noncurrent:	
Net OPEB asset	10,245,063
Capital assets - net of accumulated depreciation	<u>1,119,568</u>
<b>Total Noncurrent Assets</b>	<b><u>11,364,631</u></b>
<b>Total Assets</b>	<b><u>\$ 19,104,029</u></b>
 <b>Liabilities and Net Assets:</b>	
<b>Liabilities:</b>	
Current:	
Accounts payable	\$ 11,646
Accrued liabilities	121,683
Deposits payable	9,312
Accrued claims and judgments	<u>64,358</u>
<b>Total Current Liabilities</b>	<b><u>206,999</u></b>
Noncurrent:	
Accrued claims and judgments	<u>193,073</u>
<b>Total Noncurrent Liabilities</b>	<b><u>193,073</u></b>
<b>Total Liabilities</b>	<b><u>400,072</u></b>
 <b>Net Assets:</b>	
Invested in capital assets	1,119,568
Unrestricted	<u>17,584,389</u>
<b>Total Net Assets</b>	<b><u>18,703,957</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 19,104,029</u></b>

CITY OF LA MIRADA

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2012

	<b>Governmental Activities- Internal Service Funds</b>
<b>Operating Revenues:</b>	
Sales and service charges	\$ 4,232,988
<b>Total Operating Revenues</b>	<b><u>4,232,988</u></b>
<b>Operating Expenses:</b>	
Administration and general	3,703,213
Depreciation expense	<u>374,308</u>
<b>Total Operating Expenses</b>	<b><u>4,077,521</u></b>
Operating Income (Loss)	<u>155,467</u>
<b>Nonoperating Revenues (Expenses):</b>	
Interest revenue	<u>(631,714)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>(631,714)</u></b>
Income (Loss) Before Transfers	(476,247)
Transfers in	1,000,000
Transfers out	<u>(600,000)</u>
Changes in Net Assets	<u>(76,247)</u>
<b>Net Assets:</b>	
Beginning of Year	<u>18,780,204</u>
<b>End of Fiscal Year</b>	<b><u>\$ 18,703,957</u></b>

CITY OF LA MIRADA

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2012**

	<b>Governmental            Activities-            Internal            Service Funds</b>
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers and users	\$ 4,179,417
Cash paid to suppliers for goods and services	(15,530)
Cash paid to employees for services	(3,958,988)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>204,899</u></b>
<b>Cash Flows from Non-Capital            Financing Activities:</b>	
Cash transfers out	(600,000)
Cash transfers in	1,000,000
Cash paid due to/from other funds	(31,748)
<b>Net Cash Provided (Used) by            Non-Capital Financing Activities</b>	<b><u>368,252</u></b>
<b>Cash Flows from Capital            and Related Financing Activities:</b>	
Purchases of capital assets	(214,135)
<b>Net Cash Provided (Used) by            Capital and Related Financing Activities</b>	<b><u>(214,135)</u></b>
<b>Cash Flows from Investing Activities:</b>	
Interest received	(612,257)
<b>Net Cash Provided (Used) by            Investing Activities</b>	<b><u>(612,257)</u></b>
<b>Net Increase (Decrease) in Cash            and Cash Equivalents</b>	<b>(253,241)</b>
Cash and Cash Equivalents at Beginning of Year	<u>7,325,795</u>
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>\$ 7,072,554</u></b>
<b>Reconciliation of Operating Income to Net Cash            Provided (Used) by Operating Activities:</b>	
Operating income (loss)	\$ 155,467
<b>Adjustments to reconcile operating income (loss)            net cash provided (used) by operating activities:</b>	
Depreciation	388,231
(Increase) decrease in accounts receivable	(450)
(Increase) decrease in due from other governments	(53,121)
(Increase) decrease in prepaid expense	13,779
(Increase) decrease in Net OPEB asset	(118,530)
Increase (decrease) in accounts payable	8,668
Increase (decrease) in due to other governments	11,707
Increase (decrease) in deposits payable	(37,977)
Increase (decrease) in claims and judgments	(162,875)
<b>Total Adjustments</b>	<b><u>49,432</u></b>
<b>Net Cash Provided (Used) by            Operating Activities</b>	<b><u>\$ 204,899</u></b>

There were no noncash investing, capital or financing activities.

CITY OF LA MIRADA

STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 JUNE 30, 2012

	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
<b>Assets:</b>	
Pooled cash and investments	\$ 14,280,213
Receivables:	
Taxes	7,000
Accrued interest	45,958
Due from other governments	720
Deferred charges	1,820,723
Restricted assets:	
Cash and investments with fiscal agents	<u>3,278,405</u>
<b>Total Assets</b>	<b><u>19,433,019</u></b>
<b>Liabilities:</b>	
Accounts payable	149,166
Accrued interest	1,164,664
Due to other governments	2,843,035
Long-term liabilities:	
Due in one year	2,575,000
Due in more than one year	<u>113,005,418</u>
<b>Total Liabilities</b>	<b><u>119,737,283</u></b>
<b>Net Assets:</b>	
Held in trust for other purposes	<u>(100,304,264)</u>
<b>Total Net Assets</b>	<b><u>\$ (100,304,264)</u></b>

CITY OF LA MIRADA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2012

	Private- Purpose Trust Fund <u>Successor Agency of the Former RDA</u>
<b>Additions:</b>	
Taxes	\$ 4,706,140
Interest and change in fair value of investments	<u>95,212</u>
<b>Total Additions</b>	<b><u>4,801,352</u></b>
<b>Deductions:</b>	
Administrative expenses	193,740
Contractual services	(14,358)
Interest expense	4,937,000
Contributions to other governments	2,450,210
Reimbursement of sales taxes	<u>64,200</u>
<b>Total Deductions</b>	<b><u>7,630,792</u></b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note18)	(97,474,824)
<b>Changes in Net Assets</b>	<b>(100,304,264)</b>
Net Assets - Beginning of the Year	<u>-</u>
<b>Net Assets - End of the Year</b>	<b><u>\$ (100,304,264)</u></b>

**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, the La Mirada Redevelopment Agency and the La Mirada Public Financing Authority. The La Mirada City Council acts as the Board of Directors for the Redevelopment Agency and the Public Financing Authority, so the City is considered to be the primary government and the other two entities are component units. The governing boards of the City and the component units are the same. The financial statements of the City and the two component units 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 financial statements of the Redevelopment Agency can be obtained from the Administrative Services Department.

The 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 is 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 1X 26. See Note 17 and 18 for more information on the dissolution.

The City and the La Mirada Redevelopment Agency formed the La Mirada Public Financing Authority on August 8, 1989, for the purpose of providing financing for the Redevelopment Agency. The Public Financing Authority had no financial transactions during the 2011-2012 fiscal year, and has no assets, liabilities or fund balance at June 30, 2012.

**b. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets 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.

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

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.

**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 modified 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 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.
- The Redevelopment Agency Capital Projects Fund is used to account for the acquisition, relocation, demolition and sale of land for those portions of the City earmarked as in need of redevelopment related activities. The Redevelopment Agency was dissolved as of January 31, 2012 through the Supreme Court decision on Assembly Bill 1X 26. See Note 17 and 18 for more information.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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

- The Redevelopment Agency Debt Service Fund is used to account for the accumulation of resources and the payment of long-term debt principal, interest and related costs. The Redevelopment Agency was dissolved as of January 31, 2012 through the Supreme Court decision on Assembly Bill 1X 26. See Note 17 and 18 for more information.

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.
- Internal Service Funds account for employee benefits and replacement of equipment provided to other departments of the government, on a cost reimbursement basis.
- Private-purpose trust funds are used to accounts 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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.

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

**d. Assets, Liabilities and Net Assets**

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 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

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

The estimated useful lives and capitalization thresholds are as follows:

<u>Capital Asset Type</u>	<u>Useful Lives</u>	<u>Capitalization Threshold</u>
Buildings 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

**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.

**Property Taxes**

The City of La Mirada has no City levied property taxes. The property taxes received are those levied by the County of Los Angeles for the City's share of maintenance and operations of the Southeast Park and Recreation District. 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 receives a share of this basic levy proportionate to what it received in the 1976 to 1978 period.

**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. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted amounts to be used first, then unrestricted. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the order as follows: nonspendable, restricted and then unassigned.

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.

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

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 governing board of the Commission.

Assigned - include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

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

**II. STEWARDSHIP**

**Note 2: Stewardship, Compliance and Accountability**

**a. Budgets and Budgetary Accounting**

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.
5. 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 was created during the year as a result of the dissolution of the Redevelopment Agency, therefore no budgetary statement is presented.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 2: Stewardship, Compliance and Accountability (Continued)**

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

- General Fund intergovernmental revenue and transfers out increased \$2,341,967 and \$2,271,967, respectively for capital improvement projects funded with grant funding.
- Net increase of \$600,000 in the Capital Improvement Fund was due to additional funding for City's capital projects.
- Gas Tax Fund transfers out increased by \$1,000,000 for additional capital projects.

**b. Fund Balance Deficit**

The following funds had a deficit fund balance at June 30, 2012:

Fund	Amount
Grant Fund	\$ (295,975)

The deficit in the Grant Fund is due to the City not receiving grant monies by June 30, 2012. The grant monies are expected to be received during fiscal year 2012-2013.

**III. DETAILED NOTES ON ALL FUNDS**

**Note 3: Cash and Investments**

Cash and Investments

As of June 30, 2012, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 38,547,654
Fiduciary funds	17,558,618
Total Cash and Investments	\$ 56,106,272

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, 2012, the carrying amount of the City's deposits was \$9,088,940 and the bank balance was \$11,697,537. The \$2,608,597 difference represents outstanding checks and other reconciling items.

**Note 3: Cash and Investments (Continued)**

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.

A provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides temporary unlimited deposit insurance coverage for noninterest-bearing transaction account at all FDIC-insured institutions. This provision was effective from December 31, 2010 and will remain effective until December 31, 2012. Noninterest-bearing transaction accounts is defined as an account (1) with respect to which interest is neither accrued nor paid; (2) on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and (3) on which the FDIC-insured depository institutions does not reserve the right to require advance notice of an intended withdrawal. As of June 30, 2012, the City maintains cash deposits that are temporary covered by this provision.

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

**Note 3: Cash and Investments (Continued)**

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 rating services at time of purchase. As of June 30, 2012, the City's investment in medium term notes were rated "A2" or higher by Moody's. As of June 30, 2012, 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.

On Aug. 5, 2011, Standard & Poor's Ratings Services lowered its long-term sovereign credit rating on the United States of America to AA+ from AAA. As a result, on Aug. 8, 2011, Standard & Poor's Ratings Services lowered its issuer credit ratings and related issue ratings on various Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac to AA+ from AAA. In addition, the ratings on 126 Federal Deposit Insurance Corp.-guaranteed debt issues from 30 financial institutions under the Temporary Liquidity Guarantee Program (TLGP), and four National Credit Union Association-guaranteed debt issues from two corporate credit unions under the Temporary Corporate Credit Union Guarantee Program (TCCUGP) have also been downgraded to AA+ from AAA. The City also invests in LAIF which invests in various underlying securities, including the federal agency securities listed above. While LAIF is not rated, the federal agency securities are, and these have been affected by this rating change as well.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 3: Cash and Investments (Continued)**

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, 2012, 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, 2012, 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, 2012, no single issuer investment consisted more than 5% 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.

As of June 30, 2012, 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	More Than 5 years	
Local Agency Investment Fund	N/R	\$ 15,246,443	\$ -	\$ -	\$ -	\$ -	\$ 15,246,443
Money Market	AAA/Aaa	565,245	-	-	-	-	565,245
Medium Term Notes	AAA - A-/Aaa - A2	-	101,328	6,362,966	320,084	-	6,784,378
US Treasury Notes	N/R	3,004,630	866,931	704,112	1,355,207	-	5,930,880
Federal National Mortgage Assoc.	AA+/Aaa	50,428	451,254	1,043,196	2,212,450	-	3,757,328
Federal Home Loan Mortgage Corp.	AA+/Aaa	280,029	-	1,134,745	2,031,316	-	3,446,090
Federal Home Loan Bank	AA+/Aaa	398,866	673,148	1,785,569	644,771	-	3,502,354
Federal Farm Credit Banks	AA+/Aaa	566,239	-	771,815	1,135,572	-	2,473,626
Tennessee Valley Authority	AAA/Aaa	-	494,268	513,740	-	-	1,008,008
Investments with Fiscal Agent:							
Money Market	N/R	1,684,435	-	-	-	-	1,684,435
Investment Agreements	N/R	-	-	-	-	2,618,545	2,618,545
		<u>\$ 21,796,315</u>	<u>\$ 2,586,929</u>	<u>\$ 12,316,143</u>	<u>\$ 7,699,400</u>	<u>\$ 2,618,545</u>	<u>\$ 47,017,332</u>

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 4: Capital Assets:**

Changes in Capital Assets

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 4,540,989	\$ -	\$ -	\$ -	\$ 4,540,989
Construction-in-progress	6,607,441	6,910,783	24,439	(1,476,703)	12,017,082
Total Capital Assets, Not Being Depreciated	11,148,430	6,910,783	24,439	(1,476,703)	16,558,071
Capital assets, being depreciated:					
Land Improvements	12,089,163	-	-	-	12,089,163
Buildings and Structures	70,648,399	-	-	-	70,648,399
Machinery and Equipment	5,544,859	72,906	170,897	190,206	5,637,074
Automotive Equipment	3,171,278	24,086	480,890	-	2,714,474
Infrastructure	17,799,890	1,180,774	-	1,286,497	20,267,161
Intangible assets	-	2,247,967	-	-	2,247,967
Total Capital Assets, Being Depreciated	109,253,589	3,525,733	651,787	1,476,703	113,604,238
Less accumulated depreciation:					
Land Improvements	2,864,269	317,486	-	-	3,181,755
Buildings and Structures	11,455,597	1,412,088	-	-	12,867,685
Machinery and Equipment	3,999,799	329,334	170,897	-	4,158,236
Automotive Equipment	2,447,190	217,744	480,890	-	2,184,044
Infrastructure	8,902,025	575,290	-	-	9,477,315
Intangible assets	-	153,134	-	-	153,134
Total Accumulated Depreciation	29,668,880	3,005,076	651,787	-	32,022,169
Total Capital Assets, Being Depreciated, Net	79,584,709	520,657	-	1,476,703	81,582,069
Governmental Activities Capital Assets, Net	\$ 90,733,139	\$ 7,431,440	\$ 24,439	\$ -	\$ 98,140,140

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

Governmental Activities:	
General Government	\$ 346,869
Community Development	198,211
Public Safety	817,619
Public Works	871,648
Leisure and Culture	396,421
Internal Service Funds	374,308
	<u>\$ 3,005,076</u>

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 5: Notes and Loans Receivables**

As of June 30, 2012, loans receivable consisted of the following:

Low and Moderate Housing:	
Rehabilitation Loans:	
HIP Loans	\$ 4,178,188
DPAP Loans	106,530
Promissory Loans:	
Grayville Limited Partnership Loan	1,152,007
Condominium Loans	1,432,566
Nonmajor Governmental Funds:	
Housing and Community Development	
HIP Loans	<u>1,069,097</u>
	<u>\$ 7,938,388</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 and low-interest deferred loans of up to \$30,000 at 3% annual simple interest. 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 \$5,247,285 were outstanding as of June 30, 2012.

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 \$106,530 were outstanding as of June 30, 2012.

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, 2012, including accrued interest of \$304,943, is \$1,152,007.

