



CITY OF LA MIRADA CALIFORNIA



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2017



CITY OF LA MIRADA
DEDICATED TO SERVICE
FISCAL YEAR ENDED JUNE 30, 2017

City Council

Ed Eng, Mayor

Lawrence P. Mowles, Mayor Pro Tem

Steve De Ruse, Councilmember

John Lewis, Councilmember

Andrew Sarega, Councilmember

Prepared by:

Anne Haraksin, Assistant City Manager

Melissa Pascual, Senior Accountant

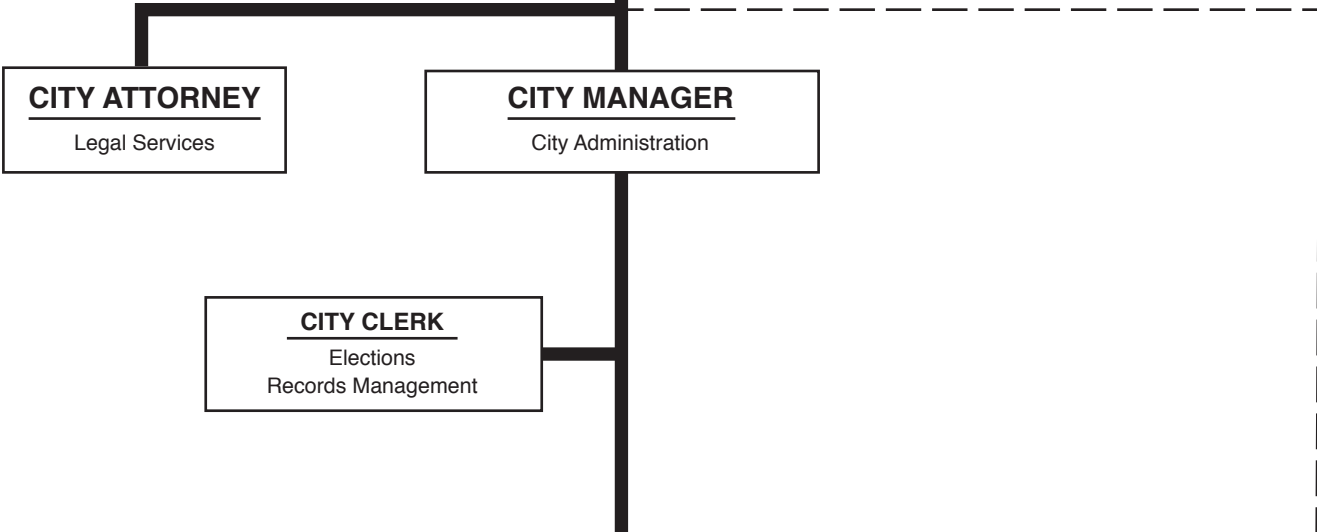
Judy G. Quiñonez, Senior Accountant

CITIZENS OF LA MIRADA



Organization Chart

CITY COUNCIL
SUCCESSOR AGENCY
OF THE FORMER RDA



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

KEY Elected Council Appointed Programs

CITY OF LA MIRADA, CALIFORNIA
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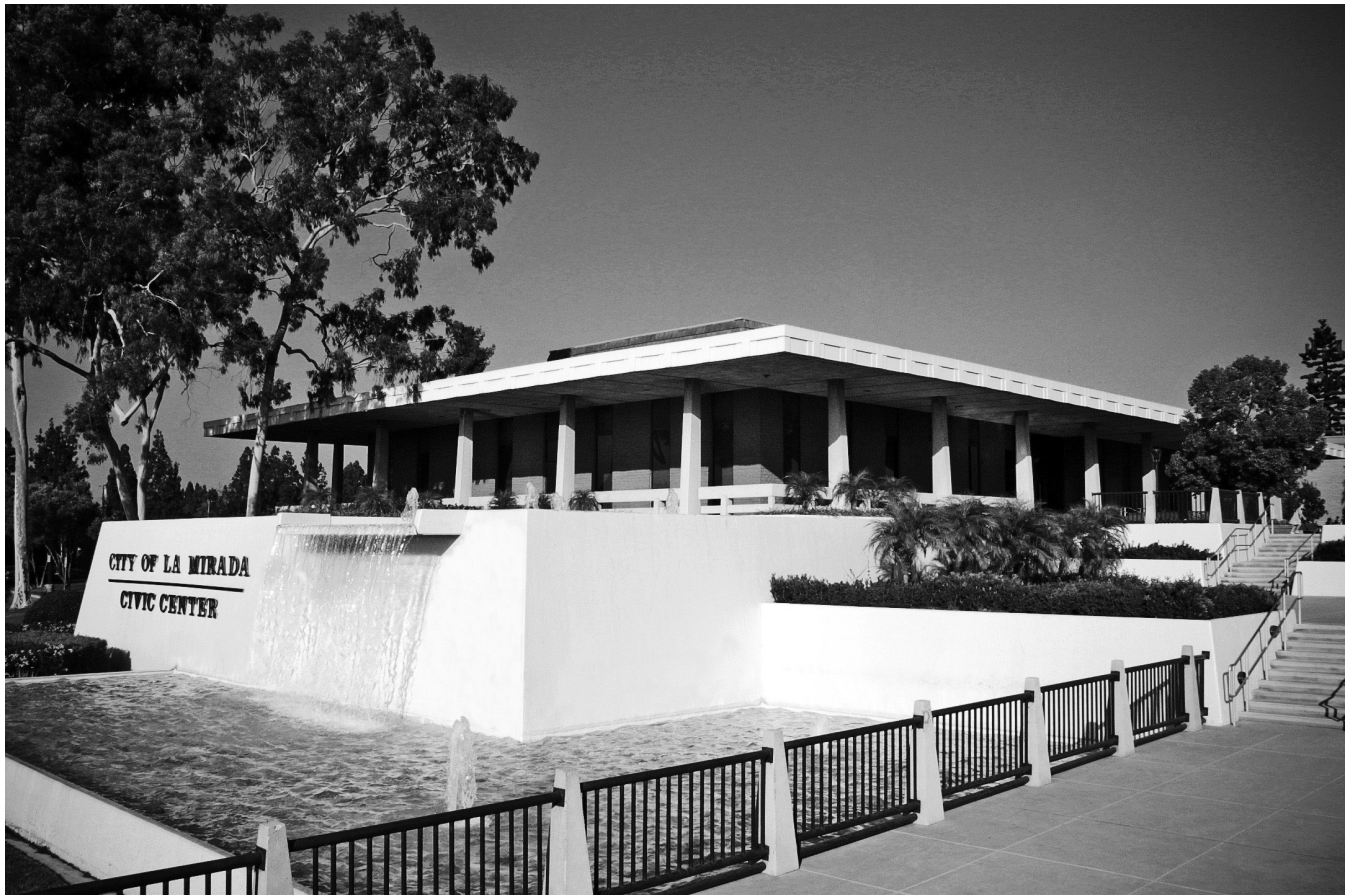
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INTRODUCTORY SECTION



CITY OF LA MIRADA

DEDICATED TO SERVICE

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December 14, 2017

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, 2017. This report is prepared in accordance with local and state law 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, the La Mirada Housing Successor, the La Mirada Theatre for the Performing Arts Foundation, and the La Mirada Parking Authority. 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 directly provided and contracted 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 for 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. The La Mirada Library recently underwent a complete interior renovation.

ECONOMIC CONDITION AND OUTLOOK

California's housing market continues to strengthen as existing home sales and prices have climbed, surpassing the pre-recession highs from a decade ago. The median home price in Los Angeles County rose 8 percent to \$575,000 in July 2017. The continued rise in home prices can be attributed to low mortgage rates, growing consumer confidence, and a housing shortage. Increasing property values have had a positive impact on the General Fund, accounting for an additional \$218,000 in property tax revenue for Fiscal Year 2016-17.

The City's unemployment rate was 3.8 percent, which compares favorably to 4.4 percent for Los Angeles County and 5.4 percent for the State of California. Labor markets are at full employment and wages are on the rise. The City's three largest employers are Biola University, US Food Service and the Norwalk-La Mirada Unified School District, and they continue to be stable employers.

Inflation pressures presently remain contained. The Consumer Price Index for the Los Angeles-Riverside-Orange County metropolitan area was up just 2.2 percent as of June 2017, not seasonally adjusted.

At the local level, growth has been consistent. La Mirada's sales tax base is largely reliant upon companies engaged in business-to-business sales and several larger retailers. Any relocation of major sales tax producers to or from La Mirada will impact sales tax revenue.

The City's local transactions and use tax will expire on March 31, 2018. This funding source has been a beneficial tool to address the City's infrastructure needs. Four phases of neighborhood street improvements will have been completed by the time the tax sunsets. An additional phase will be constructed using the remaining Measure I funds. In the absence of Measure I, the City will explore other funding sources to address future capital projects.

The City adopted a balanced budget for Fiscal Year 2016-17 using a conservative approach to revenue forecasting and maintaining expenditures. The City's property tax and sales tax revenues performed better than expected primarily due to conservative forecasting and strong sales, and other revenue sources performed as projected, if not slightly better. The budget maintained public safety services and infrastructure projects at a high level of importance. Costs were maintained by using a combination of City staff and contracted services, and by taking advantage of economies of scale. These efforts resulted in an ending General Fund unassigned fund balance of \$34 million.

A growing concern is CalPERS' continuous methodology changes, which impact the City's pension costs. In April 2013, CalPERS approved a change to the amortization and rate smoothing policies, and in May 2014, CalPERS approved structural changes to the risk pools. These changes took effect in Fiscal Year 2015-16. Due to the change in the risk pools, the unfunded liability will be paid as a fixed dollar amount

rather than the prior method of a contribution rate. In December 2016, CalPERS Board approved lowering the discount rate over the next three years from 7.50% to 7.00% by Fiscal Year 2020-21. The City anticipates that the City's total CalPERS payments, including the fixed dollar amount of the unfunded liability, will increase from \$1.36 million to \$2.6 million by 2023.

While we are hopeful that the economy continues to steadily grow, the City will remain conservative in its revenue forecasts, contain costs and mitigate rising pension costs, while maintaining essential services for the community. We will continue to look for ways to stimulate the local economy by reaching out to companies wishing to expand, vigorously exploring economic development opportunities, and continuing the beautification projects throughout the City.

MAJOR INITIATIVES

During Fiscal Year 2016-17, 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 continues to guide the City. A number of key actions have been completed under five 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.

The "My La Mirada" smartphone and web portal was launched to enable residents to submit, track, and view service requests. The new innovative system enhances responsiveness to community concerns, and has been used by nearly 300 residents.

Purchased by the City in December 2007, the Alondra Boulevard property was leased. The adjacent properties house the Public Works administrative offices and garage, the Theatre for the Performing Arts warehouse, and La Mirada Transit. While this entire site may be considered for future development, it was decided to lease the facility in the interim. In November 2016, the facility was successfully leased to ProductsGo, LLC, an online clothing retailer, generating rental income and the potential for sales tax revenue.

The City of La Mirada was recognized by the California Association for Local Economic Development (CALED) for the Shop! See! Splash! and Shop La Mirada! Holiday Edition promotions. The award recognizes the City's efforts and achievements in economic development advertising, marketing, and promotion. The emphasis for the Economic Development category was on effective public relations and ongoing business

development campaigns that use special websites, print, and collateral materials.

The City held its first by-district election in March 2017 for two City Council seats. Over the course of several months, meetings and a workshop were held to set district boundaries in accordance with federal and state laws.

