



# CITY OF LA MIRADA CALIFORNIA



## Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2016



# CITY OF LA MIRADA

*DEDICATED TO SERVICE*  
FISCAL YEAR ENDED JUNE 30, 2016

## **City Council**

Steve De Ruse, Mayor

Ed Eng, Mayor Pro Tem

Pauline Deal, Councilmember

Lawrence P. Mowles, Councilmember

Andrew Sarega, Councilmember

Prepared by:

Anne Haraksin, Deputy City Manager

Melissa Pascual, Senior Accountant

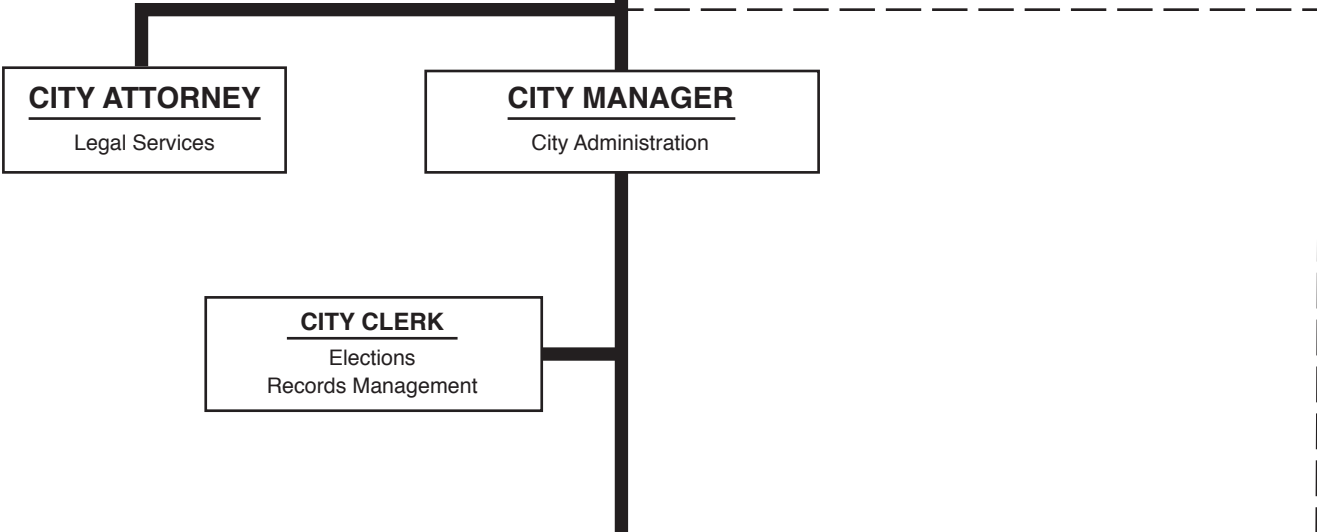
Judy G. Quiñonez, Senior Accountant

# CITIZENS OF LA MIRADA



## Organization Chart

**CITY COUNCIL**  
**SUCCESSOR AGENCY**  
**OF THE FORMER RDA**



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

<p><b>Administration</b></p> <ul style="list-style-type: none"> <li>Legislation</li> <li>Communications</li> <li>Special Projects</li> <li>Economic Development</li> <li>Commissions and Advisory Councils</li> <li>Housing</li> <li>Community Revitalization</li> </ul>	<p><b>Administrative Services</b></p> <ul style="list-style-type: none"> <li>Business License</li> <li>Finance</li> <li>Information Technology</li> <li>Investments</li> <li>Human Resources</li> <li>Risk Management</li> <li>Support Services</li> </ul>	<p><b>Community Development</b></p> <ul style="list-style-type: none"> <li>Building &amp; Safety</li> <li>CDBG Program Management</li> <li>CDBG Rehabilitation</li> <li>Planning</li> </ul>	<p><b>Community Services</b></p> <ul style="list-style-type: none"> <li>Aquatics</li> <li>Community Events</li> <li>Facilities Management</li> <li>Family Services</li> <li>Recreation</li> <li>Senior Services</li> <li>Youth Services</li> <li>Transit Administration</li> </ul>	<p><b>Public Safety</b></p> <ul style="list-style-type: none"> <li>Alcohol &amp; Narcotics Enforcement</li> <li>Community Safety Programs</li> <li>Emergency Preparedness</li> <li>Code Enforcement</li> <li>General Law Enforcement</li> <li>Traffic Law Enforcement</li> </ul>	<p><b>Public Works</b></p> <ul style="list-style-type: none"> <li>Air &amp; Water Resource Management</li> <li>Capital Projects</li> <li>General Maintenance</li> <li>Mechanical/Fleet</li> <li>Medians/Panels</li> <li>Parks</li> <li>Public Facilities</li> <li>Streets and Right-of-Way</li> <li>Refuse &amp; Recycling</li> </ul>	<p><b>Theatre for the Performing Arts</b></p> <ul style="list-style-type: none"> <li>Administration</li> <li>Presentations</li> <li>Productions</li> <li>Rentals</li> </ul>
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**KEY** Elected Council Appointed Programs

CITY OF LA MIRADA, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2016

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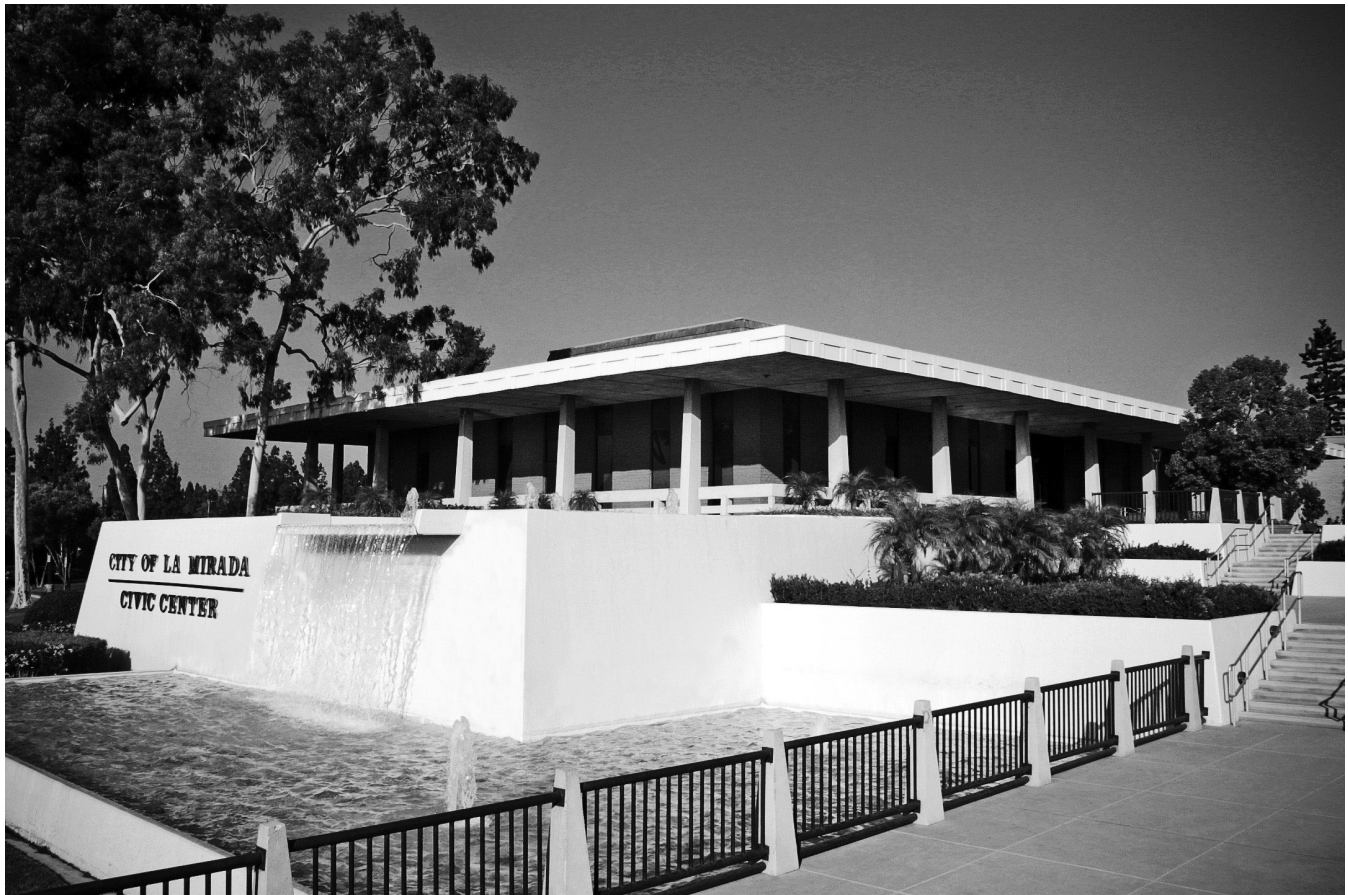
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**INTRODUCTORY SECTION**





# CITY OF LA MIRADA

DEDICATED TO SERVICE

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December 19, 2016

## 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, 2016. This report is prepared in accordance with local ordinance and state law requirements that financial statements be presented in conformity with accounting principles generally accepted in the United States of America, as well as the opinion of Moss, Levy and Hartzheim, LLP, an independent firm of licensed certified public accountants. This financial report includes the La Mirada Public Financing Authority and the La Mirada Housing Successor. 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. In accordance with the Governmental Accounting Standards Board, management is required to 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 intended to complement the MD&A and should be read in conjunction with that document. The City's MD&A can be found immediately following the Independent Auditor's Report.

Responsibility for the accuracy and 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.

### **BACKGROUND AND SERVICES PROVIDED**

The City of La Mirada is located 17 miles southeast of downtown Los Angeles in Los Angeles County and bordering Orange County. A five member City Council operating under the Council-Manager form of government governs the City. The City of La Mirada was incorporated on March 23, 1960.

The City covers 7.8 square miles and has an estimated population of 50,000. Major industry groups in the area include automobile and transportation, building and construction, business and industry, food and drugs, fuel and service stations, general consumer goods and restaurants and hotels.

The City continues to offer many advantages to its residents: a variety of single-family housing, excellent parks and recreational facilities, a low crime rate, and quality programs and services. La Mirada places a strong emphasis on City beautification,

with well-maintained parkways, streets and parks. The La Mirada Theatre for the Performing Arts is one of the finest in Southern California, featuring plays, musicals and children's productions. City officials and staff embody La Mirada's motto of being "Dedicated to Service".

The City provides a full range of municipal services to the community through a combination of direct and contract services. Services include legislative, administrative and support services, planning and building, economic and community development, public works, community services, theatre, and public safety (excluding fire, which is provided by the Los Angeles County Consolidated Fire Protection District). The City contracts with Los Angeles County for law enforcement services, animal control, building and safety, traffic and engineering, public works projects, and probation and district attorney services.

First established as a movie house, La Mirada Theatre for the Performing Arts was purchased by the City of La Mirada and converted to a live performance venue in 1977 after residents encouraged its purchase and renovation. Since that time, the Theatre has operated as one of the City's departments. Today, the Theatre features a combination of productions, presentations and rental activities. The facility and its programming provide unique cultural and entertainment opportunities. The Theatre adds value to local residents, enhances the community's quality of life, and promotes economic development within La Mirada and the region.

Splash! La Mirada Regional Aquatics Center is located on 18-acres on the western edge of La Mirada Regional Park. Splash! is an exciting, family-oriented destination providing fun and fitness for all ages. Featuring many "family-fun" attractions, Splash! includes: slides, spray areas, play structures, a zero depth beach entry, a flowing river channel, and numerous shade structures. Splash! also features a 50-meter pool and a 25-yard pool suitable for all of the community's competitive and instructional needs, as well as a warm-water spa for therapeutic purposes.

Dial-a-Ride transportation service is provided in La Mirada through a contract with MV Transportation, Inc. Eco-friendly buses provide residents with curb-to-curb service in the community and offer convenient connections to other transit systems. Patrons enjoy easy access to surrounding communities, as well as direct connections to regional rail service via Metrolink and Metro Green Line. Rides to work, medical appointments, shopping, school, recreation, and other locations are available.

The La Mirada Library is operated by the County of Los Angeles Public Library system and features an extensive reference system used to assist patrons with informational queries.

## **ECONOMIC CONDITION AND OUTLOOK**

California's unemployment rate continues to fall, reaching 5.4 percent as of June 2016. The labor force continues its upward trajectory with more residents looking for work and

an even larger number of previously unemployed and discouraged workers finding jobs. The nation's unemployment rate continues to average about 5.0 percent. La Mirada's unemployment rate is 3.5 percent.

California's housing market continues to strengthen as existing home sales and prices have climbed, with both showing increases through October 2016. According to the Legislative Analyst's Office, demand for housing has far outpaced its supply. Home prices increased by 5 percent over the past 12 months, compared to 13 percent in 2014 and 17 percent in 2013. Despite this slowdown, California's home prices are growing slightly faster than the rest of the country. In Southern California (Los Angeles area), the median price of a single family home increased approximately 8.9 percent to \$561,000 as of September 2016. La Mirada's median price of a single family home increased from the prior year to approximately \$525,000 as of October 2016.

Inflation pressures presently remain contained. The Consumer Price Index was up just 2.3 percent as of June 2016, less food and energy. Food prices dropped just slightly over a 12-month period from October 2015 to October 2016, while the energy prices rose just slightly over the same time period. Retail sales rose 2.7 percent over a 12-month period as consumer confidence has grown.

Locally, sales tax receipts for the June 2016 quarter were 13 percent higher than the same period last year, excluding reporting aberrations. Each sales tax group experienced strong gains for the quarter, with the exception of fuel-service stations.

Measure I Transactions and Use Tax continues to exceed expectations and has assisted in diversifying the City's revenue base. In keeping with City Council's direction, the use of Measure I revenue is assigned to capital projects.

The City adopted a balanced budget for Fiscal Year 2015-16 using a conservative approach to revenue forecasting and maintaining expenditures. The City's property tax revenue and sales tax revenue performed better than expected primarily due to conservative forecasting and strong sales. The budget maintained public safety services and infrastructure projects at a high level of importance.

## **MAJOR INITIATIVES**

During Fiscal Year 2015-16, the City continued to keep crime levels low through its strong public safety program, provided first-class recreational and cultural facilities and services, and maintained the City's physical environment. The City continued to invest in programs and projects to enhance the quality of life that La Mirada citizens and businesses expect and enjoy.

La Mirada can be proud of some notable accomplishments by City departments during the past year:

Administration and Administrative Services

The 2020 Strategic Plan was adopted. The plan will guide the City over the next four years and includes many actions under five key core strategies of: Ensuring a well-managed City government; providing a safe community; promoting a high quality of life; providing quality planning and infrastructure; and supporting a strong local economy.

A Community Satisfaction Survey was conducted with over 92 percent of residents indicating they were satisfied with the overall quality of life in La Mirada. Additionally, 88 percent were pleased with the City's performance in providing services to its residents.

The La Mirada Public Financing Authority issued its lease revenue refunding bonds, series 2016, to assist the City in achieving savings. The 2016 bond series refinanced the 2006 Lease Revenue Bonds that were used for the construction of Splash! La Mirada Regional Aquatics Center. The City was able to benefit from a lower interest rate while not extending the term of the bonds. The City's annual payments will be reduced by an estimated \$135,000 for the remaining 14 fiscal years, for a total gross savings of \$1.89 million.

In July 2015, the Governor signed into law the new sick leave law for all staff. Employees are now entitled to at least 24 hours (three days) of sick leave per year. Human Resources successfully implemented and guided staff on the new law. In addition, City staff successfully completed the new reporting guidelines regarding the Affordable Care Act.

The City received the 2014-15 GFOA's Comprehensive Annual Financial Report (CAFR) award. The City has received this award for 27 consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report.

Requests for Proposals (RFP) were issued and awarded for auditing services and banking services. The current audit contract was completed with the Fiscal Year 2014-15 CAFR. Due to increasing federal regulations, the previous bank provider notified the City, in addition to a number of other local government agencies, that it would no longer offer banking services to local governments.

The City's online system for business licenses was recently upgraded. Businesses can now apply for new business licenses, close existing licenses, and upload the zoning application and home occupancy regulations through the City's website. Upon City staff's review and approval, payments can be made online through a secure payment portal. The previous online system was limited to processing business license renewals. New applications and business closures had to be completed in-person or by mail. The new system also features a public access database where interested individuals can search for active businesses online.

## Community Development

The City launched a home improvement loan program to assist homeowners with repairing block walls that face major streets. Through the Arterial Block Wall Loan Program, funding is available to qualifying homeowners whose block walls are damaged or in danger of failing. Low interest loans up to \$10,000 are available for eligible homeowners.

The City approved a proposal to construct residential housing on a 2.72 acre parcel located at 12000 La Mirada Boulevard. The site was previously a preschool/daycare facility with office and storage areas. This project enables the City to provide additional housing opportunities in La Mirada.

An Economic Development Study is being completed. The study includes a profile of the La Mirada community and its trade areas to assist in identifying potential new business targets. An Economic Development Action Plan is also being prepared with specific recommendations for enhancing La Mirada's economic viability.

The Community Development Department reviewed and processed 1,020 planning-related administrative items in 2015. Additionally, the Planning Commission reviewed 15 entitlement applications including Conditional Use Permits, Certificates of Compatibility, Zoning Ordinance Amendments, and others. Over 3,000 building permit transactions were processed with a valuation of work exceeding \$90,000,000.

## Community Services

The City's Community Services Department continues to offer a variety of recreation, leisure, and social programs and events to meet all ages and interests. The Third of July celebration was especially well attended, and the City had the unique opportunity to partner with Biola University and serve as a Special Olympics Host Town over the summer. The City's aquatics, day camps, youth sports, tiny tots, and senior programs offer something for everyone.

Splash! continues to have strong attendance with over 400,000 visitors a year. Splash! is a popular destination for aquatic programs, birthday parties, company picnics, school fieldtrips, swim competitions, swim lessons, and special camps and events.

A Request for Proposals (RFP) was issued and awarded for new Recreation Activity Management Software. The previous software was becoming obsolete. The new software system is cloud-based and will enable the department to achieve better operational efficiencies and improve customer service.

La Mirada has again been named Playful City USA in recognition of its efforts to create more playable, family-friendly activities in the community. Playful City USA is a national recognition program that honors cities and towns across the country for taking steps to make it easy for kids to get the balanced and active play needed to thrive.

In an ongoing effort to promote water safety, Splash! partnered with JCMF Children's

Charities to educate children and adults about water safety through drowning prevention campaigns and early childhood water safety training. Swimmers from around the world participated in the “World’s Largest Swim Lesson.”

#### Transit

La Mirada Transit provides curb-to-curb, demand responsive transportation to the general public within City limits. Service is also provided to medical destinations within a one-mile radius outside the City limits and to the Westridge Shopping Center in La Habra. Transit provided over 52,000 one-way passenger trips and operated 8,700 vehicle revenue hours. The contract expired at the end of June 2016. An RFP was issued and awarded to MV Transportation, Inc. with a base term of four years beginning in Fiscal Year 2016-17.

#### La Mirada Theatre for the Performing Arts

The La Mirada Theatre for the Performing Arts 2015-16 season included a terrific lineup with *First Date*, *Rent*, *Empire*, *Dreamgirls*, Green Day’s *American Idiot* and *The Little Mermaid*. The Theatre’s prior season garnered 10 nominations from LA Stage Alliance. A number of single night events, special presentations, and community programs were also held at the Theatre.

#### Public Safety

Public Safety remains the City’s top priority. La Mirada is among the safest cities in Los Angeles County and enjoys one of the lowest crime rates in the region. Violent crime is down by 15 percent from the prior year. La Mirada’s low crime rate is due to the cooperation of the City, Los Angeles County Sheriff’s Department, and residents and volunteers.

In April 2016, a new “Captain K-9” Dog Walker Watch program was launched. The program encourages recreational dog walkers to serve as an extra set of eyes and ears for law enforcement. Captain K-9 participants are trained to observe and report suspicious activity while on routine walks with their dogs.

The Public Safety Team is also conducting additional crime prevention outreach efforts within residential neighborhoods and commercial centers in La Mirada. Public Safety Officers canvass neighborhoods and commercial centers to educate residents about crimes of opportunity, specifically property-related crimes. Canvassers distribute vehicle flyers and door hangers at homes notifying residents of open garage doors, items left in vehicles, unlocked doors, and other items that could lead to crimes of opportunity. The goal is to make residents aware of how they can help prevent crime in their neighborhood.

#### Public Works

Capital improvements are underway throughout La Mirada as the City makes improvements to streets, drainage systems, medians, park playgrounds, and other local infrastructure. Additional projects are scheduled to begin during the spring and summer.

The first phase of Measure I-funded work, which included the rehabilitation of

residential streets north of Imperial Highway, was completed in October 2015. This project included repaving about 9 miles of neighborhood streets. The project also included about 4.5 miles of slurry seal pavement preservation funded through Gas Tax. Measure I Phase II was completed in March, which addressed 8.5 miles of neighborhood streets. The area is bounded by Alondra Boulevard, Stage Road, Biola Avenue, Rosecrans Avenue, La Mirada Boulevard, Ocaso Avenue, Barnwall Street and Dalmatian Avenue. The project included pavement rehabilitation, curb and gutter repairs, installation of ADA curb access ramps, removal and replacement of slotted cross gutters, and storm drain pipe repairs. A contract was awarded for Measure I Phase III and design work is in process for Measure I Phase IV.

The fourth and final phase of the Foster Park area street improvements is also complete. Work included complete reconstruction of street pavement, curb and gutter, and driveway aprons. Storm drain work included new storm drain pipe and catch basin improvements.

The Industrial Area street project included the rehabilitation of about 4 miles of surfacing in La Mirada's heavily used industrial area south of Stage Road. The slurry sealing of La Mirada Boulevard and Rosecrans Avenue were also completed. Parking lots at Veterans Park, Windermere Park, Behringer Park North and South, Creek Park (Stamy Road location), Neff Park, and Frontier Park were asphalt seal coated and restriped.

Construction on the interior renovation of the La Mirada branch of the Los Angeles County Library system is nearing completion. The work includes the reconfiguration of the library interior space; modifications to the lighting and ceiling; new carpet, paint, and service desks; improvements to electrical, mechanical, and telecommunications infrastructure; installation of new furniture, fixtures, equipment, and signage; replacement of all existing window framing and panels with energy efficient dual glazing; and required Americans with Disabilities Act (ADA) upgrades. Exterior renovations will include a civic art component.

Playground equipment was replaced at Anna J. Martin and Frontier Parks and the Community Gymnasium tot lot. The new playgrounds are ADA compliant and include updated play features.

Traffic signal upgrades at Imperial Highway and La Mirada Boulevard, Imperial Highway and Oxford Drive, and Imperial Highway and Cordova Road were designed and completed in summer 2016. Additionally, new traffic signals were installed at the intersections of La Mirada Boulevard and Rosecrans Avenue, Imperial Highway and Santa Gertrudes Avenue, Imperial Highway and Ocaso Avenue, and Valley View Avenue and Adoree Street.

The following additional projects are underway: Telegraph Road and Imperial Highway intersection improvements; La Mirada Boulevard at Imperial Highway and Imperial Highway at Telegraph Road right-turn pockets; Rosecrans Avenue dual left-turn

pockets at Beach Boulevard; Leffingwell Road street rehabilitation; Imperial Highway slurry seal from La Mirada Boulevard to east City limits; Artesia Boulevard and Industry Circle traffic signal; Alondra Boulevard and La Mirada Boulevard intersection improvements; La Mirada Boulevard corridor traffic signal upgrades; Santa Gertrudes Avenue parkway and wall improvements between Alicante Road and Rosecrans Avenue; Green Hills and Creek Park Neighborhood slurry seal; Valley View Avenue median nose upgrades; Creek Park improvements master plan; and Rosecrans Avenue/La Mirada Boulevard landscape improvements.

## **PROSPECTS FOR THE FUTURE**

### **Administration**

Administration will work to ensure an effective, responsive, and efficient City organization, implement the programs and policies established by the City Council, and oversee day-to-day City operations. Administration staff actively supports legislation that provides for the repayment of the City's loan by the former Redevelopment Agency, protects local control of local funds, offers new economic development opportunities, and provides funding for local infrastructure. Administration will continue efforts to improve retail opportunities by exploring retention and attraction strategies, and developing partnerships with key property owners and tenants to encourage business development.

In the 2016-17 fiscal year, the City will consider the process of modifying its elections from the current at-large system, where all voters get to elect all members of the City Council, to a by-district system, where only voters in a given district vote on the person to represent them. The number of representatives on the City Council would remain at five. The proposed change would mean two representatives on the City Council would be elected by district in the March 2017 election. The City Council will conduct public hearings to consider setting the district boundaries.

The City will launch "My La Mirada", a smartphone application and web portal for residents to access local services. The application allows residents to submit, track, and view service requests through their smartphones or online. Residents can submit a variety of service requests and report issues such as graffiti, potholes, broken street signs, and public records requests using the system.