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, 2012

**Note 6: Advances to Successor Agency of Former RDA**

The advances to the Successor Agency of the former Redevelopment Agency (RDA) consist of \$30,924,435 loans made to the former RDA to assist in various Redevelopment projects and a \$5,835,713 advance for the SERAF payment.

On October 9, 2012, the Department of Finance did not qualify the advance of \$30,924,435 as an enforceable obligation. Health and Safety Code (HSC) section 34177 (d) (2) states that agreements, contracts, or arrangements between the City that created the Redevelopment Agency and the former Redevelopment Agency are not enforceable, unless issued within two years of the Agency's creation date or for issuance of indebtedness to third-party investors or bondholders. The Agency was established in 1974 and the reimbursement agreement was entered into in 2011, therefore, it is not considered an enforceable obligation. The Successor Agency is in the process of having the advance approved as an enforceable obligation.

**Note 7: Interfund Receivables, Payables, and Transfers**

**a. Due To/From Other Funds**

<u>Receivable Funds</u>	<u>Payable Funds</u>	
General Fund	Capital Improvement	\$ 33,380
	Non-major governmental	<u>553,625</u>
		<u>587,005</u>
Capital Improvement	General Fund	67,980
	Non-major governmental	<u>184,431</u>
		<u>252,411</u>
Non-major governmental	Non-major governmental	<u>132,992</u>
Internal Service	General Fund	148,614
	Non-major governmental	<u>3,370</u>
		<u>151,984</u>
	Total Due To/From Other Funds	<u>\$ 1,124,392</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, 2012

Note 7: Interfund Receivables, Payables, and Transfers (Continued)

b. Transfers In/Out

	Transfers Out					Totals
	General	RDA Capital Project	RDA Debt Service	Nonmajor Governmental	Internal Service	
Transfers In:						
General Fund	\$ -	\$ -	\$ -	\$ 1,494,203	\$ -	\$ 1,494,203
Capital Improvement	4,544,970	1,472,897	-	3,602,314	600,000	10,220,181
RDA Capital Projects	-	-	358,578	-	-	358,578
RDA Debt Service	-	1,386,302	-	-	-	1,386,302
Nonmajor Governmental	946,691	-	-	833,637	-	1,780,328
Internal Service	1,000,000	-	-	-	-	1,000,000
Totals	<u>\$ 6,491,661</u>	<u>\$ 2,859,199</u>	<u>\$ 358,578</u>	<u>\$ 5,930,154</u>	<u>\$ 600,000</u>	<u>\$ 16,239,592</u>

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

Interfund transfers from the Redevelopment Agency Capital Projects Fund and the Redevelopment Agency Debt Service Fund were for debt service payments and for administrative costs.

Non-major governmental interfund transfers primarily were used to fund capital improvement projects, capital asset purchases, and operations.

Note 8: Long-Term Debt

a. Governmental Activities:

The following is a summary of the changes in the governmental funds long-term debt except for advances, for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Deletions	Transfers to Successor Agency **	Balance June 30, 2012	Due Within One Year
Governmental Activities:						
Tax Allocation Bonds	\$ 76,175,971	\$ 293,221	* \$ 2,380,000	\$ 74,089,192	\$ -	\$ -
Lease Revenue Bonds	13,145,000	-	435,000	-	12,710,000	455,000
Loan Payable	4,936,151	201,559	-	5,137,710	-	-
Pollution Remediation Obligation	-	463,846	119,063	344,783	-	-
Lease Payable	22,470	11,659	15,080	-	19,049	11,919
Claims and Judgments	587,834	953,227	953,229	-	587,832	146,958
Compensated Absences	559,618	93,728	35,747	-	617,599	30,900
Total	<u>\$ 95,427,044</u>	<u>\$ 2,017,240</u>	<u>\$ 3,938,119</u>	<u>\$ 79,571,685</u>	13,934,480	<u>\$ 644,777</u>
Plus:						
Bond premium					41,805	
					<u>\$ 13,976,285</u>	

\* Additions of \$293,221 relate to Tax Allocation Bonds accretion of interest.

\*\* As a result of the dissolution of the Redevelopment Agency, indebtedness of the former Redevelopment Agency was transferred to the Successor Agency. See Note 18 for disclosure for indebtedness.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

Note 8: 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.

\$12,710,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2012, including interest, are as follows:

	<u>2006 Lease Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2012-2013	\$ 455,000	\$ 543,071
2013-2014	470,000	524,871
2014-2015	490,000	506,071
2015-2016	510,000	486,471
2016-2017	530,000	466,071
2017-2022	2,995,000	1,991,816
2022-2027	3,680,000	1,302,264
2027-2032	3,580,000	411,750
Totals	<u>\$ 12,710,000</u>	<u>\$ 6,232,385</u>

Lease Payable

On October 18, 2007, the City entered into a non-interest bearing five-year lease with Danka Financial Services for a copy machine for \$25,440. The General Fund services the lease obligation. At June 30, 2012, the outstanding balance on the lease was \$2,437.

On March 20, 2009, the City entered into a non-interest bearing five-year lease with Danka Financial Services for a copy machine for \$16,189. The General Fund services the lease obligation. At June 30, 2012, the outstanding balance on the lease was \$1,696.

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, 2012, the outstanding balance on the lease was \$4,876.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

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**Note 8: Long-Term Debt (Continued)**

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, 2012, the outstanding balance on the lease was \$10,040.

\$19,049

At June 30, 2012, the annual requirements to repay the outstanding indebtedness were as follows:

Year Ending June 30,	Total
2013	\$ 11,919
2014	4,863
2015	<u>2,267</u>
Total payments	19,049
Less amounts representing interest	<u>-</u>
Outstanding principal	<u>\$ 19,049</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.

\$587,832

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.

\$617,599

Moody's Investors Services Bond Rating Change

On March 9, 2012, Moody's Investors Services downgraded the underlying rating on the 2006 Lease Revenue Bonds from A1 to Aa3, and assigned a negative outlook.

IV. OTHER INFORMATION

Note 9: 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.

Funding Policy

Participants are required to contribute 7% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 10.929% 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.

Required Contribution

For the year ended June 30, 2012, the City's contribution of \$963,614 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service and (c) 3.00% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.00%. 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 three-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 remaining amortization period at June 30, 2012, was 15 years.

Three-Year Trend Information for PERS		
Fiscal Year	Required Contribution	Percentage Contributed
6/30/2010	\$ 954,893	100%
6/30/2011	920,446	100%
6/30/2012	963,614	100%

**Note 9: Pension Plan (Continued)**

For fiscal year 2011-2012, the City of La Mirada participated in risk pooling. 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. Mandated participation in risk pools was initially based on the active membership of each rate plan as of June 30, 2003. The implementation of risk pools was done in a way that minimizes the impact on employer contribution rates. The first year in risk pools, the employer contribution rates are almost identical to what the rates would have been outside pools. Future rates will be based on the experience of each pool. Pooling will reduce the volatility of future employer rates. Mandated participation will occur on an annual basis. If on any valuation date starting with the June 30, 2003, valuation, a rate plan has less than 100 active members, it will be mandated in one of the risk pools effective on that valuation date.

**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, 2012, the City's payroll covered by the plan was \$2,780,826. The City made employer contributions of \$70,426 (2.5% of current covered payroll), and employees contributed \$139,041 (5% of current covered payroll).

**c. Public Agency Retirement System (PARS)**

Retirement Enhancement Plan

Effective February 2001, the City of La Mirada entered into a multi-employer agreement with a Public Agency Retirement System (PARS) program. The City participates in CalPERS' 2% at 55 retirement plan for miscellaneous employees.

PARS provides an offset to CalPERS' benefit for a maximum of 3% retirement. Upon retirement at age 55, for employees hired before July 1, 2011, the plan provides the employees with 1% times their years of service 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.

The City's contract includes contributions based on a 20-year funding horizon at a rate of 4.12%. To advance fund this program, in February 2001 the City transferred \$1,000,000 as an initial investment contribution. In February 2006, the City transferred \$2,007,500 to fund the unfunded portion as of the July 2004, actuarial valuation.

**Note 9: Pension Plan (Continued)**

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. In fiscal year 2001-2002, the City contributed \$550,000 that was invested in a PARS pool in accordance with the City's agreement. The City's share of the fair value balance at June 30, 2012, is \$101,070.

**Note 10: 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 123 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 (formerly called the primary deposit) 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 10: Liability, Workers' Compensation, and Purchased Insurance (Continued)**

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. 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. On a cumulative basis for all 2011-12 reinsurance contracts, the annual aggregate deductible is \$5.5 million. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

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

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$35 million per occurrence. This \$35 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$20 million in excess insurance. The excess insurance layer has a \$20 million annual aggregate.

Changes in the aggregate liabilities for general liability for the years ended June 30, 2011 and June 30, 2012, are as follows:

Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
June 30, 2011	\$ 389,341	\$ 147,812	\$ (369,625)	\$ 167,528
June 30, 2012	167,528	189,172	(26,299)	330,401

**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.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 10: Liability, Workers' Compensation, and Purchased Insurance (Continued)**

Changes in the aggregate liabilities for workers' compensation liability for the years ended June 30, 2011 and June 30, 2012, are as follows:

Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
June 30, 2011	\$ 139,621	\$ 1,050,118	\$ (769,433)	\$ 420,306
June 30, 2012	420,306	764,055	(926,930)	257,431

**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. The 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. The City of La Mirada property currently has all-risk property insurance protection in the amount of \$87,208,333. 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. The City of La Mirada property currently has earthquake protection in the amount of \$12,869,452. 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.

**Note 10: Liability, Workers' Compensation, and Purchased Insurance (Continued)**

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 2011-12.

**Note 11: Transportation Development Act**

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

**Note 12: 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](http://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 \$626,185 was made during the 2011-2012 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:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 12: Post Employment Benefits (Continued)**

Annual required contribution (ARC)	\$ 106,785
Interest on net OPEB obligation (asset)	(784,806)
Adjustment to ARC	<u>666,276</u>
Annual OPEB Cost	(11,745)
Contributions made	<u>106,785</u>
(Decrease) increase in Net OPEB obligation	(118,530)
Net OPEB obligation (asset) June 30, 2011	<u>(10,126,533)</u>
Net OPEB obligation (asset) June 30, 2012	<u><u>\$ (10,245,063)</u></u>

The contribution rate of 7.75% is based on the ARC of \$106,785, 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.

**Annual OPEB Costs and Net OPEB Obligation (Asset)**

For the fiscal year 2011-2012, the City's annual OPEB cost (expense) was (\$11,745). The Net OPEB Obligation 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)
6/30/2010	\$ 841,867	\$ 380,914	45%	\$ (9,997,063)
6/30/2011	(26,046)	103,424	-397%	(10,126,533)
6/30/2012	(11,745)	106,785	-909%	(10,245,063)

**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 7/1/2008, 7/1/2010, and 7/1/2011. The 7/1/2011 actuarial valuation study will be applied to determine the annual OPEB expense for fiscal years ending June 30, 2013 and June 30, 2014.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 12: Post Employment Benefits (Continued)**

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	7/1/2008	\$ -	\$ 9,319,335	0.0%	\$ 5,723,597	163%	7.50%	3.25%
Actual	7/1/2010	13,437,218	(4,165,024)	131.0%	5,516,635	-75%	7.75%	3.25%
Actual	7/1/2011	16,768,096	(3,626,290)	127.6%	5,109,690	-71%	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, 2010, actuarial valuation, the Entry Age normal cost method was used. The actuarial assumptions include a 7.75% 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, and annual healthcare cost trend rate of 8.5% beginning January 1, 2011 and reduced by decrements to an ultimate rate of 4.5% after six years. 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, 2012, was twenty-seven years. As of the actuarial date, the City had 88 active participants and 44 retirees.

The July 1, 2011, actuarial valuation, the Entry Age normal cost method was used. The actuarial assumptions include a 7.50% investment rate of return using a margin for adverse deviation of .11%. This new rate reflects the long-term yield of the City's selected asset allocation strategy as permitted by the CERBT program and will be used for the OPEB expense for fiscal years 2013 and 2014.

**Note 13: Non-City Obligation Debt**

The City of La Mirada issued \$4,100,000 of Single Family Mortgage Revenue Bonds on April 10, 1990. These bonds, due April 1, 2024, are not included in the accompanying financial statements as neither the faith and credit nor the taxing power of the City of La Mirada has been pledged to the payment of these obligations. At June 30, 2012, the balance was paid in full.

**Note 14: Fund Equity and Net Asset Restatements**

During the current fiscal year, beginning fund balances were restated in the General Fund by \$(299,195) and in the Air Quality Management Distribution Fund by \$299,195 for prior year Air Quality Management Distribution revenue incorrectly posted in the General Fund.

Beginning fund balance was also restated in the Transit Fund by \$(740,044) to transfer prior year Measure R revenue into a separate Measure R special revenue fund.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 15: Litigation**

In 2006, the City of La Mirada lost an appeal with the City of Carson regarding the sharing of sales tax revenues. The City of La Mirada Redevelopment Agency is to remit to the City of Carson 50% of the sales tax generated by Corporate Express for a period of 10 years up through and including fiscal year 2012/2013. In March 2010, the Redevelopment Agency stopped making payments as a result of a change in ownership with Corporate Express and the matter is now in litigation.

**Note 16: Construction Commitments**

The following material construction commitments existed at June 30, 2012:

<u>Project Name</u>	<u>Contract Amount</u>	<u>Expenditures to date as of June 30, 2012</u>	<u>Remaining Commitments</u>
Foster Park Phase II	\$ 5,072,862	\$ 4,853,387	\$ 219,475

**Note 17: California Redevelopment Agency Dissolution**

On July 18, 2011, the California Redevelopment Association ("CRA") and the League of California Cities ("League") filed a petition for writ of mandate with the California Supreme Court, requesting the Court to declare unconstitutional two bills that were passed as part of the 2011-12 State Budget, AB 1X 26 and 27 (*California Redevelopment Association v. Matosantos*). AB 1X 26 dissolves redevelopment agencies effective October 1, 2011. AB 1X 27 gave redevelopment agencies an option to avoid dissolution if it commits to making defined payments for the benefit of the State, school districts and certain special districts. In 2011-12, these payments amounted to a state-wide total of \$1.7 billion. In 2012-13 and subsequent years, the payments totaled \$400 million, annually. Each city or county's share of these payments was determined based on its proportionate share of state-wide tax increment.

On August 17, 2011 the Supreme Court issued a stay of the implementation of AB 1X 26 and 27 which allowed a redevelopment agency to continue if it adopted an AB 1X 27 ordinance. However, because of the effect of the stay order, the authority for the Redevelopment Agency to engage in most activities was suspended.

The Supreme Court heard oral arguments on November 10, 2011 and on December 29, 2011 announced its decision in *California Redevelopment Association v. Matosantos*. The court upheld AB 1X 26 which dissolves redevelopment agencies, but invalidated in its entirety AB 1X 27 which allowed redevelopment agencies to continue as long as they made the required payments. AB 1X 26 established deadlines for the process of Redevelopment Agency dissolution and the handling of existing obligations. The full text of AB 1X 26 may be obtained from the California legislative information website maintained by the Legislative Counsel of the State of California at: <http://www.leginfo.ca.gov/bilinfo.html>.

As of January 31, 2012 the Redevelopment Agency has been dissolved and the City of La Mirada has elected to become the Successor Agency. The Successor Agency will be responsible for winding down the remaining activities of the dissolved Redevelopment Agency.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency**

On December 29, 2011, 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, 2011, 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).