The department worked with its legislative representatives to protect local control of revenues and land use. The City is continuing its efforts, along with many other cities, to ensure the proper repayment of the City's loan by the former Redevelopment Agency. The department also supported legislative efforts to return local control over regulating massage establishments and restricting the operation of marijuana businesses.

The department received the 2015-16 Government Finance Officers Association's Comprehensive Annual Financial Report award. The City has received this award for 28 consecutive years, beginning with the 1988-89 financial report.

A series of business success workshops were held for small business owners and aspiring business owners. Information on starting a business, accessing capital, lease negotiations, targeted marketing techniques, and government contracts were provided to participants. On average, 30 participants attended each workshop.

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 with a base of \$15,000, with special circumstances up to \$30,000, are available for eligible homeowners.

An Economic Development Study was 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 was also prepared with specific recommendations for enhancing La Mirada's economic viability.

Community Development

Some 1,046 administrative items including zoning clearance reviews, home occupation permits, and sign design reviews were completed by the Planning Division in 2016. Additionally, 17 items including certificates of compatibility, conditional use permits, and planned unit developments were reviewed by the Planning Commission. A total of 3,874 transactions were recorded by the Building Division with a total valuation of work exceeding \$112 million.

Work began on The Olson Company's residential housing project 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. The 33 paired and single-family homes in the "Olive Walk" community enables the City to make progress towards its Regional Housing Needs Assessment goals.

A certificate of compatibility, parcel map, and environmental review were approved for the development of a 492,639 square foot warehouse and distribution facility located on Trojan Way. This project consolidated three parcels previously owned by Chevron. The completion of this building is expected in late 2017.

A general plan amendment and certificate of compatibility were completed for a 28-unit residential apartment building to be located on the east side of La Mirada Boulevard south of Leffingwell Road. The two-story apartment building with subterranean parking will feature one and two bedroom units.

A certificate of compatibility was processed for the construction of a 78,752 square foot warehouse located at the southeast corner of Alondra Boulevard and Stage Road. The recently completed building complements the operations of Left Bank Art, a local manufacturer, which occupies the adjacent building.

Preliminary plans have been received for the development of a Popeyes Chicken restaurant at the northeast corner of Imperial Highway and Santa Gertrudes Avenue and a Chick-fil-A restaurant at the southeast corner of N. Firestone Boulevard and Gateway Drive. Land use entitlements required in association with these developments will likely be reviewed in the coming year.

Plans for tenant improvements to the AMC La Mirada 7 Movie Theatre located within the Theatre Center were approved. The improvements include the renovation of the existing seven auditoriums with a reduction in seating capacity, updated signage, and the remodeling of the box office, lobby, concessions, restrooms, and employee work areas. Work is expected to be completed in early 2018.

Community Services

The interior of the La Mirada Library was completely modernized through a cooperative agreement with Los Angeles County. The improvements include new study areas, a workroom, children's reading area, a community room, space for the Friends of the Library, and updated technology.

New park playgrounds were installed at Anna J. Martin Park, Frontier Park, and the Community Gymnasium. The upgraded equipment features new slides, climbers, and swings. A portion of the funding was received from a Los Angeles County Parks grant.

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, Halloweenfest, Chili Holiday, and Easter event were especially well attended. The City's aquatics, day camps, youth sports, tiny tots, and senior programs offer something for everyone.

Splash! continues to have strong attendance with nearly 400,000 visitors. Buccaneer Bay opened for the season in May. Splash! is also a popular destination for aquatic programs, birthday parties, company picnics, school fieldtrips, swim competitions,

swimming lessons, and special camps and events.

Supervisor Janice Hahn served as the guest speaker at the 57th annual Youth in Government luncheon. Youth in Government is a collaborative effort between the City of La Mirada, La Mirada High School, and the La Mirada Ebell club. The award-winning program partners students from La Mirada High School with City officials to engage local youth in City government. The luncheon enabled students to meet with their elected official and staff counterparts.

Social media is being used more extensively to provide information highlighting key community events, services, and programs. Combined with the City's traditional newsletter, *La Mirada Living*, and email-based news, social media helps ensure those interested are updated on current items.

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.

La Mirada Theatre for the Performing Arts

The La Mirada Theatre for the Performing Arts 2016-17 season included a terrific lineup with *Man of La Mancha*, *Hunchback of Notre Dame*, *West Side Story*, *The Last Five Years*, *Lend Me a Tenor*, and *Vicky Lawrence and Mama*. An extensive offering of single night events, special presentations, and community programs were also held at the Theatre to meet the region's varied interests.

The Theatre entered into an agreement with Tessitura and Jacobsen Consulting Associates. The Theatre's ticket sales are strong and many shows have very high ticket sales. Each show offers tickets at various price levels, some of which sell more quickly than others, often depending on the genre of the show. Tessitura and Jacobsen Consulting Associates will review the Theatre's pricing practices and create new strategies to maximize Theatre profits and increase revenue from its existing ticket inventory.

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. La Mirada experienced the lowest number of Part 1 crimes and crimes per capita of communities in southeast Los Angeles County and northern Orange County.

The City recently upgraded its vehicle inventory using funds received from the South Coast Air Quality Management District (AQMD). Five Ford Fusion Hybrids were purchased to replace Public Safety vehicles that were high in mileage and experiencing maintenance issues.

An additional Automated License Plate Recognition System was installed on a Sheriff's vehicle to assist with the City's crime fighting efforts. The license plate reader scans the license plates of nearby vehicles to identify vehicles that may have been associated with criminal activity.

La Mirada dog owners are invited to help in the ongoing effort to prevent crime. The "Captain K-9" Dog Walker Watch program was launched to encourage recreational dog walkers to serve as an extra set of eyes and ears for law enforcement. Captain K-9 participants are trained to effectively observe and report suspicious activity while on routine walks with their dogs.

The City secured a grant from the California Highway Patrol to conduct the "Every 15 Minutes" Program. The program educates students about the consequences of driving under the influence of alcohol or drugs and challenges them to consider the effects of these actions on themselves and their families. The goal of the program is to increase awareness of the harmful effects of alcohol and reduce alcohol-related traffic fatalities among students.

Public Works

The Uniform Public Construction Cost Accounting Act was adopted for public projects not exceeding \$100,000. The Act allows for informal bidding procedures based on at least three bids by qualified bidders or the use of City employees for public projects under \$45,000. By adopting the Act, the time constraints and additional costs of advertising will be minimized for public projects under \$100,000.

A number of capital projects have recently been completed, are currently under construction or are in design and scheduled to begin construction in the near future. These projects continue the City's efforts to upgrade and improve aging infrastructure to meet modern public works standards. Notable projects include:

- Telegraph Road and Imperial Highway Street and Traffic Signal Improvements
- Measure I Phases III and IV
- Artesia Boulevard and Industry Circle Traffic Signal
- Santa Gertrudes Avenue Parkway and Wall Improvements Phase II
- Rosecrans Avenue at Beach Boulevard Dual Left-Turn Pockets
- Alondra Boulevard and La Mirada Boulevard Intersection Improvements
- La Mirada Boulevard Corridor Traffic Signal Upgrades
- Splash! Concrete Rehabilitation

FINANCIAL INFORMATION

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.

Single Audit: 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.

Budgetary Controls: 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 re-appropriated as part of the following year's budget.

Financial Policies: To ensure that adequate funds be reserved for potential contingencies such as economic uncertainties or emergencies that might threaten the health, safety and welfare of the community, the City Council established a policy setting aside \$6.625 million as committed reserves.

In November 2012, La Mirada voters approved Measure I, a one percent transactions and use tax, which has brought in a total of \$24 million thus far for five phases of residential street improvements. Phases I and II are complete. The remaining balance of \$11.2 million is assigned for Phases III through V.

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.

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 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, 2017, based on calculations by City management, proceeds of taxes did not exceed appropriations.

PROSPECTS FOR THE FUTURE

The City has maintained its conservative financial approach while providing quality programs, services and facilities. The City’s financial position continues to be solid. The City maintains its strong financial position based on the following guidelines:

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

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

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, 2017, 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, 2016. This was the twenty-eighth 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 in 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
Assistant City Manager



Government Finance Officers Association

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

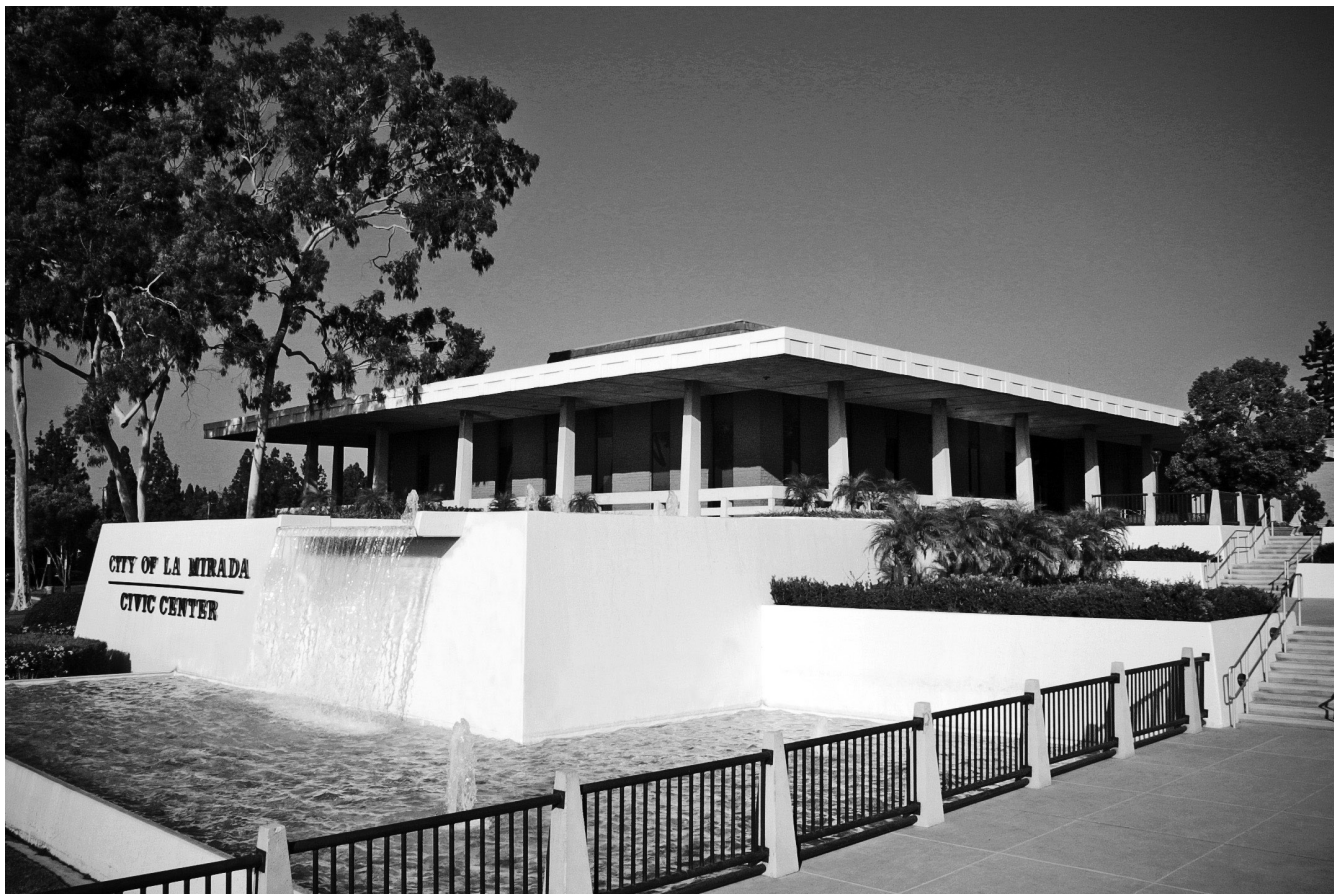
Presented to

**City of La Mirada
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



FINANCIAL SECTION



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
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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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017, 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, 2016, the City adopted provisions of Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*. 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 Pension Plan Contributions, the Schedule of Changes in Net Pension Liability and Related Ratios on pages 72 through 78 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 December 8, 2017, 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