The Housing Successor Agency has housing funds available to provide for homeless prevention and rapid rehousing services for individuals and families who are homeless. The Housing Successor will partner with the Whole Child, a California nonprofit corporation that provides therapeutic services, including crisis treatment programs for children, adolescents, and families, parent education courses and family housing services.

The City of La Mirada is located within the proposed high-speed rail system and is part of the Los Angeles-Anaheim section. The high-speed rail alignment is expected to use the existing BNSF Railway right-of-way, which runs parallel to Stage Road and divides



La Mirada's residential and industrial zones. The funding for environmental review was secured for the high-speed rail system. The City of La Mirada and others in the Gateway Cities region will monitor progress and potential impacts on the community, including existing grade separations and property takes.

## Community Development

Changes in the zoning of certain commercial centers allows for the possibility of these locations to blend a combination of commercial facilities and housing opportunities. Design review standards will be established for these mixed use developments, as well as new commercial and industrial developments. The department will look to update its General Plan and perform various Code modifications, as necessary, to preserve the safety and aesthetics of the community. The department will also work to complete the development and adoption of the I-5 Freeway Specific Plan to achieve the highest and best uses of the freeway commercial corridor. The department will continue its efforts to encourage private investment in local shopping centers.

## Community Services

Community Services will continue to evaluate programs and events, and strive to lower reliance on the General Fund by offsetting expenditures through increased sales, partnerships, corporate sponsorships, effective planning and grant opportunities. The department will continue to make Splash! operations efficient by controlling costs and meeting revenue goals.

## La Mirada Theatre for the Performing Arts

The La Mirada Theatre will continue to evaluate the changing media landscape and restructure marketing and outreach efforts accordingly, with an emphasis on reaching new audiences and filling unused capacity. Educational outreach will be a priority to better connect with younger audiences and local families, while audience development strategies will be targeted towards converting single ticket buyers into repeat customers and subscribers.

## Public Safety

Public Safety will continue its comprehensive and proactive law enforcement program to deter crime, monitor offenders and arrest suspects. Neighborhood Watch meetings will be used to encourage community involvement and enhance communication with residents and businesses. Public Safety will pursue grant opportunities, and will continue to provide Community Emergency Response Team (CERT), HAMWatch and community disaster preparedness training.

The Red Ribbon Campaign reaches millions of young people during Red Ribbon Week each year. The Public Safety Team will be visiting local schools during Red Ribbon Week to reinforce the drug-free message.

Code Enforcement is responsible for enforcing the City's Municipal Code in residential, commercial, and industrial areas. Code Enforcement personnel will continue to protect La Mirada's housing stock by addressing unpermitted construction and alterations to

residential and commercial properties. The existing vehicle fleet will be upgraded with new alternative fuel vehicles.

#### Public Works

Public Works will continue to complete its robust Capital Projects Plan. The top priority is the Measure I infrastructure improvement projects, which include Phases III and IV of La Mirada neighborhoods.

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

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

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

An audit committee was formed to meet annually with the City's independent auditors to review the CAFR and review the City's internal accounting controls.

The City is required to contract for an annual single audit in conformity with the provisions of the Federal Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. As a recipient of Federal, State and County financial assistance, the City is also responsible for providing an adequate internal control structure to ensure compliance with applicable laws and regulations related to these funds. This internal control structure is subject to periodic evaluation by management.

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

## **OTHER FINANCIAL INFORMATION**

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

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

In April 2013, CalPERS approved to change the amortization and rate smoothing policies and in May 2014, CalPERS approved structural changes to the Risk Pools. Both of these changes took effect in Fiscal Year 2014-15. In addition, the City will be making contributions towards the unfunded liability as a fixed dollar amount instead of the prior method of a contribution rate. The City will continue to pay the normal cost as a percentage of payroll. The City's unfunded liability as of the measurement date June 30, 2015, is approximately \$8.3 million (82.0 percent funded).

The City funds a supplemental retirement program for qualifying full-time employees hired before July 1, 2011, through the Public Agency Retirement System (PARS), for a 3 percent maximum retirement benefit (combined CalPERS and PARS). The unfunded liability for the PARS program is approximately \$870,000 (90.0 percent funded). The City also contributes toward a retirement plan for all hourly employees through PARS.

Other Post-Employment Benefit – The City provides other post-employment benefits (OPEB) through the California Employer's Retiree Benefit Trust Fund (CERBT), an agent multiple-employer defined benefit healthcare plan administered by CalPERS, by contributing 100 percent of all premiums charged under the health benefit plan for all eligible employees and qualified family members. This program is fully funded.

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, 2016, based on calculations by City management, proceeds of taxes did not exceed appropriations.

## **AUDIT AND FINANCIAL REPORTING**

Independent Audit – The City's financial statements have been audited by Moss, Levy and Hartzheim, LLP, a firm of licensed certified public accountants. The goal of the audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2016, are free of material misstatement.

Award – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of La Mirada for its Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2015. This was the twenty-seventh 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. We believe this current Comprehensive Annual Financial Report again meets the Certificate of Achievement Program's requirements, and we are submitting the report to the GFOA to determine its eligibility for another certificate.

### **ACKNOWLEDGEMENTS**

The continued dedicated and efficient service of the Administrative Services staff is appreciated by all levels of City management. Our independent auditors, Moss, Levy and Hartzheim, LLP, provided expertise and advice in preparing an outstanding financial report this past year.

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

Respectfully submitted,

  
\_\_\_\_\_  
Jeff Boynton  
City Manager

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



Government Finance Officers Association

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

Presented to

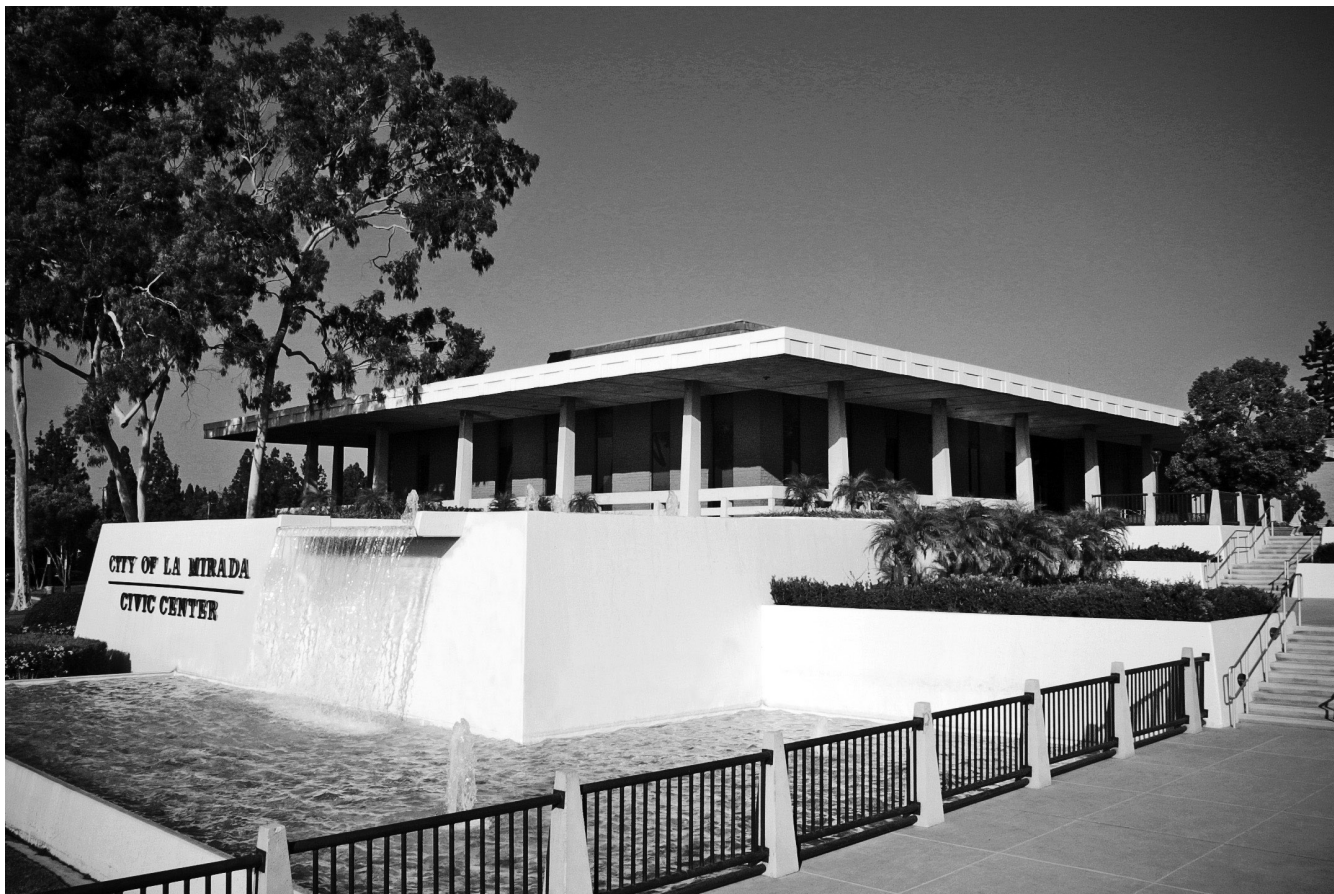
**City of La Mirada  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO





**FINANCIAL SECTION**



# MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

## **PARTNERS**

RONALD A LEVY, CPA  
CRAIG A HARTZHEIM, CPA  
HADLEY Y HUI, CPA  
ALEXANDER C HOM, CPA  
ADAM V GUISE, CPA  
TRAVIS J HOLE, CPA

## **COMMERCIAL ACCOUNTING & TAX SERVICES**

433 N. CAMDEN DRIVE, SUITE 730  
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## **GOVERNMENTAL AUDIT SERVICES**

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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

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 (City) as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **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 as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Emphasis of Matter**

As discussed in Note 1 to the financial statements effective July 1, 2015, the City of La Mirada adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Applications*. Our opinion is not modified with respect to this matter

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 15, the budgetary comparison schedules for the General Fund and the Low and Moderate Housing Special Revenue Fund, the Schedule of Proportionate Share of the Net Pension Liability, Schedules of Plan Contributions, the Schedule of Changes in Net Pension Liability and Related Ratios, and the Schedule of Investment Returns on pages 73 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

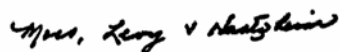
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining Financial Statements and Budgetary Comparison Schedules of the Non-major Governmental Funds, Budgetary Schedule for the major Capital Improvement capital Project Fund and the Statistical Section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

Combining Non-major Fund Financial Statements, Budgetary Comparison Schedules of the Non-major Governmental Funds and Budgetary Comparison Schedule of the Major Capital Improvement Capital Project Fund 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Financial Statements, Budgetary Comparison Schedules of the Non-major Governmental Funds, and the Budgetary Comparison Schedule of the Major Capital Improvement Capital project Fund are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering the City's internal control over financial reporting and compliance.



Moss, Levy & Hartzheim, LLP  
Culver City, California  
November 23, 2016

## **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, 2016. This MD&A should be read in conjunction with the transmittal letter in the introductory section of this report and with the City's financial statements, which follow this discussion.

### **FINANCIAL HIGHLIGHTS**

- The City's total assets exceeded its liabilities at the close of the 2015-16 fiscal year by \$208.02 million (net position). Of this amount, \$98.46 million is net investment in capital assets; \$8.49 million is restricted for public works; \$4.32 million is restricted for capital projects; \$17.17 million is restricted for low and moderate income housing; \$1.0 million is restricted for public safety and leisure and cultural; and \$78.56 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$13.11 from the prior fiscal year. Total revenues and expenditures were \$51.79 million and \$38.68 million, respectively. Of the total revenues, program revenues were \$20.63 million. Program revenues are separated into three categories: charges for services at \$11.89 million, operating contributions and grants at \$3.84 million, and capital contributions and grants at \$4.89 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$102.06 million, an increase of \$7.43 million in comparison with the prior fiscal year primarily due to the construction timing of various capital projects funded by the General Fund.
- As of June 30, 2016, the unassigned fund balance for the General Fund was \$31.63 million or 106 percent of the total General Fund expenditures.
- During the fiscal year, the City's General Fund revenues were greater than the final budget by \$4.53 million and General Fund expenditures were \$1.56 million less than budget. This results in the total positive budget and actual variance of \$6.09 million in the General Fund.

### **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.

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

### Government-wide Financial Statements

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

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

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

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

### 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,

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

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, including outside customers and 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 governmental activities in the government-wide financial statements.

Fiduciary fund statements are used to account for assets held by the City in trustee or custodial capacity for individuals, private organizations, other governments, and/or other funds. Fiduciary funds are not reflected in the City-wide financial statements because the resources of these 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**

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

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

At the close of Fiscal Year 2015-16, assets exceeded liabilities by \$208.02 million. The largest portion of the City's net position (47.33 percent) reflects its net investment in capital assets (ie. land, buildings, improvements other than buildings, equipment, intangible assets, infrastructure and construction in progress). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves usually are used to liquidate these liabilities.

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

**TABLE 1**  
**NET POSITION**  
 As of June 30, 2016

	<b>Governmental Activities</b>	
	Fiscal Year	
	2015	2016
Current & other assets	121,620,624	130,153,401
Capital assets	103,050,546	108,601,318
<b>Total assets</b>	<b>224,671,170</b>	<b>238,754,719</b>
Deferred Outflows of Resources	1,119,898	1,673,373
Long-term debt liabilities	20,841,303	19,918,803
Other liabilities	7,167,424	10,076,137
<b>Total liabilities</b>	<b>28,008,727</b>	<b>29,994,940</b>
Deferred Inflows of Resources	3,087,617	2,413,943
<b>Net Position</b>		
Net investment in capital assets	92,636,224	98,459,941
Restricted	29,733,496	30,996,348
Unrestricted	72,325,004	78,562,920
<b>Total Net Position</b>	<b>194,694,724</b>	<b>208,019,209</b>

A portion of the City’s net position (14.90 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$78.56 million) may be used to meet the government’s ongoing obligations to citizens and creditors.

Capital assets had a net increase of \$5.55 million as a result of capital assets addition of \$5.60, net depreciation. There were a number of major street projects completed or in progress during the Fiscal Year 2015-16, such as Measure I Phases I and II and the Street Rehabilitation in the Industrial Center.

The City’s governmental activities had total bonded debt and long-term liabilities of \$19.92 million, which is a net decrease of \$923,000. In May 2016, the City refinanced the 2006 Lease Revenue Bond in the amount of \$10.78 million. The new issue, \$8.97 million 2016 Lease Revenue Refunding Bonds, eliminated the need for a cash reserve fund and a shortened final maturity, with an annual savings of approximately \$150,000.

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

The City’s net pension liability increased \$960,000 to \$9.13 million, \$8.26 million for CalPERS and \$870,000 for PARS.

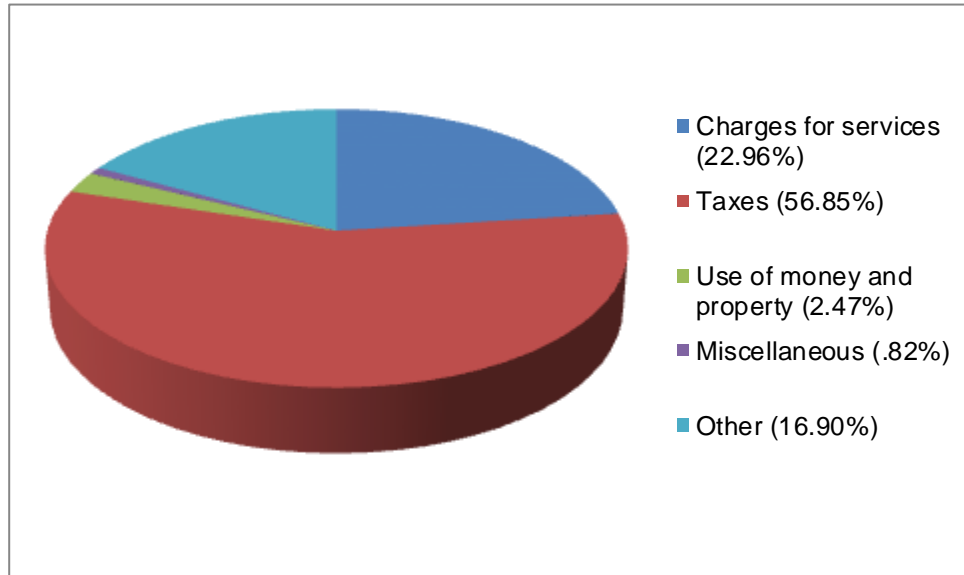
The following table indicates the changes in net position for the governmental activities:

**TABLE 2  
CHANGES IN NET POSITION**  
For the Fiscal Year Ended June 30, 2016

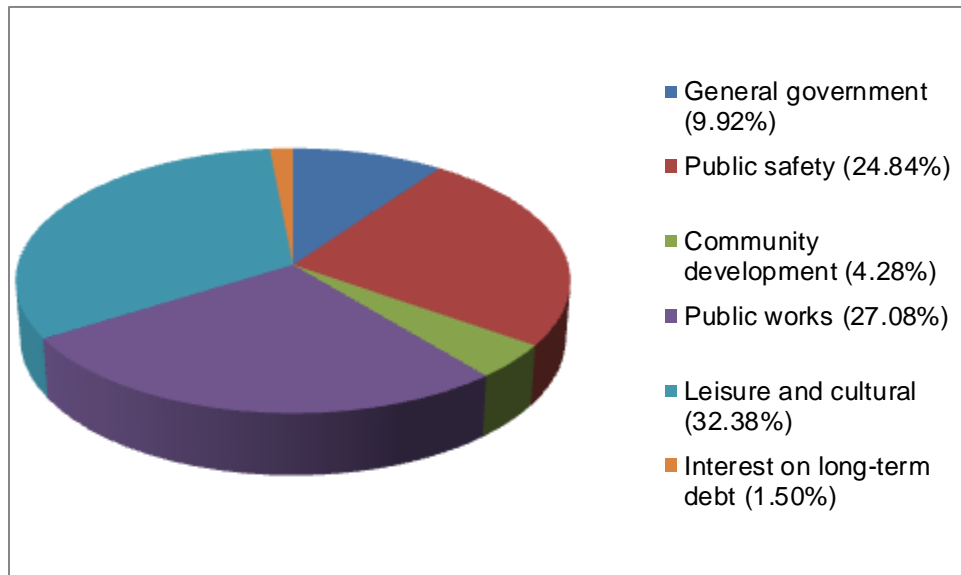
	<b>Governmental Activities</b>	
	Fiscal Year	
	2015	2016
<b>REVENUES</b>		
Program Revenues:		
Charges for services	10,714,957	11,890,926
Operating grants and contributions	2,274,058	3,840,893
Capital grants and contributions	2,798,127	4,894,510
General Revenues:		
Property taxes	10,178,680	10,752,452
Sales and use tax	16,658,358	13,879,537
Transient occupancy taxes	1,500,392	1,690,411
Franchise taxes	2,767,895	2,786,450
Other taxes	518,746	332,985
Intergovernmental	20,685	19,981
Use of money and property	1,040,369	1,280,129
Miscellaneous	289,002	423,104
<b>Total revenues</b>	<b>48,761,269</b>	<b>51,791,378</b>
<b>EXPENSES</b>		
Governmental Activities:		
General government	4,357,631	3,837,337
Public safety	9,196,201	9,608,429
Community development	1,468,225	1,654,271
Public works	8,911,393	10,474,615
Leisure and cultural	12,675,136	12,527,600
Interest on long-term debt	497,387	581,770
<b>Total expenses</b>	<b>37,105,973</b>	<b>38,684,022</b>
Excess (deficit) before transfers	11,655,296	13,107,356
<b>INCREASE IN NET POSITION</b>	<b>11,655,296</b>	<b>13,107,356</b>
Net position - beginning	194,033,852	194,694,724
Restatement of net position	(10,994,424)	217,129
Net position - ending	194,694,724	208,019,209

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### FY 2015-16 TOTAL REVENUES BY SOURCES



### FY 2015-16 TOTAL EXPENSES



The City's revenues totaled \$51.79 million for Fiscal Year 2015-16 in comparison to \$48.76 million from the previous year. Of the City's total revenues, \$11.89 million (22.96 percent) were derived from charges for services, \$8.73 million for grants and contributions (16.87 percent) and \$29.44 million (56.85 percent) were received from taxes.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Splash! La Mirada Regional Aquatics Center and the La Mirada Theatre for the Performing Arts continued to have successful seasons. Splash! continues to be a popular community destination. The Theatre's 2015-16 season featured five professional plays and musicals, including *Rent* and the *Little Mermaid*.

The construction phase of certain grant funded projects started in Fiscal Year 2015-16 and receipt of the funds is expected at project completion. Projects include the Playgroup Equipment Project and the Valley View Avenue and Adoree Road Street Project funded with County of Los Angeles Prop A Park Grant and the Federal Highway and Safety Improvement Program Grant, respectively.

The Sales Tax In-Lieu (also known as the Triple Flip) expired July 2015. Effective January 2016, the City received its full 1 percent of the Bradley Burns Sales Tax and the "true-up" was received in July 2016.

City expenses for the fiscal year totaled \$38.68 million, comprising \$3.84 million (9.92 percent) for general government, \$9.61 million (24.84 percent) for public safety, \$10.47 million (27.08 percent) for public works and \$12.53 million (32.38 percent) for leisure and cultural activities, and \$2.24 million (5.78 percent) for community development and interest on long-term debt.

Public works expenditures increased \$1.56 million or 17.54 percent from the previous fiscal year. The City continues to make progress towards addressing its infrastructure needs with the completion of Residential Street Phase II, Street Rehabilitation in the Industrial Center, and the early design phase of a number of traffic signal projects.

### EXPENSES AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES

Table 3 presents the cost of each of the City's five largest programs-general government, public safety, community development, public works, and leisure and cultural- as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

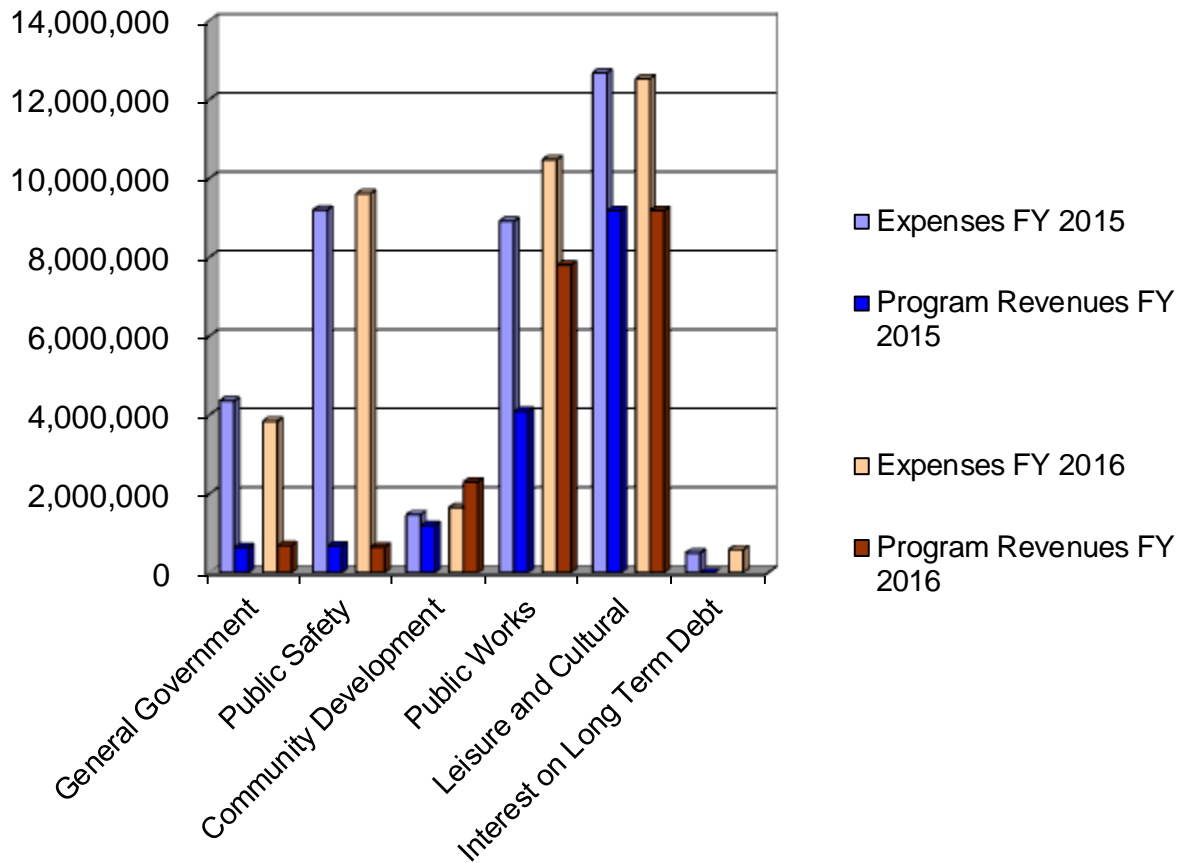


**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

**TABLE 3**  
**NET COST OF GOVERNMENTAL ACTIVITIES**  
 As of June 30, 2016

	Total Cost of Services		Net Cost of Services	
	Fiscal Year		Fiscal Year	
	2015	2016	2015	2016
Governmental Activities:			(in millions)	
General Government	4,357,631	3,837,337	3.7	3.2
Public Safety	9,196,201	9,608,429	8.5	9.0
Community Development	1,468,225	1,654,271	0.3	(0.6)
Public Works	8,911,393	10,474,615	4.8	2.7
Leisure and Cultural	12,675,136	12,527,600	3.5	3.3
Interest on Long Term Debt	497,387	581,770	0.5	0.6
<b>Total</b>	<b>37,105,973</b>	<b>38,684,022</b>	<b>21.3</b>	<b>18.1</b>

The net cost (revenues) of services indicates that the overall cost of government is more (less) than the revenues generated to support it. See the Statement of Activities for further detail on program revenues and general revenues.