In future fiscal years, 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.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

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.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary loss recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in the governmental funds - increase to net assets of the Successory Agency Trust Fund	\$ (20,907,341)
Long-term debt, deferred charges, and unamortized items reported in the government-wide financial statements - decrease to net assets of the Successor Agency Trust Fund	<u>(76,567,483)</u>
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	<u><u>\$ (97,474,824)</u></u>

**a. Cash and investments**

As of June 30, 2012, cash and investments were reported in the accompanying financial statements as follows:

Cash and investments	\$ 14,280,213
Cash and investments with fiscal agent	<u>3,278,405</u>
Total Cash and Investments	<u><u>\$ 17,558,618</u></u>

Deposits

At June 30, 2012, the carrying amount of the Successor Agency's deposits was \$6,557,454 and the bank balance was \$6,565,334. The \$7,880 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

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.

A provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides temporary unlimited deposit insurance coverage for noninterest-bearing transaction account at all FDIC-insured institutions. This provision was effective from December 31, 2010 and will remain effective until December 31, 2012. Noninterest-bearing transaction accounts is defined as an account (1) with respect to which interest is neither accrued nor paid; (2) on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and (3) on which the FDIC-insured depository institutions does not reserve the right to require advance notice of an intended withdrawal. As of June 30, 2012, the Successor Agency maintains cash deposits that are temporary covered by this provision.

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
- 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.

**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

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, 2012, the Successor Agency's investment in medium term notes were rated "A2" or higher by Moody's. As of June 30, 2012, 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.

On Aug. 5, 2011, Standard & Poor's Ratings Services lowered its long-term sovereign credit rating on the United States of America to AA+ from AAA. As a result, on Aug. 8, 2011, Standard & Poor's Ratings Services lowered its issuer credit ratings and related issue ratings on various Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac to AA+ from AAA. In addition, the ratings on 126 Federal Deposit Insurance Corp.-guaranteed debt issues from 30 financial institutions under the Temporary Liquidity Guarantee Program (TLGP), and four National Credit Union Association-guaranteed debt issues from two corporate credit unions under the Temporary Corporate Credit Union Guarantee Program (TCCUGP) have also been downgraded to AA+ from AAA. The Successor Agency also invests in LAIF which invests in various underlying securities, including the federal agency securities listed above. While LAIF is not rated, the federal agency securities are, and these have been affected by this rating change as well.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

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, 2012, none of the Successor Agency's deposits or investments was 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, 2012, 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, 2012, 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, 2012, 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	\$ 305	\$ -	\$ -	\$ -	\$ -	\$ 305
Money Market	AAA/Aaa	546,379	-	-	-	-	546,379
Medium Term Notes	AAA - A-/Aaa - A2	-	101,328	1,580,204	-	-	1,681,532
US Treasury Notes	N/R	1,558,204	348,267	279,142	155,941	-	2,341,554
Federal National Mortgage Assoc.	AA+/Aaa	50,428	451,254	448,651	-	-	950,333
Federal Home Loan Mortgage Corp.	AA+/Aaa	101,829	-	619,331	-	-	721,160
Federal Home Loan Bank	AA+/Aaa	216,029	311,168	304,273	-	-	831,470
Federal Farm Credit Banks	AA+/Aaa	206,760	-	-	150,807	-	357,567
Tennessee Valley Authority	AAA/Aaa	-	145,679	146,783	-	-	292,462
Investments with Fiscal Agent:							
Money Market	N/R	1,659,728	-	-	-	-	1,659,728
Investment Agreements	N/R	-	-	-	-	1,618,674	1,618,674
		<u>\$ 4,339,662</u>	<u>\$ 1,357,696</u>	<u>\$ 3,378,384</u>	<u>\$ 306,748</u>	<u>\$ 1,618,674</u>	<u>\$ 11,001,164</u>

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

b. Long-Term Debt

The following debt was transferred from the Redevelopment Agency to the Successor Agency as of February 1, 2012 as a result of the dissolution.

	Outstanding July 1, 2011	Transfers from City	Additions	Deletions	Outstanding June 30, 2012	Due Within One Year
<b>Fiduciary Activities</b>						
Successor Agency of the Former RDA						
Advances from the City	\$ -	\$ 36,760,148	\$ -	\$ -	\$ 36,760,148	\$ -
Tax Allocation Bonds						
2001 Bonds	-	11,495,000	-	-	11,495,000	745,000
2002 Bonds	-	1,050,000	-	-	1,050,000	240,000
2003 Series A	-	3,170,000	-	-	3,170,000	185,000
2003 Series B	-	11,275,000	-	-	11,275,000	605,000
2004 Series A	-	12,865,000	-	-	12,865,000	210,000
2005 Series A	-	5,490,000	-	-	5,490,000	170,000
2006 Series A	-	9,609,007	-	-	9,609,007	-
Accretion of 2006 Bond Series A	-	2,805,185	226,154 *	-	3,031,339	-
2010 Refunding Series A	-	9,330,000	-	-	9,330,000	420,000
2010 Taxable Housing, Series B	-	7,000,000	-	-	7,000,000	-
Loan Payable	-	5,137,710	143,971	-	5,281,681	-
Pollution Remediation Obligation	-	344,783	-	29,964	314,819	-
<b>Totals</b>	<b>\$ -</b>	<b>\$ 116,331,833</b>	<b>\$ 370,125</b>	<b>\$ 29,964</b>	<b>116,671,994</b>	<b>\$ 2,575,000</b>
			Less: Bond premium		61,956	
			Bond discount		(231,132)	
			Deferral on refunding		(922,400)	
					<u>\$ 115,580,418</u>	

\* Additions of \$226,154 relates to Tax Allocation Bonds accretion of interest.

Advances from the City

The advances from the City consist of \$30,924,435 loans made to the former RDA to assist in various Redevelopment projects and a \$5,835,713 advance for the SERAF payment.

On October 9, 2012, the Department of Finance did not qualify the advances of \$30,924,435 as an enforceable obligation. Health and Safety Code (HSC) section 34177 (d) (2) states that agreements, contracts, or arrangements between the City that created the Redevelopment Agency and the former Redevelopment Agency are not enforceable, unless issued within two years of the Agency's creation date or for issuance of indebtedness to third-party investors or bondholders. The Agency was established in 1974 and the reimbursement agreement was entered into in 2011, therefore, it is not considered an enforceable obligation. The Successor Agency is in the process of having the advance approved as an enforceable obligation.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

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 \$109,649,220 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 \$9,351,239 and the debt service obligation on the bonds was \$5,548,635.

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, 2012, the total principal and interest requirements for the bonds is \$15,307,268 (\$11,495,000 principal, \$3,812,268 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.

\$11,495,000

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2012, including interest, are as follows:

	2001 Tax Allocation Refunding Bonds, Series A	
	Principal	Interest
2012-2013	\$ 745,000	\$ 563,775
2013-2014	785,000	525,525
2014-2015	825,000	485,275
2015-2016	855,000	443,275
2016-2017	895,000	399,525
2017-2022	5,460,000	1,245,084
2022-2027	1,930,000	149,809
Totals	<u>\$ 11,495,000</u>	<u>\$ 3,812,268</u>

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

Auth/Issued	Description	Principal	Date	Rate
\$ 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, 2012, the total principal and interest requirement for the bonds is \$1,171,800 (\$1,050,000 principal, \$121,800 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.

\$1,050,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2012, including interest, are as follows:

	2002 Tax Allocation Refunding Bonds	
	Principal	Interest
2012-2013	\$ 240,000	\$ 52,080
2013-2014	255,000	38,220
2014-2015	270,000	23,520
2015-2016	285,000	7,980
Totals	<u>\$ 1,050,000</u>	<u>\$ 121,800</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%

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, 2012, the total principal and interest requirement for the bonds is \$4,237,045 (\$3,170,000 principal, \$1,067,045 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.

\$3,170,000

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2012, including interest, are as follows:

	2003 Housing Tax Allocation Bonds, Series A	
	Principal	Interest
2012-2013	\$ 185,000	\$ 140,170
2013-2014	195,000	132,570
2014-2015	205,000	124,570
2015-2016	210,000	116,060
2016-2017	220,000	107,030
2017-2022	1,255,000	377,645
2022-2027	900,000	69,000
Totals	<u>\$ 3,170,000</u>	<u>\$ 1,067,045</u>

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

Auth/Issued	Description	Principal	Date	Rate
\$ 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%

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, 2012, the total principal and interest requirement for the bonds is \$16,331,022 (\$11,275,000 principal, \$5,056,022 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.

\$11,275,000

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2012, including interest, are as follows:

	2003 Housing Tax Allocation Bonds, Series B	
	Principal	Interest
2012-2013	\$ 605,000	\$ 660,863
2013-2014	635,000	628,623
2014-2015	670,000	592,348
2015-2016	710,000	551,638
2016-2017	750,000	508,568
2017-2022	4,495,000	1,787,432
2022-2027	3,410,000	326,550
Totals	<u>\$ 11,275,000</u>	<u>\$ 5,056,022</u>

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

Auth/Issued	Description	Principal	Date	Rate
\$ 13,350,000	Serial	\$ 115,000 /	2008	3.75%
		1,630,000	2024	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, 2012, the total principal and interest requirement for the bonds is \$17,679,879 (\$12,865,000 principal, \$4,814,879 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.

\$12,865,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2012, including interest, are as follows:

	2004 Tax Allocation Bonds, Series A	
	Principal	Interest
2012-2013	\$ 210,000	\$ 549,713
2013-2014	340,000	539,400
2014-2015	360,000	526,275
2015-2016	280,000	514,275
2016-2017	530,000	498,823
2017-2022	6,470,000	1,857,104
2022-2027	4,675,000	329,289
Totals	<u>\$ 12,865,000</u>	<u>\$ 4,814,879</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

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

<u>Auth/Issued</u>	<u>Description</u>	<u>Principal</u>	<u>Date</u>	<u>Rate</u>
\$ 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, 2012, the total principal and interest requirement for the bonds is \$7,659,171 (\$5,490,000 principal, \$2,169,171 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.

\$5,490,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2012, including interest, are as follows:

	2005 Tax Allocation Refunding Bonds, Series A	
	<u>Principal</u>	<u>Interest</u>
2012-2013	\$ 170,000	\$ 226,895
2013-2014	180,000	220,770
2014-2015	185,000	214,267
2015-2016	195,000	207,258
2016-2017	195,000	199,823
2017-2022	1,120,000	870,117
2022-2027	3,445,000	230,041
Totals	<u>\$ 5,490,000</u>	<u>\$ 2,169,171</u>

**\$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 Serial Bonds	1,766,067	4,230,000	2028	4.60%

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 \$19,790,000 (\$12,640,346 principal, \$7,149,654 interest), payable semiannually through August 2028.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

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, 2011, the accreted amount of interest for the bond was \$542,769. The reserves are fully funded. The outstanding balance at June 30, 2012, is \$12,640,346, which includes initial bond and the accreted value of \$9,609,007 and \$3,031,339, respectively.

\$12,640,346

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2012, including interest, are as follows:

	2006 Tax Allocation Bonds, Series A	
	Principal	Interest
2012-2013	\$ -	\$ -
2013-2014	851,241	38,759
2014-2015	812,743	72,257
2015-2016	841,324	113,676
2016-2017	842,621	157,379
2017-2022	2,312,809	797,191
2022-2027	5,600,606	4,549,394
2027-2032	1,379,002	1,420,998
Totals	<u>\$ 12,640,346</u>	<u>\$ 7,149,654</u>

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

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

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, 2012, the total principal and interest requirement for the bonds is \$13,083,485, (\$9,330,000 principal, \$3,753,485 interest).

\$9,330,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2012, including interest, are as follows:

	2010 RDA Tax Allocation Refunding Bonds, Series A	
	Principal	Interest
2012-2013	\$ 420,000	\$ 375,506
2013-2014	435,000	362,681
2014-2015	445,000	348,369
2015-2016	465,000	332,444
2016-2017	480,000	315,906
2017-2022	2,675,000	1,293,316
2022-2027	3,265,000	676,638
2027-2032	1,145,000	48,625
Totals	<u>\$ 9,330,000</u>	<u>\$ 3,753,485</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, 2012, the total principal and interest requirement for the bonds is \$14,389,550, (\$7,000,000 principal, \$7,389,550 interest).

\$7,000,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2012, including interest, are as follows

	2010 RDA Taxable Housing T/A Bonds, Series B	
	Principal	Interest
2012-2013	\$ -	\$ 490,000
2013-2014	-	490,000
2014-2015	-	490,000
2015-2016	-	490,000
2016-2017	-	490,000
2017-2022	-	2,450,000
2022-2027	3,445,000	2,212,875
2027-2032	3,555,000	276,675
Totals	<u>\$ 7,000,000</u>	<u>\$ 7,389,550</u>

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

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 \$201,559. The Agency's share of tax increment revenue was \$22,731,384 as of June 30, 2012. 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, 2012, was:

\$5,281,681

Pollution Remediation Obligation:

On February 8, 2011, the Redevelopment Agency entered into a Disposition and Development Agreement for the development of the Alondra Center North Site. The Alondra Center North Side includes ten parcels currently owned by the Agency and one currently owned by BP West Coast Products LLC.

Due to historical uses of the site including retail gasoline sales, car wash, automotive repair activities, printing operation, chemical use and possible release at the nail parlor, former dry cleaning operation, instrument repair operations, and evidence of past release documented at the site, a comprehensive soil survey was performed and soil contamination was found. A feasibility study determined that the most practical method for meeting the remedial action objectives was excavation of impacted soil followed by recycling/disposal of soil offsite. This remedial action is expected to reduce contaminant to acceptable residential cleanup levels within a reasonable time. Once remediation is complete, all parcels will be conveyed for the development of single family homes. As part of this process, BP West Coast Products LLC has agreed to sell its parcel to the Agency for the appraised value less the cost associated with the remediation.

The Agency has worked proactively with the California Department of Toxic Substance Control to remediate the site. In December 2011, a remediation plan was approved and the cost of corrective actions was estimated at \$463,846. As of June 30, 2012, the remaining cost to complete the clean-up is estimated at \$314,819.