Moss, Levy & Hartzheim, LLP
Culver City, California
December 8, 2017

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, 2017. 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 2016-17 fiscal year by \$217.74 million (net position). Of this amount, \$100.33 million is net investment in capital assets; \$9.22 million is restricted for public works; \$6.40 million is restricted for capital projects; \$18.10 million is restricted for low and moderate income housing; \$.89 million is restricted for public safety and leisure and cultural; and \$82.80 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 \$9.72 from the prior fiscal year. Total revenues and expenditures were \$52.83 million and \$43.11 million, respectively. Of the total revenues, program revenues were \$19.65 million. Program revenues are separated into three categories: charges for services at \$11.73 million, operating contributions and grants at \$.85 million, and capital contributions and grants at \$7.07 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$110.78 million, an increase of \$8.71 million in comparison with the prior fiscal year primarily due to the construction timing of various capital projects funded by the General Fund.
- The unassigned fund balance for the General Fund was \$34 million or 111.27 percent of the total General Fund expenditures.
- During the fiscal year, the City's General Fund revenues were greater than the final budget by \$3.13 million and General Fund expenditures were \$6.03 million less than budget. This results in the total positive budget and actual variance of \$9.16 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, Parking Authority, La Mirada Theatre for the Performing Arts Foundation, 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 2016-17, assets exceeded liabilities by \$217.74 million. The largest portion of the City's net position (46.08 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 not used to liquidate these liabilities.

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

**TABLE 1
NET POSITION
As of June 30, 2017**

	Governmental Activities	
	Fiscal Year	
	2016	2017
Current & other assets	130,153,401	136,870,223
Capital assets	108,601,318	109,873,245
Total assets	238,754,719	246,743,468
Deferred outflows of resources	1,673,373	4,211,083
Long-term debt liabilities	19,918,803	22,826,092
Other liabilities	10,076,137	8,300,702
Total liabilities	29,994,940	31,126,794
Deferred inflows of resources	2,413,943	2,089,119
Net Position		
Net investment in capital assets	98,459,941	100,334,511
Restricted	30,996,348	34,605,983
Unrestricted	78,562,920	82,798,144
Total Net Position	208,019,209	217,738,638

A portion of the City’s net position (15.38 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$82.80 million) may be used to meet the government’s ongoing obligations to citizens and creditors.

Capital assets had a net increase of \$1.27 million as a result of capital assets addition. There are a number of projects that are in the early design or construction phase that will be completed in Fiscal Year 2017-18, such as Measure I Phase III and IV, and Santa Gertrudes Avenue Wall and Parkway Improvement.

The City’s governmental activities had total bonded debt and long-term liabilities of \$22.83 million, which is a net increase of \$2.91 million. The City’s net pension liability increased \$3.50 million to \$12.63 million, \$11.10 million for CalPERS and \$1.53 million for PARS.

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

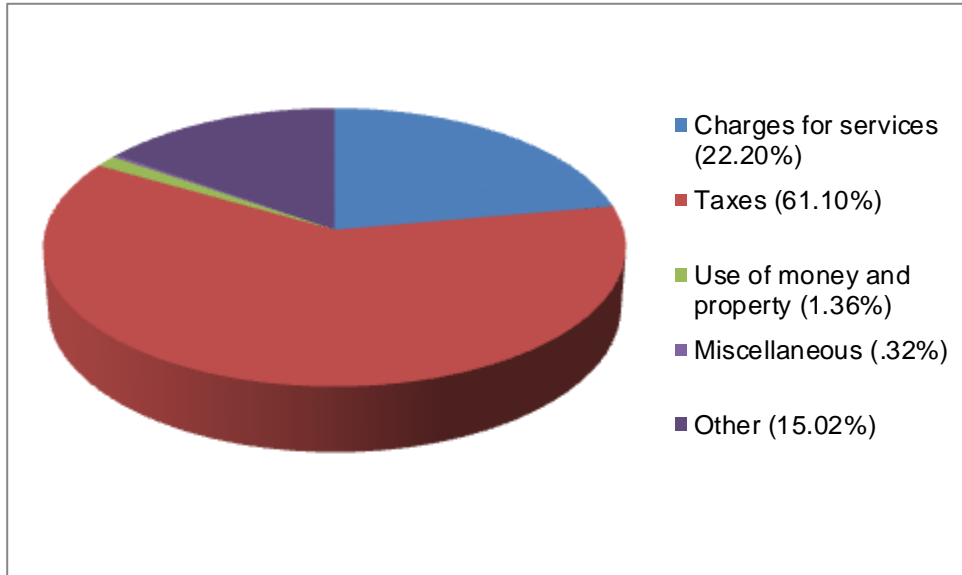
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

TABLE 2
CHANGES IN NET POSITION
 For the Fiscal Year Ended June 30, 2017

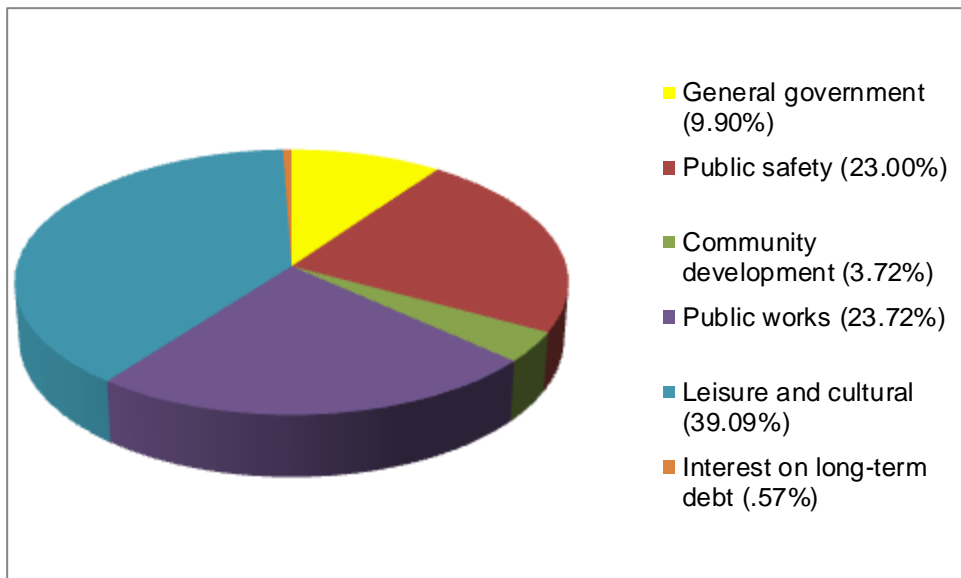
	Governmental Activities	
	Fiscal Year	
	2016	2017
REVENUES		
Program Revenues:		
Charges for services	11,890,926	11,726,442
Operating grants and contributions	3,840,893	853,969
Capital grants and contributions	4,894,510	7,066,852
General Revenues:		
Property taxes	10,752,452	11,237,676
Sales and use tax	13,879,537	16,374,977
Transient occupancy taxes	1,690,411	1,543,509
Franchise taxes	2,786,450	2,795,690
Other taxes	332,985	325,734
Intergovernmental	19,981	22,238
Use of money and property	1,280,129	716,025
Miscellaneous	423,104	167,174
Total revenues	51,791,378	52,830,286
EXPENSES		
Governmental Activities:		
General government	3,837,337	4,269,803
Public safety	9,608,429	9,918,822
Community development	1,654,271	1,604,363
Public works	10,474,615	10,226,731
Leisure and cultural	12,527,600	16,851,879
Interest on long-term debt	581,770	239,259
Total expenses	38,684,022	43,110,857
Excess (deficit) before transfers	13,107,356	9,719,429
INCREASE IN NET POSITION	13,107,356	9,719,429
Net position - beginning	194,694,724	208,019,209
Restatement of net position	217,129	-
Net position - ending	208,019,209	217,738,638

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FY 2016-17 TOTAL REVENUES BY SOURCES



FY 2016-17 TOTAL EXPENSES



The City's revenues totaled \$52.83 million for Fiscal Year 2016-17 in comparison to \$51.79 million from the previous year. Of the City's total revenues, \$11.73 million (22.20 percent) were derived from charges for services, \$7.92 million for grants and contributions (15.02 percent) and \$32.28 million (61.10 percent) were received from taxes.

Splash! La Mirada Regional Aquatics Center and the La Mirada Theatre for the Performing Arts continued to have successful seasons. Splash! sold over 8,000 Buccaneer Bay season passes and continued to be a popular community destination.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The Theatre's 2016-17 season featured five professional plays and musicals, including *West Side Story* and *Man of La Mancha*, and over 30 musical performances.

The net change in contributions and grants is attributed to the timing of grant funded capital projects. In Fiscal Year 2015-16, the City received \$4.2 million from the County of Los Angeles to renovate one of the County's libraries, located in the City of La Mirada. The majority of the construction was completed by March 2017. In Fiscal Year 2015-16, the Successor Agency's bond proceeds funded the Industrial Center Street Rehabilitation Project. The City was awarded \$750,000 from the County of Los Angeles for playground equipment and for traffic signal improvements.

The City's property tax revenue and sales tax revenue, including Measure I, continued to trend positive. The taxable assessed value over the last ten years increased from \$4.9 to \$6.05 billion. With the expiration of the Triple Flip in January 2016, the City now receives the full 1 percent of the Bradley Burns Sales Tax. Measure I continues to exceed expectations, generating \$6.38 million in the most recent fiscal year.

The City's investment portfolio is actively managed and maturing or lower yielding investments are reinvested with higher yielding investments. The portfolio has an average yield of 1.44 percent.

City expenses for the fiscal year totaled \$43.11 million, comprising \$4.27 million (9.90 percent) for general government, \$9.92 million (23.00 percent) for public safety, \$10.23 million (23.72 percent) for public works and \$16.85 million (39.09 percent) for leisure and cultural activities, and \$1.84 million (4.29 percent) for community development and interest on long-term debt.

Leisure and cultural activities increased \$4.32 million or 34.52 percent from the previous fiscal year due to the County Library Renovation Project. The City operated as the lead agency for this project, and was reimbursed by the County for the cost of the improvements.

Interest on long-term debt decreased \$342,511 from the previous fiscal year. The City's 2006 Lease Revenue Bond was refunded in May 2016.

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.