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

**FINANCIAL ANALYSIS OF THE FUND STATEMENTS**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds-** The focus of the City’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City’s net resources available for spending at the end of the fiscal year.

As of June 30, 2016, the City’s governmental funds reported combined fund balances of \$102.06 million, an increase of \$7.05 million. Of this amount, \$46.28 million constitutes *unrestricted fund balance*, comprised of \$6.625 million as *committed fund balance* and \$8.02 million as *assigned fund balance*. *Committed fund balance* represents resources constrained by limitations imposed at the highest level of decision making that requires formal action at the same level to remove. *Assigned fund balance* describes the portion of fund balance that reflects its intended use of resources. As of June 30, the *unassigned fund balance* was \$31.63 million. Please refer to Note 1 to basic financial statements for additional detail.

Below is an analysis of the City’s governmental fund activities:

<b>Fund Balance</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>VARIANCE</b>
General Fund	\$ 65,284,060	\$ 71,464,109	\$ 6,180,049
Low and Moderate Housing	17,068,977	17,012,205	(56,772)
Capital Improvement	3,211,815	4,324,995	1,113,180
Other Governmental Funds	9,452,704	9,262,555	(190,149)
<b>Total Fund Balance</b>	<b>\$ 95,017,556</b>	<b>\$ 102,063,864</b>	<b>\$ 7,046,308</b>

The General Fund is the chief operating fund of the City. The fund balance of the City’s General Fund increased \$6.18 million during the fiscal year. Key factors for this change are as follows:

- The City’s property tax revenue and sales tax revenue, including Measure I, continued their upward trend. The taxable assessed value over the last ten years has increased from \$4.60 to \$5.78 billion. Sales tax and Measure I revenue experienced strong sales in all the major categories, with the exception of the fuel-service stations due to the fluctuations in gas prices.
- Splash! La Mirada Regional Aquatics Center and the Theatre for the Performing Arts are popular community destinations generating \$3.35 million and \$4.70 million in revenue, respectively. The Aquatics Center also launched a new program offering food concessions previously provided by a third party.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Building and Permit fees generated \$1.54 million revenue processing more than 3,000 building permit transactions with a valuation of work exceeding \$90.0 million.
- The City's investment portfolio is actively managed by an investment advisor. The City continues to diversify the portfolio from the State of California's Local Agency Investment Fund to other high-yielding conservative investments. The City's portfolio has an average yield of .80 percent.
- Operating expenditures of approximately \$29.73 million reflect on-going efforts to reduce costs by operating more efficiently and using both contract services and City staff, while keeping essential services at acceptable levels. In addition, a number of General Fund funded capital improvement projects are in various stages of the construction process with estimated completion in Fiscal Year 2016-17.

Low and Moderate Housing experienced a net decrease of \$56,772. The loans receivable was overstated in Fiscal Year 2014-15 resulting in a prior period adjustment in the amount of \$386,581.

Capital Projects Fund increased \$1.11 million. The City transferred an additional \$1.0 million for future street projects.

***Proprietary Funds*** – The City's 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 City's internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its employee benefits and equipment replacement. As of June 30, 2016, the unrestricted net position of the internal service funds was \$6.39 million. The services provided by the internal service funds have been allocated to governmental functions, based on user percentages, in the government-wide financial statements.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no changes for Fiscal Year 2015-16 from the adopted budget.

Variances with the Final Budget are as follows:

General Fund actual revenues were more than the final budget by \$4.54 million.

- Taxes increased \$3.29 million as taxes are conservatively budgeted.
- Licenses and permits increased \$698,665 due to the increased building division activity.

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

- Intergovernmental revenue had a net decrease of \$609,182. The County of Los Angeles Library Renovation Project was prefunded in advance of the project. The budget forecasted the project to be reimbursed as the project progressed.
- Charges for services increased \$946,568 as the Theatre for the Performing Arts and Splash! La Mirada Regional Aquatics Center continued to have successful 2015-16 seasons.
- Transfers In decreased \$239,006 due to the Gas Tax funded public right-of-way activity being used on an as-needed basis.

General Fund expenditures were \$1.56 million less than the final budget largely due to City-wide efforts to reduce costs and transfers out to Capital Improvement Project Fund. The City budgets transfers out to the Capital Projects Fund with the expectation that planning and construction will be completed within the fiscal year. Measure I Phase III is in the early design phase and construction is expected in early spring of 2017. This is offset by an additional \$1.0 million transfers out for future capital projects.

Leisure and cultural expenditures increased \$147,918 above the budget. Fiscal Year 2015-16 is the first year the City operated food concessions, which were previously provided by a third party.

**CAPITAL ASSETS**

The City’s investment in capital assets for its governmental activities amounts to \$108.60 million (net of accumulated depreciation). This investment in capital assets includes: land, construction in progress, land improvements, buildings and structures, machinery and equipment, automotive equipment, infrastructure, and intangible assets.

**TABLE 4**  
**CAPITAL ASSETS, NET OF DEPRECIATION**  
 As of June 30, 2016

<b>DESCRIPTION</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Land and easements	4,540,989	4,540,989
Construction in progress	8,031,061	6,787,515
Land improvements	17,740,881	27,207,820
Buildings and structures	53,544,803	52,132,834
Machinery and equipment	1,229,022	1,537,185
Automotive equipment	205,669	144,596
Infrastructure	17,214,998	16,250,379
Intangible Assets	543,123	-
	<b>103,050,546</b>	<b>108,601,318</b>

Larger projects are funded and completed over several fiscal years. Funding will come from current available bond proceeds, current fund balances, and projected revenues.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The most significant projects include Residential Street Rehab Phases II and III, Street Rehabilitation in the Industrial Center, Santa Gertrudes Rehabilitation Phase II, and a number of traffic signal upgrades. More detailed information is included in Note 3 to the financial statements.

### LONG-TERM DEBT

As of June 30, 2016, the City had \$10.78 million in long-term debt outstanding. The indebtedness of the former Redevelopment Agency in the amount of \$98.65 million was transferred to the Successor Agency. All of the Tax Allocation Bonds are insured.

On April 26, 2016, the Financing Authority issued \$8.97 million of Lease Revenue Refunding Bonds Series 2016 to refinance the 2006 Lease Revenue Bonds. The 2016 Refunding Bonds were rated AA by Standard and Poor's. More detailed information is included in Notes 7 and 14 to the financial statements.

### OUTSTANDING DEBT

As of June 30, 2016

	<b>Governmental Activities</b>	
	Fiscal Year	
	2015	2016
Lease Revenue Bonds*	11,330,085	10,063,653
Capital Lease Payable	84,018	77,724
Compensated Absences	648,276	640,038
Claims and Judgments	603,710	-
<b>Total</b>	<b>12,666,089</b>	<b>10,781,415</b>
* includes bond premium		

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

Property values in La Mirada have grown by more than 4.5 percent during the past year according to a recent report by the Los Angeles County Assessor's Office.

La Mirada's assessed value increase was \$265 million, which is its highest mark ever at \$6,051,859,016. The increase in value is attributed primarily to the Assessor's adjustment pursuant to Proposition 13 and re-assessments of property that were sold

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

prior to January 1, 2016. The new figures were part of the 2016 Assessment Roll recently released by the Assessor's Office.

The local housing market has also remained strong. The median sale price of a single family home in La Mirada from July to October 2016 is \$525,000. This represents a \$40,000 (8.2 percent) increase in median sale price from 2015.

The City's 2016-17 budget projections take into account the historical trends and current economic factors. Taxes are conservatively projected to increase \$1.78 million as property taxes and sales tax revenue continue to show an upward trend. Charges for Current Services are projected to increase \$497,000 or 5.6 percent. Splash! will again be providing food concession services directly.

Operating expenditures have been projected at \$32.1 million for the General Fund. The budget reflects a number of contract increases for essential services and additional costs for the food concession. With the noted exceptions, overall General Fund operations continue to be relatively flat with services delivered by a very lean staffing complement and minimal funds budgeted for contingencies. The City continues to provide basic services using a mix of City staff and third party contracts. The budget provides public safety services at a high level, maintains most City programs at levels expected by the public, and schedules an ambitious slate of capital improvement projects.

The budget may be amended, as necessary, to respond to changing conditions to ensure the City's ongoing fiscal stability. Questions or requests for information regarding the City of La Mirada's 2016-17 adopted budget should be sent to the Deputy City Manager.

### **REQUESTS FOR INFORMATION**

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





## **Basic Financial Statements**



CITY OF LA MIRADA

STATEMENT OF NET POSITION  
JUNE 30, 2016

	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and investments	\$ 74,583,496
Receivables:	
Accounts	250,496
Taxes	4,401,859
Notes and loans	6,530,473
Accrued interest	169,888
Advances to Successor Agency of Former RDA	30,668,735
Prepaid costs	676,917
Due from other governments	2,634,784
Restricted assets:	
Cash and investments with fiscal agent	17,374
Net OPEB asset	10,219,379
Capital assets not being depreciated	11,328,504
Capital assets, net of depreciation	<u>97,272,814</u>
<b>Total Assets</b>	<u>238,754,719</u>
<b>Deferred Outflow of Resources:</b>	
Deferred pension related items	1,630,780
Deferred loss on debt refunding	<u>42,593</u>
<b>Total Deferred Outflow of Resources</b>	<u>1,673,373</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>240,428,092</u>
<b>Liabilities:</b>	
Accounts payable	3,159,658
Accrued liabilities	841,366
Accrued interest	58,046
Unearned revenue	2,068,683
Deposits payable	3,941,829
Due to other governments	6,555
Noncurrent liabilities:	
Net pension liability	9,137,388
Due within one year	552,621
Due in more than one year	<u>10,228,794</u>
<b>Total Liabilities</b>	<u>29,994,940</u>
<b>Deferred Inflow of Resources:</b>	
Deferred pension related items	<u>2,413,943</u>
<b>Total Deferred Inflow of Resources</b>	<u>2,413,943</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>32,408,883</u>
<b>Net Position:</b>	
Net investment in capital assets	98,459,941
Restricted for:	
Public works	8,494,121
Public safety	103,444
Capital projects	4,324,995
Leisure and cultural	901,631
Low and moderate housing	17,172,157
Unrestricted	<u>78,562,920</u>
<b>Total Net Position</b>	<u>\$ 208,019,209</u>

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

STATEMENT OF ACTIVITIES  
JUNE 30, 2016

Functions/Programs Primary Government:	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Primary
					Governmental Activities
Governmental activities:					
General government	\$ 3,837,337	\$ 608,738	\$ 75,335	\$ -	\$ (3,153,264)
Public safety	9,608,429	536,923	114,618	-	(8,956,888)
Community development	1,654,271	1,728,665	573,648	-	648,042
Leisure and cultural	12,527,600	9,016,600	-	166,150	(3,344,850)
Public works	10,474,615	-	3,077,292	4,728,360	(2,668,963)
Interest on long-term debt	581,770	-	-	-	(581,770)
<b>Total governmental activities</b>	<b>\$ 38,684,022</b>	<b>\$ 11,890,926</b>	<b>\$ 3,840,893</b>	<b>\$ 4,894,510</b>	<b>(18,057,693)</b>
<b>General revenues:</b>					
Taxes:					
Property taxes, levied for general purposes					10,752,452
Transient occupancy tax					1,690,411
Sales taxes					13,879,537
Business licenses taxes					332,985
Franchise taxes					2,786,450
Motor vehicle in lieu - unrestricted					19,981
Use of money and property					1,280,129
Other					423,104
<b>Total general revenue</b>					<b>31,165,049</b>
<b>Change in net position</b>					<b>13,107,356</b>
<b>Net position, beginning of fiscal year</b>					<b>194,694,724</b>
<b>Prior period adjustments</b>					<b>217,129</b>
<b>Net position, beginning of fiscal year, restated</b>					<b>194,911,853</b>
<b>Net position, end of fiscal year</b>					<b>\$ 208,019,209</b>

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	<b>Special Revenue Funds</b>		<b>Capital Project Funds</b>
	<b>General</b>	<b>Low and Moderate Housing</b>	<b>Capital Improvement</b>
<b>Assets:</b>			
Pooled cash and investments	\$ 47,039,523	\$ 4,423,122	\$ 7,232,440
Receivables:			
Accounts	250,496	-	-
Taxes	4,401,859	-	-
Notes and loans	-	5,676,163	-
Accrued interest	130,715	-	14,603
Prepaid costs	422,545	-	-
Due from other governments	233,468	1,243,714	436,758
Due from other funds	132,408	-	1,355,925
Advances to Successor Agency	24,828,264	5,835,713	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total assets</b>	<b>\$ 77,439,278</b>	<b>\$ 17,178,712</b>	<b>\$ 9,039,726</b>
<b>Liabilities:</b>			
Accounts payable	\$ 2,267,734	\$ -	\$ 759,769
Accrued liabilities	271,346	-	443,669
Unearned revenue	1,453,574	-	-
Deposits payable	430,536	-	3,511,293
Due to other governments	-	6,555	-
Due to other funds	1,286,003	-	-
<b>Total liabilities</b>	<b>5,709,193</b>	<b>6,555</b>	<b>4,714,731</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenues	265,976	159,952	-
<b>Total deferred inflows of resources</b>	<b>265,976</b>	<b>159,952</b>	<b>-</b>
<b>Fund balances:</b>			
<b>Nonspendable:</b>			
Prepaid costs	422,545	-	-
Advances to Successor Agency	24,762,287	-	-
<b>Restricted for:</b>			
Public safety	-	-	-
Leisure and cultural	-	-	-
Public works	-	-	-
Capital projects	-	-	4,324,995
Debt service	-	-	-
Low and Moderate Housing	-	17,012,205	-
<b>Committed to:</b>			
Economic uncertainty	6,625,000	-	-
<b>Assigned to:</b>			
Capital projects	8,023,549	-	-
<b>Unassigned</b>	<b>31,630,728</b>	<b>-</b>	<b>-</b>
<b>Total fund balances (deficits)</b>	<b>71,464,109</b>	<b>17,012,205</b>	<b>4,324,995</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 77,439,278</b>	<b>\$ 17,178,712</b>	<b>\$ 9,039,726</b>

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>		
Pooled cash and investments	\$ 9,980,288	\$ 68,675,373
Receivables:		
Accounts	-	250,496
Taxes	-	4,401,859
Notes and loans	854,310	6,530,473
Accrued interest	21,554	166,872
Prepaid costs	7,836	430,381
Due from other governments	725,602	2,639,542
Due from other funds	501,152	1,989,485
Advances to Successor Agency	-	30,663,977
Restricted assets:		
Cash and investments with fiscal agents	3,645	3,645
<b>Total assets</b>	<b>\$ 12,094,387</b>	<b>\$ 115,752,103</b>
<b>Liabilities:</b>		
Accounts payable	\$ 128,139	\$ 3,155,642
Accrued liabilities	1,065	716,080
Unearned revenue	615,109	2,068,683
Deposits payable	-	3,941,829
Due to other governments	-	6,555
Due to other funds	749,375	2,035,378
<b>Total liabilities</b>	<b>1,493,688</b>	<b>11,924,167</b>
<b>Deferred inflows of resources:</b>		
Unavailable revenues	1,338,144	1,764,072
<b>Total deferred inflows of resources</b>	<b>1,338,144</b>	<b>1,764,072</b>
<b>Fund balances:</b>		
<b>Nonspendable:</b>		
Prepaid costs	7,836	430,381
Advances to Successor Agency	-	24,762,287
<b>Restricted for:</b>		
Public safety	103,444	103,444
Leisure and cultural	601,631	601,631
Public works	8,494,121	8,494,121
Capital projects	-	4,324,995
Debt service	55,523	55,523
Low and Moderate Housing	-	17,012,205
<b>Committed to:</b>		
Economic uncertainty	-	6,625,000
<b>Assigned to:</b>		
Capital projects	-	8,023,549
<b>Unassigned</b>	<b>-</b>	<b>31,630,728</b>
<b>Total fund balances (deficits)</b>	<b>9,262,555</b>	<b>102,063,864</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 12,094,387</b>	<b>\$ 115,752,103</b>

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2016**

Fund balances of governmental funds		\$ 102,063,864
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets net of depreciation have not been included as financial resources in governmental fund activity.</p>		
Capital assets	\$ 151,968,447	
Accumulated depreciation	<u>(43,848,950)</u>	108,119,497
<p>This issuance of long-term (e.g., bonds, leases, compensated absences) 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.</p>		
Premium on lease revenue bonds	(1,093,653)	
Lease revenue bonds	(8,970,000)	
Lease payable	(77,724)	
Compensated absences	<u>(640,038)</u>	(10,781,415)
<p>Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.</p>		
		(58,046)
<p>Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.</p>		
		1,764,072
<p>Certain amounts on debt refundings are expensed as incurred in the governmental funds. The deferred gain or loss on refunding is capitalized and amortized over the life of the debt.</p>		
		42,593
<p>Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.</p>		
		<u>6,868,644</u>
Net position of governmental activities		<u>\$ 208,019,209</u>

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General	Special	Capital
		Revenue Funds	Projects Funds
		Low and Moderate Housing	Capital Improvement
<b>Revenues:</b>			
Taxes	\$ 26,926,251	\$ -	\$ -
Licenses and permits	1,728,665	-	-
Intergovernmental	4,900,818	-	3,991,965
Charges for services	9,356,777	-	-
Use of money and property	1,030,192	98,164	53,872
Fines and forfeitures	488,483	-	-
Contributions	75,499	-	-
Miscellaneous	194,461	236,002	-
<b>Total revenues</b>	<b>44,701,146</b>	<b>334,166</b>	<b>4,045,837</b>
<b>Expenditures:</b>			
Current:			
General government	3,434,507	-	-
Public safety	8,173,231	-	-
Community development	1,177,848	4,357	-
Leisure and cultural	10,771,099	-	-
Public works	6,125,417	-	190,692
Capital outlay	21,784	-	12,710,590
Debt service:			
Debt issue cost	-	-	-
Principal retirement	28,078	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>29,731,964</b>	<b>4,357</b>	<b>12,901,282</b>
Excess (deficiency) of revenues over (under) expenditures	14,969,182	329,809	(8,855,445)
<b>Other financing sources (uses):</b>			
Proceeds from issuance of long-term debt	-	-	-
Premiums on long-term debt issue	-	-	-
Payments to refund debt escrow agent	-	-	-
Transfers in	442,844	-	9,968,625
Transfers out	(9,253,761)	-	-
Capital leases	21,784	-	-
<b>Total other financing sources (uses)</b>	<b>(8,789,133)</b>	<b>-</b>	<b>9,968,625</b>
Net change in fund balances	6,180,049	329,809	1,113,180
Fund balances (deficits), beginning of fiscal year	65,284,060	17,068,977	3,211,815
Prior period adjustments	-	(386,581)	-
Fund balances (deficits), beginning of fiscal year, as restated	65,284,060	16,682,396	3,211,815
Fund balances (deficits), end of fiscal year	\$ 71,464,109	\$ 17,012,205	\$ 4,324,995

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>		
Taxes	\$ 2,176,325	\$ 29,102,576
Licenses and permits	-	1,728,665
Intergovernmental	1,915,984	10,808,767
Charges for services	40,235	9,397,012
Use of money and property	97,866	1,280,094
Fines and forfeitures	-	488,483
Contributions	-	75,499
Miscellaneous	-	430,463
<b>Total revenues</b>	<b>4,230,410</b>	<b>53,311,559</b>
<b>Expenditures:</b>		
Current:		
General government	-	3,434,507
Public safety	56,764	8,229,995
Community development	116,341	1,298,546
Leisure and cultural	1,041,451	11,812,550
Public works	55,593	6,371,702
Capital outlay	-	12,732,374
Debt service:		
Debt issue cost	197,205	197,205
Principal retirement	510,000	538,078
Interest and fiscal charges	486,471	486,471
<b>Total expenditures</b>	<b>2,463,825</b>	<b>45,101,428</b>
Excess (deficiency) of revenues over (under) expenditures	1,766,585	8,210,131
<b>Other financing sources (uses):</b>		
Proceeds from issuance of long-term debt	8,970,000	8,970,000
Premiums on long-term debt issue	1,093,653	1,093,653
Payments to refund debt escrow agent	(10,862,679)	(10,862,679)
Transfers in	2,261,413	12,672,882
Transfers out	(3,419,121)	(12,672,882)
Capital leases	-	21,784
<b>Total other financing sources (uses)</b>	<b>(1,956,734)</b>	<b>(777,242)</b>
Net change in fund balances	(190,149)	7,432,889
Fund balances (deficits), beginning of fiscal year	9,452,704	95,017,556
Prior period adjustments	-	(386,581)
Fund balances (deficits), beginning of fiscal year, as restated	9,452,704	94,630,975
Fund balances (deficits), end of fiscal year	<b>\$ 9,262,555</b>	<b>\$ 102,063,864</b>

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Net change in fund balances - total governmental funds \$ 7,432,889

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 are allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeded depreciation in the current period.

Capital outlay	\$ 9,924,864	
Depreciation	<u>(4,293,683)</u>	5,631,181

Cost of canceled capital projects are charged to expense as well as losses on disposition		(53,966)
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Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Whereas, issuance of long-term debt is a current financial resource in the governmental funds, but the issuance increase long-term debt in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and deferral on loss on refunding when debt is first issues, whereas these amounts are deferred and amortized in the statement of activities.

Proceeds from issue of revenue bonds	\$ (8,970,000)	
Lease revenue bonds principal repayment	510,000	
Capital lease payments	28,078	
Premium on revenue bond issue	(1,093,653)	
Payments to refunded debt escrow agent	10,862,679	
New capital leases obligation	<u>(21,784)</u>	1,315,320

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		101,906
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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.		8,237
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Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		(1,520,180)
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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 funds.		<u>191,969</u>
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Change in net position of governmental activities		<u><u>\$ 13,107,356</u></u>
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See Accompanying Notes to Financial Statements.