Moody's Investors Services Bond Rating Change

On December 19, 2011, Moody's Investors Services downgraded the rating on bonds noted below from Baa1 to Baa2, with a negative outlook:

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

**Note 18: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

Standard and Poor's Bond Rating Change

On November 30, 2011, Standard & Poor's downgraded the rating on bonds noted below from AA+ to AA-:

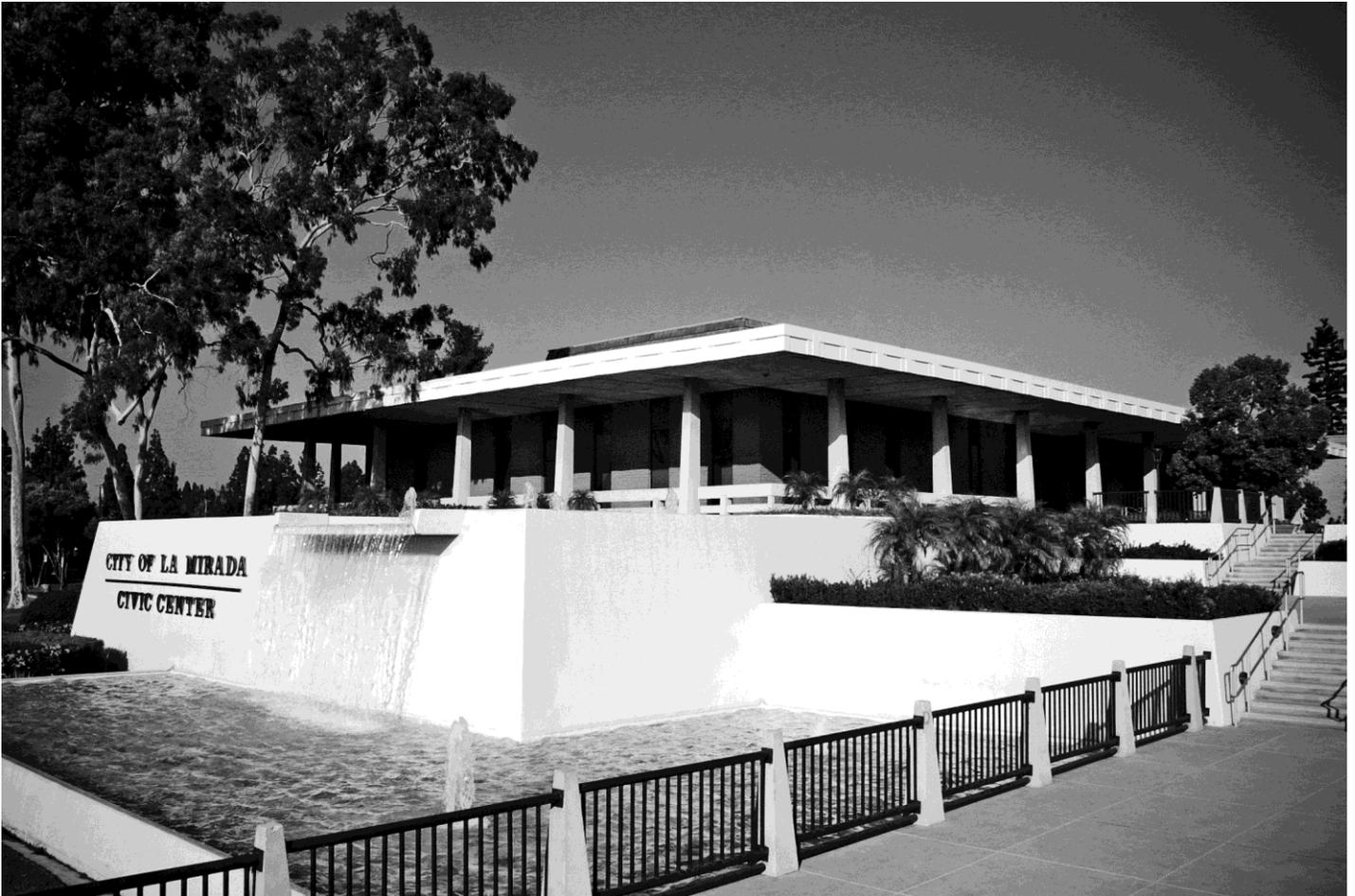
- 2001 Series A Tax Allocation Refunding Bonds
- 2004 Series A Tax Allocation Bonds
- 2005 Series A Tax Allocation Refunding Bonds
- 2010 Series A Tax Allocation Refunding Bonds
- 2010 Series B Tax Allocation Refunding Bonds

**c. Subsequent Events**

Assembly Bill 1484 Due Diligence Review

Assembly Bill 1484 established a requirement for the successor agency to remit to the County auditor-controller three payments as determined by the auditor-controller which consist of a payment to be made in July 2012 for taxing entities' share of December 2011 property tax distribution to redevelopment agency/successor agency, a payment to be made in November 2012 related to Low-Moderate Income Housing Fund Due Diligence Review for unencumbered cash, and a payment to be made in April 2013 related to the other Redevelopment Funds Due Diligence Review for unencumbered cash. As of the date of the report the payment in July 2012 was made in the amount of \$64,200, the Low-Moderate Income Housing Due Diligence Review currently resulted in no amount due to the County of which has not been confirmed by the Department of Finance, and the other Redevelopment Funds Due Diligence Review is currently in progress and has not been determined.





## **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. In fiscal year 2010-2011, a new Gas Tax Section 2103 was introduced to fully replace 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.

Park Grant 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.

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.

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 State of California as a result of the California Oil Recycling Enhancement Act. Revenue is generated from a \$.04 charge on every quart of motor oil sold and is awarded to programs that increase used oil recycling activity.

The Beverage Container Recycling Grant Fund was established to account for grants awarded by the County of Los Angeles 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.

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.

#### **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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

	Special Revenue Funds			
	Gas Tax	Local Transportation	Transit	Proposition A
<b>Assets:</b>				
Pooled cash and investments	\$ 1,173,822	\$ -	\$ 113,458	\$ 491,611
Receivables:				
Taxes	142,735	-	-	-
Notes and loans	-	-	-	-
Accrued interest	4,761	-	460	1,994
Prepaid costs	-	-	36,679	-
Due from other governments	-	24,105	400,198	-
Due from other funds	-	-	132,992	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 1,321,318</u></b>	<b><u>\$ 24,105</u></b>	<b><u>\$ 683,787</u></b>	<b><u>\$ 493,605</u></b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 129,061	\$ -
Accrued liabilities	-	-	5,156	-
Deferred revenues	-	-	49,733	-
Unearned revenues	-	-	-	-
Due to other funds	167,703	24,105	44,922	132,992
<b>Total Liabilities</b>	<b><u>167,703</u></b>	<b><u>24,105</u></b>	<b><u>228,872</u></b>	<b><u>132,992</u></b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	36,679	-
<b>Restricted for:</b>				
Public safety	-	-	-	-
Leisure and cultural	-	-	418,236	360,613
Public works	1,153,615	-	-	-
Debt service	-	-	-	-
<b>Unassigned</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Fund Balances</b>	<b><u>1,153,615</u></b>	<b><u>-</u></b>	<b><u>454,915</u></b>	<b><u>360,613</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 1,321,318</u></b>	<b><u>\$ 24,105</u></b>	<b><u>\$ 683,787</u></b>	<b><u>\$ 493,605</u></b>

CITY OF LA MIRADA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

(Continued)

	Special Revenue Funds			
	Proposition C	Park Grants	Housing and Community Development	Air Quality Management Distribution
<b>Assets:</b>				
Pooled cash and investments	\$ 1,868,003	\$ -	\$ -	\$ 351,119
Receivables:				
Taxes	-	-	-	-
Notes and loans	-	-	1,069,097	-
Accrued interest	7,577	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	148,727	15,066
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,875,580</b>	<b>\$ -</b>	<b>\$ 1,217,824</b>	<b>\$ 366,185</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 57,026	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	1,069,097	-
Unearned revenues	-	-	-	-
Due to other funds	102,647	-	91,701	-
<b>Total Liabilities</b>	<b>102,647</b>	<b>-</b>	<b>1,217,824</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	-
<b>Restricted for:</b>				
Public safety	-	-	-	-
Leisure and cultural	-	-	-	-
Public works	1,772,933	-	-	366,185
Debt service	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>1,772,933</b>	<b>-</b>	<b>-</b>	<b>366,185</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,875,580</b>	<b>\$ -</b>	<b>\$ 1,217,824</b>	<b>\$ 366,185</b>

CITY OF LA MIRADA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

	Special Revenue Funds			
	Used Oil Recycling Grant	Beverage Container Recycling	Federal Grants	State Public Safety Grant
<b>Assets:</b>				
Pooled cash and investments	\$ 18,069	\$ 127,707	\$ 15,793	\$ 94,185
Receivables:				
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	8,880	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 18,069</b>	<b>\$ 127,707</b>	<b>\$ 24,673</b>	<b>\$ 94,185</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 4,120	\$ -	\$ 1,578	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	127,707	14,215	-
Due to other funds	-	-	8,880	5,492
<b>Total Liabilities</b>	<b>4,120</b>	<b>127,707</b>	<b>24,673</b>	<b>5,492</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	-
<b>Restricted for:</b>				
Public safety	-	-	-	88,693
Leisure and cultural	-	-	-	-
Public works	13,949	-	-	-
Debt service	-	-	-	-
<b>Unassigned</b>	-	-	-	-
<b>Total Fund Balances</b>	<b>13,949</b>	<b>-</b>	<b>-</b>	<b>88,693</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 18,069</b>	<b>\$ 127,707</b>	<b>\$ 24,673</b>	<b>\$ 94,185</b>

CITY OF LA MIRADA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

	Special Revenue Funds		Debt Service Fund	Total Governmental Funds
	Grant Fund	Measure R	Debt Service Fund	
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ 1,242,315	\$ 51,878	\$ 5,547,960
Receivables:				
Taxes	-	-	-	142,735
Notes and loans	-	-	-	1,069,097
Accrued interest	-	5,039	-	19,831
Prepaid costs	-	-	-	36,679
Due from other governments	295,976	-	-	892,952
Due from other funds	-	-	-	132,992
Restricted assets:				
Cash and investments with fiscal agents	-	-	1,024,575	1,024,575
<b>Total Assets</b>	<b>\$ 295,976</b>	<b>\$ 1,247,354</b>	<b>\$ 1,076,453</b>	<b>\$ 8,866,821</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 191,785
Accrued liabilities	-	-	-	5,156
Deferred revenues	295,975	-	-	1,414,805
Unearned revenues	-	-	-	141,922
Due to other funds	295,976	-	-	874,418
<b>Total Liabilities</b>	<b>591,951</b>	<b>-</b>	<b>-</b>	<b>2,628,086</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	36,679
<b>Restricted for:</b>				
Public safety	-	-	-	88,693
Leisure and cultural	-	-	-	778,849
Public works	-	1,247,354	-	4,554,036
Debt service	-	-	1,076,453	1,076,453
<b>Unassigned</b>	<b>(295,975)</b>	<b>-</b>	<b>-</b>	<b>(295,975)</b>
<b>Total Fund Balances</b>	<b>(295,975)</b>	<b>1,247,354</b>	<b>1,076,453</b>	<b>6,238,735</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 295,976</b>	<b>\$ 1,247,354</b>	<b>\$ 1,076,453</b>	<b>\$ 8,866,821</b>

CITY OF LA MIRADA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	<u>Special Revenue Funds</u>			
	<u>Gas Tax</u>	<u>Local Transportation</u>	<u>Transit</u>	<u>Proposition A</u>
<b>Revenues:</b>				
Taxes	\$ 1,399,128	\$ -	\$ -	\$ 730,867
Intergovernmental	-	24,105	419,331	-
Charges for services	-	-	30,576	-
Use of money and property	92,146	-	22,369	26,098
Miscellaneous	-	-	14,959	-
<b>Total Revenues</b>	<b><u>1,491,274</u></b>	<b><u>24,105</u></b>	<b><u>487,235</u></b>	<b><u>756,965</u></b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Leisure and cultural	-	-	1,105,245	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,105,245</u></b>	<b><u>-</u></b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,491,274</u>	<u>24,105</u>	<u>(618,010)</u>	<u>756,965</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	833,637	-
Transfers out	<u>(2,213,664)</u>	<u>(24,105)</u>	<u>(545,769)</u>	<u>(833,637)</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>(2,213,664)</u></b>	<b><u>(24,105)</u></b>	<b><u>287,868</u></b>	<b><u>(833,637)</u></b>
Net Change in Fund Balances	<u>\$ (722,390)</u>	<u>\$ -</u>	<u>\$ (330,142)</u>	<u>\$ (76,672)</u>
<b>Fund Balances:</b>				
Beginning of year, as previously reported	\$ 1,876,005	\$ -	\$ 1,525,101	\$ 437,285
Restatements	<u>-</u>	<u>-</u>	<u>(740,044)</u>	<u>-</u>
Beginning of year, as restated	1,876,005	-	785,057	437,285
Net change in fund balances	<u>(722,390)</u>	<u>-</u>	<u>(330,142)</u>	<u>(76,672)</u>
<b>End of Year</b>	<b><u>\$ 1,153,615</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 454,915</u></b>	<b><u>\$ 360,613</u></b>

CITY OF LA MIRADA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

(Continued)

	Special Revenue Funds			
	Proposition C	Park Grants	Housing and Community Development	Air Quality Management Distribution
<b>Revenues:</b>				
Taxes	\$ 607,230	\$ -	\$ -	\$ -
Intergovernmental	-	33,900	952,310	61,034
Charges for services	-	-	850	-
Use of money and property	131,792	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>739,022</b>	<b>33,900</b>	<b>953,160</b>	<b>61,034</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Community development	-	-	130,303	-
Leisure and cultural	-	-	35,284	-
Public works	-	-	-	45,609
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>165,587</b>	<b>45,609</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	739,022	33,900	787,573	15,425
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	739	-
Transfers out	(1,377,351)	(33,900)	(788,321)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,377,351)</b>	<b>(33,900)</b>	<b>(787,582)</b>	<b>-</b>
Net Change in Fund Balances	\$ (638,329)	\$ -	\$ (9)	\$ 15,425
<b>Fund Balances:</b>				
Beginning of year, as previously reported	\$ 2,411,262	\$ -	\$ 9	\$ 51,565
Restatements	-	-	-	299,195
Beginning of year, as restated	2,411,262	-	9	350,760
Net change in fund balances	(638,329)	-	(9)	15,425
<b>End of Year</b>	<b>\$ 1,772,933</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 366,185</b>

CITY OF LA MIRADA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	Special Revenue Funds			
	Used Oil Recycling Grant	Beverage Container Recycling	Federal Grants	State Public Safety Grant
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	15,774	120	43,088	100,000
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>15,774</b>	<b>120</b>	<b>43,088</b>	<b>100,000</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	34,930	-
Community development	-	-	-	-
Leisure and cultural	-	-	-	-
Public works	13,053	120	8,880	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>13,053</b>	<b>120</b>	<b>43,810</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,721	-	(722)	100,000
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	722	-
Transfers out	-	-	-	(113,407)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>722</b>	<b>(113,407)</b>
Net Change in Fund Balances	\$ 2,721	\$ -	\$ -	\$ (13,407)
<b>Fund Balances:</b>				
Beginning of year, as previously reported	\$ 11,228	\$ -	\$ -	\$ 102,100
Restatements	-	-	-	-
Beginning of year, as restated	11,228	-	-	102,100
Net change in fund balances	2,721	-	-	(13,407)
<b>End of Year</b>	<b>\$ 13,949</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,693</b>

CITY OF LA MIRADA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	Special Revenue Funds		Debt Service Funds	Total Governmental Funds
	Grant Fund	Measure R	Debt Service Fund	
<b>Revenues:</b>				
Taxes	\$ -	\$ 451,735	\$ -	\$ 3,188,960
Intergovernmental	532,506	-	-	2,182,168
Charges for services	-	-	-	31,426
Use of money and property	-	55,575	138	328,118
Miscellaneous	-	-	-	14,959
<b>Total Revenues</b>	<b>532,506</b>	<b>507,310</b>	<b>138</b>	<b>5,745,631</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	34,930
Community development	-	-	-	130,303
Leisure and cultural	-	-	-	1,140,529
Public works	-	-	-	67,662
Debt service:				
Principal retirement	-	-	435,000	435,000
Interest and fiscal charges	-	-	510,230	510,230
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>945,230</b>	<b>2,318,654</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	532,506	507,310	(945,092)	3,426,977
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	945,230	1,780,328
Transfers out	-	-	-	(5,930,154)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>945,230</b>	<b>(4,149,826)</b>
Net Change in Fund Balances	\$ 532,506	\$ 507,310	\$ 138	\$ (722,849)
<b>Fund Balances:</b>				
Beginning of year, as previously reported	\$ (828,481)	\$ -	\$ 1,076,315	\$ 6,662,389
Restatements	-	740,044	-	299,195
Beginning of year, as restated	(828,481)	740,044	1,076,315	6,961,584
Net change in fund balances	532,506	507,310	138	(722,849)
<b>End of Year</b>	<b>\$ (295,975)</b>	<b>\$ 1,247,354</b>	<b>\$ 1,076,453</b>	<b>\$ 6,238,735</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
GAS TAX  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,876,005	\$ 1,876,005	\$ 1,876,005	\$ -
<b>Resources (Inflows):</b>				
Taxes	1,298,500	1,298,500	1,399,128	100,628
Use of money and property	10,000	10,000	92,146	82,146
<b>Amounts Available for Appropriation</b>	<b>3,184,505</b>	<b>3,184,505</b>	<b>3,367,279</b>	<b>182,774</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	1,298,500	2,298,500	2,213,664	84,836
<b>Total Charges to Appropriation</b>	<b>1,298,500</b>	<b>2,298,500</b>	<b>2,213,664</b>	<b>84,836</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,886,005</b>	<b>\$ 886,005</b>	<b>\$ 1,153,615</b>	<b>\$ 267,610</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
LOCAL TRANSPORTATION  
YEAR ENDED JUNE 30, 2012**