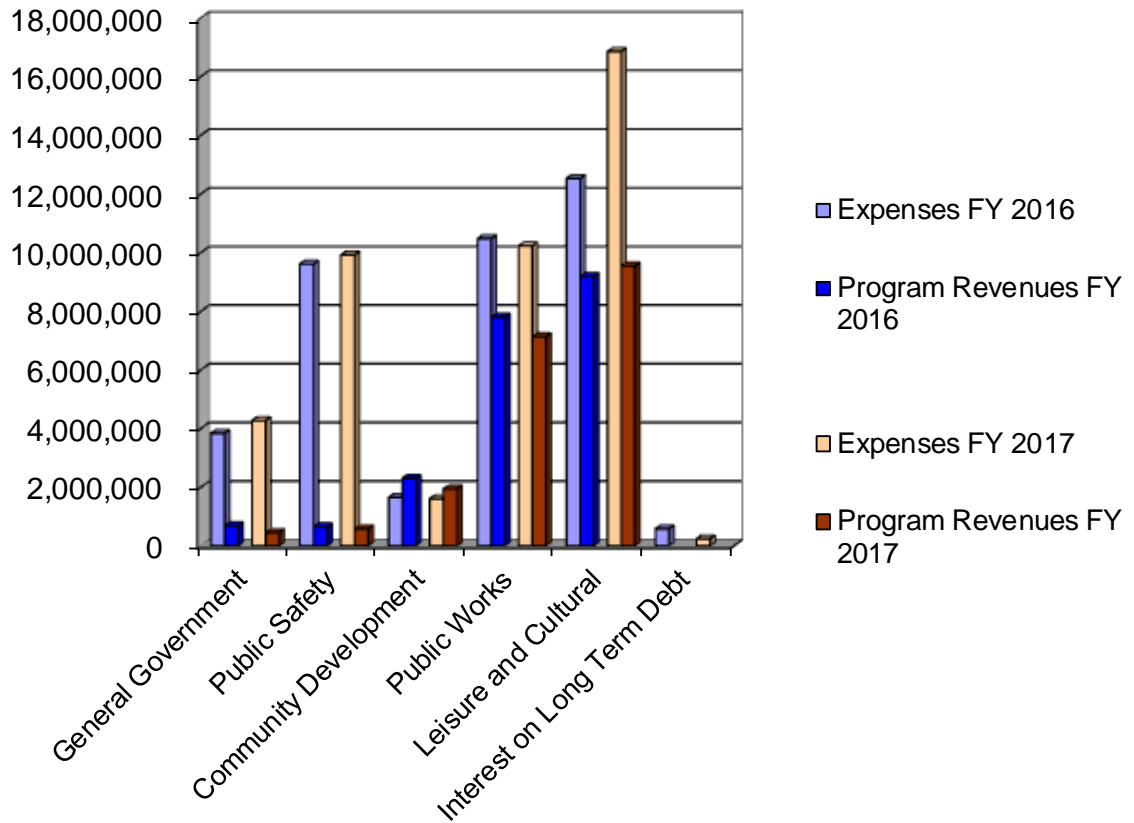
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

**TABLE 3
NET COST OF GOVERNMENTAL ACTIVITIES**
As of June 30, 2017

	Total Cost of Services		Net Cost of Services	
	Fiscal Year		Fiscal Year	
	2016	2017	2016	2017
Governmental Activities:			(in millions)	
General Government	3,837,337	4,269,803	3.2	3.8
Public Safety	9,608,429	9,918,822	9.0	9.3
Community Development	1,654,271	1,604,363	(0.6)	(0.3)
Public Works	10,474,615	10,226,731	2.7	3.1
Leisure and Cultural	12,527,600	16,851,879	3.3	7.3 *
Interest on Long Term Debt	581,770	239,259	0.6	0.2
Total	38,684,022	43,110,857	18.1	23.5

*Note: Includes County Library Renovation Project

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, 2017, the City's governmental funds reported combined fund balances of \$110.78 million, an increase of \$8.71 million. Of this amount, \$51.82 million constitutes *unrestricted fund balance*, comprised of \$6.625 million as *committed fund balance* and \$11.20 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 \$34 million. Please refer to Note 1 to basic financial statements for additional detail.

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

Fund Balance	FY 2015-16	FY 2016-17	VARIANCE
General Fund	\$ 71,464,109	\$ 77,183,385	\$ 5,719,276
Low and Moderate Housing	17,012,205	17,077,739	65,534
Capital Improvement	4,324,995	6,400,299	2,075,304
Other Governmental Funds	9,262,555	10,113,847	851,292
Total Fund Balance	<u>\$ 102,063,864</u>	<u>\$ 110,775,270</u>	<u>\$ 8,711,406</u>

The General Fund is the chief operating fund of the City. The fund balance of the City's General Fund increased \$5.72 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. 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 \$3.70 million and \$4.45 million in revenue, respectively.
- Building and Permit fees generated \$1.52 million in revenue by processing more than 3,874 building permit transactions with a valuation of work exceeding \$112 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- A number of General Fund funded capital improvement projects are in various stages of the construction process with estimated completion in Fiscal Year 2017-18.

Low and Moderate Housing increased \$65,534 due to interest received from the loan agreement with Grayville Limited Partnership for the 122-unit affordable senior housing project and a number of rehabilitation loan payoffs.

Capital Projects Fund increased \$2.08 million. The City transferred an additional \$2.0 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, 2017, the unrestricted net position of the internal service funds was \$5.93 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

The following significant changes were made to the Fiscal Year 2016-17 General Fund adopted budget:

- Transfers out to the CIP fund in the amount of \$4.0 million for additional construction costs for Measure I Phase III.
- Increase in the Theatre activity expenditures and revenues for the 2016-17 presentations lineup of over 30 performances.

Variances with the Final Budget are as follows:

General Fund actual revenues were more than the final budget by \$3.13 million.

- Taxes increased \$2.24 million as taxes are conservatively budgeted.
- Licenses and permits increased \$525,646 due to the increased building division activity.
- Charges for services increased \$510,074 as the Theatre for the Performing Arts and Splash! La Mirada Regional Aquatics Center continued to have successful 2016-17 seasons.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Use of money and property had a net decrease of \$284,962. The fair market value adjustment for investments is not included in the budget. In addition, the City's investment portfolio is actively managed by an investment advisor and maturing or lower yielding investments are reinvested with higher yielding investments.
- Transfers In increased \$148,818 due to grant funding received for the Valley View and Adoree Traffic Signal Project.

General Fund expenditures were \$6.03 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 expected to be completed in early 2018. This is offset by an additional \$3.0 million transfers out to the Capital Projects Fund and Employee Benefits Fund.

CAPITAL ASSETS

The City's investment in capital assets for its governmental activities amounts to \$109.87 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, 2017

<u>DESCRIPTION</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
Land and easements	4,540,989	4,540,989
Construction in progress	6,787,515	3,789,675
Land improvements	27,207,820	30,292,518
Buildings and structures	52,132,834	51,119,376
Machinery and equipment	1,537,185	2,013,540
Automotive equipment	144,596	211,486
Infrastructure	16,250,379	17,905,661
	<u>108,601,318</u>	<u>109,873,245</u>

Larger projects are funded and completed over several fiscal years. Funding will come from current available bond proceeds, current fund balances, and projected revenues. The most significant projects include Residential Street Rehab Phase III and a number of traffic signal upgrades. More detailed information is included in Note 3 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

LONG-TERM DEBT

As of June 30, 2017, the City had \$10.19 million in long-term debt outstanding. The indebtedness of the former Redevelopment Agency in the amount of \$95.46 million was transferred to the Successor Agency. All of the Tax Allocation Bonds are insured. Detailed information is included in Notes 7 and 13 of the financial statements.

OUTSTANDING DEBT

As of June 30, 2017

	Governmental Activities	
	Fiscal Year	
	2016	2017
Lease Revenue Bonds*	10,063,653	9,491,629
Capital Lease Payable	77,724	47,105
Compensated Absences	640,038	648,605
Total	10,781,415	10,187,339

* 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 4.76 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 \$288 million, which is its highest mark ever at \$6,340,151,698. The increase in value is attributed primarily to the Assessor's adjustment pursuant to Proposition 13. The new figures were part of the 2017/18 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 January to September 2017 was \$550,000. This represents a \$30,000 (5.88 percent) increase in median sale price from 2016.

The City's 2017-18 budget projections take into account the historical trends and current economic factors. Taxes are conservatively forecasted with property and sales tax showing an upward trend. La Mirada's sales tax base is largely reliant upon companies engaged in business-to-business sales and several larger retailers. Any relocation of

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

major sales tax producers to or from La Mirada will impact sales tax revenue. Fiscal Year 2017-18 will be the last year for the City's Measure I transactions and use tax.

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 2017-18 adopted budget should be sent to the Assistant 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 Assistant 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, 2017

	<u>Governmental Activities</u>
Assets:	
Cash and investments	\$ 81,812,730
Receivables:	
Accounts	857,271
Taxes	3,560,433
Notes and loans	6,400,023
Accrued interest	225,635
Advances to Successor Agency of Former RDA	30,627,935
Prepaid costs	810,224
Due from Successor Agency Trust Fund	1,398,517
Due from other governments	738,305
Restricted assets:	
Cash and investments	166,804
Cash and investments with fiscal agents	75,797
Net OPEB asset	10,196,549
Capital assets not being depreciated	8,310,663
Capital assets, net of depreciation	<u>101,562,582</u>
Total Assets	<u>246,743,468</u>
Deferred Outflow of Resources:	
Deferred pension related items	4,171,684
Deferred loss on debt refunding	<u>39,399</u>
Total Deferred Outflow of Resources	<u>4,211,083</u>
Total Assets and Deferred Outflows of Resources	<u>250,954,551</u>
Liabilities:	
Accounts payable	5,010,589
Accrued liabilities	759,423
Accrued interest	54,879
Unearned revenue	1,340,772
Deposits payable	1,130,039
Due to other governments	5,000
Noncurrent liabilities:	
Net pension liability	12,638,753
Due within one year	564,191
Due in more than one year	<u>9,623,148</u>
Total Liabilities	<u>31,126,794</u>
Deferred Inflow of Resources:	
Deferred pension related items	<u>2,089,119</u>
Total Deferred Inflow of Resources	<u>2,089,119</u>
Total Liabilities and Deferred Inflows of Resources	<u>33,215,913</u>
Net Position:	
Net investment in capital assets	100,334,511
Restricted for:	
Public works	9,220,267
Public safety	263,594
Capital projects	6,400,299
Leisure and cultural	625,792
Low and moderate housing	18,096,031
Unrestricted	<u>82,798,144</u>
Total Net Position	<u>\$ 217,738,638</u>

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
					Governmental Activities
Governmental activities:					
General government	\$ 4,269,803	\$ 263,146	\$ 188,600	\$ -	\$ (3,818,057)
Public safety	9,918,822	451,423	131,469	-	(9,335,930)
Community development	1,604,363	1,737,160	200,543	-	333,340
Leisure and cultural	16,851,879	9,274,713	230,575	36,828	(7,309,763)
Public works	10,226,731	-	102,782	7,030,024	(3,093,925)
Interest on long-term debt	239,259	-	-	-	(239,259)
Total governmental activities	\$ 43,110,857	\$ 11,726,442	\$ 853,969	\$ 7,066,852	(23,463,594)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					11,237,676
Transient occupancy tax					1,543,509
Sales taxes					16,374,977
Business licenses taxes					325,734
Franchise taxes					2,795,690
Motor vehicle in lieu - unrestricted					22,238
Use of money and property					716,025
Other					167,174
Total general revenue					33,183,023
Change in net position					9,719,429
Net position, beginning of fiscal year					208,019,209
Net position, end of fiscal year					\$ 217,738,638