CITY OF LA MIRADA

COMBINING STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2016

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets:</b>	
Current:	
Cash and investments	\$ 5,908,123
Receivables:	
Accounts	-
Accrued interest	3,016
Prepaid costs	246,536
Due from other governments	-
Due from other funds	45,893
Restricted:	
Cash and investments with fiscal agent	<u>13,729</u>
<b>Total Current Assets</b>	<u>6,217,297</u>
Noncurrent:	
Net OPEB asset	10,219,379
Capital assets, net of accumulated depreciation	<u>481,821</u>
<b>Total Noncurrent Assets</b>	<u>10,701,200</u>
<b>Total Assets</b>	<u>16,918,497</u>
<b>Deferred Outflow of Resources:</b>	
Deferred pension related items	<u>1,630,780</u>
<b>Total Deferred Outflow of Resources</b>	<u>1,630,780</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 18,549,277</u>
<b>Liabilities:</b>	
Current:	
Accounts payable	4,016
Accrued liabilities	<u>125,286</u>
<b>Total Current Liabilities</b>	<u>129,302</u>
Noncurrent:	
Net pension liability	<u>9,137,388</u>
<b>Total Noncurrent Liabilities</b>	<u>9,137,388</u>
<b>Total Liabilities</b>	<u>9,266,690</u>
<b>Deferred Inflow of Resources:</b>	
Deferred pension related items	<u>2,413,943</u>
<b>Total Deferred Inflow of Resources</b>	<u>2,413,943</u>
<b>Net Position:</b>	
Investment in capital assets	481,821
Unrestricted	<u>6,386,823</u>
<b>Total Net Position</b>	<u>6,868,644</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<u>\$ 18,549,277</u>

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Totals</u>
<b>Operating Revenues:</b>	
Sales and service charges	\$ 4,129,911
<b>Total Operating Revenues</b>	<u>4,129,911</u>
<b>Operating Expenses</b>	
Administration and general	3,793,285
Depreciation expense	<u>152,877</u>
<b>Total Operating Expenses</b>	<u>3,946,162</u>
Operating Income (Loss)	<u>183,749</u>
<b>Nonoperating Revenues (Expenses)</b>	
Interest revenue	<u>8,220</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>8,220</u>
Changes in Net Position	<u>191,969</u>
<b>Net Position:</b>	
Beginning of Fiscal Year	6,332,965
Prior Period Adjustment	<u>343,710</u>
Beginning of Fiscal Year, Restated	<u>6,676,675</u>
<b>End of Fiscal Year</b>	<u>\$ 6,868,644</u>

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers and users	\$ 4,595,237
Cash paid to suppliers for goods and services	-
Cash paid to employees for services	(3,791,395)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>803,842</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Repayment received from other funds	94,734
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>94,734</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Purchases of capital assets	(134,714)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(134,714)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest received	7,389
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>7,389</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	771,251
Cash and Cash Equivalents at Beginning of Year	<u>5,150,601</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 5,921,852</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income (loss)	\$ 183,749
<b>Adjustment to reconcile operating income (loss) net cash provided (used) by operating activities:</b>	
Depreciation	152,877
(Increase) decrease in accounts receivable	31
(Increase) decrease in due from other governments	465,295
(Increase) decrease in prepaid expense	270,592
(Increase) decrease in Net OPEB asset	(49,338)
(Increase) decrease in deferred outflows of pension related items	(510,883)
Increase (decrease) in accounts payable	(2,953)
Increase (decrease) in accrued liabilities	5,971
Increase (decrease) in pension liability	962,174
Increase (decrease) in deferred inflows of pension related items	(673,673)
<b>Total Adjustments</b>	<u>620,093</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 803,842</u>

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2016

	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
<b>Assets:</b>	
Pooled cash and investments	\$ 10,235,664
Receivables:	
Taxes	10,500
Accrued interest	8,784
Due from other governments	6,555
Restricted funds:	
Cash and investments with fiscal agents	<u>1,343,499</u>
<b>Total Assets</b>	<u>11,605,002</u>
<b>Deferred Outflow of Resources:</b>	
Deferred charge on refunding	<u>82,122</u>
<b>Liabilities:</b>	
Accounts payable	249,739
Interest payable	804,844
Due to other governments	1,248,722
Long-term liabilities:	
Due in one year	3,839,857
Due in more than one year	<u>94,811,868</u>
<b>Total Liabilities</b>	<u>100,955,030</u>
<b>Net Position (Deficit):</b>	
Held in trust for other purposes	<u>(89,267,906)</u>
<b>Total Net Position (Deficit)</b>	<u>\$ (89,267,906)</u>

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR FISCAL YEAR ENDED JUNE 30, 2016

	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
<b>Additions:</b>	
Taxes	\$ 6,775,641
Interest and change in fair value of investments	<u>30,066</u>
<b>Total Additions</b>	<u>6,805,707</u>
<b>Deductions:</b>	
Administrative expenses	202,624
Contractual services	3,471,176
Interest expense	<u>2,885,831</u>
<b>Total Deductions</b>	<u>6,559,631</u>
<b>Changes in Net Position</b>	<u>246,076</u>
Net Position (Deficit) - Beginning of Fiscal Year	(89,523,459)
Prior Period Adjustment	<u>9,477</u>
Net Position (Deficit) - Beginning of Fiscal Year, Restated	<u>(89,513,982)</u>
<b>Net Position (Deficit) - End of Fiscal Year</b>	<u>\$ (89,267,906)</u>

See Accompanying Notes to Financial Statements.

**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.

The City of La Mirada is a reporting entity which includes the following component units:

- La Mirada Public Financing Authority
- La Mirada Housing Successor

The City has considered all potential component units. As required by generally accepted accounting principles, the financial statements of the City of La Mirada include the financial activities of the City, La Mirada Public Financing, and the Housing Successor. The City is considered to be financially accountable for an organization if the City's governing body is substantially the same as the component unit's governing body, and there is a financial benefit or burden relationship between the City and component unit, or the City has operation responsibility for a component unit. The financial statements of the City and 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 City formed the La Mirada Public Financing Authority on August 8, 1989, for the purpose of acquiring and financing the acquisition of public capital improvements necessary for the operation of the City or former Redevelopment Agency. City Council serves as the government body. City management has the same operational responsibility for this component unit as it does for the City. Debts issued through the La Mirada Public Financing Authority are expected to be repaid with City resources.

The City of La Mirada Housing Successor was established on February 14, 2012, as the territorial jurisdiction of the former Redevelopment Agency. The Housing Authority retained the housing assets and functions previously performed by the former Redevelopment Agency. City Council serves as the governing Board for the Housing Authority. City management has the same operational responsibility for the Housing Authority as it does for the City.

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

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

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

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

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

**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, transient occupancy taxes, other taxes, investment income, court fines, and capital project financing sources. Primary sources not susceptible to accrual are licenses and permits and charges for current services. Expenditures are generally recognized under the accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt, which is recognized when due.

The City reports the following major funds:

**Governmental Funds:**

- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in another fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

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

- The Low and Moderate Housing Fund was established to account for the assets of the former Redevelopment Agency's Low and Moderate Housing Fund.
- The Capital Improvement Fund was established to account for all of the City public improvement projects. Funding is provided by general and special revenue funds.

Additionally, the City reports the following fund types:

- Special Revenue Funds are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purpose.
- The Debt Service Fund is used to account for financial resources that are being accumulated for principal and interest maturing in future years on the Finance Authority's Lease Revenue Bonds.
- Internal Service Funds account for employee benefits and replacement of equipment provided to other departments of the government, on a cost reimbursement basis.
- The Private-Purpose Trust Fund is used to account for the assets and liabilities of the former redevelopment agency and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 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.



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

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

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

Cash and Cash Equivalents

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

Investments

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

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

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

The estimated useful lives and capitalization thresholds are as follows:

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

**Deferred Outflows/Inflows of Resources**

The City reports deferred outflows and inflows of resources. A deferred outflow of resources is a consumption of net position or fund balance by the government that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net position or fund balance by the government that is applicable to a future period.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. Revenue must also be susceptible to accrual; it must be both measurable and available to finance expenditures of the current fiscal year. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal year, then the assets must be offset by a corresponding deferred inflow of resources. This type of deferred inflow is unique to governmental funds, since it is tied to the modified accrual basis of accounting, which is only used in connection with governmental funds.

Occasionally, the City refunds some of its existing debt. When this occurs, the difference between the funds required to retire (reacquisition price of) the refunded debt and the net carrying amount of refunded debt results in a deferred amount on refunding. If there is an excess of the reacquisition price of refunded debt over its net carrying amount, it is treated as a deferred outflow of resources (a deferred loss on refunding). If there is an excess net carrying value amount of refunded debt over its reacquisition price, it is treated as a deferred inflow of resources (a deferred gain on refunding).

The City contributed to the California Public Employees' Retirement Systems (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. Changes in Net Pension Liability (NPL) attributable to experience gains/losses, assumption changes, and differences between projected and actual earnings on investments not recognized in expense during the current reporting period are accounted for as deferred inflows and outflows of resources. Changes in the employer's proportion of the collective NPL since the last measurement date, then any effect on the employer's proportionate share of the collective NPL, collective deferred

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

outflow of resources, or collective deferred inflow of resources not recognized in expense is reported as a deferred item. In addition, any difference between actual employer contributions and the employer's proportionate share of the total of all contributions from all employers not recognized in expense must be reported as a deferred item.

**Net Position Flow Assumption**

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

**Fund Balance Flow Assumptions**

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

**Net Pension Liability**

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used for the defined benefit pension plan.

Valuation Date (VD)	June 30, 2014
Measurement Date (MD)	June 30, 2015
Measurement Period (MP)	July 1, 2014 to June 30, 2015

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

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

The following timeframes are used for the Public Agency Retirement System (PARS).

Valuation Date (VD)	June 30, 2015
Measurement Date (MD)	June 30, 2016

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.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Property Taxes

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

Fund Equity

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

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

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

Nonspendable - include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

Committed - include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, the City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by Resolution. As of June 30, 2015, the City established Resolution No. 13-15 as the City's Emergency Contingency in the amount of \$6.625 million.

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

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

Effect of New Accounting Standards

During the fiscal year ended June 30, 2016, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

Governmental Accounting Standards Board Statement No. 72.

For the fiscal year ended June 30, 2016, the City implemented Governmental Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Applications*. This Statement is effective for periods beginning after June 15, 2015. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. Implementation of GASB Statement 72 did have an impact on the City's financial statements for the fiscal year ended June 30, 2016, see Note 2.

Governmental Accounting Standards Board Statement No. 73.

For the fiscal year ended June 30, 2016, the City implemented Governmental Standards Board (GASB) Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are not within the Scope of GASB 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. Implementation of this Statement No. 73 did have an impact on the City's financial statements for the fiscal year ended June 30, 2016. See Note 8 and the Required Supplementary Information.

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

Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements.

Statement No. 74	"Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans"	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
Statement No. 75	"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 77	"Tax Abatement Disclosures"	The provisions of this statement are effective for fiscal years beginning after June 15, 2015.
Statement No. 78	"Pension Provided through Certain Multiple-Employer Defined Benefit Pension Plans"	The provisions of this statement are effective for fiscal years beginning after June 15, 2015.
Statement No. 79	"Certain External Investment Pools and Pool Participants"	The provisions of this statement are effective for fiscal years beginning after June 15, 2015.
Statement No. 80	"Blending Requirements for Certain Component Units-in amendment of GASB Statement No. 14"	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
Statement No. 81	"Irrevocable Split-Interest Agreements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
Statement No. 82	"Pension Issues-in amendment of GASB Statements No. 67, No. 68, and No. 73"	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.

**e. Budget**

During fiscal year 2015-16, supplemental budget appropriations were approved by the City Council. The effects of the supplemental appropriations were minor, with exception to the Capital Improvement Fund which had a net increase of \$350,000 due to the County of Los Angeles Library Renovation Project.

II. DETAILED NOTES ON ALL FUNDS

**Note 2: Cash and Investments**

Cash and Investments

As of June 30, 2016, cash and investments were reported in the accompanying financial statements as follows:

Statement of Net Position - Cash and Inventory with Fiscal Agent	\$ 17,374
Statement of Net Position - Fiduciary Fund - Cash and Inventory with Fiscal Agent	1,343,499
Statement of Net Position - Governmental activities	74,583,496
Statement of Net Position - Fiduciary funds	<u>10,235,664</u>
<b>Total Cash and Investments</b>	<b><u>\$ 86,180,033</u></b>

Cash and investments as of June 30, 2016 consist of the following:

Cash on hand	\$ 7,800
Demand deposits	16,324,770
Investments	<u>69,847,463</u>
<b>Total Cash and Investments</b>	<b><u>\$ 86,180,033</u></b>

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

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a fair 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.

**Note 2: Cash and Investments (Continued)**

Investments

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

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

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.



**Note 2: Cash and Investments (Continued)**

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, 2016, the City's investment in medium term notes were rated "A2" or higher by Moody's. As of June 30, 2016, 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 the external investment pool is unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2016, 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, 2016, 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, 2016, investments in Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Home Loan Bank represented 6.9%, 11.4%, and 10.7 %, respectively of the City's total investment value. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

Interest Rate Risk

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

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

**Note 2: Cash and Investments (Continued)**

As of June 30, 2016, the City had the following investments and original maturities:

	Rating S&P/Moody's	Investment Maturities				Fair Value
		6 months or less	6 months to 1 year	1 to 3 years	3 to 5 years	
Local Agency Investment Fund	N/R	\$ 20,224,021	\$ -	\$ -	\$ -	\$ 20,224,021
Money Market	AAA/Aaa	38,246	-	-	-	38,246
Medium Term Notes	AA+-A-/Aaa-A3	300,690	3,983,954	5,966,720	2,476,996	12,728,360
Commercial Paper	A-1/P-1	2,019,032	646,308	-	-	2,665,340
US Treasury Notes	N/A	-	962,307	3,697,455	5,174,873	9,834,635
Federal National Mortgage Assoc.	AA+/Aaa	400,792	-	4,145,365	3,384,828	7,930,985
Federal Home Loan Mortgage Corp.	AA+/Aaa	500,637	678,882	1,491,374	2,127,754	4,798,647
Federal Home Loan Bank	AA+/Aaa	254,852	1,357,240	2,428,352	3,430,132	7,470,576
Federal Farm Credit Bank	AA+/Aaa	528,741	470,342	856,027	504,351	2,359,461
Negotiable Certificate of Deposit	AA+/Aaa	450,048	-	-	-	450,048
Investments with Fiscal Agents		-	-	-	-	-
Money Market	N/R	1,347,144	-	-	-	1,347,144
		<u>\$ 26,064,203</u>	<u>\$ 8,099,033</u>	<u>\$ 18,585,293</u>	<u>\$ 17,098,934</u>	<u>\$ 69,847,463</u>

Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The Pool has the following recurring fair value measurements as of June 30, 2016:

Investment Type	Totals 6/30/16	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities:				
US Treasury Notes	\$ 9,834,635	\$ -	\$ 9,834,635	\$ -
Medium Term Notes	12,728,360	-	12,728,360	-
US Government Agency Securities	22,559,669	-	22,559,669	-
Commercial Paper	2,665,340	-	2,665,340	-
Negotiable Certificates of Deposit	450,048	-	450,048	-
Money Market Funds	1,385,390	1,385,390	-	-
Total Investments at Fair Value	49,623,442	1,385,390	48,238,052	-
Investments measured at amortized cost:				
LAIF	20,224,021	-	-	-
Total Pooled and Directed Investments	<u>\$ 69,847,463</u>	<u>\$ 1,385,390</u>	<u>\$ 48,238,052</u>	<u>\$ -</u>

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

**Note 3: Capital Assets**

Changes in Capital Assets

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land and easements	\$ 4,540,989	\$ -	\$ -	\$ -	\$ 4,540,989
Construction in progress	8,031,061	9,784,593	(50,366)	(10,977,773)	6,787,515
Total capital assets, not being depreciated	12,572,050	9,784,593	(50,366)	(10,977,773)	11,328,504
Capital assets, being depreciated:					
Land improvements	23,462,296	-	-	10,609,269	34,071,565
Buildings & Structures	70,648,399	-	-	-	70,648,399
Machinery and equipment	5,346,058	266,705	(1,014,644)	368,504	4,966,623
Automobile equipment	2,790,012	-	-	-	2,790,012
Infrastructure	29,118,418	-	-	-	29,118,418
Intangible Assets	3,829,412	-	-	-	3,829,412
Total capital assets, being depreciated	135,194,595	266,705	(1,014,644)	10,977,773	145,424,429
Less accumulated depreciation for:					
Land improvements	(5,721,415)	(1,142,330)	-	-	(6,863,745)
Buildings & Structures	(17,103,596)	(1,411,969)	-	-	(18,515,565)
Machinery and equipment	(4,117,036)	(323,446)	1,011,044	-	(3,429,438)
Automobile equipment	(2,584,343)	(61,073)	-	-	(2,645,416)
Infrastructure	(11,903,420)	(964,619)	-	-	(12,868,039)
Intangible Assets	(3,286,289)	(543,123)	-	-	(3,829,412)
Total accumulated depreciation	(44,716,099)	(4,446,560)	1,011,044	-	(48,151,615)
Total capital assets, being depreciated, net	90,478,496	(4,179,855)	(3,600)	10,977,773	97,272,814
Governmental activities capital assets, net	\$ 103,050,546	\$ 5,604,738	\$ (53,966)	\$ -	\$ 108,601,318

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

**Note 3: Capital Assets (Continued)**

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

Governmental Activities:	
General Government	\$ 755,914
Community Development	355,725
Public Safety	1,378,434
Public Works	1,245,037
Leisure and Culture	<u>711,450</u>
Total	<u>\$ 4,446,560</u>

**Note 4: Notes and Loans Receivable**

As of June 30, 2016, loans receivable consisted of the following:

Low and Moderate Housing:	
Rehabilitation Loans:	
HIP Loans	\$ 3,319,596
DPAP Loans	91,318
Promissory Loans:	
Grayville Limited Partnership Loan	1,219,262
Condominium Loans	1,045,987
Housing and Community Development:	
HIP Loans	<u>854,310</u>
Total	<u>\$ 6,530,473</u>

Home Improvement Program (HIP) is a home assistance program for low-to moderate-income La Mirada homeowners used to correct violations and repair deteriorating conditions in their homes. The assistance is provided through an emergency grant of up to \$5,000. The maximum low-interest deferred loan available to residents at 3% annual simple interest is \$30,000 with the City Manager having the authorization to approve a maximum loan of \$40,000 under special conditions. Effective July 2015, the maximum loan under special conditions was increased to \$85,000. The loan is secured by a deed of trust and does not need to be repaid until the property is sold, refinanced, no longer owner-occupied, or ownership transferred. At that time, the loan and interest is due and payable. Loans of \$4,173,906 were outstanding as of June 30, 2016.

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 \$91,318 were outstanding as of June 30, 2016.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

**Note 4: Notes and Loans Receivable (Continued)**

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, 2016, including accrued interest of \$372,198, is \$1,219,262.

The note receivables of \$1,045,987 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. As of June 30, 2016 there are six (6) outstanding loans.

On March 8, 2016, the City launched a home improvement loan program to assist homeowners with repairing block walls that face major streets. Through the Arterial Block Wall Loan Program, funding is available to qualifying homeowners whose block walls are damaged or in danger of failing. Low interest loans between \$10,000 and \$20,000 are available for eligible homeowners. As of June 30, 2016, there were no loans issued under the program.

**Note 5: Advances to Successor Agency of Former RDA**

The advances to the Successor Agency of the former Redevelopment Agency (RDA) consist of \$24,828,264 loans made to the former RDA to assist in various Redevelopment projects and a \$5,835,713 advance for the SERAF payment. As of June 30, 2016, the advance to the Successor Agency of the former RDA balance is \$30,663,977.

**Note 6: Interfund Receivables, Payables, and Transfers**

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

<u>Receivable Funds</u>	<u>Payable Funds</u>	
General Fund	Non-major governmental	\$ 132,408
		<u>132,408</u>
Capital Improvement	General Fund	1,240,853
	Non-major governmental	115,072
		<u>1,355,925</u>
Non-major governmental	Non-major governmental	<u>501,152</u>
Internal service	General Fund	45,150
	Non-major governmental	743
		<u>45,893</u>
Total		<u>\$ 2,035,378</u>

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**

**Note 6: Interfund Receivables, Payables, and Transfers (Continued)****b. Transfers In/Out**

	Transfers Out		
	General Fund	Nonmajor Governmental	Total
Transfers In:			
General Fund	\$ -	\$ 442,844	\$ 442,844
Capital Improvement	7,719,725	2,248,900	9,968,625
Nonmajor Governmental	1,534,036	727,377	2,261,413
Total	<u>\$ 9,253,761</u>	<u>\$ 3,419,121</u>	<u>\$ 12,672,882</u>

**Note 7: Long-Term Debt****a. Governmental Activities:**

The following is a summary of the changes in the governmental funds long-term debt, for the year ended June 30, 2016:

	Balance July 1, 2015	Prior Period Adjustments	Additions	Deletions	Balance June 30, 2016	Due Within One Year
Governmental Activities:						
Lease Revenue Bonds	\$ 11,295,000	\$ -	\$ 8,970,000	\$ (11,295,000)	\$ 8,970,000	\$ 490,000
Leases Payable	84,018	-	21,784	(28,078)	77,724	30,619
Claims and Judgments	603,710	(603,710)	-	-	-	-
Compensated Absences	648,276	-	70,076	(78,314)	640,038	32,002
Total	<u>\$ 12,631,004</u>	<u>\$ (603,710)</u>	<u>\$ 9,061,860</u>	<u>\$ (11,401,392)</u>	9,687,762	<u>\$ 552,621</u>
Plus:						
Bond premium					1,093,653	
					<u>\$ 10,781,415</u>	

Lease Revenue Bonds**\$8,970,000 Lease Revenue Refunding Bonds, Series 2016**

On April 26, 2016 the La Mirada Public Financing Authority issued \$8,970,000 of Lease Revenue Refunding Bonds Series 2016 to refinance the 2006 Lease Revenue Bonds in the amount on \$10,785,000 and pay costs of issuance. The proceeds for the bond along with an original issue premium and funds on hand from the 2006 issue are being used to pay the costs of issue and fund an escrow agent to refund the 2006 bonds.

The 2016 Series bonds are Secured bonds maturing each May beginning on May 1, 2017 and ending on September 15, 2029. The bonds carry interest ranging from 2.00% to 5.00%. The outstanding balance as of June 30, 2016 is \$8,970,000. Revenue pledged for the repayment of the bonds is from base rented payments pursuant to a sublease between the City and the Financing Authority.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

Note 7: Long-Term Debt (Continued)

Lease Revenue Bonds (Continued)

The City will realize a total reduction in debt service over the life of the bonds in the amount of \$3,157,160 resulting in an economic gain on net present value savings in the amount of \$1,664,644.

The minimum future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 490,000	\$ 351,205	\$ 841,205
2018	505,000	336,594	841,594
2019	520,000	321,444	841,444
2020	545,000	300,644	845,644
2021	565,000	278,844	843,844
2022-2026	3,240,000	970,520	4,210,520
2027-2030	3,105,000	270,491	3,375,491
Totals	<u>\$ 8,970,000</u>	<u>\$ 2,829,742</u>	<u>\$ 11,799,742</u>

**\$15,145,000 2006 La Mirada Public Financing Authority 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	2006	4.00%
		955,000	2019	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.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2016, including interest, was zero and these were advanced refunded with the 2016 Lease Revenue bonds.

The amount of defeased debt outstanding as of June 30, 2016 is \$0 as all bonds were redeemed.

Lease Payable

On December 4, 2015, the City entered into a non-interest bearing five-year lease with LDI Color Toolbox for \$21,784. The General Fund services the lease obligation. At June 30, 2016, the outstanding balance on the lease was \$19,969.

On February 27, 2013, the City entered into a non-interest bearing five-year lease with LDI Color Toolbox for \$78,388. The General Fund services the lease obligation. At June 30, 2016, the outstanding balance on the lease was \$27,442.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

**Note 7: Long-Term Debt (Continued)**

On August 8, 2013, the City entered into a non-interest bearing five-year lease with LDI Color Toolbox for \$23,149. The General Fund services the lease obligation. At June 30, 2016, the outstanding balance on the lease was \$10,416.

On July 7, 2014, the City entered into a non-interest bearing five-year lease with LDI Color Toolbox for \$8,890. The General Fund services the lease obligation. At June 30, 2016, the outstanding balance on the lease was \$5,631.

On August 12, 2014, the City entered into a non-interest bearing five-year lease with Pitney Bowes for \$9,064. The General Fund services the lease obligation. At June 30, 2016, the outstanding balance on the lease was \$5,892.

On December 29, 2014, the City entered into a non-interest bearing five-year lease with Pitney Bowes for \$11,962. The General Fund services the lease obligation. At June 30, 2016, the outstanding balance on the lease was \$8,374.

\$ 77,724

At June 30, 2016, the annual requirements to repay the outstanding indebtedness were as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2017	\$ 30,619
2018	26,761
2019	11,495
2020	6,301
2021	2,548
Total payments	<u>77,724</u>
Less amounts representing interest	<u>-</u>
Outstanding principal	<u>\$ 77,724</u>

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.

\$640,038



## III. OTHER INFORMATION

## Note 8: Pension Plans

## a. Defined Benefit Pension Plan

## General Information about the Pension Plans

## Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City of La Mirada's Miscellaneous Employee Pension Plans, cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

## Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous Tier I - Classic	Miscellaneous Tier II - Classic	Miscellaneous - PEPRA
Hire date	Prior to October 22, 2012	On or after October 22, 2012	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63+	50 - 63+	52 - 67+
Monthly benefits, as a % of eligible compensation	1.426% - 2.418% one-year final compensation	1.426% - 2.418% three-year final compensation	1.000% - 2.500% three-year final compensation
Compensation			
Required employee contribution rates*	7.00%	7.00%	6.25%
Required employer contribution rates	8.512%	8.003%	6.237%

\* The City pays the 7.00% employee contribution for "Classic" employees.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

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**Note 8: Pension Plans (Continued)**

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the fiscal year ended June 30, 2016, the contributions recognized as a reduction to the net pension liability for the plan was \$604,216.

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

The City of La Mirada reported net pension liabilities for its proportionate shares of the net pension liability of the plan, as of June 30, 2016 the balance was \$8,267,283.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015, was as follows:

	<u>Plan Net Pension Liability/(Asset)</u>
Balance at: 6/30/2014	\$ 7,765,103
Balance at: 6/30/2015	<u>8,267,283</u>
Net Changes during 2014-15	\$ <u>(502,180)</u>

For the fiscal year ended June 30, 2016, the City recognized pension expense of \$474,946. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

**Note 8: Pension Plans (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 443,236	\$ -
Differences between expected and actual experience	37,267	
Changes in assumption		(352,578)
Net differences between projected and actual earnings on pension plan investments		(176,752)
Difference between the employer's contributions and the employer's proportionate share of contributions		(736,806)
Changes in employer's proportion	138,226	(1,147,807)
<b>Total</b>	<u>\$ 618,729</u>	<u>\$ (2,413,943)</u>

\$443,236 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal year ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2017	\$ (887,811)
2018	(878,144)
2019	(698,427)
2020	225,932
<b>Totals</b>	<u>\$ (2,238,450)</u>

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

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**Note 8: Pension Plans (Continued)**

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50 % Net of Pension Plan Investment and Administrative Expenses; includes Inflation Derived using CalPERS' Membership Data for all Funds
Mortality Rate Table (1)	
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011. The Experience Study report can be obtained at CalPERS' website.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund.