	<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	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	24,105	24,105	24,105	-
<b>Amounts Available for Appropriation</b>	<b>24,105</b>	<b>24,105</b>	<b>24,105</b>	<b>-</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	24,105	24,105	24,105	-
<b>Total Charges to Appropriation</b>	<b>24,105</b>	<b>24,105</b>	<b>24,105</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE  
 TRANSIT  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 785,057	\$ 785,057	\$ 785,057	\$ -
<b>Resources (Inflows):</b>				
Taxes	428,266	-	-	-
Intergovernmental	253,292	253,292	419,331	166,039
Charges for services	33,000	33,000	30,576	(2,424)
Use of money and property	40,000	28,320	22,369	(5,951)
Miscellaneous	-	-	14,959	14,959
Transfers in	908,622	908,622	833,637	(74,985)
<b>Amounts Available for Appropriation</b>	<b>2,448,237</b>	<b>2,008,291</b>	<b>2,105,929</b>	<b>97,638</b>
<b>Charges to Appropriation (Outflow):</b>				
Leisure and cultural	1,158,527	1,158,527	1,105,245	53,282
Transfers out	-	465,478	545,769	(80,291)
<b>Total Charges to Appropriation</b>	<b>1,158,527</b>	<b>1,624,005</b>	<b>1,651,014</b>	<b>(27,009)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,289,710</b>	<b>\$ 384,286</b>	<b>\$ 454,915</b>	<b>\$ 70,629</b>

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION A  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 437,285	\$ 437,285	\$ 437,285	\$ -
<b>Resources (Inflows):</b>				
Taxes	688,408	688,408	730,867	42,459
Use of money and property	20,000	20,000	26,098	6,098
<b>Amounts Available for Appropriation</b>	<b>1,145,693</b>	<b>1,145,693</b>	<b>1,194,250</b>	<b>48,557</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	908,622	908,622	833,637	74,985
<b>Total Charges to Appropriation</b>	<b>908,622</b>	<b>908,622</b>	<b>833,637</b>	<b>74,985</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 237,071</b>	<b>\$ 237,071</b>	<b>\$ 360,613</b>	<b>\$ 123,542</b>

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION C  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,411,262	\$ 2,411,262	\$ 2,411,262	\$ -
<b>Resources (Inflows):</b>				
Taxes	571,016	571,016	607,230	36,214
Use of money and property	40,000	40,000	131,792	91,792
<b>Amounts Available for Appropriation</b>	<b>3,022,278</b>	<b>3,022,278</b>	<b>3,150,284</b>	<b>128,006</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	1,200,000	2,785,577	1,377,351	1,408,226
<b>Total Charges to Appropriation</b>	<b>1,200,000</b>	<b>2,785,577</b>	<b>1,377,351</b>	<b>1,408,226</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,822,278</b>	<b>\$ 236,701</b>	<b>\$ 1,772,933</b>	<b>\$ 1,536,232</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
PARK GRANTS  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	38,000	38,000	33,900	(4,100)
<b>Amounts Available for Appropriation</b>	<b>38,000</b>	<b>38,000</b>	<b>33,900</b>	<b>(4,100)</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	38,000	38,000	33,900	4,100
<b>Total Charges to Appropriation</b>	<b>38,000</b>	<b>38,000</b>	<b>33,900</b>	<b>4,100</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
HOUSING AND COMMUNITY DEVELOPMENT  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 9	\$ 9	\$ 9	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	774,775	774,775	952,310	177,535
Charges for services	-	-	850	850
Transfers in	-	-	739	739
<b>Amounts Available for Appropriation</b>	<b>774,784</b>	<b>774,784</b>	<b>953,908</b>	<b>179,124</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	159,771	159,771	130,303	29,468
Leisure and cultural	47,279	47,279	35,284	11,995
Transfers out	567,725	567,725	788,321	(220,596)
<b>Total Charges to Appropriation</b>	<b>774,775</b>	<b>774,775</b>	<b>953,908</b>	<b>(179,133)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 9</b>	<b>\$ 9</b>	<b>\$ -</b>	<b>\$ (9)</b>

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE  
 AIR QUALITY MANAGEMENT DISTRIBUTION  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 350,760	\$ 350,760	\$ 350,760	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	60,000	60,000	61,034	1,034
<b>Amounts Available for Appropriation</b>	<b>410,760</b>	<b>410,760</b>	<b>411,794</b>	<b>1,034</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	55,600	55,600	45,609	9,991
<b>Total Charges to Appropriation</b>	<b>55,600</b>	<b>55,600</b>	<b>45,609</b>	<b>9,991</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 355,160</b>	<b>\$ 355,160</b>	<b>\$ 366,185</b>	<b>\$ 11,025</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
USED OIL RECYCLING GRANT  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 11,228	\$ 11,228	\$ 11,228	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	-	15,774	15,774
<b>Amounts Available for Appropriation</b>	<b>11,228</b>	<b>11,228</b>	<b>27,002</b>	<b>15,774</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	16,000	16,000	13,053	2,947
<b>Total Charges to Appropriation</b>	<b>16,000</b>	<b>16,000</b>	<b>13,053</b>	<b>2,947</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (4,772)</b>	<b>\$ (4,772)</b>	<b>\$ 13,949</b>	<b>\$ 18,721</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
BEVERAGE CONTAINER RECYCLING  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	-	120	120
<b>Amounts Available for Appropriation</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>120</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	3,000	3,000	120	2,880
Transfers out	75,000	75,000	-	75,000
<b>Total Charges to Appropriation</b>	<b>78,000</b>	<b>78,000</b>	<b>120</b>	<b>77,880</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (78,000)</b>	<b>\$ (78,000)</b>	<b>\$ -</b>	<b>\$ 78,000</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
FEDERAL GRANTS  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	30,000	30,000	43,088	13,088
Transfers in	-	-	722	722
<b>Amounts Available for Appropriation</b>	<b>30,000</b>	<b>30,000</b>	<b>43,810</b>	<b>13,810</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	30,000	30,000	34,930	(4,930)
Public works	-	-	8,880	(8,880)
<b>Total Charges to Appropriation</b>	<b>30,000</b>	<b>30,000</b>	<b>43,810</b>	<b>(13,810)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
STATE PUBLIC SAFETY GRANT  
YEAR ENDED JUNE 30, 2012**

	<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	\$ 102,100	\$ 102,100	\$ 102,100	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	100,000	100,000	-
<b>Amounts Available for Appropriation</b>	<b>102,100</b>	<b>202,100</b>	<b>202,100</b>	<b>-</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	-	100,000	113,407	(13,407)
<b>Total Charges to Appropriation</b>	<b>-</b>	<b>100,000</b>	<b>113,407</b>	<b>(13,407)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 102,100</b>	<b>\$ 102,100</b>	<b>\$ 88,693</b>	<b>\$ (13,407)</b>

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE  
 GRANT FUND  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (828,481)	\$ (828,481)	\$ (828,481)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,250,000	1,250,000	532,506	(717,494)
<b>Amounts Available for Appropriation</b>	<b>421,519</b>	<b>421,519</b>	<b>(295,975)</b>	<b>(717,494)</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	1,250,000	1,250,000	-	1,250,000
<b>Total Charges to Appropriation</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>-</b>	<b>1,250,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (828,481)</b>	<b>\$ (828,481)</b>	<b>\$ (295,975)</b>	<b>\$ 532,506</b>

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE  
 MEASURE R  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 740,044	\$ 740,044	\$ 740,044	\$ -
<b>Resources (Inflows):</b>				
Taxes	-	428,266	451,735	23,469
Use of money and property	-	11,680	55,575	43,895
<b>Amounts Available for Appropriation</b>	<b>740,044</b>	<b>1,179,990</b>	<b>1,247,354</b>	<b>67,364</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 740,044</b>	<b>\$ 1,179,990</b>	<b>\$ 1,247,354</b>	<b>\$ 67,364</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
CAPITAL IMPROVEMENT  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	-	-	-
Use of money and property	-	-	32,464	32,464
Contributions	-	-	177	177
Transfers in	14,682,350	20,605,372	10,220,181	(10,385,191)
Other financing sources 2	-	-	2,450,210	2,450,210
<b>Amounts Available for Appropriation</b>	<b>16,682,350</b>	<b>22,605,372</b>	<b>14,703,032</b>	<b>(7,902,340)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	2,320,000	3,320,000	1,348,188	1,971,812
Capital outlay	11,831,000	16,154,022	10,222,380	5,931,642
<b>Total Charges to Appropriation</b>	<b>14,151,000</b>	<b>19,474,022</b>	<b>11,570,568</b>	<b>7,903,454</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,531,350</b>	<b>\$ 3,131,350</b>	<b>\$ 3,132,464</b>	<b>\$ 1,114</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECT - REDEVELOPMENT AGENCY  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 36,905,720	\$ 36,905,720	\$ 36,905,720	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	213,500	213,500	92,540	(120,960)
Miscellaneous	-	-	5,000	5,000
Transfers in	3,658,590	3,658,590	358,578	(3,300,012)
<b>Amounts Available for Appropriation</b>	<b>40,777,810</b>	<b>40,777,810</b>	<b>37,361,838</b>	<b>(3,415,972)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	9,869,276	9,869,276	624,347	9,244,929
Community development	25,000	25,000	2,396	22,604
Transfers out	11,284,013	11,284,013	2,859,199	8,424,814
Extraordinary loss on dissolution of redevelopment agency	-	-	33,875,896	(33,875,896)
<b>Total Charges to Appropriations</b>	<b>21,178,289</b>	<b>21,178,289</b>	<b>37,361,838</b>	<b>(16,183,549)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 19,599,521</b>	<b>\$ 19,599,521</b>	<b>\$ -</b>	<b>\$ (19,599,521)</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,076,315	\$ 1,076,315	\$ 1,076,315	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	138	138
Transfers in	997,271	997,271	945,230	(52,041)
<b>Amounts Available for Appropriation</b>	<b>2,073,586</b>	<b>2,073,586</b>	<b>2,021,683</b>	<b>(51,903)</b>
<b>Charges to Appropriation (Outflow):</b>				
Debt service:				
Principal retirement	420,000	420,000	435,000	(15,000)
Interest and fiscal charges	577,271	577,271	510,230	67,041
<b>Total Charges to Appropriation</b>	<b>997,271</b>	<b>997,271</b>	<b>945,230</b>	<b>52,041</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,076,315</b>	<b>\$ 1,076,315</b>	<b>\$ 1,076,453</b>	<b>\$ 138</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE - REDEVELOPMENT AGENCY  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ (30,077,908)	\$ (30,077,908)	\$ (30,077,908)	\$ -
<b>Resources (Inflows):</b>				
Taxes	10,425,890	10,425,890	4,645,099	(5,780,791)
Use of money and property	105,000	105,000	81,953	(23,047)
Transfers in	5,548,635	5,548,635	1,386,302	(4,162,333)
Notes and loans issued	-	-	201,559	201,559
Extraordinary gain on dissolution of redevelopment agency	-	-	29,496,397	(29,496,397)
<b>Amounts Available for Appropriation</b>	<b>(13,998,383)</b>	<b>(13,998,383)</b>	<b>5,733,402</b>	<b>(39,261,009)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	309,600	309,600	252,020	57,580
Community development	290,700	290,700	106,104	184,596
Debt service:				
Principal retirement	2,653,458	2,653,458	2,380,000	273,458
Interest and fiscal charges	4,818,635	4,818,635	2,636,700	2,181,935
Transfers out	7,123,210	7,123,210	358,578	6,764,632
<b>Total Charges to Appropriation</b>	<b>15,195,603</b>	<b>15,195,603</b>	<b>5,733,402</b>	<b>9,462,201</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (29,193,986)</b>	<b>\$ (29,193,986)</b>	<b>\$ -</b>	<b>\$ (29,798,808)</b>

## **DESCRIPTIONS OF INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods and services provided by one Successor Agency 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 Successor Agency'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 Successor Agency 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 ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2012**

	<u>Employee Benefits</u>	<u>Equipment Replacement</u>	<u>Total</u>
<b>Assets:</b>			
Current:			
Pooled cash and investments	\$ 2,607,360	\$ 4,364,124	\$ 6,971,484
Receivables:			
Accounts	783	-	783
Accrued interest	33,518	-	33,518
Prepaid costs	427,438	-	427,438
Due from other governments	53,121	-	53,121
Due from other funds	151,984	-	151,984
Restricted:			
Cash and investments	101,070	-	101,070
<b>Total Current Assets</b>	<b><u>3,375,274</u></b>	<b><u>4,364,124</u></b>	<b><u>7,739,398</u></b>
Noncurrent:			
Net OPEB asset	10,245,063	-	10,245,063
Capital assets - net of accumulated depreciation	-	1,119,568	1,119,568
<b>Total Noncurrent Assets</b>	<b><u>10,245,063</u></b>	<b><u>1,119,568</u></b>	<b><u>11,364,631</u></b>
<b>Total Assets</b>	<b><u>\$ 13,620,337</u></b>	<b><u>\$ 5,483,692</u></b>	<b><u>\$ 19,104,029</u></b>
<b>Liabilities and Net Assets:</b>			
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 655	\$ 10,991	\$ 11,646
Accrued liabilities	121,683	-	121,683
Deposits payable	9,312	-	9,312
Accrued claims and judgments	64,358	-	64,358
<b>Total Current Liabilities</b>	<b><u>196,008</u></b>	<b><u>10,991</u></b>	<b><u>206,999</u></b>
Noncurrent:			
Accrued claims and judgments	193,073	-	193,073
<b>Total Noncurrent Liabilities</b>	<b><u>193,073</u></b>	<b><u>-</u></b>	<b><u>193,073</u></b>
<b>Total Liabilities</b>	<b><u>389,081</u></b>	<b><u>10,991</u></b>	<b><u>400,072</u></b>
<b>Net Assets:</b>			
Invested in capital assets	-	1,119,568	1,119,568
Unrestricted	13,231,256	4,353,133	17,584,389
<b>Total Net Assets</b>	<b><u>13,231,256</u></b>	<b><u>5,472,701</u></b>	<b><u>18,703,957</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 13,620,337</u></b>	<b><u>\$ 5,483,692</u></b>	<b><u>\$ 19,104,029</u></b>