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	Special Revenue Fund Low and Moderate Housing	Capital Project Fund Capital Improvement
Assets:			
Pooled cash and investments	\$ 53,738,116	\$ 4,469,638	\$ 6,970,446
Receivables:			
Accounts	818,313	38,942	-
Taxes	3,560,433	-	-
Notes and loans	10,760	5,530,923	-
Accrued interest	178,137	-	17,395
Prepaid costs	578,111	-	-
Due from other governments	244,429	-	4,758
Due from the Successor Agency	-	1,398,517	-
Due from other funds	441,882	-	2,504,510
Advances to Successor Agency	24,828,264	5,799,671	-
Restricted assets:			
Cash and investments	18,623	-	148,181
Cash and investments with fiscal agents	-	-	-
Total assets	\$ 84,417,068	\$ 17,237,691	\$ 9,645,290
Liabilities:			
Accounts payable	\$ 2,445,908	\$ -	\$ 2,430,442
Accrued liabilities	317,130	-	397,265
Unearned revenue	1,177,930	-	-
Deposits payable	712,755	-	417,284
Due to other governments	-	-	-
Due to other funds	2,313,983	-	-
Total liabilities	6,967,706	-	3,244,991
Deferred inflows of resources:			
Unavailable revenues	265,977	159,952	-
Total deferred inflows of resources	265,977	159,952	-
Fund balances:			
Nonspendable:			
Prepaid costs	578,111	-	-
Advances to Successor Agency	24,762,288	-	-
Restricted for:			
Public safety	-	-	-
Leisure and cultural	18,623	-	-
Public works	-	-	-
Capital projects	-	-	6,400,299
Debt service	-	-	-
Low and Moderate Housing	-	17,077,739	-
Committed to:			
Economic uncertainty	6,625,000	-	-
Assigned to:			
Capital projects	11,204,706	-	-
Unassigned	33,994,657	-	-
Total fund balances	77,183,385	17,077,739	6,400,299
Total liabilities, deferred inflows of resources, and fund balances	\$ 84,417,068	\$ 17,237,691	\$ 9,645,290

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Other Governmental Funds	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 10,593,522	\$ 75,771,722
Receivables:		
Accounts	-	857,255
Taxes	-	3,560,433
Notes and loans	858,340	6,400,023
Accrued interest	28,693	224,225
Prepaid costs	47,193	625,304
Due from other governments	489,118	738,305
Due from the Successor Agency	-	1,398,517
Due from other funds	190,576	3,136,968
Advances to Successor Agency	-	30,627,935
Restricted assets:		
Cash and investments	-	166,804
Cash and investments with fiscal agents	12	12
Total assets	\$ 12,207,454	\$ 123,507,503
Liabilities:		
Accounts payable	\$ 112,446	\$ 4,988,796
Accrued liabilities	2,459	716,854
Unearned revenue	162,842	1,340,772
Deposits payable	-	1,130,039
Due to other governments	5,000	5,000
Due to other funds	876,254	3,190,237
Total liabilities	1,159,001	11,371,698
Deferred inflows of resources:		
Unavailable revenues	934,606	1,360,535
Total deferred inflows of resources	934,606	1,360,535
Fund balances:		
Nonspendable:		
Prepaid costs	47,193	625,304
Advances to Successor Agency	-	24,762,288
Restricted for:		
Public safety	187,328	187,328
Leisure and cultural	607,169	625,792
Public works	9,220,267	9,220,267
Capital projects	-	6,400,299
Debt service	51,890	51,890
Low and Moderate Housing	-	17,077,739
Committed to:		
Economic uncertainty	-	6,625,000
Assigned to:		
Capital projects	-	11,204,706
Unassigned	-	33,994,657
Total fund balances	10,113,847	110,775,270
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,207,454	\$ 123,507,503

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, 2017

Fund balances of governmental funds \$ 110,775,270

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

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

Capital assets	\$ 156,675,052	
Accumulated depreciation	(47,403,265)	109,271,787

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.

Premium on lease revenue bonds	\$ (1,011,629)	
Lease revenue bonds	(8,480,000)	
Leases payable	(47,105)	
Compensated absences	(648,605)	(10,187,339)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds. (54,879)

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. 1,360,535

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. 39,399

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and employee benefits, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position. 6,533,865

Net position of governmental activities \$ 217,738,638

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, 2017**

	General	Special	Capital
		Revenue Fund	Projects Funds
		Low and	Capital
		Moderate	Improvement
		Housing	
Revenues:			
Taxes	\$ 27,650,970	\$ -	\$ -
Licenses and permits	1,606,646	-	-
Intergovernmental	4,751,390	-	3,119,010
Charges for services	9,672,274	-	-
Use of money and property	446,138	80,490	75,317
Fines and forfeitures	412,549	-	-
Miscellaneous	167,174	-	-
Total revenues	44,707,141	80,490	3,194,327
Expenditures:			
Current:			
General government	3,403,925	-	-
Public safety	8,395,339	-	-
Community development	1,078,367	14,956	-
Leisure and cultural	11,533,842	-	-
Public works	6,140,393	-	-
Capital outlay	-	-	10,855,245
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	30,551,866	14,956	10,855,245
Excess (deficiency) of revenues over (under) expenditures	14,155,275	65,534	(7,660,918)
Other financing sources (uses):			
Transfers in	993,918	-	9,736,222
Transfers out	(9,429,917)	-	-
Total other financing sources (uses)	(8,435,999)	-	9,736,222
Net change in fund balances	5,719,276	65,534	2,075,304
Fund balances, beginning of fiscal year	71,464,109	17,012,205	4,324,995
Fund balances, end of fiscal year	\$ 77,183,385	\$ 17,077,739	\$ 6,400,299

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, 2017

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 2,215,526	\$ 29,866,496
Licenses and permits	-	1,606,646
Intergovernmental	2,922,261	10,792,661
Charges for services	-	9,672,274
Use of money and property	111,659	713,604
Fines and forfeitures	-	412,549
Miscellaneous	-	167,174
Total revenues	5,249,446	53,231,404
Expenditures:		
Current:		
General government	-	3,403,925
Public safety	55,562	8,450,901
Community development	116,240	1,209,563
Leisure and cultural	898,161	12,432,003
Public works	41,203	6,181,596
Capital outlay	-	10,855,245
Debt service:		
Principal retirement	490,000	490,000
Interest and fiscal charges	351,875	351,875
Total expenditures	1,953,041	43,375,108
Excess (deficiency) of revenues over (under) expenditures	3,296,405	9,856,296
Other financing sources (uses):		
Transfers in	1,602,061	12,332,201
Transfers out	(4,047,174)	(13,477,091)
Total other financing sources (uses)	(2,445,113)	(1,144,890)
Net change in fund balances	851,292	8,711,406
Fund balances, beginning of fiscal year	9,262,555	102,063,864
Fund balances, end of fiscal year	\$ 10,113,847	\$ 110,775,270

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, 2017**

Net change in fund balances - total governmental funds \$ 8,711,406

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 capital outlay exceeded depreciation in the current period.

Capital outlay	\$ 5,429,634	
Depreciation	<u>(4,273,137)</u>	1,156,497

Losses on disposition charged to expense		(4,207)
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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.

Principal payments on bonds	\$ 490,000	
Amortization of premiums on bonds	82,024	
Amortization of loss on debt refundings	(3,194)	
Capital lease payments	<u>30,619</u>	599,449

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		3,167
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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.		(8,567)
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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.		(403,537)
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Internal service funds are used by management to charge the costs of certain activities, such as equipment management and employee benefits, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental funds.		<u>(334,779)</u>
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Change in net position of governmental activities		<u><u>\$ 9,719,429</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, 2017

	Governmental Activities - Internal Service Funds
Assets:	
Current:	
Cash and investments	\$ 6,041,008
Receivables:	
Accounts	16
Accrued interest	1,410
Prepaid costs	184,920
Due from other funds	53,269
Restricted:	
Cash and investments with fiscal agents	75,785
Total Current Assets	<u>6,356,408</u>
Noncurrent:	
Net OPEB asset	10,196,549
Capital assets, net of accumulated depreciation	601,458
Total Noncurrent Assets	<u>10,798,007</u>
Total Assets	<u>17,154,415</u>
Deferred Outflow of Resources:	
Deferred pension related items	4,171,684
Total Deferred Outflow of Resources	<u>4,171,684</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 21,326,099</u>
Liabilities:	
Current:	
Accounts payable	21,793
Accrued liabilities	42,569
Total Current Liabilities	<u>64,362</u>
Noncurrent:	
Net pension liability	12,638,753
Total Noncurrent Liabilities	<u>12,638,753</u>
Total Liabilities	<u>12,703,115</u>
Deferred Inflow of Resources:	
Deferred pension related items	2,089,119
Total Deferred Inflow of Resources	<u>2,089,119</u>
Net Position:	
Investment in capital assets	601,458
Unrestricted	5,932,407
Total Net Position	<u>6,533,865</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 21,326,099</u>

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Totals</u>
Operating Revenues:	
Sales and service charges	<u>\$ 3,632,006</u>
Total Operating Revenues	<u>3,632,006</u>
Operating Expenses	
Administration and general	4,953,556
Depreciation expense	<u>160,538</u>
Total Operating Expenses	<u>5,114,094</u>
Operating Income (Loss)	<u>(1,482,088)</u>
Nonoperating Revenues (Expenses)	
Interest revenue	<u>2,419</u>
Total Nonoperating Revenues (Expenses)	<u>2,419</u>
Income (Loss) Before Transfers	(1,479,669)
Transfers In	<u>1,144,890</u>
Changes in Net Position	(334,779)
Net Position:	
Beginning of Fiscal Year	<u>6,868,644</u>
End of Fiscal Year	<u><u>\$ 6,533,865</u></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, 2017

	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 3,631,990
Cash paid to employees for services	(4,317,535)
Net Cash Provided (Used) by Operating Activities	(685,545)
Cash Flows from Non-Capital Financing Activities:	
Cash transferred in	1,144,890
Loan to other funds	(7,376)
Net Cash Provided (Used) by Non-Capital Financing Activities	1,137,514
Cash Flows from Capital and Related Financing Activities:	
Purchases of capital assets	(261,053)
Net Cash Provided (Used) by Capital and Related Financing Activities	(261,053)
Cash Flows from Investing Activities:	
Interest received	4,025
Net Cash Provided (Used) by Investing Activities	4,025
Net Increase (Decrease) in Cash and Cash Equivalents	194,941
Cash and Cash Equivalents at Beginning of Fiscal Year	5,921,852
Cash and Cash Equivalents at End of Fiscal Year	\$ 6,116,793
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (1,482,088)
Adjustment to reconcile operating income (loss) net cash provided (used) by operating activities:	
Depreciation	160,538
(Increase) decrease in accounts receivable	(16)
(Increase) decrease in prepaid expense	61,616
(Increase) decrease in Net OPEB asset	22,830
(Increase) decrease in deferred outflows of pension related items	(2,540,904)
Increase (decrease) in accounts payable	(1,345)
Increase (decrease) in accrued liabilities	(82,717)
Increase (decrease) in pension liability	3,501,365
Increase (decrease) in deferred inflows of pension related items	(324,824)
Total Adjustments	796,543
Net Cash Provided (Used) by Operating Activities	\$ (685,545)

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 JUNE 30, 2017

	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
Assets:	
Cash and investments	\$ 9,626,659
Receivables:	
Taxes	10,600
Accrued interest	10,333
Restricted funds:	
Cash and investments with fiscal agents	<u>2,018,352</u>
Total Assets	<u>11,665,944</u>
Deferred Outflow of Resources:	
Deferred loss on refunding	<u>72,997</u>
Liabilities:	
Current liabilities:	
Accounts payable	261,821
Interest payable	772,362
Due to other governments	5,007
Due to the City of La Mirada	1,398,517
Long-term liabilities:	
Due in one year	3,750,236
Due in more than one year	<u>91,705,781</u>
Total Liabilities	<u>97,893,724</u>
Net Position (Deficit):	
Held in trust for other purposes	<u>(86,154,783)</u>
Total Net Position (Deficit)	<u>\$ (86,154,783)</u>

See Accompanying Notes to Financial Statements.