The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.65% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

**Note 8: Pension Plans (Continued)**

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

(1) An expected inflation of 2.5% used for this period  
 (2) An expected inflation of 3.0% used for this period

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

The following presents the City's proportionate share of the net pension liability of the Plan, calculated using the discount rate of 7.65%, as well as what the City's proportionate share of net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.65%) or 1% point higher (8.65%) than the current rate:

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
Plan's Net Pension Liability/(Assets)	\$ 14,505,462	\$ 8,267,283	\$ 3,116,941

**Note 8: Pension Plans (Continued)**

**Pension Plan Fiduciary Net Position**

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

**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 fiscal year ended June 30, 2016, the City's payroll covered by the plan was \$3,025,387. The City made employer contributions of \$77,109 (2.5% of current covered payroll), and employees contributed \$151,270 (5% of current covered payroll).

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

**Plan Description, Benefits Provided and Employees Covered**

Effective February 2001, the City of La Mirada entered into an agreement with Public Agency Retirement System (PARS) for a retirement enhancement plan. The membership as of June 30, 2015 included 62 active participants and 37 retiree. The plan does not issue separately audited financial statements.

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

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

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined by an independent pension actuary

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**

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**Note 8: Pension Plans (Continued)**

using information furnished by the City and by PARS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2016 (the measurement date), the employer's contribution rate is 16.51% of annual payroll, and no contributions were made by the employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the City to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

For the measurement period ended June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015 total pension liability. The June 30, 2015 and the June 30, 2016 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50%
Cost of Living Adjustments	2.00%
Mortality	Consistent with non-industrial rates used to value the Miscellaneous CalPERS Pension Plan
Retirement	Retirement rates of 20% per year for ages 55 to 69 and 100% at ages 70 and up
Maximum Benefits and Salary	Final compensation is subject to IRC 401(a)(17) limitations
Beneficiaries	85% of participants are assumed to have an eligible spouse or domestic partner. Beneficiaries are assumed to be the same age as participant.

**Discount Rate**

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per actuarial investment consulting practice as of June 30, 2016.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**

**Note 8: Pension Plans (Continued)**

<b>Asset Class</b>	<b>Index</b>	<b>Target Allocation</b>	<b>Long-Term Expected Arithmetic Real Rate of Return</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>
Cash	BofA Merrill Lynch 90-Day T-Bills	4.07%	0.42%	0.41%
Core Fixed Income	Barclays Aggregate	38.64%	2.12%	1.99%
Broad US Equities	Russell 3000	43.90%	5.12%	3.81%
Developed Foreign Equities	MSCI EAFE	10.03%	5.85%	4.20%
Emerging Market Equities	MSCI Emerging Markets	3.36%	8.07%	4.79%
Assumed Inflation - Mean			2.30%	2.30%
Assumed Inflation - Standard Deviation			1.89%	1.89%
Portfolio Real Mean Return			3.94%	3.45%
Portfolio Nominal Mean Return			6.26%	5.83%
Portfolio Standard Deviation				9.73%
<b>Long-Term Expected Rate of Return</b>				<b>7.50%</b>

A blended discount rate is generally required to be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate will often require that the actuary perform complex projects of future benefit payments and asset values. Alternative evaluations of projected solvency are allowed, if such evaluation can reliably be made.

**Pension Plan Fiduciary Net Position**

The following table shows the changes in net pension liability recognized over the measurement period.

	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Net Position (b)</b>	<b>Net Pension Liability/(Assets) (c)=(a)-(b)</b>
Balance as of June 30, 2015	\$ 8,312,687	\$ 7,902,576	\$ 410,111
Changes for the year:			
Service Cost	209,172		209,172
Interest on the Total Pension Liability	616,565		616,565
Benefit Payments	(613,081)	(613,081)	
Employer Contributions		753,471	(753,471)
Net Investment Income		(35,877)	35,877
Administrative Expenses		(24,725)	24,725
Effect of economic gains or losses	47,779		47,779
Effect of assumptions changes or input	279,347		279,347
Balance as of June 30, 2016	<u>\$ 8,852,469</u>	<u>\$ 7,982,364</u>	<u>\$ 870,105</u>



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

**Note 8: Pension Plans (Continued)**

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

The following presents the net pension liability of the City of La Mirada, calculated using the discount rate of 7.50%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.50%) or 1% point higher (8.50%) than the current rate.

	Discount Rate -1% 6.50%	Current Discount Rate 7.50%	Discount Rate 1% 8.50%
Total Pension Liability	\$ 10,117,095	\$ 8,852,469	\$ 7,815,900
Fiduciary Net Position	(7,982,364)	(7,982,364)	(7,982,364)
Net Pension Liability	<u>\$ 2,134,731</u>	<u>\$ 870,105</u>	<u>\$ (166,464)</u>

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

As of the start of the measurement period, July 1, 2015, the net pension liability was \$410,111. For the measurement period ending June 30, 2016, the City of La Mirada incurred a pension expense of \$499,379 for the Plan. As of the measurement date, June 30, 2016, the net pension liability is \$870,105

Note that no adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the City.

As of June 30, 2016, the City reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings	\$ 1,012,051	\$ -

The amount above reflects the net difference between the projected and actual earnings of the pension plan investment.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year ended June 30,	Deferred Outflows of Resources
2017	\$ 245,869
2018	245,869
2019	245,870
2020	171,377
2021	44,812
Thereafter	58,254

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

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

The City of La Mirada is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 118 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 at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years 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. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

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 general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2015-16 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) 50% of the \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, (b) 50% quota share of the \$3 million x/s \$2 million layer, and (c) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**
**Note 9: Liability, Workers' Compensation, and Purchased Insurance (Continued)**

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sub-limit of \$30 million per occurrence.

Changes in the aggregate liabilities for general liability for the fiscal years ended June 30, 2015 and June 30, 2016, are as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
June 30, 2014	\$ 525,819	\$ -	\$ (266,219)	\$ 259,600
June 30, 2015	259,600	400	-	260,000
June 30, 2016	260,000	(260,000)	-	-

**Workers' Compensation**

In the workers' compensation program claims are pooled separately between public safety (police and fire) and general government 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 from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2015-16 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law.

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

Changes in the aggregate liabilities for workers' compensation liability for the fiscal years ended June 30, 2015 and June 30, 2016, are as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
June 30, 2014	\$ 442,225	\$ 1,201,898	\$ (1,285,870)	\$ 358,253
June 30, 2015	358,253	1,344,569	(1,359,112)	343,710
June 30, 2016	343,710	(343,710)	-	-

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

**c. Purchased Insurance**

Pollution Legal Liability Insurance

The City of La Mirada participates in the pollution legal liability insurance program 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, 2014 through July 1, 2017. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of La Mirada participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of La Mirada property is currently insured according to a schedule of covered property submitted by the City of La Mirada to the Authority. City of La Mirada property currently has all-risk property insurance protection in the amount of \$94,696,956. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City of La Mirada purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of La Mirada property currently has earthquake protection in the amount of \$14,023,128. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

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

Special Event Tenant User Liability Insurance

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

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

**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 2015-16.

**Note 10: Transportation Development Act**

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

**Note 11: Post Employment Benefits**

**Plan Description**

The City provides other postemployment benefits (OPEB) through the California Employers' Retiree Benefit Fund (CERBT), an agent multiple-employer defined benefit healthcare plan administered by the California Public Employees' Retirement System (CalPERS) by contributing 100% of all premiums charged under the health benefit plan for all eligible employees and qualified family members. These benefits are provided per contract between the City and the employee associations. Separate financial statements for the CERBT may be obtained by writing to CalPERS at Lincoln Plaza North 400 Q Street, Sacramento, CA 95814 or by visiting the CalPERS website at [www.calpers.ca.gov](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 \$561,581 was made during the 2015-2016 fiscal year and was not included in the actuarial study. The purpose of the contribution was for the payment of benefits to current retirees. Since the City participates in the CERBT, the trust reimburses the City for the OPEB benefits paid by the City.

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

Annual required contribution (ARC)	\$ -
Interest on net OPEB obligation (asset)	(787,030)
Adjustment to ARC	<u>737,742</u>
Annual OPEB Cost	(49,288)
Contribution made	561,581
Reimbursement from Trust	<u>(561,581)</u>
(Decrease) increase in Net OPEB obligation	(49,288)
Net OPEB obligation (asset) June 30, 2015	<u>(10,170,041)</u>
Net OPEB obligation (asset) June 30, 2016	<u><u>\$ (10,219,329)</u></u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**
**Note 11: Post Employment Benefits (Continued)**

The contribution rate of 7.50% is based on the ARC of \$0, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover the annual normal cost and the amortization of unfunded actuarial liabilities (or funding excess) over a thirty year period initially established on July 1, 2008.

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

For the fiscal year 2015-2016, the City's annual OPEB cost (expense) was \$(49,288). The Net OPEB Asset for the current and prior two fiscal years is presented below:

Fiscal Year End	Annual OPEB Cost	Actual Contribution (Net) of Adjustments	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2014	\$ 240,653	\$ -	0%	\$ (10,102,543)
6/30/2015	(67,498)	-	0%	(10,170,041)
6/30/2016	(49,288)	-	0%	(10,219,329)

**Funded Status and Funding Progress**

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

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

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

**Actuarial Methods and Assumptions**

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**


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**Note 11: Post Employment Benefits (Continued)**

In the July 1, 2013, actuarial valuation, the Entry Age normal cost method was used. The actuarial assumptions include a 7.50% investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an inflation rate of 3.25%, and annual healthcare cost trend rate of 9.0% beginning January 1, 2015, and reduced by decrements to an ultimate rate of 4.5% after nine 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, 2016, was twenty-three years. As of the actuarial date, the City had 72 active participants and 60 retirees.

**Note 12: Commitments**

Sales tax sharing agreement with Living Spaces Furniture LLC on December 1, 2013. City will rebate an amount equal to one half-percent of taxable sales to Living Spaces Furniture in an amount not to exceed a total of \$3 million over the 10-year term.

The following material construction commitments existed at June 30, 2016:

Project Name	Contract Amount	Expenditures to date as of June 30, 2016	Remaining Commitments
County Library Renovation	\$ 2,520,004	\$ 279,900	\$ 2,240,104
Valley View and Adoree St. Signal	277,000	160,900	116,100

**Note 13: Net Position and Fund Balance Restatements**

Restatement of beginning Net Position in the Government-Wide Statement of Activities in the amount of \$217,129 is a result of an overstatement of Claims Payable of \$603,710 and an overstatement of Loans Receivable in the amount of \$386,581.

Restatement of Fund balance in the Major Low and Moderate Housing Special Revenue Fund in the amount of \$386,581 was due to an overstatement on Loans Receivable.

Restatement of Net Position in the Internal Service Fund – Employee Benefits in the amount of \$343,710 was a result of an overstatement of Workers' Compensation claim payable.

**Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency**

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

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**Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

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

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

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

**a. Cash and Investments**

As of June 30, 2016, cash and investments were reported in the accompanying financial statements as follows:

Cash and Investments	\$ 10,235,664
Cash and Investments with fiscal agent	<u>1,343,499</u>
Total Cash and Investments	<u>\$ 11,579,163</u>

**Deposits**

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

**Investments**

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

- Securities issued by the US Treasury
- Securities issued and fully guaranteed as to payment by the US Government
- Bankers Acceptances with a maturity of 180 days or less



**Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

- 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.

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, 2016, 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

**Note 14: Successor Agency Trust or 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, 2016, none of the Successor Agency's deposits or investments were exposed to custodial credit risk.

Concentration of Credit Risk

The Successor Agency's investment policy imposes restrictions on the maximum percentage it can invest in a single type of investment with any one issuer. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the U.S. Government, its agencies and instrumentalities. As of June 30, 2016, 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, 2016, 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, 2016, the Successor Agency had the following investments and original maturities:

	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	\$6,454,236	\$ -	\$ -	\$ -	\$ -	\$6,454,236
Investments with Fiscal Agent:							
Money Market	N/R	1,343,499	-	-	-	-	1,343,499
		<u>\$7,797,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$7,797,735</u>

Investment if LAIF is measured at amortized cost and therefore is not subject to the fair value measurement requirement of GASB No. 72. The Money Market funds are subject to the fair value measurement requirements of GASB No. 72 and are measured as Level 1.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**

**Note 14: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

**b. Long-Term Debt**

The following is a summary of the changes in the Successor Agency debt for the year ending June 30, 2016:

	Outstanding July 1, 2015	Additions	Deletions	Outstanding June 30, 2016	Due Within One Year
Fiduciary Activities					
Successor Agency of the Former RDA					
Advances from the City	\$ 30,663,977	\$ -	\$ -	\$ 30,663,977	\$ -
Tax Allocation Bonds					
2002 Bonds	285,000	-	285,000	-	
2005 Series A	4,955,000	-	195,000	4,760,000	195,000
2006 Series A	7,842,774	-	950,204	6,892,570	994,857
Accretion of 2006 Bond Series A	4,681,438	525,565	-	5,207,003	-
2010 Refunding Series A	8,030,000	-	465,000	7,565,000	480,000
2010 Taxable Housing, Series B	7,000,000	-	-	7,000,000	-
2014 Series A	20,555,000	-	1,325,000	19,230,000	1,385,000
2014 Series B	8,425,000	-	820,000	7,605,000	785,000
Loan Payable	6,470,287	452,920	-	6,923,207	-
<b>Totals</b>	<b>\$ 98,908,476</b>	<b>\$ 978,485</b>	<b>\$ 4,040,204</b>	<b>95,846,757</b>	<b>\$ 3,839,857</b>
				2,918,317	
				(113,349)	
				<b>\$ 98,651,725</b>	

\*Additions of \$525,565 relates to Tax Allocation Bonds accretion of interest.

Advances from the City

The advances from the City consist of \$24,828,264 loans made to the former RDA to assist in various Redevelopment projects and a \$5,835,713 advance for the SERAF payment. At June 30, 2016 the total outstanding balance is \$30,663,977.

Tax Allocation Bonds:

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 \$72,984,863 with annual debt service requirements as indicated below. For the current fiscal 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 \$6,775,641 and the debt service obligation on the bonds was \$6,707,279.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

**Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

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

<u>Auth/Issued</u>	<u>Description</u>	<u>Principal</u>	<u>Date</u>	<u>Rate</u>
\$ 670,000	Serial	\$ 160,000 /	2003 -	3.10%
		175,000	2006	4.50%
800,000	Term	800,000	2010	5.30%
1,280,000	Term	1,280,000	2016	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, 2016, the total principal and interest requirement for the bonds is \$0 as the bonds were fully paid.

The bonds are not subject to optional redemption prior to their stated maturity. The term bonds maturing on August 15, 2010 and August 15, 2016, 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.

\$ -

**\$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 /	2006	3.00%
		1,200,000	2024	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, 2016, the total principal and interest requirement for the bonds is \$6,059,980 (\$4,760,000 principal, \$1,299,980 interest), payable semiannually through August 2024.

\$ 4,760,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

**Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2016, including interest, are as follows:

Fiscal Year Ending June 30,	2005 Tax Allocation Refunding Bonds, Series A		Totals
	Principal	Interest	
2017	\$ 195,000	\$ 199,823	\$ 394,823
2018	205,000	191,945	396,945
2019	215,000	183,545	398,545
2020	225,000	174,604	399,604
2021	235,000	165,028	400,028
2022-2025	3,685,000	385,035	4,070,035
Totals	<u>\$ 4,760,000</u>	<u>\$ 1,299,980</u>	<u>\$ 6,059,980</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	1,766,067	4,230,000	2028	4.60%
	Serial Bonds				

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

The bonds are not subject to redemption prior to maturity. Capital Appreciation Bonds shall compound in accreted value from date of delivery. For the fiscal year ended June 30, 2016, the accreted amount of interest for the bond was \$525,565. The reserves are fully funded. The outstanding balance at June 30, 2016, is \$12,099,573, which includes initial bond and the accreted value of \$7,842,774 and \$5,207,003, respectively.

\$12,099,573

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**

**Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2016, including interest, are as follows:

Fiscal Year Ending June 30,	2006 Tax Allocation Bonds, Series A		Totals
	Principal	Interest	
2017	\$ 994,857	\$ 5,143	\$ 1,000,000
2018	872,750	42,250	915,000
2019	470,498	44,502	515,000
2020	488,803	71,197	560,000
2021	467,040	92,960	560,000
2022-2026	4,483,047	1,996,953	6,480,000
2027-2030	4,322,579	2,707,421	7,030,000
Totals	<u>\$ 12,099,574</u>	<u>\$ 4,960,426</u>	<u>\$ 17,060,000</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, 2016, the total principal and interest requirement for the bonds is \$9,899,485 (\$7,565,000 principal, \$2,334,485 interest).

\$ 7,565,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2016, including interest, are as follows:

Fiscal Year Ending June 30,	2010 RDA Tax Allocation Refunding Bonds, Series A		Totals
	Principal	Interest	
2017	\$ 480,000	\$ 315,906	\$ 795,906
2018	495,000	298,844	793,844
2019	515,000	280,525	795,525
2020	535,000	260,169	795,169
2021	555,000	238,369	793,369
2022-2026	3,130,000	817,047	3,947,047
2027-2030	1,855,000	123,625	1,978,625
Totals	<u>\$ 7,565,000</u>	<u>\$ 2,334,485</u>	<u>\$ 9,899,485</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

**Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

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

<u>Auth/Issued</u>	<u>Description</u>	<u>Principal</u>	<u>Date</u>	<u>Rate</u>
\$ 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, 2016, the total principal and interest requirement for the bonds is \$12,429,550 (\$7,000,000 principal, \$5,429,550 interest).

\$ 7,000,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2016, including interest, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>2010 RDA Taxable Housing T/A Bonds, Series B</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ -	\$ 490,000	\$ 490,000
2018	-	490,000	490,000
2019	-	490,000	490,000
2020	-	490,000	490,000
2021	-	490,000	490,000
2022-2026	1,665,000	2,391,725	4,056,725
2027-2030	5,335,000	587,825	5,922,825
<b>Totals</b>	<u>\$ 7,000,000</u>	<u>\$ 5,429,550</u>	<u>\$ 12,429,550</u>

**\$20,555,000 2015 Subordinate Tax Allocation Refunding Bonds, Series A:**

<u>Auth/Issued</u>	<u>Description</u>	<u>Principal</u>	<u>Date</u>	<u>Rate</u>
\$ 20,555,000	Serial	\$ 1,325,000 / 2,285,000	2015 2024	4.00% 5.00%

The Successor Agency has pledged a portion of future tax increment revenues to repay \$20,555,000 in tax allocation refunding bonds issued in October 2015. The bonds were issued to refinance the obligations of the Successor Agency for the 2001 Tax Allocation Refunding Bonds, Series A, 2003 Housing Tax Allocation Bonds, Series A, and the 2004 Tax Allocation Bonds, Series A. 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, 2016, the total principal and interest requirements for the bonds is \$23,839,575 (\$19,230,000 principal, \$4,609,575 interest), payable semiannually through August 2024.

\$19,230,000

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2016

**Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2016, including interest, are as follows:

Fiscal Year Ending June 30,	2014 Subordinate Tax Allocation Refunding Bonds, Series A		Totals
	Principal	Interest	
2017	\$ 1,385,000	\$ 919,950	\$ 2,304,950
2018	1,350,000	858,500	2,208,500
2019	2,315,000	766,875	3,081,875
2020	2,435,000	648,125	3,083,125
2021	2,550,000	523,500	3,073,500
2022-2025	9,195,000	892,625	10,087,625
Totals	<u>\$ 19,230,000</u>	<u>\$ 4,609,575</u>	<u>\$ 23,839,575</u>

**\$8,425,000 2015 Subordinate Taxable Tax Allocation Refunding Bonds, Series B:**

<u>Auth/Issued</u>	<u>Description</u>	<u>Principal</u>	<u>Date</u>	<u>Rate</u>
\$ 8,425,000	Serial	\$ 820,000	2015	0.56%
		935,000	2024	3.63%

The Successor Agency has pledged a portion of future tax increment revenues to repay \$8,425,000 in tax allocation refunding bonds issued in October 2015. The bonds were issued to refinance the obligations of the Successor Agency for the 2003 Taxable Housing Tax Allocation Bonds, Series B. 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, 2016, the total principal and interest requirements for the bonds is \$8,656,700 (\$7,605,000 principal, \$1,051,700 interest), payable semiannually through August 2024.

\$7,605,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2016, including interest, are as follows:

Fiscal Year Ending June 30,	2014 Subordinate Taxable Tax Allocation Refunding Bonds, Series B		Totals
	Principal	Interest	
2017	\$ 785,000	\$ 184,860	\$ 969,860
2018	790,000	175,853	965,853
2019	805,000	163,523	968,523
2020	815,000	147,781	962,781
2021	835,000	128,493	963,493
2022-2025	3,575,000	251,190	3,826,190
Totals	<u>\$ 7,605,000</u>	<u>\$ 1,051,700</u>	<u>\$ 8,656,700</u>



**Note 14: Successor Agency Trust or Assets of Former Redevelopment Agency (Continued)**

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 fiscal year had loan additions of \$452,920. The Agency's share of tax increment revenue was \$38,933,846 as of June 30, 2016. 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, 2016, was:

\$ 6,923,207

Standard & Poor's Rating Services Bond Rating Change

On October 1, 2015, Standard & Poor's upgraded the rating on the bonds noted below from A to A+:

- 2005 Series A Tax Allocation Refunding Bonds
- 2006 Series A Tax Allocation Bonds
- 2010 Series A Tax Allocation Refunding Bonds
- 2010 Series B Tax Allocation Refunding Bonds
- 2010 Series B Housing Tax Allocation Bonds

**c. Insurance**

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

**Note 15: Subsequent Event**

On July 26, 2016, the Parking Authority of the City of La Mirada was formed to provide for the continued existence of the La Mirada Public Financing Authority after the Successor Agency to the La Mirada Redevelopment Agency terminates its existence. The City Council will be the Board of Directors of the Parking Authority.





## **Required Supplementary Information**

## CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 65,284,060	\$ 65,284,060	\$ 65,284,060	\$ -
<b>Resources (Inflows):</b>				
Taxes	23,631,700	23,631,700	26,926,251	3,294,551
Licenses and permits	1,030,000	1,030,000	1,728,665	698,665
Intergovernmental	5,510,000	5,510,000	4,900,818	(609,182)
Charges for services	8,410,209	8,410,209	9,356,777	946,568
Use of money and property	667,300	667,300	1,030,192	362,892
Fines and forfeitures	584,000	584,000	488,483	(95,517)
Contributions	35,000	35,000	75,499	40,499
Miscellaneous	80,000	80,000	194,461	114,461
Transfers in	681,850	681,850	442,844	(239,006)
Capital leases	-	-	21,784	21,784
<b>Amounts Available for Appropriations</b>	<b>105,914,119</b>	<b>105,914,119</b>	<b>110,449,834</b>	<b>4,535,715</b>
<b>Charges to Appropriations (Outflow):</b>				
Current:				
General government	3,551,884	3,551,884	3,434,507	117,377
Public safety	8,376,275	8,376,275	8,173,231	203,044
Community development	1,116,375	1,116,375	1,177,848	(61,473)
Leisure and cultural	10,623,181	10,623,181	10,771,099	(147,918)
Public works	6,617,566	6,617,566	6,125,417	492,149
Capital outlay	-	-	21,784	(21,784)
Debt service:				
Principal retirement	28,078	28,078	28,078	-
Transfers out	10,233,800	10,233,800	9,253,761	980,039
<b>Total Charges to Appropriations</b>	<b>40,547,159</b>	<b>40,547,159</b>	<b>38,985,725</b>	<b>1,561,434</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 65,366,960</b>	<b>\$ 65,366,960</b>	<b>\$ 71,464,109</b>	<b>\$ 6,097,149</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
 LOW AND MODERATE HOUSING  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 - Restated	\$ 16,682,396	\$ 16,682,396	\$ 16,682,396	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	500,000	500,000	98,164	(401,836)
Miscellaneous	-	-	236,002	236,002
<b>Amounts Available for Appropriations</b>	<u>17,182,396</u>	<u>17,182,396</u>	<u>17,016,562</u>	<u>(165,834)</u>
<b>Charges to Appropriations (Outflow):</b>				
Community development	<u>250,000</u>	<u>250,000</u>	<u>4,357</u>	<u>245,643</u>
<b>Total Charges to Appropriations</b>	<u>250,000</u>	<u>250,000</u>	<u>4,357</u>	<u>245,643</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 16,932,396</u>	<u>\$ 16,932,396</u>	<u>\$ 17,012,205</u>	<u>\$ 79,809</u>

**CITY OF LA MIRADA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

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**Budgetary Comparison Information**

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

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

Budgets for the governmental type funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts presented are as originally adopted and as further amended by the City Council.