## CITY OF LA MIRADA

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2012**

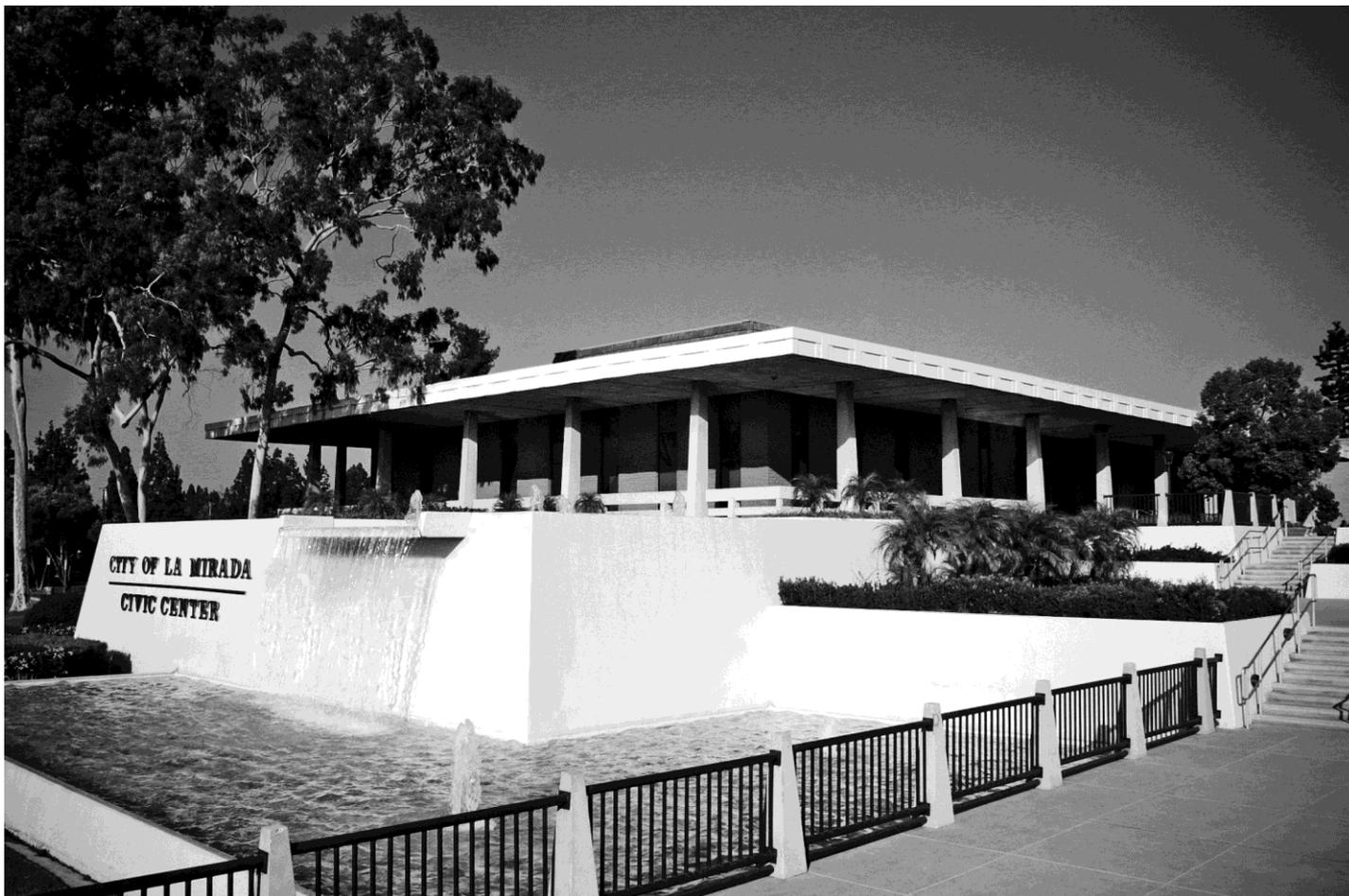
	<u>Employee Benefits</u>	<u>Equipment Replacement</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Sales and service charges	\$ 3,805,449	\$ 427,539	\$ 4,232,988
<b>Total Operating Revenues</b>	<b><u>3,805,449</u></b>	<b><u>427,539</u></b>	<b><u>4,232,988</u></b>
<b>Operating Expenses:</b>			
Administration and general	3,689,290	13,923	3,703,213
Depreciation expense	-	374,308	374,308
<b>Total Operating Expenses</b>	<b><u>3,689,290</u></b>	<b><u>388,231</u></b>	<b><u>4,077,521</u></b>
Operating Income (Loss)	<u>116,159</u>	<u>39,308</u>	<u>155,467</u>
<b>Nonoperating Revenues (Expenses):</b>			
Interest revenue	<u>(631,714)</u>	<u>-</u>	<u>(631,714)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>(631,714)</u></b>	<b><u>-</u></b>	<b><u>(631,714)</u></b>
Income (Loss) Before Transfers	<u>(515,555)</u>	<u>39,308</u>	<u>(476,247)</u>
Transfers in	1,000,000	-	1,000,000
Transfers out	<u>-</u>	<u>(600,000)</u>	<u>(600,000)</u>
Changes in Net Assets	<u>484,445</u>	<u>(560,692)</u>	<u>(76,247)</u>
<b>Net Assets:</b>			
Beginning of Year	<u>12,746,811</u>	<u>6,033,393</u>	<u>18,780,204</u>
<b>End of Fiscal Year</b>	<b><u>\$ 13,231,256</u></b>	<b><u>\$ 5,472,701</u></b>	<b><u>\$ 18,703,957</u></b>

## CITY OF LA MIRADA

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2012**

	<u>Employee Benefits</u>	<u>Equipment Replacement</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 3,751,878	\$ 427,539	\$ 4,179,417
Cash paid to suppliers for goods and services	(26,521)	(2,932)	(29,453)
Cash paid to employees for services	(3,958,988)	-	(3,958,988)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(233,631)</b>	<b>424,607</b>	<b>190,976</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers out	-	(600,000)	(600,000)
Cash transfers in	1,000,000	-	1,000,000
Cash paid due to/from other funds	(31,748)	-	(31,748)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>968,252</b>	<b>(600,000)</b>	<b>368,252</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Purchases of capital assets	-	(200,212)	(200,212)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(200,212)</b>	<b>(200,212)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	(612,257)	-	(612,257)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(612,257)</b>	<b>-</b>	<b>(612,257)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>122,364</b>	<b>(375,605)</b>	<b>(253,241)</b>
Cash and Cash Equivalents at Beginning of Year	2,586,066	4,739,729	7,325,795
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,708,430</b>	<b>\$ 4,364,124</b>	<b>\$ 7,072,554</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 116,159	\$ 39,308	\$ 155,467
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	-	374,308	374,308
(Increase) decrease in accounts receivable	(450)	-	(450)
(Increase) decrease in due from other governments	(53,121)	-	(53,121)
(Increase) decrease in prepaid expense	13,779	-	13,779
(Increase) decrease in Net OPEB asset	(118,530)	-	(118,530)
Increase (decrease) in accounts payable	(2,323)	10,991	8,668
Increase (decrease) in accrued liabilities	11,707	-	11,707
Increase (decrease) in deposits payable	(37,977)	-	(37,977)
Increase (decrease) in claims and judgments	(162,875)	-	(162,875)
<b>Total Adjustments</b>	<b>(349,790)</b>	<b>385,299</b>	<b>35,509</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (233,631)</b>	<b>\$ 424,607</b>	<b>\$ 190,976</b>

There were no noncash investing, capital or financing activities.



**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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>101</b>
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>112</b>
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	
<b>Debt Capacity</b>	<b>116</b>
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.	
<b>Demographic and Economic Information</b>	<b>120</b>
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.	
<b>Operating Information</b>	<b>124</b>
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 Assets by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	<b>Fiscal Year</b>				
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Governmental activities					
Invested in capital assets, net of related debt	\$ 32,503,235	\$ 33,012,749	\$ 33,475,908	\$ 34,949,246	\$ 49,272,086
Restricted	10,658,603	16,235,658	12,954,982	12,809,199	38,208,320
Unrestricted	(10,218,206)	(11,464,035)	161,606	1,943,794	(27,613,557)
Total governmental activities net assets	<u>\$ 32,943,632</u>	<u>\$ 37,784,372</u>	<u>\$ 46,592,496</u>	<u>\$ 49,702,239</u>	<u>\$ 59,866,849</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 3,604,808	\$ 3,245,889	\$ 3,148,280	\$ 4,065,029	\$ 4,150,147
Unrestricted	1,368,897	1,745,566	1,818,538	1,592,794	1,581,092
Total business-type activities net assets	<u>\$ 4,973,705</u>	<u>\$ 4,991,455</u>	<u>\$ 4,966,818</u>	<u>\$ 5,657,823</u>	<u>\$ 5,731,239</u>
Total primary government net assets	<u>\$ 37,917,337</u>	<u>\$ 42,775,827</u>	<u>\$ 51,559,314</u>	<u>\$ 55,360,062</u>	<u>\$ 65,598,088</u>

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

	<b>Fiscal Year</b>				
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Governmental activities					
Invested in capital assets, net of related debt	\$ 70,755,443	\$ 70,256,831	\$ 75,122,496	\$ 78,551,384	\$ 86,393,863
Restricted	34,583,482	36,422,061	54,395,377	44,396,590	31,821,550
Unrestricted	(38,084,224)	(36,134,141)	(52,580,668)	(36,970,120)	78,396,007
Total governmental activities net assets	<u>\$ 67,254,701</u>	<u>\$ 70,544,751</u>	<u>\$ 76,937,205</u>	<u>\$ 85,977,854</u>	<u>\$ 196,611,420</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 3,994,861	\$ 3,843,832	\$ -	\$ -	\$ -
Unrestricted	1,424,157	1,062,568	-	-	-
Total business-type activities net assets	<u>\$ 5,419,018</u>	<u>\$ 4,906,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government net assets	<u>\$ 72,673,719</u>	<u>\$ 75,451,151</u>	<u>\$ 76,937,205</u>	<u>\$ 85,977,854</u>	<u>\$ 196,611,420</u>

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

	<b>Fiscal Year</b>				
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 9,601,914	\$ 12,023,010	\$ 13,161,324	\$ 8,693,153	\$ 5,976,250
Public safety	6,345,571	6,544,045	7,210,025	7,539,891	7,962,390
Community development	-	-	-	4,223,697	4,419,179
Leisure and cultural	2,452,703	2,580,217	3,275,612	3,593,974	3,776,332
Public works	7,321,530	6,484,084	6,447,965	9,750,907	8,994,633
Interest on long-term debt	4,749,612	5,003,376	4,188,856	5,420,786	6,072,121
Total governmental activities expenses	<u>30,471,330</u>	<u>32,634,732</u>	<u>34,283,782</u>	<u>39,222,408</u>	<u>37,200,905</u>
Business-type activities:					
Theatre	3,230,929	3,229,668	3,567,987	3,970,880	4,036,284
Dial-A-Ride	861,905	-	-	-	-
Total business-type activities expenses	<u>4,092,834</u>	<u>3,229,668</u>	<u>3,567,987</u>	<u>3,970,880</u>	<u>4,036,284</u>
Total Primary Government Expenses	<u>\$ 34,564,164</u>	<u>\$ 35,864,400</u>	<u>\$ 37,851,769</u>	<u>\$ 43,193,288</u>	<u>\$ 41,237,189</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 1,541,498	\$ 1,407,862	\$ 2,043,184	\$ 2,802,458	\$ 2,392,792
Public safety	524,813	530,809	660,536	697,812	695,311
Leisure and cultural	591,349	641,556	704,811	719,883	732,955
Public works	4,475	-	18,047	45,166	55,120
Operating grants and contributions	4,636,288	4,124,377	3,097,553	2,036,939	2,239,570
Capital grants and contributions	165,665	-	22,034	241,465	1,998,127
Total governmental activities program revenues	<u>7,464,088</u>	<u>6,704,604</u>	<u>6,546,165</u>	<u>6,543,723</u>	<u>8,113,875</u>
Business-type activities:					
Charges for services:					
Theatre	3,091,323	2,431,116	3,005,603	2,779,553	3,073,897
Dial-A-Ride	56,353	-	-	-	-
Operating grants and contributions	303,661	-	-	-	-
Capital grants and contributions	119,641	-	39,917	1,053,502	247,323
Total business-type activities program revenues	<u>3,570,978</u>	<u>2,431,116</u>	<u>3,045,520</u>	<u>3,833,055</u>	<u>3,321,220</u>
Total Primary Government Program Revenues	<u>\$ 11,035,066</u>	<u>\$ 9,135,720</u>	<u>\$ 9,591,685</u>	<u>\$ 10,376,778</u>	<u>\$ 11,435,095</u>

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

	<b>Fiscal Year</b>				
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (23,007,242)	\$ (25,930,128)	\$ (27,737,617)	\$ (32,678,685)	\$ (29,087,030)
Business-type activities	(521,856)	(798,552)	(522,467)	(137,825)	(715,064)
Total primary government net expense	<u>\$ (23,529,098)</u>	<u>\$ (26,728,680)</u>	<u>\$ (28,260,084)</u>	<u>\$ (32,816,510)</u>	<u>\$ (29,802,094)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 13,730,228	\$ 14,795,055	\$ 15,195,171	\$ 17,316,768	\$ 18,417,288
Transient occupancy taxes	644,366	700,347	695,922	827,828	907,549
Sales taxes	6,301,232	9,364,042	11,971,161	11,827,615	12,228,463
Franchise taxes	1,304,442	1,299,222	1,387,819	1,371,888	1,446,091
Business licenses taxes	-	294,641	285,561	274,423	310,700
Other taxes	3,046,983	2,477,774	275,131	245,196	248,182
Motor vehicle licenses taxes	-	-	4,276,590	371,161	292,713
Use of money and property	3,715,688	2,268,025	2,806,473	4,054,567	6,053,260
Other	469,977	346,184	538,243	192,925	101,376
Transfers	(418,144)	(774,422)	(425,909)	(793,943)	(745,604)
Total governmental activities	<u>28,794,772</u>	<u>30,770,868</u>	<u>37,006,162</u>	<u>35,688,428</u>	<u>39,260,018</u>
Business-type activities:					
Use of money and property	38,118	41,880	22,374	23,575	29,616
Other	15,928	-	49,547	11,312	13,260
Transfers	418,144	774,422	425,909	793,943	745,604
Total business-type activities	<u>472,190</u>	<u>816,302</u>	<u>497,830</u>	<u>828,830</u>	<u>788,480</u>
Total primary government	<u>\$ 29,266,962</u>	<u>\$ 31,587,170</u>	<u>\$ 37,503,992</u>	<u>\$ 36,517,258</u>	<u>\$ 40,048,498</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ 5,787,530	\$ 4,840,740	\$ 9,268,545	\$ 3,009,743	\$ 10,172,988
Business-type activities	(49,666)	17,750	(24,637)	691,005	73,416
Total primary government	<u>\$ 5,737,864</u>	<u>\$ 4,858,490</u>	<u>\$ 9,243,908</u>	<u>\$ 3,700,748</u>	<u>\$ 10,246,404</u>