CITY OF LA MIRADA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 FOR FISCAL YEAR ENDED JUNE 30, 2017

	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
Additions:	
Taxes	\$ 6,392,574
Interest and change in fair value of investments	<u>37,455</u>
Total Additions	<u>6,430,029</u>
Deductions:	
Administrative expenses	220,150
Contractual services	324,239
Interest expense	<u>2,772,517</u>
Total Deductions	<u>3,316,906</u>
Changes in Net Position	3,113,123
Net Position (Deficit) - Beginning of Fiscal Year	<u>(89,267,906)</u>
Net Position (Deficit) - End of Fiscal Year	<u>\$ (86,154,783)</u>

See Accompanying Notes to Financial Statements.

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
- La Mirada Parking Authority

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, La Mirada Parking Authority 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 formed the La Mirada Parking Authority on July 26, 2016, for the purpose of providing 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.

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.

The City formed the La Mirada Theatre for the Performing Arts Foundation on March 9, 1998, to promote cultural and educational programs for the people of Southern California and to promote activities related to the La Mirada Theatre for the Performing Arts. City management has the same operational responsibility for the Theatre for the Performing Arts Foundation 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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

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

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

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

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, 2017

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.

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

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

d. Assets, 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.

Restricted Cash and Investments

The City's restricted cash and investment consist of on demand bank accounts utilized to hold donations made to the La Mirada Theatre Arts Foundation to benefit the La Mirada Theatre and escrow accounts utilized to hold retention payments for contractors of the City.

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 estimated acquisition value at date of donation. 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, 2017

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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

deferred 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, 2015
Measurement Date (MD)	June 30, 2016
Measurement Period (MP)	July 1, 2015 to June 30, 2016

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2017

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, 2017

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2017

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. 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, 2017, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

Governmental Accounting Standards Board Statement No. 77

GASB has issued Statement No. 77, "Tax Abatement Disclosures" which was effective for fiscal years beginning after December 15, 2015. The objective of this Statement is to provide financial users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. The City has one agreement to abate sales taxes. Please see Note #12 for further details.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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. 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. 81	"Irrevocable Split-Interest Agreements"	The provisions of this statement are effective for fiscal years beginning after December 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, 2017.
Statement No. 83	"Certain Asset Retirement Obligations"	The provisions of this statement are effective for fiscal years beginning after June 15, 2018.
Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2018.
Statement No. 85	"Omnibus 2017"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 86	"Certain Debt Extinguishment Issues"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

e. Budget

During fiscal year 2016-17, supplemental budget appropriations were approved by the City Council. The effects of the supplemental appropriations were as follows:

- The General Fund and Capital Improvements Fund : \$4,000,000 for revised project costs for the Measure I Phase III Project
- The Housing and Community Development Fund: \$245,000 for the Neff House Restoration Project.
- The Federal Grants Fund: \$150,000 for the High Speed Rail Project.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 2: Cash and Investments

Cash and Investments

As of June 30, 2017, cash and investments were reported in the accompanying financial statements as follows:

Statement of Net Position - Governmental activities	\$ 81,812,730
Statement of Net Position - Restricted cash	166,804
Statement of Net Position - Cash and investments with Fiscal Agent	75,797
Statement of Net Position - Fiduciary fund	9,626,659
Statement of Net Position - Fiduciary Fund - Cash and Investments with Fiscal Agent	<u>2,018,352</u>
Total Cash and Investments	<u>\$ 93,700,342</u>

Cash and investments as of June 30, 2017 consist of the following:

Cash on hand	\$ 9,800
Demand deposits	15,485,009
Investments	<u>78,205,533</u>
Total Cash and Investments	<u>\$ 93,700,342</u>

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

Deposits

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2017

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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, 2017, the City's investment in medium term notes were rated "A2" or higher by Moody's. As of June 30, 2017, 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, 2017, 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, 2017, 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, 2017, investments in Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Home Loan Bank represented 5.7%, 11.7%, and 10%, 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, 2017

Note 2: Cash and Investments (Continued)

As of June 30, 2017, 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	\$ 23,578,141	\$ -	\$ -	\$ -	\$ 23,578,141
Money Market	AAA/Aaa	68,668	-	-	-	68,668
Medium Term Notes	AA+-A-/Aaa-A3	2,310,120	2,298,461	4,211,866	3,777,083	12,597,530
Commercial Paper	A-1/P-1	2,947,884	-	-	-	2,947,884
US Treasury Notes	N/A	399,882	-	5,171,427	8,430,210	14,001,519
Federal National Mortgage Assoc.	AA+/Aaa	-	-	3,088,967	5,304,735	8,393,702
Federal Home Loan Mortgage Corp.	AA+/Aaa	499,883	498,706	2,566,713	510,660	4,075,962
Federal Home Loan Bank	AA+/Aaa	449,091	1,298,942	1,556,474	3,850,786	7,155,293
Federal Farm Credit Bank	AA+/Aaa	650,102	199,838	496,789	-	1,346,729
Negotiable Certificate of Deposit	AA+/Aaa	494,881	1,451,075	-	-	1,945,956
Investments with Fiscal Agents						
Money Market	N/R	2,094,149	-	-	-	2,094,149
		<u>\$ 33,492,801</u>	<u>\$ 5,747,022</u>	<u>\$ 17,092,236</u>	<u>\$ 21,873,474</u>	<u>\$ 78,205,533</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, 2017:

Investment Type	Totals 6/30/17	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	\$ 14,001,519	\$ -	\$ 14,001,519	\$ -
Medium Term Notes	12,597,530	-	12,597,530	-
US Government Agency Securities	20,971,686	-	20,971,686	-
Commercial Paper	2,947,884	-	2,947,884	-
Negotiable Certificates of Deposit	1,945,956	-	1,945,956	-
Money Market Funds	2,162,817	2,162,817	-	-
Total Investments at Fair Value	54,627,392	2,162,817	52,464,575	-
Investments measured at amortized cost:				
LAIF	23,578,141	-	-	-
Total Pooled and Directed Investments	<u>\$ 78,205,533</u>	<u>\$ 2,162,817</u>	<u>\$ 52,464,575</u>	<u>\$ -</u>

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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	6,787,515	4,745,781	-	(7,743,621)	3,789,675
Total capital assets, not being depreciated	11,328,504	4,745,781	-	(7,743,621)	8,330,664
Capital assets, being depreciated:					
Land improvements	34,071,565	-	-	4,670,290	38,741,855
Buildings and Structures	70,648,399	398,438	(235,764)	-	70,811,073
Machinery and equipment	4,966,623	103,092	(422,736)	722,777	5,369,756
Automobile equipment	2,790,012	152,756	(79,198)	-	2,863,570
Infrastructure	29,118,418	309,742	(299,611)	2,350,554	31,479,103
Intangible Assets	3,829,412	-	-	-	3,829,412
Total capital assets, being depreciated	145,424,429	964,028	(1,037,309)	7,743,621	153,094,769
Less accumulated depreciation for:					
Land improvements	(6,863,744)	(1,585,593)	-	-	(8,449,337)
Buildings and Structures	(18,515,565)	(1,411,896)	235,764	-	(19,691,697)
Machinery and equipment	(3,429,439)	(349,513)	422,736	-	(3,356,216)
Automobile equipment	(2,645,416)	(85,866)	79,198	-	(2,652,084)
Infrastructure	(12,868,039)	(1,000,807)	295,404	-	(13,573,442)
Intangible Assets	(3,829,412)	-	-	-	(3,829,412)
Total accumulated depreciation	(48,151,615)	(4,433,675)	1,033,102	-	(51,552,188)
Total capital assets, being depreciated, net	97,272,814	(3,469,647)	(4,207)	7,743,621	101,542,581
Governmental activities capital assets, net	\$ 108,601,318	\$ 1,276,134	\$ (4,207)	\$ -	\$ 109,873,245

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

Governmental Activities:	
General Government	\$ 637,227
Community Development	324,722
Public Safety	1,332,501
Public Works	1,284,260
Leisure and Culture	854,965
Total	\$ 4,433,675

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2017

Note 4: Notes and Loans Receivable

As of June 30, 2017, loans receivable consisted of the following:

General Fund:	
Arterial Block Wall Loan Program	\$ 10,760
Low and Moderate Housing:	
Rehabilitation Loans:	
HIP Loans	3,172,486
DPAP Loans	93,188
Promissory Loans:	
Grayville Limited Partnership Loan	1,219,262
Condominium Loans	1,045,987
Housing and Community Development:	
HIP Loans	<u>858,340</u>
Total	<u>\$ 6,400,023</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 \$4,030,826 were outstanding as of June 30, 2017.

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 \$93,188, were outstanding as of June 30, 2017.

On November 7, 2000, the Agency entered into a loan agreement with Grayville Limited Partnership in connection with the development of a 122-unit affordable senior housing project. The loan amount is \$847,064, and bearing non-compounding simple interest at the rate of 3% annually. No payments shall be due until the fifteenth anniversary date of the note. The payments shall be interest only payments in the amount of \$25,412. Any amounts of interest not paid when due shall accrue with interest at the rate of 8% annually. All outstanding principal and any unpaid interest accrued thereon shall be due and payable in full upon expiration of the term. The loan shall mature and all outstanding principal and accrued interest thereon shall be due and payable the sooner of forty years or the date of maturity of the permanent loan. The balance at June 30, 2017, 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, 2017 there are six (6) outstanding loans.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 4: Notes and Loans Receivable (Continued)

On March 8, 2016, the City issued 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, 2017, one loan was issued in the amount of \$10,760.

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. The City received payment of \$36,042 during the year. As of June 30, 2017, the advance to the Successor Agency of the former RDA balance is \$30,627,935.

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	\$ 355,819
	Internal service	86,063
		<u>441,882</u>
Capital Improvement	General Fund	2,185,006
	Non-major governmental	319,504
		<u>2,504,510</u>
Non-major governmental	Non-major governmental	<u>190,576</u>
Internal service	General Fund	52,691
	Non-major governmental	578
		<u>53,269</u>
Total		<u>\$ 3,190,237</u>

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

b. Transfers In/Out

	<u>Transfers Out</u>		
	General Fund	Nonmajor Governmental	Total
Transfers In:			
General Fund	\$ -	\$ 993,918	\$ 993,918
Capital Improvement	7,591,690	1,602,061	9,193,751
Nonmajor Governmental	838,227	1,306,305	2,144,532
Nonmajor ISF	<u>1,000,000</u>	<u>144,890</u>	<u>1,144,890</u>
Total	<u>\$ 9,429,917</u>	<u>\$ 4,047,174</u>	<u>\$ 13,477,091</u>

Interfund Transfers from the General Fund were used to fund operations of Nonmajor funds, debt service activity and capital improvement expenditures.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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, 2017:

	Balance			Balance	Due Within
	July 1, 2016	Additions	Deletions	June 30, 2017	One Year
Governmental Activities:					
Lease Revenue Bonds	\$ 8,970,000	\$ -	\$ (490,000)	\$ 8,480,000	\$ 505,000
Leases Payable	77,724	-	(30,619)	47,105	26,761
Compensated Absences	640,038	73,723	(65,156)	648,605	32,430
Total	\$ 9,687,762	\$ 73,723	\$ (585,775)	9,175,710	\$ 564,191
Plus:					
Bond premium				1,011,629	
				\$ 10,187,339	

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 of \$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, 2017 is \$8,480,000. Revenue pledged for the repayment of the bonds is from base rented payments pursuant to a sublease between the City and the Financing Authority.