CITY OF LA MIRADA

MISCELLANEOUS PLAN  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2016	2015
Proportion of the Net Pension Liability	0.12045%	0.12479%
Proportionate Share of the Net Pension Liability	\$ 8,267,283	\$ 7,765,051
Covered-Employee Payroll	\$ 4,816,993	\$ 4,635,540
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	171.63%	167.88%
Plan's Fiduciary Net Position	\$ 37,538,806	\$ 37,989,084
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	78.40%	81.50%

**Notes to Schedule:**

Benefit Changes:

None

Changes of Assumptions:

The discount rate changed to 7.65% from 7.5 from 2015 to 2016.

- (1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2016 was the first year of implementation, therefore only two years are shown. Measurement period information is shown.

CITY OF LA MIRADA

REQUIRED SUPPLEMENTARY INFORMATION  
 MISCELLANEOUS PLAN  
 SCHEDULE OF PLAN CONTRIBUTIONS  
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2016	2015
Actuarially Determined Contribution	\$ 443,236	\$ 604,216
Contributions in Relation to the Actuarially Determined Contribution	(443,236)	(604,216)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 4,802,406	\$ 4,816,993
Contributions as a Percentage of Covered-Employee Payroll	9.23%	12.54%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

**Note to Schedule:**

Valuation Date: June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of payroll
Asset Valuation Method	Market value
Actuarial Assumptions	
Discount Rate	7.5% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on age, service, and type of enrollment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75 and an annual production growth of 0.25%



CITY OF LA MIRADA

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 LA MIRADA RETIREMENT ENHANCEMENT PLAN  
 SCHEDULE OF PLAN CONTRIBUTIONS  
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2016	2015
Actuarially Determined Contribution	\$ 548,438	\$ 577,477
Contributions in Relation to the Actuarially Determined Contribution	(753,471)	(794,811)
Contribution Deficiency (Excess)	<u>\$ (205,033)</u>	<u>\$ (217,334)</u>
Accrual Contributions as a Percentage of Actuarial Determined Contribution	137.38%	137.64%
Covered-Employee Payroll	\$ 4,562,934	\$ 4,664,599
Contributions as a Percentage of Covered-Employee Payroll	16.51%	17.04%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

**Note to Schedule:**

Valuation Date: June 30, 2016

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, closed
Remaining Amortization Period	5 years
Assata Valuation Method	None
Inflation	2.75%
Salary Increases	Varies by entry age and service
Investment Rate of Return	7.50%
Retirement Age	Retirement rates of 20% per year for ages 55-69 and 100% at ages 70 and up
Mortality	Consistent with non-industrial rates used to value the Miscellaneous CalPERS Pension Plans

CITY OF LA MIRADA

LA MIRADA RETIREMENT ENHANCEMENT PLAN  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED  
 RATIOS AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

MEASUREMENT PERIOD	2016	2015
<b>TOTAL PENSION LIABILITY</b>		
Assumption Changes	\$ 279,347	\$ -
Economic/Demographic Gains or Losses	47,779	-
Service Cost	209,172	217,403
Interest on Total Pension Liability	616,565	603,869
Benefit Payments	(613,081)	(673,354)
<b>Net Change in Total Pension Liability</b>	<b>539,782</b>	<b>147,918</b>
<b>Total Pension Liability - Beginning</b>	<b>8,312,687</b>	<b>8,164,769</b>
<b>Total Pension Liability Ending (a)</b>	<b>\$ 8,852,469</b>	<b>\$ 8,312,687</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Benefit Payments	\$ (613,081)	\$ (673,354)
Employee Contributions	753,471	794,811
Net Investment Income	(35,877)	201,561
Administrative Expenses	(24,725)	(28,242)
<b>Net Change in Fiduciary Net Position</b>	<b>79,788</b>	<b>294,776</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>7,902,576</b>	<b>7,607,800</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 7,982,364</b>	<b>\$ 7,902,576</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 870,105</b>	<b>\$ 410,111</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>90.17%</b>	<b>95.07%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 4,562,934</b>	<b>\$ 4,664,599</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>19.07%</b>	<b>8.79%</b>

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2016 was the first year of implementation, therefore only two years are shown.

(2) Net of administrative expenses.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: Inflation rate decreased from 3% to 2.75 for 2015 to 2016

Salary increases were also decreased from 3.85% after 22 years to 3.50% after 30 years.

**CITY OF LA MIRADA**

**LA MIRADA RETIREMENT ENHANCEMENT PLAN  
SCHEDULE OF INVESTMENT RETURNS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

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	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	-0.045%	2.66%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.



## **Other Supplemental Information**

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
CAPITAL IMPROVEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	\$ 3,211,815	\$ 3,211,815	\$ 3,211,815	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	50,000	50,000	53,872	3,872
Intergovernmental	3,300,000	7,100,000	3,991,965	(3,108,035)
Transfers in	15,807,000	15,807,000	9,968,625	(5,838,375)
<b>Amounts Available for Appropriations</b>	<u>22,368,815</u>	<u>26,168,815</u>	<u>17,226,277</u>	<u>(8,942,538)</u>
<b>Charges to Appropriations (Outflow):</b>				
Public Works	-	-	190,692	(190,692)
Capital outlay	19,107,000	22,607,000	12,710,590	9,896,410
<b>Total Charges to Appropriations</b>	<u>19,107,000</u>	<u>22,607,000</u>	<u>12,901,282</u>	<u>9,705,718</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 3,261,815</u>	<u>\$ 3,561,815</u>	<u>\$ 4,324,995</u>	<u>\$ 763,180</u>

## DESCRIPTIONS OF NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

Air Quality Management Distribution Fund – 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 Housing and Community Development Funds was established to account for revenues received and expenditures made for community development and housing assistance. Financing is provided under agreement with the County whereby the City is a secondary recipient with funds made available from the U.S. Department of Housing and Urban Development under the Housing and Community Development Acts of 1974 and 1977.

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

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

Federal Grants Fund was established to account for Federal Grants received from the Department of Justice and other Federal Agencies.

State Public Safety Grants Fund (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.

#### **DEBT SERVICE FUND**

The Debt Service Fund was established to account for the debt service payments of the 2006 Lease Revenue Bond and the 2016 Lease Revenue Refunding Bond for the construction of the La Mirada Aquatics Center.

CITY OF LA MIRADA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

	Special Revenue Funds			
	Gas Tax	Local Transportation	Transit	Proposition A
<b>Assets:</b>				
Pooled cash and investments	\$ 2,693,450	\$ -	\$ 586,738	\$ 1,677,229
Receivables:				
Notes and loans	-	-	-	-
Accrued interest	6,575	-	1,432	4,094
Prepaid costs	-	-	7,836	-
Due from other governments	-	2,612	122,647	-
Due from other funds	-	-	17,318	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,700,025</b>	<b>\$ 2,612</b>	<b>\$ 735,971</b>	<b>\$ 1,681,323</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 124,911	\$ -
Accrued liabilities	-	-	926	-
Unearned revenue	-	-	-	-
Due to other funds	26,804	2,612	667	17,318
<b>Total Liabilities</b>	<b>26,804</b>	<b>2,612</b>	<b>126,504</b>	<b>17,318</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	7,836	-
<b>Restricted for:</b>				
Public safety	-	-	-	-
Leisure and cultural	-	-	601,631	-
Public works	2,673,221	-	-	1,664,005
Debt service	-	-	-	-
<b>Total Fund Balances</b>	<b>2,673,221</b>	<b>-</b>	<b>609,467</b>	<b>1,664,005</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,700,025</b>	<b>\$ 2,612</b>	<b>\$ 735,971</b>	<b>\$ 1,681,323</b>

(Continued)



CITY OF LA MIRADA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

	Special Revenue Funds				
	Proposition C	Measure R	Park Grants	Air Quality Management Distribution	Housing and Community Development
<b>Assets:</b>					
Pooled cash and investments	\$ 2,138,001	\$ 1,734,685	\$ -	\$ 353,423	\$ -
Receivables:					
Notes and loans	-	-	-	-	854,310
Accrued interest	5,219	4,234	-	-	-
Prepaid costs	-	-	-	-	-
Due from other governments	-	-	300,000	16,944	99,565
Due from other funds	-	-	300,000	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,143,220</b>	<b>\$ 1,738,919</b>	<b>\$ 600,000</b>	<b>\$ 370,367</b>	<b>\$ 953,875</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	368
Accrued liabilities	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Due to other funds	10,502	103,651	300,000	-	99,197
<b>Total Liabilities</b>	<b>10,502</b>	<b>103,651</b>	<b>300,000</b>	<b>-</b>	<b>99,565</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues	-	-	300,000	-	854,310
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>854,310</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Prepaid costs	-	-	-	-	-
<b>Restricted for:</b>					
Public safety	-	-	-	-	-
Leisure and cultural	-	-	-	-	-
Public works	2,132,718	1,635,268	-	370,367	-
Debt service	-	-	-	-	-
<b>Total Fund Balances</b>	<b>2,132,718</b>	<b>1,635,268</b>	<b>-</b>	<b>370,367</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,143,220</b>	<b>\$ 1,738,919</b>	<b>\$ 600,000</b>	<b>\$ 370,367</b>	<b>\$ 953,875</b>

(Continued)

CITY OF LA MIRADA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

	Special Revenue Funds			
	Used Oil Recycling Grant	Beverage Container Recycling	Federal Grants	State Public Safety Grant
<b>Assets:</b>				
Pooled cash and investments	\$ 30,730	\$ 153,850	\$ 452,862	\$ 107,442
Receivables:				
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	183,834	-
Due from other funds	-	-	183,834	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 30,730</b>	<b>\$ 153,850</b>	<b>\$ 820,530</b>	<b>\$ 107,442</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,860	\$ -	\$ -	\$ -
Accrued liabilities	-	139	-	-
Unearned revenue	9,328	153,636	452,145	-
Due to other funds	-	75	183,834	4,715
<b>Total Liabilities</b>	<b>12,188</b>	<b>153,850</b>	<b>635,979</b>	<b>4,715</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	183,834	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>183,834</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	-
<b>Restricted for:</b>				
Public safety	-	-	717	102,727
Leisure and cultural	-	-	-	-
Public works	18,542	-	-	-
Debt service	-	-	-	-
<b>Total Fund Balances</b>	<b>18,542</b>	<b>-</b>	<b>717</b>	<b>102,727</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 30,730</b>	<b>\$ 153,850</b>	<b>\$ 820,530</b>	<b>\$ 107,442</b>

(Continued)

CITY OF LA MIRADA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>		
Pooled cash and investments	\$ 51,878	\$ 9,980,288
Receivables:		
Notes and loans		854,310
Accrued interest	-	21,554
Prepaid costs	-	7,836
Due from other governments	-	725,602
Due from other funds	-	501,152
Restricted assets:		
Cash and investments with fiscal agents	3,645	3,645
	<u>3,645</u>	<u>3,645</u>
<b>Total Assets</b>	<u>\$ 55,523</u>	<u>\$ 12,094,387</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ 128,139
Accrued liabilities	-	1,065
Unearned revenue	-	615,109
Due to other funds	-	749,375
	<u>-</u>	<u>1,493,688</u>
<b>Total Liabilities</b>	<u>-</u>	<u>1,493,688</u>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenues	-	1,338,144
	<u>-</u>	<u>1,338,144</u>
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>1,338,144</u>
<b>Fund Balances:</b>		
<b>Nonspendable:</b>		
Prepaid costs	-	7,836
<b>Restricted for:</b>		
Public safety	-	103,444
Leisure and cultural	-	601,631
Public works	-	8,494,121
Debt service	55,523	55,523
	<u>55,523</u>	<u>9,262,555</u>
<b>Total Fund Balances</b>	<u>55,523</u>	<u>9,262,555</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 55,523</u>	<u>\$ 12,094,387</u>

CITY OF LA MIRADA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Gas Tax	Local Transportation	Transit	Proposition A
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 887,675
Intergovernmental	1,068,316	31,343	419,381	-
Charges for services	-	-	40,235	-
Use of money and property	27,834	-	5,393	16,124
<b>Total Revenues</b>	<u>1,096,150</u>	<u>31,343</u>	<u>465,009</u>	<u>903,799</u>
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Leisure and cultural	-	-	1,009,463	-
Public Works	1,364	-	-	-
Public Safety	-	-	-	-
Debt service:				
Debt Issue Cost	-	-	-	-
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>1,364</u>	<u>-</u>	<u>1,009,463</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,094,786</u>	<u>31,343</u>	<u>(544,454)</u>	<u>903,799</u>
<b>Other financing sources (uses):</b>				
Proceeds from issuance of long-term debt	-	-	-	-
Premiums on long-term debt issue	-	-	-	-
Payments to refund debt escrow agent	-	-	-	-
Transfers in	-	-	727,378	-
Transfers out	(395,945)	(31,343)	-	(402,378)
<b>Total Other Financing Sources (Uses)</b>	<u>(395,945)</u>	<u>(31,343)</u>	<u>727,378</u>	<u>(402,378)</u>
Net Changes in Fund Balances	698,841	-	182,924	501,421
Fund Balances, Beginning of Fiscal Year	1,974,380	-	426,543	1,162,584
Fund Balances, End of Fiscal Year	<u>\$ 2,673,221</u>	<u>\$ -</u>	<u>\$ 609,467</u>	<u>\$ 1,664,005</u>

(Continued)

CITY OF LA MIRADA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Funds				
	Proposition C	Measure R	Park Grants	Air Quality Management Distribution	Housing and Community Development
<b>Revenues:</b>					
Taxes	\$ 736,089	\$ 552,561	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	62,960	181,363
Charges for services	-	-	-	-	-
Use of money and property	24,942	23,569	-	-	-
<b>Total Revenues</b>	<b>761,031</b>	<b>576,130</b>	<b>-</b>	<b>62,960</b>	<b>181,363</b>
<b>Expenditures:</b>					
Current:					
Community Development	-	-	-	-	116,341
Leisure and cultural	-	-	-	-	31,988
Public Works	-	-	-	30,000	-
Public Safety	-	-	-	-	56,764
Debt service:					
Debt Issue Cost	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>205,093</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	761,031	576,130	-	32,960	(23,730)
<b>Other financing sources (uses):</b>					
Proceeds from issuance of long-term debt	-	-	-	-	-
Premiums on long-term debt issue	-	-	-	-	-
Payments to refund debt escrow agent	-	-	-	-	-
Transfers in	-	-	300,000	30,000	23,730
Transfers out	(468,343)	(1,558,613)	(300,000)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(468,343)</b>	<b>(1,558,613)</b>	<b>-</b>	<b>30,000</b>	<b>23,730</b>
Net Changes in Fund Balances	292,688	(982,483)	-	62,960	-
Fund Balances, Beginning of Fiscal Year	1,840,030	2,617,751	-	307,407	-
Fund Balances, End of Fiscal Year	\$ 2,132,718	\$ 1,635,268	\$ -	\$ 370,367	\$ -

(Continued)

CITY OF LA MIRADA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Used Oil Recycling Grant	Beverage Container Recycling	Federal Grants	State Public Safety Grant
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	11,440	12,789	13,775	114,617
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
<b>Total Revenues</b>	<u>11,440</u>	<u>12,789</u>	<u>13,775</u>	<u>114,617</u>
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Leisure and cultural	-	-	-	-
Public Works	11,440	12,789	-	-
Public Safety	-	-	-	-
Debt service:				
Debt Issue Cost	-	-	-	-
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>11,440</u>	<u>12,789</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>13,775</u>	<u>114,617</u>
<b>Other financing sources (uses):</b>				
Proceeds from issuance of long-term debt	-	-	-	-
Premiums on long-term debt issue	-	-	-	-
Payments to refund debt escrow agent	-	-	-	-
Transfers in	-	-	183,834	-
Transfers out	-	-	(197,609)	(64,890)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(13,775)</u>	<u>(64,890)</u>
Net Changes in Fund Balances	-	-	-	49,727
Fund Balances, Beginning of Fiscal Year	<u>18,542</u>	<u>-</u>	<u>717</u>	<u>53,000</u>
Fund Balances, End of Fiscal Year	<u>\$ 18,542</u>	<u>\$ -</u>	<u>\$ 717</u>	<u>\$ 102,727</u>

(Continued)

CITY OF LA MIRADA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Debt Service Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>		
Taxes	\$ -	\$ 2,176,325
Intergovernmental	-	1,915,984
Charges for services	-	40,235
Use of money and property	4	97,866
<b>Total Revenues</b>	<u>4</u>	<u>4,230,410</u>
<b>Expenditures:</b>		
Current:		
Community Development	-	116,341
Leisure and cultural	-	1,041,451
Public Works	-	55,593
Public Safety	-	56,764
Debt service:		
Debt Issue Cost	197,205	197,205
Principal retirement	510,000	510,000
Interest and fiscal charges	486,471	486,471
<b>Total Expenditures</b>	<u>1,193,676</u>	<u>2,463,825</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,193,672)</u>	<u>1,766,585</u>
<b>Other financing sources (uses):</b>		
Proceeds from issuance of long-term debt	8,970,000	8,970,000
Premiums on long-term debt issue	1,093,653	1,093,653
Payments to refund debt escrow agent	(10,862,679)	(10,862,679)
Transfers in	996,471	2,261,413
Transfers out	-	(3,419,121)
<b>Total Other Financing Sources (Uses)</b>	<u>197,445</u>	<u>(1,956,734)</u>
Net Changes in Fund Balances	(996,227)	(190,149)
Fund Balances, Beginning of Fiscal Year	1,051,750	9,452,704
Fund Balances, End of Fiscal Year	<u>\$ 55,523</u>	<u>\$ 9,262,555</u>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
GAS TAX  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	\$ 1,974,380	\$ 1,974,380	\$ 1,974,380	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,072,285	1,072,285	1,068,316	(3,969)
Use of money and property	35,000	35,000	27,834	(7,166)
<b>Amounts Available for Appropriations</b>	<b>3,081,665</b>	<b>3,081,665</b>	<b>3,070,530</b>	<b>(11,135)</b>
<b>Charges to Appropriations (Outflow):</b>				
Public Works	1,300	1,300	1,364	(64)
Transfers out	1,576,750	1,576,750	395,945	1,180,805
<b>Total Charges to Appropriations</b>	<b>1,578,050</b>	<b>1,578,050</b>	<b>397,309</b>	<b>1,180,741</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,503,615</b>	<b>\$ 1,503,615</b>	<b>\$ 2,673,221</b>	<b>\$ 1,169,606</b>



CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
 LOCAL TRANSPORTATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	39,000	39,000	31,343	(7,657)
<b>Amounts Available for Appropriations</b>	<b>39,000</b>	<b>39,000</b>	<b>31,343</b>	<b>(7,657)</b>
<b>Charges to Appropriations (Outflow):</b>				
Transfers out	39,000	39,000	31,343	7,657
<b>Total Charges to Appropriations</b>	<b>39,000</b>	<b>39,000</b>	<b>31,343</b>	<b>7,657</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE  
 TRANSIT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 426,543	\$ 426,543	\$ 426,543	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	289,184	289,184	419,381	130,197
Charges for services	33,750	33,750	40,235	6,485
Use of money and property	10,000	10,000	5,393	(4,607)
Transfers in	860,097	860,097	727,378	(132,719)
<b>Amounts Available for Appropriations</b>	<u>1,619,574</u>	<u>1,619,574</u>	<u>1,618,930</u>	<u>(644)</u>
<b>Charges to Appropriations (Outflow):</b>				
Leisure and cultural	<u>1,142,529</u>	<u>1,142,529</u>	<u>1,009,463</u>	<u>133,066</u>
<b>Total Charges to Appropriations</b>	<u>1,142,529</u>	<u>1,142,529</u>	<u>1,009,463</u>	<u>133,066</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 477,045</u>	<u>\$ 477,045</u>	<u>\$ 609,467</u>	<u>\$ 132,422</u>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
PROPOSITION A  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	\$ 1,162,584	\$ 1,162,584	\$ 1,162,584	\$ -
<b>Resources (Inflows):</b>				
Taxes	850,000	850,000	887,675	37,675
Use of money and property	30,000	30,000	16,124	(13,876)
<b>Amounts Available for Appropriations</b>	<b>2,042,584</b>	<b>2,042,584</b>	<b>2,066,383</b>	<b>23,799</b>
<b>Charges to Appropriations (Outflow):</b>				
Transfers out	860,097	860,097	402,378	457,719
<b>Total Charges to Appropriations</b>	<b>860,097</b>	<b>860,097</b>	<b>402,378</b>	<b>457,719</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,182,487</b>	<b>\$ 1,182,487</b>	<b>\$ 1,664,005</b>	<b>\$ 481,518</b>

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION C  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,840,030	\$ 1,840,030	\$ 1,840,030	\$ -
<b>Resources (Inflows):</b>				
Taxes	700,000	700,000	736,089	36,089
Use of money and property	32,000	32,000	24,942	(7,058)
<b>Amounts Available for Appropriations</b>	<u>2,572,030</u>	<u>2,572,030</u>	<u>2,601,061</u>	<u>29,031</u>
<b>Charges to Appropriations (Outflow):</b>				
Transfers out	<u>1,920,000</u>	<u>1,920,000</u>	<u>468,343</u>	<u>1,451,657</u>
<b>Total Charges to Appropriations</b>	<u>1,920,000</u>	<u>1,920,000</u>	<u>468,343</u>	<u>1,451,657</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 652,030</u>	<u>\$ 652,030</u>	<u>\$ 2,132,718</u>	<u>\$ 1,480,688</u>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
MEASURE R  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	\$ 2,617,751	\$ 2,617,751	\$ 2,617,751	\$ -
<b>Resources (Inflows):</b>				
Taxes	515,000	515,000	552,561	37,561
Use of money and property	55,000	55,000	23,569	(31,431)
<b>Amounts Available for Appropriations</b>	<b>3,187,751</b>	<b>3,187,751</b>	<b>3,193,881</b>	<b>6,130</b>
<b>Charges to Appropriations (Outflow):</b>				
Transfers out	2,950,000	2,950,000	1,558,613	1,391,387
<b>Total Charges to Appropriations</b>	<b>2,950,000</b>	<b>2,950,000</b>	<b>1,558,613</b>	<b>1,391,387</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 237,751</b>	<b>\$ 237,751</b>	<b>\$ 1,635,268</b>	<b>\$ 1,397,517</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
PARK GRANTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	20,100	20,100	-	(20,100)
Transfers in	-	-	300,000	300,000
<b>Amounts Available for Appropriations</b>	<u>20,100</u>	<u>20,100</u>	<u>300,000</u>	<u>279,900</u>
<b>Charges to Appropriations (Outflow):</b>				
Transfers out	<u>20,100</u>	<u>20,100</u>	<u>300,000</u>	<u>(279,900)</u>
<b>Total Charges to Appropriations</b>	<u>20,100</u>	<u>20,100</u>	<u>300,000</u>	<u>(279,900)</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
AIR QUALITY MANAGEMENT DISTRIBUTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	\$ 307,407	\$ 307,407	\$ 307,407	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	60,000	60,000	62,960	2,960
Transfers in	-	-	30,000	30,000
<b>Amounts Available for Appropriations</b>	<b>367,407</b>	<b>367,407</b>	<b>400,367</b>	<b>32,960</b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	45,000	45,000	30,000	15,000
<b>Total Charges to Appropriations</b>	<b>45,000</b>	<b>45,000</b>	<b>30,000</b>	<b>15,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 322,407</b>	<b>\$ 322,407</b>	<b>\$ 370,367</b>	<b>\$ 47,960</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
HOUSING AND COMMUNITY DEVELOPMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	287,770	\$ 287,770	181,363	(106,407)
Transfers in	-	-	23,730	23,730
<b>Amounts Available for Appropriations</b>	<u>287,770</u>	<u>287,770</u>	<u>205,093</u>	<u>(82,677)</u>
<b>Charges to Appropriations (Outflow):</b>				
Public safety	67,995	67,995	56,764	11,231
Community development	191,108	191,108	116,341	74,767
Leisure and cultural	28,667	28,667	31,988	(3,321)
<b>Total Charges to Appropriations</b>	<u>287,770</u>	<u>287,770</u>	<u>205,093</u>	<u>82,677</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
USED OIL RECYCLING GRANT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	\$ 18,542	\$ 18,542	\$ 18,542	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	16,000	16,000	11,440	(4,560)
<b>Amounts Available for Appropriations</b>	<b>34,542</b>	<b>34,542</b>	<b>29,982</b>	<b>(4,560)</b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	16,000	16,000	11,440	4,560
<b>Total Charges to Appropriations</b>	<b>16,000</b>	<b>16,000</b>	<b>11,440</b>	<b>4,560</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 18,542</b>	<b>\$ 18,542</b>	<b>\$ 18,542</b>	<b>\$ -</b>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
BEVERAGE CONTAINER RECYCLING GRANT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	3,000	3,000	12,789	9,789
<b>Amounts Available for Appropriations</b>	<b>3,000</b>	<b>3,000</b>	<b>12,789</b>	<b>9,789</b>
<b>Charges to Appropriations (Outflow):</b>				
Public Works	3,000	3,000	12,789	(9,789)
<b>Total Charges to Appropriations</b>	<b>3,000</b>	<b>3,000</b>	<b>12,789</b>	<b>(9,789)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE  
 FEDERAL GRANTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 717	\$ 717	\$ 717	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	644,200	644,200	13,775	(630,425)
Transfers in	-	-	183,834	183,834
<b>Amounts Available for Appropriations</b>	<u>644,917</u>	<u>644,917</u>	<u>198,326</u>	<u>(446,591)</u>
<b>Charges to Appropriations (Outflow):</b>				
Transfers out	<u>644,200</u>	<u>644,200</u>	<u>197,609</u>	<u>446,591</u>
<b>Total Charges to Appropriations</b>	<u>644,200</u>	<u>644,200</u>	<u>197,609</u>	<u>446,591</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 717</u>	<u>\$ 717</u>	<u>\$ 717</u>	<u>\$ -</u>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
STATE PUBLIC SAFETY GRANT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 53,000	\$ 53,000	\$ 53,000	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	100,000	100,000	114,617	14,617
<b>Amounts Available for Appropriations</b>	<u>153,000</u>	<u>153,000</u>	<u>167,617</u>	<u>14,617</u>
<b>Charges to Appropriations (Outflow):</b>				
Transfers out	100,000	100,000	64,890	35,110
<b>Total Charges to Appropriations</b>	<u>100,000</u>	<u>100,000</u>	<u>64,890</u>	<u>35,110</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 53,000</u>	<u>\$ 53,000</u>	<u>\$ 102,727</u>	<u>\$ 49,727</u>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,051,750	\$ 1,051,750	\$ 1,051,750	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	4	4
Proceeds from issue of long-term debt	-	-	8,970,000	8,970,000
Premiums on long-term debt issue	-	-	1,093,653	1,093,653
Transfers in	995,000	995,000	996,471	1,471
<b>Amounts Available for Appropriations</b>	<u>2,046,750</u>	<u>2,046,750</u>	<u>12,111,878</u>	<u>10,065,128</u>
<b>Charges to Appropriations (Outflow):</b>				
Debt issue costs	-	-	197,205	(197,205)
Principal Retirement	470,000	470,000	510,000	(40,000)
Interest and fiscal charges	525,000	525,000	486,471	38,529
Payments to refunded debt escrow agent	-	-	10,862,679	(10,862,679)
<b>Total Charges to Appropriations</b>	<u>995,000</u>	<u>995,000</u>	<u>12,056,355</u>	<u>(11,061,355)</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 1,051,750</u>	<u>\$ 1,051,750</u>	<u>\$ 55,523</u>	<u>\$ (996,227)</u>