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

	<b>Fiscal Year</b>				
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 7,198,083	\$ 6,798,443	\$ 10,264,609	\$ 7,669,085	\$ 5,520,210
Public safety	8,540,381	8,860,511	8,703,105	8,297,156	8,334,949
Community development	4,160,494	3,681,116	2,253,928	1,980,295	1,777,873
Leisure and cultural	5,371,609	7,117,230	10,944,535	10,330,598	11,227,411
Public works	11,183,479	8,364,475	8,139,643	6,886,493	8,371,189
Interest on long-term debt	6,283,570	6,604,442	8,596,585	8,500,077	2,375,254
Total governmental activities expenses	<u>42,737,616</u>	<u>41,426,217</u>	<u>48,902,405</u>	<u>43,663,704</u>	<u>37,606,886</u>
Business-type activities:					
Theatre	4,041,246	4,578,245	-	-	-
Dial-A-Ride	-	-	-	-	-
Total business-type activities expenses	<u>4,041,246</u>	<u>4,578,245</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Expenses	<u>\$ 46,778,862</u>	<u>\$ 46,004,462</u>	<u>\$ 48,902,405</u>	<u>\$ 43,663,704</u>	<u>\$ 37,606,886</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 2,628,062	\$ 1,641,717	\$ 1,230,312	\$ 985,339	\$ 639,799
Public safety	750,230	675,202	600,672	709,304	619,303
Community development	-	21,788	26,055	46,892	695,572
Leisure and cultural	1,323,407	2,621,886	5,731,830	6,081,552	7,512,999
Public works	42,442	-	-	-	-
Operating contributions and grants	2,300,439	1,943,227	3,572,312	3,661,473	2,644,092
Capital contributions and grants	3,152,736	1,223,358	974,126	1,757,133	6,205,538
Total governmental activities program revenues	<u>10,197,316</u>	<u>8,127,178</u>	<u>12,135,307</u>	<u>13,241,693</u>	<u>18,317,303</u>
Business-type activities:					
Charges for services:					
Theatre	2,724,885	3,387,148	-	-	-
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	896	-	-	-
Total business-type activities program revenues	<u>2,724,885</u>	<u>3,388,044</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Program Revenues	<u>\$ 12,922,201</u>	<u>\$ 11,515,222</u>	<u>\$ 12,135,307</u>	<u>\$ 13,241,693</u>	<u>\$ 18,317,303</u>

**Schedule 2**

**City of La Mirada**

**Changes in Net Assets, Last Ten Fiscal Years**

*(accrual basis of accounting)*

	<b>Fiscal Year</b>				
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (32,540,300)	\$ (33,299,039)	\$ (36,767,098)	\$ (30,422,011)	\$ (19,289,583)
Business-type activities	(1,316,361)	(1,190,201)	-	-	-
Total primary government net expense	<u>\$ (33,856,661)</u>	<u>\$ (34,489,240)</u>	<u>\$ (36,767,098)</u>	<u>\$ (30,422,011)</u>	<u>\$ (19,289,583)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 20,268,927	\$ 19,873,296	\$ 19,313,343	\$ 19,148,372	\$ 12,958,009
Transient occupancy taxes	889,777	724,655	803,425	1,024,679	973,207
Sales taxes	11,938,398	10,474,837	9,270,279	10,296,965	11,709,498
Franchise taxes	1,628,317	1,531,991	2,493,098	2,630,099	2,542,800
Business licenses taxes	436,931	357,232	347,448	314,324	303,618
Other taxes	91,891	129,957	437,351	830,124	181,954
Motor vehicle licenses taxes	223,724	171,528	148,048	256,058	25,873
Use of money and property	4,124,483	3,535,373	5,376,050	4,924,485	3,748,366
Other	1,289,394	331,648	64,110	37,554	5,000
Extraordinary gain	-	-	-	-	97,474,824
Transfers	(963,690)	(610,546)	4,906,400	-	-
Total governmental activities	<u>39,928,152</u>	<u>36,519,971</u>	<u>43,159,552</u>	<u>39,462,660</u>	<u>129,923,149</u>
Business-type activities:					
Use of money and property	28,010	54,649	-	-	-
Other	12,440	12,388	-	-	-
Transfers	963,690	610,546	(4,906,400)	-	-
Total business-type activities	<u>1,004,140</u>	<u>677,583</u>	<u>(4,906,400)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 40,932,292</u>	<u>\$ 37,197,554</u>	<u>\$ 38,253,152</u>	<u>\$ 39,462,660</u>	<u>\$ 129,923,149</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ 7,387,852	\$ 3,220,932	\$ 6,392,454	\$ 9,040,649	\$ 110,633,566
Business-type activities	(312,221)	(512,618)	(4,906,400)	-	-
Total primary government	<u>\$ 7,075,631</u>	<u>\$ 2,708,314</u>	<u>\$ 1,486,054</u>	<u>\$ 9,040,649</u>	<u>\$ 110,633,566</u>

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

	<b>FISCAL YEAR</b>				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund					
Reserved	\$ 38,333,677	\$ 39,788,814	\$ 40,944,000	\$ 42,400,183	\$ 37,790,469
Nonspendable	-	-	-	-	-
Unreserved	32,847,073	30,573,683	32,731,457	24,526,361	22,540,484
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 71,180,750</u>	<u>\$ 70,362,497</u>	<u>\$ 73,675,457</u>	<u>\$ 66,926,544</u>	<u>\$ 60,330,953</u>
All Other Governmental Funds					
Reserved	\$ 9,747,751	\$ 19,591,228	\$ 5,186,867	\$ 29,416,991	\$ 19,226,515
Unreserved:					
Unreserved, reported in nonmajor:					
Special revenue funds	2,932,601	2,245,933	3,497,294	3,667,236	3,488,942
Capital projects fund	-	-	-	-	-
Designated for:					
Capital projects	3,776,801	2,741,863	24,458,157	23,814,770	15,492,379
Debt service funds	(33,918,432)	(35,386,633)	(31,189,555)	(30,880,444)	(26,958,177)
Nonspendable	-	-	-	-	-
Restricted for:					
Community development projects	-	-	-	-	-
Public safety	-	-	-	-	-
Leisure and cultural	-	-	-	-	-
Public works	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Unassigned					
Total all other governmental funds	<u>\$ (17,461,279)</u>	<u>\$ (10,807,609)</u>	<u>\$ 1,952,763</u>	<u>\$ 26,018,553</u>	<u>\$ 11,249,659</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)*

	<b>FISCAL YEAR</b>				
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General Fund					
Reserved	\$ 31,461,844	\$ 31,653,456	\$ 31,308,820	\$ -	\$ -
Nonspendable	-	-	-	27,834,161	27,633,979
Unreserved	13,465,055	14,703,205	16,959,343	-	-
Unassigned	-	-	-	20,693,194	24,253,682
<b>Total General Fund</b>	<b>\$ 44,926,899</b>	<b>\$ 46,356,661</b>	<b>\$ 48,268,163</b>	<b>\$ 48,527,355</b>	<b>\$ 51,887,661</b>
All Other Governmental Funds					
Reserved	\$ 21,711,404	\$ 22,030,048	\$ 26,471,271	\$ -	\$ -
Unreserved:					
Unreserved, reported in nonmajor:					
Special revenue funds	4,121,741	5,582,174	5,826,119	-	-
Capital projects fund	-	-	(528,436)	-	-
Designated for:					
Capital projects	8,969,697	8,809,839	12,566,623	-	-
Debt service funds	(23,553,181)	(23,446,075)	(28,655,632)	-	-
Nonspendable	-	-	-	25,946,094	53,485,934
Restricted for:					
Community development projects	-	-	-	9	-
Public safety	-	-	-	102,100	88,693
Leisure and cultural	-	-	-	1,918,490	778,849
Public works	-	-	-	4,350,060	4,554,036
Capital projects	-	-	-	11,531,958	-
Debt service	-	-	-	1,076,315	1,076,453
Unassigned				(29,434,825)	26,561,735
<b>Total all other governmental funds</b>	<b>\$ 11,249,661</b>	<b>\$ 12,975,986</b>	<b>\$ 15,679,945</b>	<b>\$ 15,490,201</b>	<b>\$ 86,545,700</b>

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			
	2003	2004	2005	2006
<b>Revenues</b>				
Taxes	\$ 23,331,923	\$ 27,538,556	\$ 28,876,518	\$ 31,022,918
Licenses and permits	553,055	517,384	569,158	767,620
Fines and penalties	482,836	485,111	634,956	588,411
Charges for services	1,398,739	1,174,775	776,427	1,701,986
Intergovernmental	5,467,980	4,309,430	7,062,158	2,825,423
Use of money and property	3,768,045	2,211,147	2,459,256	4,233,210
Contributions	-	-	22,034	16,420
Miscellaneous	1,522,794	1,314,952	1,534,980	618,414
Total revenues	36,525,372	37,551,355	41,935,487	41,774,402
<b>Expenditures</b>				
General government	8,909,392	11,325,534	10,058,044	6,196,575
Public safety	6,357,083	6,595,608	6,876,269	7,197,416
Community Development	-	-	-	4,223,696
Public works	5,309,661	5,510,882	5,474,571	6,037,000
Leisure and cultural	2,403,883	2,695,842	3,129,594	3,432,809
Capital Outlay	2,824,573	1,730,488	2,303,304	5,712,731
Debt service				
Interest and fiscal charges	4,771,942	4,360,438	5,646,357	5,025,628
Principal retirement	1,460,000	1,495,000	2,100,721	1,850,250
Pass-thru agreement payments	-	-	3,098,653	876,466
Debt issuance costs	-	730,336	-	889,799
Payment to refunded bond escrow agent	-	2,303,776	150,973	-
Total expenditures	32,036,534	36,747,904	38,838,486	41,442,370
Excess of revenues over (under) expenditures	4,488,838	803,451	3,097,001	332,032
<b>Other Financing Sources (Uses)</b>				
Long-term debt issued	179,031	102,546	390,071	25,100,959
Premium on long-term debt issued	-	-	-	55,990
Discount on long-term debt issued	-	-	-	-
Capital leases	-	-	-	-
Notes and loans issued	-	-	-	-
Contributions from other governments	-	-	-	-
Refunding bonds issued	-	19,920,000	19,860,000	-
Payments to escrow agent	-	(12,410,656)	(6,366,517)	-
Transfers in	9,878,344	13,745,016	8,881,509	10,602,605
Transfers out	(10,296,488)	(16,324,940)	(9,328,312)	(19,267,688)
Total other financing sources (uses)	(239,113)	5,031,966	13,436,751	16,491,866
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-
Net change in fund balances	\$ 4,249,725	\$ 5,835,417	\$ 16,533,752	\$ 16,823,898
Debt service as a percentage of noncapital expenditures	20.2%	24.9%	29.5%	22.1%

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

	Fiscal Year			
	2007	2008	2009	2010
<b>Revenues</b>				
Taxes	\$ 33,537,901	\$ 35,727,260	\$ 33,950,858	\$ 32,972,100
Licenses and permits	456,641	488,475	526,139	654,882
Fines and penalties	579,120	641,787	594,846	555,850
Charges for services	1,883,198	2,517,099	3,029,409	6,058,797
Intergovernmental	3,938,191	3,599,273	3,000,593	4,085,201
Use of money and property	6,197,660	3,708,600	3,474,698	5,393,378
Contributions	728,566	3,234,384	99,925	39,722
Miscellaneous	397,439	1,160,003	232,082	27,602
<b>Total revenues</b>	<b>47,718,716</b>	<b>51,076,881</b>	<b>44,908,550</b>	<b>49,787,532</b>
<b>Expenditures</b>				
General government	5,934,656	6,733,138	5,790,740	10,215,234
Public safety	7,606,031	7,992,255	8,133,571	7,950,681
Community Development	4,335,330	4,031,523	3,504,888	2,058,652
Public works	6,427,913	6,554,912	7,704,992	7,487,466
Leisure and cultural	3,608,633	5,113,667	6,764,774	10,416,447
Capital Outlay	32,562,849	27,004,236	1,344,826	2,212,063
Debt service				
Interest and fiscal charges	5,447,911	6,122,852	5,981,076	8,576,531
Principal retirement	2,498,319	2,562,473	2,782,588	2,897,149
Pass-thru agreement payments	-	-	-	-
Debt issuance costs	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
<b>Total expenditures</b>	<b>68,421,642</b>	<b>66,115,056</b>	<b>42,007,455</b>	<b>51,814,223</b>
Excess of revenues over (under) expenditures	(20,702,926)	(15,038,175)	2,901,095	(2,026,691)
<b>Other Financing Sources (Uses)</b>				
Long-term debt issued	241,870	708,462	276,917	17,750,357
Premium on long-term debt issued	-	-	-	72,994
Discount on long-term debt issued	-	-	-	(109,900)
Capital leases	-	41,640	19,503	-
Notes and loans issued	-	-	-	-
Contributions from other governments	-	-	-	-
Refunding bonds issued	-	-	-	(10,165,000)
Payments to escrow agent	-	-	-	-
Transfers in	46,934,919	28,892,238	10,557,520	17,415,717
Transfers out	(47,838,348)	(30,008,217)	(10,668,066)	(18,322,016)
<b>Total other financing sources (uses)</b>	<b>(661,559)</b>	<b>(365,877)</b>	<b>185,874</b>	<b>6,642,152</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ (21,364,485)</b>	<b>\$ (15,404,052)</b>	<b>\$ 3,086,969</b>	<b>\$ 4,615,461</b>
Debt service as a percentage of noncapital expenditures	20.8%	20.07%	21.54%	23.21%

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

	<b>Fiscal Year</b>	
	<b>2011</b>	<b>2012</b>
<b>Revenues</b>		
Taxes	\$ 34,721,315	\$ 29,843,830
Licenses and permits	891,207	745,278
Fines and penalties	641,179	554,301
Charges for services	6,253,631	8,153,135
Intergovernmental	3,439,471	3,381,677
Use of money and property	2,645,372	2,652,528
Contributions	28,713	2,386,236
Miscellaneous	68,013	19,959
<b>Total revenues</b>	<b>48,688,901</b>	<b>47,736,944</b>
<b>Expenditures</b>		
General government	7,453,971	4,800,297
Public safety	7,481,904	7,521,387
Community Development	1,791,027	1,565,395
Public works	6,282,179	7,480,792
Leisure and cultural	9,946,396	10,800,649
Capital Outlay	5,634,803	10,234,039
Debt service		
Interest and fiscal charges	7,636,610	3,146,930
Principal retirement	2,952,145	2,830,080
Pass-thru agreement payments	-	-
Debt issuance costs	-	-
Payment to refunded bond escrow agent	-	-
<b>Total expenditures</b>	<b>49,179,035</b>	<b>48,379,569</b>
Excess of revenues over (under) expenditures	(490,134)	(642,625)
<b>Other Financing Sources (Uses)</b>		
Long-term debt issued	322,926	-
Premium on long-term debt issued	-	-
Discount on long-term debt issued	-	-
Capital leases	-	11,659
Notes and loans issued	-	201,559
Contributions from other governments	-	2,450,210
Refunding bonds issued	-	-
Payments to escrow agent	-	-
Transfers in	16,990,767	15,239,592
Transfers out	(16,754,111)	(15,639,592)
<b>Total other financing sources (uses)</b>	<b>559,582</b>	<b>2,263,428</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	20,907,341
<b>Net change in fund balances</b>	<b>\$ 69,448</b>	<b>\$ 22,528,144</b>

Debt service as a percentage of noncapital expenditures

24.34%                      15.66%

	FY 2012
Total expenditures	48,379,569
Less: Capital outlay	10,211,865
Noncapital expenditures	38,167,704
Debt Service expenditures	5,977,010
Percentage of noncapital expenditures	15.66%