Lease Revenue Bonds

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.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: Long-Term Debt (Continued)

The minimum future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	590,000	250,594	840,594
2023-2027	3,385,000	827,120	4,212,120
2028-2030	2,370,000	163,297	2,533,297
Totals	<u>\$ 8,480,000</u>	<u>\$ 2,478,537</u>	<u>\$ 10,958,537</u>

Leases 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, 2017, the outstanding balance on the lease was \$15,613.

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, 2017, the outstanding balance on the lease was \$11,792.

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, 2017, the outstanding balance on the lease was \$5,786.

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, 2017, the outstanding balance on the lease was \$3,853.

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, 2017, the outstanding balance on the lease was \$4,079.

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, 2017, the outstanding balance on the lease was \$5,982.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 7: Long-Term Debt (Continued)

At June 30, 2017, the annual requirements to repay the outstanding indebtedness were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2018	\$ 26,761
2019	11,495
2020	6,303
2021	<u>2,546</u>
Total payments	47,105
Less amounts representing interest	<u>-</u>
Outstanding principal	<u>\$ 47,105</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.

\$648,605

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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, 2017, 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	8.88%	8.37%	6.55%

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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, 2017, the contributions recognized as a reduction to the net pension liability for the plan was \$443,236.

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 \$11,103,437.

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, 2016, 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, 2015 rolled forward to June 30, 2016 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, 2015 and 2016, was as follows:

	<u>Plan Net Pension Liability/(Asset)</u>
Balance at: 6/30/2015	\$ 8,267,283
Balance at: 6/30/2016	<u>11,103,437</u>
Net Changes during 2015-16	<u>\$ (2,836,154)</u>

For the fiscal year ended June 30, 2017, the City recognized pension expense of \$1,361,008. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 8: Pension Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 864,552	\$ -
Differences between expected and actual experience	26,834	(6,148)
Changes in assumption		(253,875)
Net differences between projected and actual earnings on pension plan investments	1,321,335	
Difference between the employer's contributions and the employer's proportionate share of contributions		(1,091,220)
Changes in employer's proportion	420,882	(737,876)
Total	\$ 2,633,603	\$ (2,089,119)

\$864,552 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2018	\$ (679,969)
2019	(497,547)
2020	515,205
2021	342,243
Totals	\$ (320,068)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2017

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, 2015 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 public agency plans (including PERF C), the amortization and smoothing periods recently adopted by the Board of CalPERS were used. The crossover test was performed for a miscellaneous agent rate plan and a safety agent rate plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the rate plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover tests results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained on CalPERS' website under the GASB 68 section.

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 returns (expected returns, net of pension plan investment expense and inflation) are developed for each major class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Pension Employees' Retirement Fund) cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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. 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.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 8: Pension Plans (Continued)

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.

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	51.0%	5.25%	5.71%
Global Fixed Income	20.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Estate	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	1.0	(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)	\$17,481,713	\$11,103,437	\$5,832,108

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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, 2017, the City's payroll covered by the plan was \$3,077,958. The City made employer contributions of \$76,949 (2.5% of current covered payroll), and employees contributed \$153,897 (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 a single-employer agreement with Public Agency Retirement System (PARS) for a retirement enhancement plan. The membership as of June 30, 2016 included 62 active participants and 37 retirees. 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 using

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 8: Pension Plans (Continued)

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, 2017 (the measurement date), the employer's contribution rate is 12.59% 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, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2016 and the June 30, 2017 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, 2017.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 8: Pension Plans (Continued)

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Cash	BAML 3 Month T-Bills	3.30%	0.36%	0.35%
Core Fixed Income	Barclays Aggregate	37.06%	2.17%	2.04%
Broad US Equities	Russell 3000	42.66%	4.83%	3.57%
Developed Foreign Equities	MSCI EAFE	11.40%	5.76%	4.15%
Emerging Market Equities	MSCI Emerging Markets	3.97%	8.06%	4.84%
US REITs	FTSE NAREIT Equity REIT	1.61%	5.04%	3.27%
Assumed Inflation - Mean			2.32%	2.30%
Assumed Inflation - Standard Deviation			1.85%	1.85%
Portfolio Real Mean Return			3.94%	3.43%
Portfolio Nominal Mean Return			6.25%	5.81%
Portfolio Standard Deviation				9.93%
Long-Term Expected Rate of Return				6.50%

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.

	Total Pension Liability (a)	Increase (Decrease) Plan Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance as of June 30, 2016	\$ 8,852,469	\$ 7,982,364	\$ 870,105
Changes for the year:			
Service Cost	215,447		215,447
Interest on the Total Pension Liability	660,712		660,712
Benefit Payments	(526,357)	(526,357)	
Employer Contributions		591,611	(591,611)
Net Investment Income		965,211	(965,211)
Administrative Expenses		(22,527)	22,527
Effect of assumptions changes or input	1,323,347		1,323,347
Balance as of June 30, 2017	\$ 10,525,618	\$ 8,990,302	\$ 1,535,316

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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 6.50%, 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 (5.50%) or 1% point higher (7.50%) than the current rate.

	Discount Rate -1% 5.50%	Current Discount Rate 6.50%	Discount Rate 1% 7.50%
Net Pension Liability	\$ 3,158,956	\$ 1,535,316	\$ 211,969

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

As of the start of the measurement period, July 1, 2016, the net pension liability was \$870,105. For the measurement period ending June 30, 2017, the City of La Mirada incurred a pension expense of \$730,792 for the Plan. As of the measurement date, June 30, 2017, the net pension liability is \$1,535,316.

As of June 30, 2017, the City reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between expected and actual experience	\$ 34,689	\$ -
Changes of assumptions	1,266,680	
Net difference between projected and actual earning	236,712	
Total	\$ 1,538,081	\$ -

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
2018	\$ 432,357
2019	432,358
2020	357,865
2021	231,300
2022	70,759
Thereafter	13,442

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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 117 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. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

General Liability

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 2016-17 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) \$2.5 million annual aggregate deductible in the \$3 million in excess of \$2 million layer, and (b) \$3 million annual aggregate deductible in the \$5 million in excess of \$10 million layer. There is a third annual aggregate deductible in the amount of \$2.5 million in the \$5 million in excess of \$5 million layer, however it is fully covered under a separate policy and therefore not retained by the Authority. 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.

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

Workers' Compensation

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 2016-17 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.

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. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has an aggregate 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 participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$95,178,890. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City 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 property currently has earthquake protection in the amount of \$14,422,603. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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

Crime Insurance

The City 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 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 according to a schedule. The City then pays for the insurance. The insurance is arranged by the Authority.

d. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2016-17.

Note 10: Transportation Development Act

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

Note 11: Post Employment Benefits

Plan Description

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

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City, City Council, and/or employee associations. Currently, contributions are not required from plan members. Since the City participates in the CERBT, the trust reimburses the City for the OPEB benefits paid by the City.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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

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)	\$ 284,605
Interest on net OPEB obligation (asset)	(664,161)
Adjustment to ARC	<u>686,991</u>
Annual OPEB Cost	307,435
Contribution made	<u>(284,605)</u>
(Decrease) increase in Net OPEB obligation	22,830
Net OPEB obligation (asset) June 30, 2016	<u>(10,219,379)</u>
Net OPEB obligation (asset) June 30, 2017	<u><u>\$ (10,196,549)</u></u>

The contribution rate of 6.50% is based on the ARC of \$284,605, 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 2016-2017, the City's annual OPEB cost (expense) was \$307,435. 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)
6/30/2015	\$ (67,498)	\$ -	0%	\$ (10,170,041)
6/30/2016	(49,288)	-	0%	(10,219,329)
6/30/2017	307,435	284,605	0%	(10,196,549)

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.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 11: Post Employment Benefits (Continued)

The schedule of funding progress below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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	7/1/2011	\$ 16,768,096	\$ (3,626,290)	127.6%	\$ 5,109,690	-71.0%	7.50%	3.25%
Actual	7/1/2013	17,780,696	(6,386,505)	156.1%	4,505,781	-141.7%	7.50%	3.25%
Actual	7/1/2015	19,831,188	(4,738,671)	131.4%	4,778,092	-99.2%	6.50%	3.25%

Actuarial Methods and Assumptions

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

In the July 1, 2015, actuarial valuation, the Entry Age normal cost method was used. The actuarial assumptions include a 6.50% 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 2.75%, and annual healthcare cost trend rate of 9.0% beginning January 1, 2016, 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, 2015, was twenty-two years. As of the actuarial date, the City had 70 active participants and 59 retirees.

Note 12: Commitments

On December 1, 2013, the City entered into a sales tax sharing agreement with Living Spaces Furniture LLC. The City will rebate an amount equal to one half-percent of taxable sales in an amount not to exceed a total of \$3 million over the 10-year term. During the fiscal year ended June 30, 2017 the City rebated \$522,559 in sales taxes.

The following material construction commitments existed at June 30, 2017:

Project Name	Contract Amount	Expenditures to date as of June 30, 2017	Remaining Commitments
Santa Gertrudes Phase II	\$ 1,300,000	\$ 0	\$ 1,300,000
Measure I Phase III	6,700,000	2,815,436	3,884,564

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2017

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

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

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

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

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

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

a. Cash and Investments

As of June 30, 2017, cash and investments were reported in the accompanying financial statements as follows:

Cash and Investments	\$ 9,626,659
Cash and Investments with fiscal agent	<u>2,018,352</u>
Total Cash and Investments	<u>\$ 11,645,011</u>
Demand deposits	\$ 5,139,522
Investments	<u>6,505,489</u>
Total Cash and Investments	<u>\$ 11,645,011</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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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

Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an Agent of Depository has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California Agents of Depository is considered to be held for, and in the name of, the local governmental agency.

Investments

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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

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, 2017, the Successor Agency's investments in Federal Agency Securities, FDIC insured U.S. Corporate Notes, and money market fund were rated "Aaa" by Moody's. All securities were investment grade and were legal under State and Successor Agency law. Investments in U.S. government securities including U.S. Treasuries are not considered to have credit risk; therefore, their credit quality is not disclosed. The Successor Agency's investment in external investment pool is unrated.