## CITY OF LA MIRADA

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2016**

	<u>Employee Benefits</u>	<u>Equipment Replacement</u>	<u>Totals</u>
<b>Assets:</b>			
Current:			
Cash and investments	\$ 1,235,390	\$ 4,672,733	\$ 5,908,123
Receivables:			
Accounts	-	-	-
Accrued interest	3,016	-	3,016
Prepaid costs	246,536	-	246,536
Due from other governments	-	-	-
Due from other funds	45,893	-	45,893
Restricted:			
Cash and investments with fiscal agent	13,729	-	13,729
<b>Total Current Assets</b>	<u>1,544,564</u>	<u>4,672,733</u>	<u>6,217,297</u>
Noncurrent:			
Net OPEB asset	10,219,379	-	10,219,379
Capital assets, net of accumulated depreciation	-	481,821	481,821
<b>Total Noncurrent Assets</b>	<u>10,219,379</u>	<u>481,821</u>	<u>10,701,200</u>
<b>Total Assets</b>	<u>11,763,943</u>	<u>5,154,554</u>	<u>16,918,497</u>
<b>Deferred Outflow of Resources:</b>			
Deferred pension related items	1,630,780	-	1,630,780
<b>Total Deferred Outflow of Resources</b>	<u>1,630,780</u>	<u>-</u>	<u>1,630,780</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 13,394,723</u>	<u>\$ 5,154,554</u>	<u>\$ 18,549,277</u>
<b>Liabilities:</b>			
Current:			
Accounts payable	3,138	878	4,016
Accrued liabilities	125,286	-	125,286
<b>Total Current Liabilities</b>	<u>128,424</u>	<u>878</u>	<u>129,302</u>
Noncurrent:			
Net pension liability	9,137,388	-	9,137,388
<b>Total Noncurrent Liabilities</b>	<u>9,137,388</u>	<u>-</u>	<u>9,137,388</u>
<b>Total Liabilities</b>	<u>9,265,812</u>	<u>878</u>	<u>9,266,690</u>
<b>Deferred Inflow of Resources:</b>			
Deferred pension related items	2,413,943	-	2,413,943
<b>Total Deferred Inflow of Resources</b>	<u>2,413,943</u>	<u>-</u>	<u>2,413,943</u>
<b>Net Position:</b>			
Investment in capital assets	-	481,821	481,821
Unrestricted	1,714,968	4,671,855	6,386,823
<b>Total Net Position</b>	<u>1,714,968</u>	<u>5,153,676</u>	<u>6,868,644</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<u>\$ 13,394,723</u>	<u>\$ 5,154,554</u>	<u>\$ 18,549,277</u>

CITY OF LA MIRADA

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

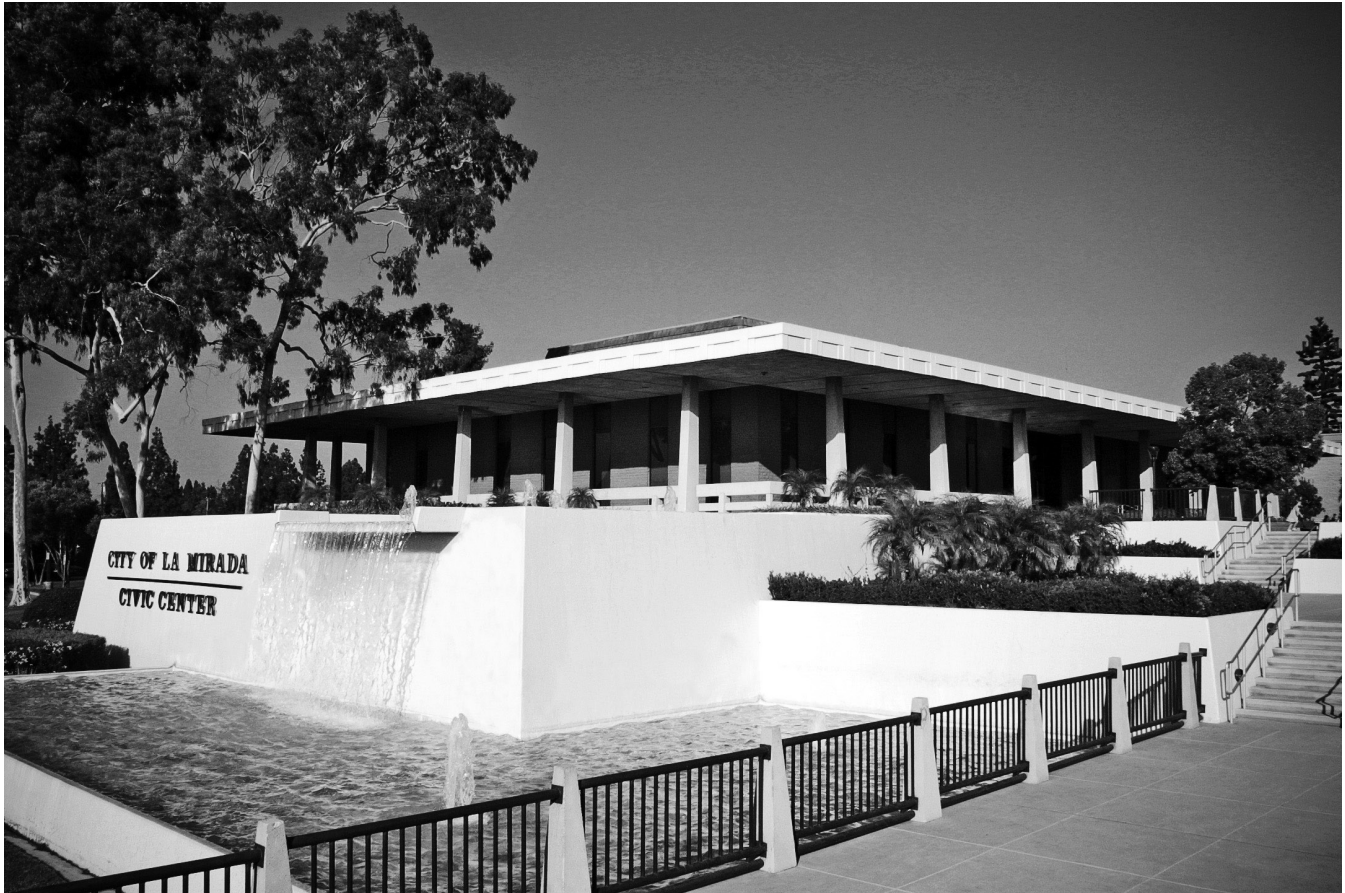
	<b>Employee Benefits</b>	<b>Equipment Replacement</b>	<b>Totals</b>
<b>Operating Revenues:</b>			
Sales and service charges	\$ 3,837,215	\$ 292,696	\$ 4,129,911
<b>Total Operating Revenues</b>	<u>3,837,215</u>	<u>292,696</u>	<u>4,129,911</u>
<b>Operating Expenses</b>			
Administration and general	3,793,285	-	3,793,285
Depreciation expense	-	152,877	152,877
<b>Total Operating Expenses</b>	<u>3,793,285</u>	<u>152,877</u>	<u>3,946,162</u>
Operating Income (Loss)	<u>43,930</u>	<u>139,819</u>	<u>183,749</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest revenue	8,220	-	8,220
<b>Total Nonoperating Revenues (Expenses)</b>	<u>8,220</u>	<u>-</u>	<u>8,220</u>
Changes in Net Position	<u>52,150</u>	<u>139,819</u>	<u>191,969</u>
<b>Net Position:</b>			
Beginning of Fiscal Year	1,319,108	5,013,857	6,332,965
Prior Period Adjustments	343,710	-	343,710
Beginning of Fiscal Year, Restated	<u>1,662,818</u>	<u>5,013,857</u>	<u>6,676,675</u>
<b>End of Fiscal Year</b>	<u>\$ 1,714,968</u>	<u>\$ 5,153,676</u>	<u>\$ 6,868,644</u>

## CITY OF LA MIRADA

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Employee Benefits</b>	<b>Equipment Replacement</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 4,302,541	\$ 292,696	\$ 4,595,237
Cash paid to suppliers for goods and services	-	-	-
Cash paid to employees for services	(3,791,395)	-	(3,791,395)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>511,146</u>	<u>292,696</u>	<u>803,842</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Repayment received from other funds	94,734	-	94,734
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>94,734</u>	<u>-</u>	<u>94,734</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Purchases of capital assets	-	(134,714)	(134,714)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>-</u>	<u>(134,714)</u>	<u>(134,714)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest received	7,389	-	7,389
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>7,389</u>	<u>-</u>	<u>7,389</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	613,269	157,982	771,251
Cash and Cash Equivalents at Beginning of Fiscal Year	635,850	4,514,751	5,150,601
<b>Cash and Cash Equivalents at End of Fiscal Year</b>	<u>\$ 1,249,119</u>	<u>\$ 4,672,733</u>	<u>\$ 5,921,852</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 43,930	\$ 139,819	\$ 183,749
<b>Adjustment to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	-	152,877	152,877
(Increase) decrease in accounts receivable	31	-	31
(Increase) decrease in due from other governments	465,295	-	465,295
(Increase) decrease in prepaid expense	270,592	-	270,592
(Increase) decrease in Net OPEB asset	(49,338)	-	(49,338)
(Increase) decrease in deferred outflows of pension related items	(510,883)	-	(510,883)
Increase (decrease) in accounts payable	(2,953)	-	(2,953)
Increase (decrease) in accrued liabilities	5,971	-	5,971
Increase (decrease) in pension liability	962,174	-	962,174
Increase (decrease) in deferred inflows of pension related items	(673,673)	-	(673,673)
<b>Total Adjustments</b>	<u>467,216</u>	<u>152,877</u>	<u>620,093</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 511,146</u>	<u>\$ 292,696</u>	<u>\$ 803,842</u>





**STATISTICAL SECTION**

# Statistical Section

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	<b>110</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>120</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>124</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>128</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>131</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 Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	<b>Fiscal Year</b>				
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Governmental activities					
Net investment in capital assets	\$ 49,272,086	\$ 70,755,443	\$ 70,256,831	\$ 75,122,496	\$ 78,551,384
Restricted	38,208,320	34,583,482	36,422,061	54,395,377	44,396,590
Unrestricted	(27,613,557)	(38,084,224)	(36,134,141)	(52,580,668)	(36,970,120)
Total governmental activities net position	<u>\$ 59,866,849</u>	<u>\$ 67,254,701</u>	<u>\$ 70,544,751</u>	<u>\$ 76,937,205</u>	<u>\$ 85,977,854</u>
Business-type activities					
Net investment in capital assets	\$ 4,150,147	\$ 3,994,861	\$ 3,843,832	\$ -	\$ -
Unrestricted	1,581,092	1,424,157	1,062,568	-	-
Total business-type activities net position	<u>\$ 5,731,239</u>	<u>\$ 5,419,018</u>	<u>\$ 4,906,400</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government net position	<u>\$ 65,598,088</u>	<u>\$ 72,673,719</u>	<u>\$ 75,451,151</u>	<u>\$ 76,937,205</u>	<u>\$ 85,977,854</u>

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

	<b>Fiscal Year</b>				
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Governmental activities					
Net investment in capital assets	\$ 86,393,863	\$ 86,581,992	\$ 89,231,607	\$ 92,636,224	\$ 98,459,941
Restricted	31,821,550	34,083,335	34,152,613	29,733,496	30,996,348
Unrestricted	78,396,007	58,831,878	70,649,632	72,325,004	78,562,920
Total governmental activities net position	<u>\$ 196,611,420</u>	<u>\$ 179,497,205</u>	<u>\$ 194,033,852</u>	<u>\$ 194,694,724</u>	<u>\$ 208,019,209</u>
Total primary government net position	<u>\$ 196,611,420</u>	<u>\$ 179,497,205</u>	<u>\$ 194,033,852</u>	<u>\$ 194,694,724</u>	<u>\$ 208,019,209</u>

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

	<b>Fiscal Year</b>				
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 5,976,250	\$ 7,198,083	\$ 6,798,443	\$ 10,264,609	\$ 7,669,085
Public safety	7,962,390	8,540,381	8,860,511	8,703,105	8,297,156
Community development	4,419,179	4,160,494	3,681,116	2,253,928	1,980,295
Leisure and cultural	3,776,332	5,371,609	7,117,230	10,944,535	10,330,598
Public works	8,994,633	11,183,479	8,364,475	8,139,643	6,886,493
Interest on long-term debt	6,072,121	6,283,570	6,604,442	8,596,585	8,500,077
Total governmental activities expenses	<u>37,200,905</u>	<u>42,737,616</u>	<u>41,426,217</u>	<u>48,902,405</u>	<u>43,663,704</u>
Business-type activities:					
Theatre	4,036,284	4,041,246	4,578,245	-	-
Total Primary Government Expenses	<u>\$ 41,237,189</u>	<u>\$ 46,778,862</u>	<u>\$ 46,004,462</u>	<u>\$ 48,902,405</u>	<u>\$ 43,663,704</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 2,392,792	\$ 2,628,062	\$ 1,641,717	\$ 1,230,312	\$ 985,339
Public safety	695,311	750,230	675,202	600,672	709,304
Community development	-	-	21,788	26,055	46,892
Leisure and cultural	732,955	1,323,407	2,621,886	5,731,830	6,081,552
Public works	55,120	42,442	-	-	-
Operating grants and contributions	2,239,570	2,300,439	1,943,227	3,572,312	3,661,473
Capital grants and contributions	1,998,127	3,152,736	1,223,358	974,126	1,757,133
Total governmental activities program revenues	<u>8,113,875</u>	<u>10,197,316</u>	<u>8,127,178</u>	<u>12,135,307</u>	<u>13,241,693</u>
Business-type activities:					
Charges for services:					
Theatre	3,073,897	2,724,885	3,387,148	-	-
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	247,323	-	896	-	-
Total business-type activities program revenues	<u>3,321,220</u>	<u>2,724,885</u>	<u>3,388,044</u>	<u>-</u>	<u>-</u>
Total Primary Government Program Revenues	<u>\$ 11,435,095</u>	<u>\$ 12,922,201</u>	<u>\$ 11,515,222</u>	<u>\$ 12,135,307</u>	<u>\$ 13,241,693</u>

**Schedule 2**

**City of La Mirada**

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

*(accrual basis of accounting)*

	<b>Fiscal Year</b>				
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (29,087,030)	\$ (32,540,300)	\$ (33,299,039)	\$ (36,767,098)	\$ (30,422,011)
Business-type activities	(715,064)	(1,316,361)	(1,190,201)	-	-
Total primary government net expense	<u>\$ (29,802,094)</u>	<u>\$ (33,856,661)</u>	<u>\$ (34,489,240)</u>	<u>\$ (36,767,098)</u>	<u>\$ (30,422,011)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 18,417,288	\$ 20,268,927	\$ 19,873,296	\$ 19,313,343	\$ 19,148,372
Transient occupancy taxes	907,549	889,777	724,655	803,425	1,024,679
Sales taxes	12,228,463	11,938,398	10,474,837	9,270,279	10,296,965
Franchise taxes	1,446,091	1,628,317	1,531,991	2,493,098	2,630,099
Business licenses taxes	310,700	436,931	357,232	347,448	314,324
Other taxes	248,182	91,891	129,957	437,351	830,124
Motor vehicle licenses taxes	292,713	223,724	171,528	148,048	256,058
Use of money and property	6,053,260	4,124,483	3,535,373	5,376,050	4,924,485
Other	101,376	1,289,394	331,648	64,110	37,554
Transfers	(745,604)	(963,690)	(610,546)	4,906,400	-
Total governmental activities	<u>39,260,018</u>	<u>39,928,152</u>	<u>36,519,971</u>	<u>43,159,552</u>	<u>39,462,660</u>
Business-type activities:					
Use of money and property	29,616	28,010	54,649	-	-
Other	13,260	12,440	12,388	-	-
Transfers	745,604	963,690	610,546	(4,906,400)	-
Total business-type activities	<u>788,480</u>	<u>1,004,140</u>	<u>677,583</u>	<u>(4,906,400)</u>	<u>-</u>
Total primary government	<u>\$ 40,048,498</u>	<u>\$ 40,932,292</u>	<u>\$ 37,197,554</u>	<u>\$ 38,253,152</u>	<u>\$ 39,462,660</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 10,172,988	\$ 7,387,852	\$ 3,220,932	\$ 6,392,454	\$ 9,040,649
Business-type activities	73,416	(312,221)	(512,618)	(4,906,400)	-
Total primary government	<u>\$ 10,246,404</u>	<u>\$ 7,075,631</u>	<u>\$ 2,708,314</u>	<u>\$ 1,486,054</u>	<u>\$ 9,040,649</u>

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

	<b>Fiscal Year</b>				
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 5,520,210	\$ 5,559,670	\$ 4,051,569	\$ 4,357,631	\$ 3,837,337
Public safety	8,334,949	8,855,190	9,197,072	9,196,201	9,608,429
Community development	1,777,873	8,883,197	1,411,686	1,468,225	1,654,271
Leisure and cultural	11,227,411	11,476,686	11,689,280	12,675,136	12,527,600
Public works	8,371,189	7,727,791	7,655,602	8,911,393	10,474,615
Interest on long-term debt	2,375,254	484,884	516,449	497,387	581,770
Total governmental activities expenses	<u>\$ 37,606,886</u>	<u>\$ 42,987,418</u>	<u>\$ 34,521,658</u>	<u>\$ 37,105,973</u>	<u>\$ 38,684,022</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 639,799	\$ 169,930	\$ 454,754	\$ 380,234	\$ 608,738
Public safety	619,303	631,442	622,233	574,620	536,923
Community development	695,572	840,083	1,357,604	1,141,022	1,728,665
Leisure and cultural	7,512,999	7,141,228	7,928,099	8,619,081	9,016,600
Operating contributions and grants	2,644,092	3,589,280	2,658,984	2,274,058	3,840,893
Capital contributions and grants	6,205,538	55,794	3,254,432	2,798,127	4,894,510
Total governmental activities program revenues	<u>\$ 18,317,303</u>	<u>\$ 12,427,757</u>	<u>\$ 16,276,106</u>	<u>\$ 15,787,142</u>	<u>\$ 20,626,329</u>

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

	<b>Fiscal Year</b>				
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Net (Expense)/Revenue</b>					
Total Governmental activities	\$ (19,289,583)	\$ (30,559,661)	\$ (18,245,552)	\$ (21,318,831)	\$ (18,057,693)
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 12,958,009	\$ 9,661,518	\$ 9,513,978	\$ 10,178,680	\$ 10,752,452
Transient occupancy taxes	973,207	1,218,046	1,366,458	1,500,392	1,690,411
Sales taxes	11,709,498	13,572,127	15,209,182	16,658,358	13,879,537
Franchise taxes	2,542,800	2,590,407	2,723,472	2,767,895	2,786,450
Business licenses taxes	303,618	294,963	326,759	310,968	332,985
Other taxes	181,954	199,933	140,720	207,778	-
Motor vehicle in lieu	25,873	21,415	-	20,685	19,981
Use of money and property	3,748,366	963,339	979,340	1,040,369	1,280,129
Other	5,000	94,837	2,522,290	289,002	423,104
Extraordinary gain	97,474,824	(14,879,577)	-	-	-
Transfers	-	-	-	-	-
Total governmental activities	<u>129,923,149</u>	<u>13,737,008</u>	<u>32,782,199</u>	<u>32,974,127</u>	<u>31,165,049</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 110,633,566	\$ (16,822,653)	\$ 14,536,647	\$ 11,655,296	\$ 13,107,356
Business-type activities	-	-	-	-	-
Total primary government	<u>\$ 110,633,566</u>	<u>\$ (16,822,653)</u>	<u>\$ 14,536,647</u>	<u>\$ 11,655,296</u>	<u>\$ 13,107,356</u>



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

	FISCAL YEAR				
	2007	2008	2009	2010	2011
General Fund					
Reserved	\$ 37,790,469	\$ 31,461,844	\$ 31,653,456	\$ 31,308,820	\$ -
Nonspendable	-	-	-	-	27,834,161
Unreserved	22,540,484	13,465,055	14,703,205	16,959,343	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	20,693,194
<b>Total General Fund</b>	<b>\$ 60,330,953</b>	<b>\$ 44,926,899</b>	<b>\$ 46,356,661</b>	<b>\$ 48,268,163</b>	<b>\$ 48,527,355</b>
All Other Governmental Funds					
Reserved	\$ 19,226,515	\$ 21,711,404	\$ 22,030,048	\$ 26,471,271	\$ -
Unreserved:					
Unreserved, reported in nonmajor:					
Special revenue funds	3,488,942	4,121,741	5,582,174	5,826,119	-
Capital projects fund	-	-	-	(528,436)	-
Designated for:					
Capital projects	15,492,379	8,969,697	8,809,839	12,566,623	-
Debt service funds	(26,958,177)	(23,553,181)	(23,446,075)	(28,655,632)	-
Nonspendable	-	-	-	-	25,946,094
Restricted for:					
Community development projects	-	-	-	-	9
Public safety	-	-	-	-	102,100
Leisure and cultural	-	-	-	-	1,918,490
Public works	-	-	-	-	4,350,060
Capital projects	-	-	-	-	11,531,958
Low and Moderate Housing	-	-	-	-	-
Debt service	-	-	-	-	1,076,315
Unassigned	-	-	-	-	(29,434,825)
<b>Total all other governmental funds</b>	<b>\$ 11,249,659</b>	<b>\$ 11,249,661</b>	<b>\$ 12,975,986</b>	<b>\$ 15,679,945</b>	<b>\$ 15,490,201</b>

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>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	27,633,979	27,601,922	25,775,961	25,282,224	25,184,832
Unreserved	-	-	-	-	-
Committed	-	6,625,000	6,625,000	6,625,000	6,625,000
Assigned	-	-	5,833,389	7,137,653	8,023,549
Unassigned	24,253,682	20,143,084	21,178,368	26,239,183	31,630,728
Total General Fund	<u>\$ 51,887,661</u>	<u>\$ 54,370,006</u>	<u>\$ 59,412,718</u>	<u>\$ 65,284,060</u>	<u>\$ 71,464,109</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:					
Unreserved, reported in nonmajor:					
Special revenue funds	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Designated for:					
Capital projects	-	-	-	-	-
Debt service funds	-	-	-	-	-
Nonspendable	53,485,934	528,436	57,574	12,818	7,836
Restricted for:					
Community development projects	-	-	-	-	-
Public safety	88,693	105,856	109,725	53,717	103,444
Leisure and cultural	778,849	1,273,031	1,454,637	1,576,309	601,631
Public works	4,554,036	7,397,750	5,642,805	6,758,110	8,494,121
Capital projects	-	-	3,145,007	3,211,815	4,324,995
Low and Moderate Housing	-	16,809,744	16,857,726	17,068,977	17,012,205
Debt service	1,076,453	1,077,564	1,051,750	1,051,750	55,523
Unassigned	26,561,735	(1,962)	-	-	-
Total all other governmental funds	<u>\$ 86,545,700</u>	<u>\$ 27,190,419</u>	<u>\$ 28,319,224</u>	<u>\$ 29,733,496</u>	<u>\$ 30,599,755</u>