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

<u>Taxpayer</u>	<u>2012</u>		<u>2003</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>
PR 1 La Mirada Industrial California LLC	\$ 47,058,735	0.95%		
Price Reit Inc.	\$ 45,075,676	0.91%	\$ 41,828,973	1.56%
USF Propco LLC	\$ 42,035,043	0.85%		
Duke Realty LP	\$ 27,983,410	0.56%		
UDR Rosebeach Apartments II LP	\$ 23,450,273	0.47%		
AMB AMS Operating Partnership LP	\$ 22,018,523	0.44%		
Prim Desman Industrial LLC	\$ 19,682,258	0.40%		
Cha La Mirada LLC	\$ 20,134,866	0.41%		
Newage La Mirada Inn LLC	\$ 18,225,528	0.37%	\$ 16,010,060	
BB And K La Mirada Industrial Properties	\$ 16,967,411	0.34%		
Rohm and Haas Chemicals LLC			\$ 30,261,749	1.13%
DFS- SPV LP				0.00%
La Mirada Center			\$ 16,985,942	0.63%
Capstar Radio Operating Company			\$ 25,141,746	0.94%
Hayes Lemmerz International Inc.			\$ 44,322,838	1.66%
Rykoff Sexton			\$ 27,221,488	1.02%
Owens Brockway Plastic Products			\$ 24,447,909	0.91%
Sunstone OP Properties, LLC			\$ 22,279,092	0.83%
Cabot Industrial Properties LP			\$ 15,480,151	0.58%
Top Ten Totals	<u>\$ 282,631,723</u>	<u>5.70%</u>	<u>\$ 263,979,948</u>	<u>7.53%</u>
City Totals	\$ 4,959,914,355		\$ 3,503,979,910	

**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
2003	\$ 4,178,865	\$ 4,105,294	98.24%	-	\$4,105,294	98.24%
2004	\$ 4,454,963	\$ 4,376,171	98.23%	-	\$4,376,171	98.23%
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%

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**

# THE CITY OF LA MIRADA

## ASSESSED VALUE OF TAXABLE PROPERTY

2002/03 - 2011/12 Taxable Property Values

Category	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Residential	2,325,977,497	2,518,557,772	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
Commercial	246,107,235	258,440,845	273,791,739	285,392,251	300,968,973	327,028,307	338,334,425	354,519,136	355,404,910	357,288,157
Industrial	557,235,720	600,309,557	627,026,437	669,484,477	708,251,711	719,281,824	783,794,550	805,287,401	776,816,288	774,546,776
Govt. Owned	4,705,066	3,282,796	3,344,085	3,410,966	3,479,185	2,900,000	3,200,000	3,211,354	3,211,327	3,211,412
Institutional	17,707,608	29,696,772	16,887,365	17,179,690	17,439,131	19,957,357	18,417,330	22,915,720	21,681,628	39,490,637
Irrigated	1,342,361	8,399								
Miscellaneous	573,266	475,176	1,216,271	1,240,594	1,265,402	1,130,221	1,152,822	1,175,874	1,173,084	1,181,914
Recreational	6,132,561	3,868,186	7,052,758	11,552,357	18,386,200	18,753,924	19,129,002	21,075,355	20,173,693	18,455,654
Vacant	31,928,757	16,994,171	11,777,538	12,280,516	9,989,978	13,374,024	14,165,409	12,675,741	12,635,954	23,015,327
SBE Nonunitary	3,866,025	3,462,477	3,389,502	3,420,688	3,200,925	462,093	557,085	557,085	557,085	619,095
Cross Reference	16,454,848	13,629,295	14,690,042	14,079,598	13,666,108	40,865,573	18,301,566	13,088,278	11,852,415	11,426,576
Unsecured	291,948,966	279,345,537	248,310,331	274,582,176	249,991,053	249,939,125	267,354,790	261,972,890	258,867,082	245,221,992
Exempt	[22,376,509]	[22,342,886]	[22,317,199]	[22,539,964]	[22,948,360]	[24,785,800]	[24,807,732]	[25,694,172]	[24,504,373]	[26,049,299]
Unknown	0									
<b>TOTALS</b>	<b>3,503,979,910</b>	<b>3,728,070,983</b>	<b>3,944,533,705</b>	<b>4,282,572,182</b>	<b>4,600,900,609</b>	<b>4,905,248,074</b>	<b>5,053,220,948</b>	<b>4,866,344,746</b>	<b>4,848,619,805</b>	<b>4,959,914,355</b>
<b>Total Direct Rate</b>	<b>0.32004</b>	<b>0.32082</b>	<b>0.32697</b>	<b>0.33440</b>	<b>0.33323</b>	<b>0.33408</b>	<b>0.34066</b>	<b>0.34744</b>	<b>0.36251</b>	<b>0.36064</b>

**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 2002/03 - 2011/12 Combined Tax Rolls

Prepared On 9/11/2012 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**

Fiscal Year	(1)		(2)						Total Direct and Overlapping
	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		
2003	0.09468	0.90532	0.11259	0.01573	0.00103	0.00088	0.00670	1.13693	
2004	0.09468	0.90532	0.17158	0.01597	0.00099	0.00046	0.00610	1.19510	
2005	0.09468	0.90532	0.15877	0.05519	0.00092	0.00025	0.00580	1.22093	
2006	0.09468	0.90532	0.17096	0.05888	0.00080	0.00005	0.00520	1.23589	
2007	0.09468	0.90532	0.20533	0.05305	0.00066	0.00005	0.00470	1.26379	
2008	0.09468	0.90532	0.16115	0.03942	-	-	0.00450	1.20507	
2009	0.09468	0.90532	0.17138	0.04807	-	-	0.00430	1.22375	
2010	0.09468	0.90532	0.18111	0.06217	-	-	0.00430	1.24758	
2011	0.09468	0.90532	0.18820	0.07874	-	-	0.00370	1.27064	
2012	0.09468	0.90532	0.18650	0.06942	-	-	0.00370	1.25962	

(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.

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		Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Tax Allocation Bonds	Special Tax Bonds	Notes Payable	Lease Revenue Bonds	Loan Payable	Lease Payable	Lease Payable			
2003	\$ 39,605,000	\$ 14,095,000	\$ -	\$ -	\$ 2,736,617	\$ 25,706	\$ -	\$ 56,462,323	5.18%	\$2,483.17
2004	\$ 45,190,000	\$ 13,615,000	\$ -	\$ -	\$ 2,839,163	\$ 20,519	\$ -	\$ 61,664,682	5.43%	\$2,653.39
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)	\$ -	\$ -	\$ -	\$ 12,710,000	\$ -	\$ 19,049	\$ -	\$ 12,729,049	0.93%	\$453.60

**Notes:** 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 (see note 18)

**Schedule 10**  
**City of La Mirada**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2012**

2011-12 Assessed Valuation	\$ 4,959,914,355
Redevelopment Incremental Valuation	1,453,993,109
Adjusted Assessed Valuation	\$ 3,505,921,246

	<b>Total Debt</b>		<b>City's Share of Debt</b>
	<b>6/30/2012</b>	<b>% Applicable (1)</b>	<b>6/30/2012</b>
<b>Overlapping Tax and Assessment Debt:</b>			
Los Angeles County Flood Control District	\$ 37,195,000	0.399%	\$ 148,408
Metropolitan Water District	196,545,000	0.197	387,194
Cerritos Community College District	189,248,420	11.436	21,642,449
North Orange County Joint Community College District	206,464,001	0.003	6,194
Rio Hondo Community College District	172,238,829	1.455	2,506,075
ABC Unified School District	46,319,966	2.521	1,167,726
Norwalk-La Mirada Unified School District	146,062,323	41.358	60,408,456
Fullerton Joint Union High School District	55,152,910	0.012	6,618
Whittier Union High School District	117,956,948	2.305	2,718,908
East Whittier City School District	11,990,000	5.946	712,925
Los Angeles County Regional Park and Open Space Asst Dist.	170,725,000	0.378	645,341
<b>Total Overlapping Tax and Assessment Debt</b>			<b>\$ 90,350,294</b>
<b>Overlapping General Fund Debt:</b>			
Los Angeles County General Fund Obligations	\$ 1,474,122,758	0.378%	\$ 5,572,184
Los Angeles County Superintendent of Schools COP	11,269,678	.378	42,599
Los Angeles County Sanitation District No. 18 Authority	17,063,856	15.577	2,658,037
Fullerton Joint Union High School District COP	22,255,000	.012	2,671
Norwalk-La Mirada Unified School District COP	2,770,165	41.358	1,145,685
Total Gross Overlapping General Fund Debt			9,421,176
Less: Los Angeles County General Fund Obligations supported by landfill revenues			63,119
<b>Total Net Overlapping General Fund Debt</b>			<b>\$ 9,358,057</b>
<b>Direct Debt</b>			
City of La Mirada General Fund Obligations- Lease Revenue Bonds	\$ 12,710,000	100	\$ 12,710,000
(A) Tax Increment Debt:			
Combined Redevelopment Project Area Tax Allocation Bonds	-	100	-
Industrial-Commercial Redevelopment Project Area Tax Allocation Bonds	-	100	-
Valley View Redevelopment Project Area Tax Allocation Bonds	-	100	-
<b>Total Direct Debt</b>			<b>\$ 12,710,000</b>
<b>Net Combined Total Direct and Overlapping Debt</b>			<b>\$ 112,418,350</b>

(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 2011-12 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	1.82%
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**Ratios to Adjusted Assessed Valuation:**

Direct Debt (\$12,710,000)	0.36%
Gross Combined Total Debt	3.21%
Net Combined Total Debt	3.21%
State School Building Aid Repayable as of June 30, 2012	\$0

**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.

(A) The tax allocation bonds and loan payable of the former redevelopment agency have been transferred to the Successor Agency (see note 18)

Sources: CalMuni Statistics

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

**Legal Debt Margin Calculation for Fiscal Year 2012**

Total assessed value of all real and personal property	\$4,959,914,355
Debt limit percentage	<u>3.75%</u>
Total debt limit	185,996,788
Amount of debt applicable to debt limit	<u>0</u>
Legal debt margin	\$ 185,996,788

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>
2003	\$ 559,210,647	0%
2004	\$ 591,680,056	0%
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%

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 Ten Fiscal Years**

<b>Tax Increment Bonds</b>				
<b>Fiscal Year</b>	<b>Tax Increment</b>	<b>Debt Service</b>		<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	
2003	\$ 7,458,522	\$ 1,460,000	\$ 2,856,370	1.73%
2004	\$ 7,891,090	\$ 1,495,000	\$ 2,764,377	1.85%
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, 2012**

**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	48,697
Median Household Income	\$76,595
Median Age of Population	36.4
Residential Units	15,777
Registered Voters	27,152
Assessed Valuation	\$4,959,914,355

Number of Businesses approx. 2,300

Unemployment Rate (county) 10.40%

Unemployment Rate (city) 6.70%

**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. 7300 (excludes adult school enrollment)
University	Biola University
Student Enrollment	approx. 5800

**City Employees**

Full-Time	71
Part-Time	257

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
2003	47,892	\$ 1,088,976	\$ 22,738	4.1%
2004	48,825	\$ 1,134,683	\$ 23,240	4.2%
2005	49,988	\$ 1,213,944	\$ 24,285	3.9%
2006	50,132	\$ 1,267,957	\$ 25,292	3.2%
2007	49,611	\$ 1,329,060	\$ 26,790	2.8%
2008	49,805	\$ 1,383,816	\$ 27,785	3.0%
2009	49,741	\$ 1,393,479	\$ 28,015	4.5%
2010	49,761	\$ 1,358,180	\$ 27,294	7.1%
2011	50,015	\$ 1,436,531	\$ 28,722	7.8%
2012	48,697	\$ 1,366,535	\$ 28,062	6.7%

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 and Bank Deposits**  
**Last Ten Fiscal Years**

(Thousands of Dollars)

Fiscal Year	Residential				Non-Residential				Grand Total	Bank Deposits
	Single	Multiple	Other	Total	Commercial	Ind.	Other	Total		
2003	2,129	-	1,071	3,200	334	-	6	340	3,540	542
2004	4,381	-	7,566	11,947	2,776	3,748	50	6,574	18,521	603
2005	-	-	8,584	8,584	14,147	-	1,034	15,181	23,765	630
2006	-	-	23,221	23,221	250	800	39,940	40,990	64,211	622
2007	-	-	10,537	10,537	1,070	-	8,276	9,346	19,883	643
2008	-	-	7,216	7,216	-	-	8,251	8,251	15,467	603
2009	-	-	5,186	5,186	-	-	23,841	23,841	29,027	NA
2010	-	-	5,994	5,994	4,845	-	-	4,845	10,839	600
2011	-	-	5,957	5,957	17,308	-	14	17,322	23,280	587
2012	1,218	5,224	5	6,447	6,173	-	998	7,171	13,618	590

Source: Building Valuation- County of Los Angeles Public Works Department  
Bank Deposits- The Findley Corporation

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

<u>Employer</u>	<u>2012</u>		<u>2003</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Biola University	1,308	NA	800	NA
Norwalk-La Mirada Unified School District	843	NA		
US Foodservice	800	NA	577	NA
Staples	500	NA		
Kindred Hospital	340	NA		
City of La Mirada	300	NA		
Frito Lay, Inc.	240	NA		
Living Spaces	200	NA		
Kittrich Corporation	175	NA		
Ultimate Event Security	164	NA	400	NA
Corporate Express			650	NA
GI Trucking			357	NA
Hayes Lemmerz International			250	NA
Babcock			210	NA
Makita U.S.A Inc.			140	NA
Spartech Plastics			127	NA
Pactiv Corporation			120	NA
Total	<u>4,870</u>	<u>NA</u>	<u>3,631</u>	<u>NA</u>

**Source: Administration Department**

Information for Percentage of Total City Employment not available

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

<u>Function/Program</u>	<u>2003</u>	<u>2004</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>
General government										
Legislative	8	8	8	7	7	8	8	8	7	7
Administration and Support <sup>(c)</sup>	11	11	10	15	15	12	13	11	14	12
Community Development <sup>(b)</sup>	15	10	10	9	9	10	8	8	7	7
Leisure and cultural	12	12	12	15	15	18	17	11	8	8
Public Safety <sup>(a)</sup>	6	6	6	8	8	8	7	2	6	6
Public Works <sup>(d)</sup>	36	36	36	37	37	37	35	36	29	28
Transit	1	1	1	1	1	1	2	2	2	2
Theatre	7	7	7	9	9	9	9	7	7	8
Total	<u>96</u>	<u>91</u>	<u>90</u>	<u>101</u>	<u>101</u>	<u>103</u>	<u>99</u>	<u>85</u>	<u>80</u>	<u>78</u>

**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

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

<b>Function/Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General government										
Building permits issued	97	745	687	881	704	634	499	532	659	645
Public Safety										
Parking violations	NA	5,971	7,941	7,052	5,971	7,731	8,833	8,665	7,967	6,254
Traffic violations	7,780	6,888	7,087	8,473	7,921	7,077	8,769	7,478	7,465	7,066
Public Works										
Street resurfacing (miles)	1	1	1	1	1	1	1	1	1	1
Parks and recreation										
Recreation classes	684	664	654	676	626	732	540	604	619	574
Aquatics Programs	-	-	-	-	-	374	93	91	208	243
Number of Senior programs	308	292	298	272	276	294	280	75	170	105
Facility reservations issued	52	69	73	86	92	135	587	667	1,518	1,505
Transit										
Total route miles	145,895	133,435	151,924	125,942	119,974	116,657	120,635	133,755	168,303	158,375
Passengers	72,806	59,897	58,194	47,900	48,644	50,342	45,620	47,194	52,630	51,674
Theatre										
Number of productions	105	105	105	105	105	119	121	124	115	128
Number of rentals	143	154	146	146	142	167	160	141	140	121
Number of presentations	15	10	15	16	18	21	19	25	39	43

**Sources:** Various city departments.

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

<b>Function/Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Police										
Stations <sup>(a)</sup>	2	2	2	2	2	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
Parks and recreation <sup>(b)</sup>										
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 <sup>(b)</sup>	-	-	-	-	-	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