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

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

	<b>Fiscal Year</b>				
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Revenues</b>					
Taxes	\$ 33,537,901	\$ 35,727,260	\$ 33,950,858	\$ 32,972,100	\$ 34,721,315
Licenses and permits	456,641	488,475	526,139	654,882	891,207
Fines and penalties	579,120	641,787	594,846	555,850	641,179
Charges for services	1,883,198	2,517,099	3,029,409	6,058,797	6,253,631
Intergovernmental	3,938,191	3,599,273	3,000,593	4,085,201	3,439,471
Use of money and property	6,197,660	3,708,600	3,474,698	5,393,378	2,645,372
Contributions	728,566	3,234,384	99,925	39,722	28,713
Miscellaneous	397,439	1,160,003	232,082	27,602	68,013
<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>48,688,901</b>
<b>Expenditures</b>					
Current:					
General government	5,934,656	6,733,138	5,790,740	10,215,234	7,453,971
Public safety	7,606,031	7,992,255	8,133,571	7,950,681	7,481,904
Community development	4,335,330	4,031,523	3,504,888	2,058,652	1,791,027
Public works	6,427,913	6,554,912	7,704,992	7,487,466	6,282,179
Leisure and cultural	3,608,633	5,113,667	6,764,774	10,416,447	9,946,396
Capital outlay	32,562,849	27,004,236	1,344,826	2,212,063	5,634,803
Debt service:					
Interest and fiscal charges	5,447,911	6,122,852	5,981,076	8,576,531	7,636,610
Principal retirement	2,498,319	2,562,473	2,782,588	2,897,149	2,952,145
Debt issuance costs	-	-	-	-	-
<b>Total expenditures</b>	<b>68,421,642</b>	<b>66,115,056</b>	<b>42,007,455</b>	<b>51,814,223</b>	<b>49,179,035</b>
Excess of revenues over (under) expenditures	(20,702,926)	(15,038,175)	2,901,095	(2,026,691)	(490,134)
<b>Other Financing Sources (Uses)</b>					
Long-term debt issued	241,870	708,462	276,917	17,750,357	322,926
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	-	-	-	-	-
Loss on sale of land held for resale	-	-	-	-	-
Transfers in	46,934,919	28,892,238	10,557,520	17,415,717	16,990,767
Transfers out	(47,838,348)	(30,008,217)	(10,668,066)	(18,322,016)	(16,754,111)
<b>Total other financing sources (uses)</b>	<b>(661,559)</b>	<b>(365,877)</b>	<b>185,874</b>	<b>6,642,152</b>	<b>559,582</b>
Extraordinary gain/(loss)	-	-	-	-	-
<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>	<b>\$ 69,448</b>
Debt service as a percentage of noncapital expenditures	20.80%	20.07%	21.54%	23.21%	24.34%

**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>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Revenues</b>					
Taxes	\$ 29,843,830	\$ 28,767,326	\$ 31,308,978	\$ 32,878,469	\$ 29,102,576
Licenses and permits	745,278	867,388	1,363,566	1,174,342	1,728,665
Fines and penalties	554,301	560,895	576,987	522,223	488,483
Charges for services	8,153,135	7,314,020	8,420,887	9,018,482	9,397,012
Intergovernmental	3,381,677	2,768,723	4,544,490	2,297,352	10,808,767
Use of money and property	2,652,528	897,361	930,368	1,001,472	1,280,094
Contributions	2,386,236	45,409	50,460	1,093,748	75,499
Miscellaneous	19,959	134,195	2,523,540	289,002	430,463
<b>Total revenues</b>	<b>47,736,944</b>	<b>41,355,317</b>	<b>49,719,276</b>	<b>48,275,090</b>	<b>53,311,559</b>
<b>Expenditures</b>					
Current:					
General government	4,800,297	3,679,288	2,901,537	3,689,154	3,434,507
Public safety	7,521,387	7,506,665	7,788,347	7,700,751	8,229,995
Community development	1,565,395	2,028,689	1,063,067	1,102,740	1,298,546
Public works	7,480,792	6,522,535	6,268,710	7,633,226	6,371,702
Leisure and cultural	10,800,649	10,423,318	10,985,313	11,935,815	11,812,550
Capital outlay	10,234,039	4,608,363	6,793,685	7,935,054	12,732,374
Debt service:					
Interest and fiscal charges	3,146,930	493,108	524,871	506,071	486,471
Principal retirement	2,830,080	470,508	494,307	516,581	538,078
Debt issuance costs	-	-	-	-	197,205
<b>Total expenditures</b>	<b>48,379,569</b>	<b>35,732,474</b>	<b>36,819,837</b>	<b>41,019,392</b>	<b>45,101,428</b>
Excess of revenues over (under) expenditures	(642,625)	5,622,843	12,899,439	7,255,698	8,210,131
<b>Other Financing Sources (Uses)</b>					
Long-term debt issued	-	-	-	-	8,970,000
Premium on long-term debt issued	-	-	-	-	1,093,653
Discount on long-term debt issued	-	-	-	-	-
Capital leases	11,659	78,300	23,149	29,916	21,784
Notes and loans issued	201,559	-	-	-	-
Contributions from other governments	2,450,210	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Payments to escrow agent	-	-	-	-	(10,862,679)
Loss on sale of land held for resale	-	(6,835,816)	-	-	-
Transfers in	15,239,592	7,803,854	10,040,241	11,357,976	12,672,882
Transfers out	(15,639,592)	(7,803,854)	(10,166,312)	(11,357,976)	(12,672,882)
<b>Total other financing sources (uses)</b>	<b>2,263,428</b>	<b>(6,757,516)</b>	<b>(102,922)</b>	<b>29,916</b>	<b>(777,242)</b>
Extraordinary gain/(loss)	20,907,341	(10,475,602)	-	-	-
<b>Net change in fund balances</b>	<b>\$ 22,528,144</b>	<b>\$ (11,610,275)</b>	<b>\$ 12,796,517</b>	<b>\$ 7,285,614</b>	<b>\$ 7,432,889</b>
Debt service as a percentage of noncapital expenditures	15.66%	3.05%	3.38%	3.09%	3.47%

	FY 2016
Total expenditures	45,101,428
Less: Capital outlay	9,924,864
Noncapital expenditures	35,176,564
Debt Service expenditures	1,221,754
<b>Percentage of noncapital expenditures</b>	<b>3.47%</b>

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

<u>Taxpayer</u>	<u>2016</u>		<u>2007</u>	
	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Duke Realty LP	\$ 66,050,504	1.14%		0.00%
Price Reit Inc.	\$ 48,339,656	0.84%	\$ 42,420,726	0.92%
PR 1 La Mirada Industrial California LLC	\$ 47,494,692	0.82%	\$ 26,954,279	0.59%
USF Propco LLC	\$ 44,809,560	0.77%		0.00%
Interstate 5 Firestone LLC	\$ 34,073,491	0.59%		0.00%
Realty Associates Fund X LP	\$ 31,797,026	0.55%		0.00%
Lanting Family LLC	\$ 28,204,458	0.49%		0.00%
Dexus Socal LLC	\$ 27,982,629	0.48%		0.00%
Catellus/Prologis	\$ 25,243,412	0.44%		0.00%
UDR Rosebeach Apartments II LP	\$ 24,970,328	0.43%	\$ 21,931,540	0.48%
Newage La Mirada Inn LLC			\$ 17,424,793	0.38%
LBA of Met Partners I Company III L			\$ 17,866,498	0.39%
La Mirada Center			\$ 18,915,905	0.41%
MC and C Fortis II LLC			\$ 26,234,495	0.57%
Eagle High Reach LLC			\$ 27,929,886	0.61%
Rohm and Haas Chemicals LLC			\$ 30,017,111	0.65%
Rykoff Sexton			\$ 31,040,633	0.67%
Top Ten Totals	<u>\$ 378,965,756</u>	<u>6.55%</u>	<u>\$ 260,735,866</u>	<u>5.67%</u>
City Totals	\$ 5,786,706,324		\$ 4,600,900,609	

**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
2007	\$ 4,664,855	\$ 4,477,375	95.98%	\$ -	\$4,477,375	95.98%
2008	\$ 4,461,833	\$ 4,411,806	98.88%	\$ -	\$4,411,806	98.88%
2009	\$ 4,687,593	\$ 4,492,307	95.83%	\$ -	\$4,492,307	95.83%
2010	\$ 4,827,893	\$ 4,370,391	90.52%	\$ -	\$4,370,391	90.52%
2011	\$ 4,674,448	\$ 4,413,468	94.42%	\$ -	\$4,413,468	94.42%
2012	\$ 5,068,156	\$ 4,461,207	88.02%	\$ (15,297)	\$4,445,910	87.72%
2013	\$ 4,997,467	\$ 4,727,993	94.61%	\$ (4,190)	\$4,723,803	94.52%
2014	\$ 5,237,024	\$ 4,986,037	95.21%	\$ (6,816)	\$4,979,221	95.08%
2015	\$ 5,485,943	\$ 5,218,188	95.12%	\$ (15,211)	\$5,202,977	94.84%
2016	\$ 5,693,340	\$ 5,381,848	94.53%	\$ (55,942)	\$5,325,906	93.55%

The City recorded both secured and unsecured taxes levied

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

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

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

Category	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Residential	3,274,261,943	3,511,555,626	3,588,813,969	3,369,865,912	3,386,246,339	3,485,456,815	3,579,314,818	3,722,151,646	3,890,739,077	4,087,010,722
Commercial	300,968,973	327,028,307	338,334,425	354,519,136	355,404,910	357,288,157	369,649,074	376,593,364	383,893,153	382,450,287
Industrial	708,251,711	719,281,824	783,794,550	805,287,401	776,816,288	774,546,776	801,823,836	888,676,913	907,057,502	928,076,631
Govt. Owned	3,479,185	2,900,000	3,200,000	3,211,354	3,211,327	3,211,412	3,211,640	3,211,872	3,211,925	3,712,163
Institutional	17,439,131	19,957,357	18,417,330	22,915,720	21,681,628	39,490,637	22,910,095	30,538,714	43,701,228	64,864,826
Miscellaneous	1,186,684	1,049,929	1,070,925	1,092,340	1,089,748	1,097,951	5,174,709	2,714,936	1,775,202	1,765,202
Recreational	18,386,200	18,753,924	19,129,002	21,075,355	20,173,693	18,455,654	18,642,766	17,767,620	21,334,000	18,873,170
Vacant	10,068,696	13,454,316	14,247,306	12,759,275	12,719,290	23,099,290	27,171,951	23,913,447	25,678,576	26,284,199
SBE Nonunitary	3,200,925	462,093	557,085	557,085	557,085	619,095	619,095	619,095	619,095	619,095
Cross Reference	13,666,108	40,865,573	18,301,566	13,088,278	11,852,415	11,426,576	15,206,309	18,613,470	20,953,644	23,443,104
Unsecured	249,991,053	249,939,125	267,354,790	261,972,890	258,867,082	245,221,992	219,396,050	234,724,423	255,810,491	249,606,925
Exempt	[22,948,360]	[24,785,800]	[24,807,732]	[25,694,172]	[24,504,373]	[26,049,299]	[25,353,083]	[25,452,004]	[23,244,489]	[35,544,263]
<b>TOTALS</b>	4,600,900,609	4,905,248,074	5,053,220,948	4,866,344,746	4,848,619,805	4,959,914,355	5,063,120,343	5,319,525,500	5,554,773,893	5,786,706,324
<b>Total Direct Rate</b>	0.35293	0.35378	0.36016	0.36673	0.36251	0.36064	0.35616	0.09398	0.09402	0.09405

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: Los Angeles County Assessor 2006/07 - 2015/16 Combined Tax Rolls

Prepared On 8/12/2016 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)	Overlapping Rates (3)						(4)	(4)
	City's Share of 1% Levy per Prop 13	Prop 13 Direct Tax Less City Share of 1%	School District	Community College District	Detention Facilities	Flood Control	Water District	Total Direct and Overlapping Tax Rates	Total Direct Rate	
2007	0.09468	0.90532	0.20533	0.05305	0.00066	0.00005	0.00470	1.26379	0.35293	
2008	0.09468	0.90532	0.16115	0.03942	-	-	0.00450	1.20507	0.35378	
2009	0.09468	0.90532	0.17138	0.04807	-	-	0.00430	1.22375	0.36016	
2010	0.09468	0.90532	0.18111	0.06217	-	-	0.00430	1.24758	0.36673	
2011	0.09468	0.90532	0.18820	0.07874	-	-	0.00370	1.27064	0.36251	
2012	0.09468	0.90532	0.18650	0.06942	-	-	0.00370	1.25962	0.36064	
2013	0.09468	0.90532	0.19609	0.07308	-	-	0.00350	1.27267	0.35616	
2014	0.09468	0.90532	0.19940	0.07098	-	-	0.00350	1.27388	0.09398	
2015	0.09468	0.90532	0.20465	0.09334	-	-	0.00350	1.30149	0.09402	
2016	0.09468	0.90532	0.27478	0.09150	-	-	0.00350	1.36978	0.09405	

In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

(1) Rate includes City rate (.0671) and La Mirada South East Rec and Park (.0276). City's share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.

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

(3) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.

(4) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information and excludes revenues derived from aircraft. Beginning in FY 2013-14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during FY 2012-13. For the purpose of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

The percentages presented in the columns above do not sum across rows

Excludes Redevelopment Rate

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



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

Fiscal Year	Governmental Activities					Business Type Activities		*		
	Tax Allocation Bonds	Special Tax Bonds	Notes Payable	Lease Revenue Bonds	Loan Payable	Lease Payable	Lease Payable	Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
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%	\$455.09
2013 (b)	\$ -	\$ -	\$ -	\$ 12,255,000	\$ -	\$ 81,841	\$ -	\$ 12,336,841	0.90%	\$439.85
2014 (b)	\$ -	\$ -	\$ -	\$ 11,785,000	\$ -	\$ 80,683	\$ -	\$ 11,865,683	0.87%	\$425.52
2015 (b)	\$ -	\$ -	\$ -	\$ 11,295,000	\$ -	\$ 84,018	\$ -	\$ 11,379,018	0.81%	\$397.79
2016 (b)	\$ -	\$ -	\$ -	\$ 8,970,000	\$ -	\$ 77,724	\$ -	\$ 9,047,724	0.63%	\$310.81

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

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

b) The tax allocation bonds of the former redevelopment agency have been transferred to the Successor Agency.

**Schedule 10  
City of La Mirada  
Direct and Overlapping Governmental Activities Debt  
June 30, 2016**

City Assessed Valuation	\$ 4,058,110,080
Redevelopment Agency Incremental Value	\$ 1,728,596,244
Total 2015-16 Assessed Valuation	<u>\$ 5,786,706,324</u>

	<b>Outstanding Debt 6/30/2016</b>	<b>City Percentage</b>	<b>Estimated Share Overlapping Debt</b>
Overlapping Debt:			
Metropolitan Water District*	\$ 44,916,916	0.3950	\$ 177,422
East Whittier DS 2007 Ref Bonds	3,860,000	5.7980	223,803
Fullerton Unified HS 2002 Series A, 2010 Ref	2,149,730	0.1970	4,235
Fullerton Unified HS 2013 Ref, 2014A	5,297,525	0.1970	10,436
Whittier Union HSD DS 2005 Refunding Bonds	37,923,592	1.8830	714,101
Whittier Union HSD DS 2008 Series 2014B	99,015,000	1.8830	1,864,452
Cerritos CC DS 2004 Series 2004A Series 2009C	4,520,000	13.1660	595,103
Cerritos CC DS 2004 Series 2012D	82,152,224	13.1660	10,816,162
Cerritos CC DS 2012 Series 2014A	91,545,000	13.1660	12,052,815
Cerritos CCD DS 2014 Ref Bonds Series A	78,830,000	13.1660	10,378,758
Cerritos CCD DS 2014 Ref Bonds Series B	17,400,000	13.1660	2,290,884
N. Orange County CCD 2003B Series and 2014	3,139,905	0.1920	6,029
N. Orange County CCD 2002 Series 2005 Ref	3,250,169	0.1920	6,240
Rio Hondo CCD DS 2005 Refunding Bonds	38,880,000	1.2070	469,282
Rio Hondo CCD CS 2004 Series 2009	120,082,824	1.2070	1,449,400
ABC Unified 2003 Refund Bond Series A	29,626,700	4.6700	1,383,567
ABC Unified DS 2010 Refund Bonds	12,730,000	4.6700	594,491
Norwalk-La Mirada USD DS 2002 S-05A	40,934,270	42.8590	17,544,019
Norwalk-La Mirada USD DS 2002 Ser 2007A	13,795,602	42.8590	5,912,657
Norwalk- La Mirada USD DS 2009 Ref Bonds	39,372,452	42.8590	16,874,639
Norwalk- La Mirada USD DS 2013 Refunding Series A	11,225,000	42.8590	4,810,923
Norwalk-La Mirada USD DS 2014 Series A	31,855,000	42.8590	13,652,734
Norwalk-La Mirada USD DS 2014 Ref Bonds	14,510,000	42.8590	6,218,841
Total Overlapping Debt	<u>\$ 827,011,909</u>		<u>108,050,993</u>
City direct debt			(a) <u>9,047,724</u>
Total direct and overlapping debt			<u>\$ 117,098,717</u>

(a) Excluded the former Redevelopment Agency's debt

Notes:

\* This fund is a portion of a larger agency, and is responsible for debt in areas outside the City.

This report reflects debt which is repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the City.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Source: HDL Coren and Cone and Los Angeles County Assessor

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

**Legal Debt Margin Calculation for Fiscal Year 2016**

Total assessed value of all real and personal property	\$ 5,786,706,324
Debt limit percentage	3.75%
Total debt limit	<u>217,001,487</u>
Amount of debt applicable to debt limit	<u>0</u>
Legal debt margin	\$ 217,001,487

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>
2007	\$ 690,135,091	0%
2008	\$ 735,787,211	0%
2009	\$ 189,495,786	0%
2010	\$ 182,487,928	0%
2011	\$ 181,823,243	0%
2012	\$ 185,996,788	0%
2013	\$ 189,867,013	0%
2014	\$ 199,482,206	0%
2015	\$ 208,304,021	0%
2016	\$ 217,001,487	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 Six 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>	
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, 2016**

**General Information**

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

**Demographic and Statistical Information**

Population	49,639		
Median Household Income	\$91,436		
Median Age of Population	38.1		
Residential Units	Approx. 15,500		
Registered Voters	Approx. 27,600		
Assessed Valuation	\$5,786,706,324		
Number of Local Businesses	Approx. 1,200		
Unemployment Rate (County)	5.00%	Unemployment Rate (City)	4.70%

**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; Stations 49 and 194 are located in La Mirada

**Recreation**

Parks	11	Community Center	5
Park Acreage	237	Aquatics Center	1
County Library	1	Community Gym	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. 6770 (excludes adult school enrollment)
University	Biola University
Student Enrollment	Approx. 6006

**City Employees**

Full-Time	71
Part-Time	Approx. 230

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
2006	49,611	\$ 1,329,060	\$ 26,790	2.8%
2007	49,805	\$ 1,383,816	\$ 27,785	3.0%
2008	49,741	\$ 1,393,479	\$ 28,015	4.5%
2009	49,761	\$ 1,358,180	\$ 27,294	7.1%
2010	50,015	\$ 1,436,531	\$ 28,722	7.8%
2011	48,697	\$ 1,366,535	\$ 28,062	6.7%
2012	48,930	\$ 1,376,792	\$ 28,138	6.2%
2013	49,178	\$ 1,375,656	\$ 27,973	4.6%
2014	49,198	\$ 1,411,687	\$ 28,694	5.8%
2015	49,639	\$ 1,444,996	\$ 29,110	4.7%

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  
Last Ten Fiscal Years**

(Thousands of Dollars)

	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>(a) 2010-11</b>	<b>(a) 2011-12</b>	<b>(a) 2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>Residential</b>	10,537	7,216	5,186	5,994	13,209	20,719	9,207	53,993	10,155	16,781
<b>Non-Residential</b>	19,883	15,467	29,027	10,839	26,885	13,008	39,914	22,051	64,653	87,599
	<u>30,420</u>	<u>22,683</u>	<u>34,213</u>	<u>16,833</u>	<u>40,094</u>	<u>33,727</u>	<u>49,121</u>	<u>76,044</u>	<u>74,808</u>	<u>104,380</u>

(a) Figure restated based on updated figures

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

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

<u>Employer</u>	<u>2016</u>		<u>2007</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Biola University	1,365	5.74%	1,248	6.16%
US Foodservice	650	2.73%	625	3.08%
Norwalk-La Mirada Unified School District	546	2.29%	900	4.44%
City of La Mirada (+)	306	1.29%		
Kindred Hospital	266	1.12%		
Home Depot	195	0.82%		
Mirada Hills Rehabilitation (+)	158	0.66%		
Makita USA Inc.	150	0.63%		
Bellwood Laundry Linen	148	0.62%		
Crothall-Bellwood Laundry and Linen	143	0.60%		
Staples (Corporate Express)	(A)		367	1.81%
Living Spaces			308	1.52%
(Estes) GI Trucking			292	1.44%
Frito Lay	(A)		266	1.31%
Architectural Area Lighting			146	0.72%
Spartech			142	0.70%
Coyle Reproductions, Inc.			135	0.67%
<b>Total</b>	<b><u>3,927</u></b>	<b><u>16.50%</u></b>	<b><u>4,429</u></b>	<b><u>21.84%</u></b>

(1) Labor Force 23,800 20,276

(A) Information not available

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

(+) Includes full-time and part-time

**Source: MuniServices, LLC**



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

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government										
Legislative	7	8	8	8	7	7	7	6	6	6
Administration and Support <sup>(c)</sup>	15	12	13	11	14	12	11	12	13	13
Community Development <sup>(b)</sup>	9	10	8	8	7	7	3	3	4	3
Leisure and cultural	15	18	17	11	8	8	9	10	9	10
Public Safety <sup>(a)</sup>	8	8	7	2	6	6	8	8	8	8
Public Works <sup>(d)</sup>	37	37	35	36	29	28	28	26	26	30
Transit <sup>(e)</sup>	1	1	2	2	2	2	0	0	0	0
Theatre	9	9	9	7	7	8	7	7	7	7
<b>Total</b>	<b>101</b>	<b>103</b>	<b>99</b>	<b>85</b>	<b>80</b>	<b>78</b>	<b>73</b>	<b>72</b>	<b>73</b>	<b>77</b>

**Source:** Administrative Services Department - Annual Budget

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

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

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

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General government										
Building permits issued	704	634	499	532	659	645	554	716	789	1,052
Public Safety										
Parking violations	5,971	7,731	8,833	8,665	7,967	6,254	6,885	6,764	6,823	7,621
Traffic violations	7,921	7,077	8,769	7,478	7,465	7,066	6,160	6,009	4,085	3,557
Public Works										
Street resurfacing (miles)	1	1	1	1	1	1	1	1	1	1
Parks and recreation (A)										
Recreation Classes	663	671	586	550	552	526	454	362	396	372
Aquatics Programs	-	54	84	93	92	92	94	83	106	93
Senior Programs	47	58	73	114	91	105	114	134	117	122
Facility Reservations	1,355	2,078	2,849	4,494	5,475	6,574	6,980	6,174	6,078	7,493
Transit										
Total route miles	119,974	116,657	120,635	133,755	168,303	158,375	180,590	170,010	148,191	154,516
Passengers	48,644	50,342	45,620	47,194	52,630	51,674	53,578	52,001	46,982	51,451
Theatre										
Number of productions	105	119	121	124	115	128	107	111	110	109
Number of rentals	142	167	160	141	140	121	78	79	77	75
Number of presentations	18	21	19	25	39	43	37	46	43	30

**Sources:** Various city departments.

(A) Figure restated based on updated figures

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

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Police										
Stations <sup>(a)</sup>	2	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	128	128	128	128	128	128	128	128	128	128
Playgrounds	7	7	7	7	7	7	7	7	7	7
Traffic signals	46	46	46	46	46	46	46	46	46	46
Parks and athletic fields	11	11	11	11	11	11	11	11	11	11
Park acreage	237	237	237	237	237	237	237	237	237	237
Bridges	24	24	24	24	24	24	24	24	24	24
Buildings	-	1	1	1	1	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	1	1	1	1
Resource Center	1	1	1	1	1	1	1	1	1	1
Community Building- 3 parks	3	3	3	3	3	3	3	3	3	3
Transit—buses	12	12	12	12	12	12	12	12	12	10
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) FY 2007 included Public Safety Annex. Sheriff Station completed in FY 2008.

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