Custodial Credit Risk

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

As of June 30, 2017, 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, 2017, 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, 2017, 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, 2017, the Successor Agency had the following investments and original maturities:

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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

	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	\$ 4,487,137	\$ -	\$ -	\$ -	\$ -	\$ 4,487,137
Investments with Fiscal Agent: Money Market	N/R	2,018,352	-	-	-	-	2,018,352
		<u>\$ 6,505,489</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,505,489</u>

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

b. Long-Term Debt

The following is a summary of the changes in the Successor Agency debt for the year ending June 30, 2017:

	Outstanding July 1, 2016	Additions	Deletions	Outstanding June 30, 2017	Due Within One Year
Fiduciary Activities					
Successor Agency of the Former RDA					
Advances from the City	\$ 30,663,977	\$ -	\$ 36,042	\$ 30,627,935	\$ -
Tax Allocation Bonds					
2005 Series A	4,760,000	-	195,000	4,565,000	205,000
2006 Series A	6,892,570	-	994,857	5,897,713	910,236
Accretion of 2006 Bond Series A	5,207,003	507,230	-	5,714,233	-
2010 Refunding Series A	7,565,000	-	480,000	7,085,000	495,000
2010 Taxable Housing, Series B	7,000,000	-	-	7,000,000	-
2014 Series A	19,230,000	-	1,385,000	17,845,000	1,350,000
2014 Series B	7,605,000	-	785,000	6,820,000	790,000
Loan Payable	6,923,207	484,624	-	7,407,831	-
Totals	<u>\$ 95,846,757</u>	<u>\$ 991,854</u>	<u>\$ 3,875,899</u>	92,962,712	<u>\$ 3,750,236</u>
		Plus - Bond Premium		2,594,060	
		Less - Bond Discount		(100,755)	
				<u>\$ 95,456,017</u>	

*Additions of \$507,230 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 \$5,799,671 advance for the Supplemental Educational Revenue Augmentation Fund (SERAF) payment. The Housing Successor received payment of \$36,042 towards the SERAF during the year. At June 30, 2017 the total outstanding balance is \$30,627,935. These loans bear zero interest. Repayments received by the City, shall first be used to retire any outstanding amounts borrowed and owed to the Low Mod Housing Fund of the former redevelopment agency for purposes of SERAF and shall be distributed to the Low and Moderate Income Housing Asset Fund.

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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

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 \$71,989,752 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 \$6,392,574 and the debt service obligation on the bonds was \$5,955,539.

\$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, 2017, the total principal and interest requirement for the bonds is \$5,665,157 (\$4,565,000 principal, \$1,100,157 interest), payable semiannually through August 2024.

\$ 4,565,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2017, including interest, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>2005 Tax Allocation Refunding Bonds, Series A</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
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	240,000	154,994	394,994
2023-2025	3,445,000	230,041	3,675,041
Totals	\$ 4,565,000	\$ 1,100,157	\$ 5,665,157

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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

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

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

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

The bonds are not subject to redemption prior to maturity. Capital Appreciation Bonds shall compound in accreted value from date of delivery. For the fiscal year ended June 30, 2017, the accreted amount of interest for the bond was \$507,230. The reserves are fully funded. The outstanding balance at June 30, 2017, is \$16,060,000, which includes initial bond and the accreted value of \$5,897,713 and \$5,714,233, respectively.

\$11,611,946

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2017, including interest, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>2006 Tax Allocation Bonds, Series A</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2018	\$ 910,236	\$ 4,764	\$ 915,000
2019	490,947	24,053	515,000
2020	510,547	49,453	560,000
2021	488,055	71,945	560,000
2022	467,042	92,958	560,000
2023-2027	7,014,689	3,135,311	10,150,000
2028-2030	1,730,430	1,069,570	2,800,000
Totals	\$ 11,611,946	\$ 4,448,054	\$ 16,060,000

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

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

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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

During fiscal year 2009-2010, the 2010 Tax Allocation Refunding Series A bonds were issued to refund the 1998 Special Tax Bonds. The bonds are payable solely from tax increment revenue generated as a result of redevelopment activities. The reserves were fully funded. At June 30, 2017, the total principal and interest requirement for the bonds is \$9,103,579 (\$7,085,000 principal, \$2,018,579 interest).

\$ 7,085,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2017, including interest, are as follows:

Fiscal Year Ending June 30,	2010 RDA Tax Allocation Refunding Bonds, Series A		Totals
	Principal	Interest	
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	575,000	215,409	790,409
2023-2027	3,265,000	676,638	3,941,638
2028-2030	1,145,000	48,625	1,193,625
Totals	<u>\$ 7,085,000</u>	<u>\$ 2,018,579</u>	<u>\$ 9,103,579</u>

\$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, 2017, the total principal and interest requirement for the bonds is

\$11,939,550 (\$7,000,000 principal, \$4,939,550 interest).

\$ 7,000,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2017, including interest, are as follows:

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2017

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

Fiscal Year Ending June 30,	2010 RDA Taxable Housing T/A Bonds, Series B		Totals
	Principal	Interest	
2018	\$ -	\$ 490,000	\$ 490,000
2019	-	490,000	490,000
2020	-	490,000	490,000
2021	-	490,000	490,000
2022	-	490,000	490,000
2023-2027	3,445,000	2,212,875	5,657,875
2028-2030	3,555,000	276,675	3,831,675
Totals	\$ 7,000,000	\$ 4,939,550	\$ 11,939,550

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

Auth/Issued	Description	Principal	Date	Rate
\$ 20,255,000	Serial	\$ 1,325,000/ 2,285,000	2015 2024	4.00% 5.50%

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, 2017, the total principal and interest requirements for the bonds is \$21,534,625 (\$17,845,000 principal, \$3,689,625 interest), payable semiannually through August 2024.

\$17,845,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2017, including interest, are as follows:

Fiscal Year Ending June 30,	2014 Subordinate Tax Allocation Refunding Bonds, Series A		Totals
	Principal	Interest	
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	2,680,000	392,750	3,072,750
2023-2025	6,515,000	499,875	7,014,875
Totals	\$ 17,845,000	\$ 3,689,625	\$ 21,534,625

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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

\$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, 2017, the total principal and interest requirements for the bonds is \$7,686,841 (\$6,820,000 principal, \$866,841 interest), payable semiannually through August 2024.

\$6,820,000

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2017, including interest, are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>2014 Subordinate Taxable Tax</u> <u>Allocation Refunding Bonds,</u> <u>Series B</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
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	855,000	105,615	960,615
2023-2025	<u>2,720,000</u>	<u>145,576</u>	<u>2,865,576</u>
Totals	<u>\$ 6,820,000</u>	<u>\$ 866,841</u>	<u>\$ 7,686,841</u>

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 \$484,624. The Agency's share of tax increment revenue was \$49,662,368 as of June 30, 2017. 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, 2017, was:

\$ 7,407,831

CITY OF LA MIRADA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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

Standard & Poor's Rating Services Bond Rating

Standard and Poor rated the following bonds were at least A+ as of June 30, 2017:

- 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.



Required Supplementary Information

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 71,464,109	\$ 71,464,109	\$ 71,464,109	\$ -
Resources (Inflows):				
Taxes	25,410,804	25,410,804	27,650,970	2,240,166
Licenses and permits	1,081,000	1,081,000	1,606,646	525,646
Intergovernmental	4,406,000	4,773,000	4,751,390	(21,610)
Charges for services	8,692,200	9,162,200	9,672,274	510,074
Use of money and property	658,500	731,100	446,138	(284,962)
Fines and forfeitures	440,000	440,000	412,549	(27,451)
Miscellaneous	130,000	130,000	167,174	37,174
Transfers in	845,100	845,100	993,918	148,818
Amounts Available for Appropriations	113,127,713	114,037,313	117,165,168	3,127,855
Charges to Appropriations (Outflow):				
General government	3,648,966	3,713,841	3,403,925	309,916
Public safety	8,617,944	8,617,944	8,395,339	222,605
Community development	1,228,674	1,228,673	1,078,367	150,306
Leisure and cultural	11,276,354	11,777,058	11,533,842	243,216
Public works	6,834,603	6,834,603	6,140,393	694,210
Transfers out	9,843,008	13,843,008	9,429,917	4,413,091
Total Charges to Appropriations	41,449,549	46,015,127	39,981,783	6,033,344
Budgetary Fund Balance, June 30	\$ 71,678,164	\$ 68,022,186	\$ 77,183,385	\$ 9,161,199

See Notes to Required Supplementary Information.

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 LOW AND MODERATE HOUSING
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 17,012,205	\$ 17,012,205	\$ 17,012,205	\$ -
Resources (Inflows):				
Use of money and property	80,000	80,000	80,490	490
Amounts Available for Appropriations	<u>17,092,205</u>	<u>17,092,205</u>	<u>17,092,695</u>	<u>490</u>
Charges to Appropriations (Outflow):				
Community development	<u>75,000</u>	<u>75,000</u>	<u>14,956</u>	<u>60,044</u>
Total Charges to Appropriations	<u>75,000</u>	<u>75,000</u>	<u>14,956</u>	<u>60,044</u>
Budgetary Fund Balance, June 30	<u>\$ 17,017,205</u>	<u>\$ 17,017,205</u>	<u>\$ 17,077,739</u>	<u>\$ 60,534</u>

See Notes to Required Supplementary Information

CITY OF LA MIRADA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2017

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

REQUIRED SUPPLEMENTARY INFORMATION

MISCELLANEOUS PLAN

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2017	2016	2015
Proportion of the Net Pension Liability	0.12832%	0.12045%	0.12479%
Proportionate Share of the Net Pension Liability	\$ 11,103,437	\$ 8,267,283	\$ 7,765,051
Covered-Employee Payroll	\$ 4,802,406	\$ 4,816,993	\$ 4,635,540
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	231.21%	171.63%	167.88%
Plan's Fiduciary Net Position	\$36,272,495	\$37,538,806	\$37,989,084
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.06%	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 2015 was the first year of implementation, therefore only three 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)

	2017	2016	2015
Actuarially Determined Contribution	\$ 864,552	\$ 750,770	\$ 604,216
Contributions in Relation to the Actuarially Determined Contribution	(864,552)	(750,770)	(604,216)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$5,102,239	\$4,802,406	\$4,816,993
Contributions as a Percentage of Covered-Employee Payroll	16.94%	15.63%	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 three years are shown.

Note to Schedule:

Valuation Date: June 30, 2015

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	7.65% (net of administrative expenses)
Projected Salary Increases	Varies by entry age and service.
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
 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	2017	2016	2015
TOTAL PENSION LIABILITY			
Assumption Changes	\$ 1,323,347	\$ 279,347	\$ -
Economic/Demographic Gains or Losses	-	47,779	-
Service Cost	215,447	209,172	217,403
Interest on Total Pension Liability	660,712	616,565	603,869
Benefit Payments	(526,357)	(613,081)	(673,354)
Net Change in Total Pension Liability	<u>1,673,149</u>	<u>539,782</u>	<u>147,918</u>
Total Pension Liability - Beginning	<u>8,852,469</u>	<u>8,312,687</u>	<u>8,164,769</u>
Total Pension Liability Ending (a)	<u>\$ 10,525,618</u>	<u>\$ 8,852,469</u>	<u>\$ 8,312,687</u>
PLAN FIDUCIARY NET POSITION			
Benefit Payments	\$ (526,357)	\$ (613,081)	\$ (673,354)
Employer Contributions	591,611	753,471	794,811
Net Investment Income	965,211	(35,877)	201,561
Administrative Expenses	(22,527)	(24,725)	(28,242)
Net Change in Fiduciary Net Position	<u>1,007,938</u>	<u>79,788</u>	<u>294,776</u>
Plan Fiduciary Net Position - Beginning	<u>7,982,364</u>	<u>7,902,576</u>	<u>7,607,800</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 8,990,302</u>	<u>\$ 7,982,364</u>	<u>\$ 7,902,576</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ 1,535,316</u>	<u>\$ 870,105</u>	<u>\$ 410,111</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.41%	90.17%	95.07%
Covered-Employee Payroll	\$ 4,699,822	\$ 4,562,934	\$ 4,664,599
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	32.67%	19.07%	8.79%

(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 three 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% in 2015 to 2.75 % in 2016.

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

CITY OF LA MIRADA

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

	2017	2016	2015
Actuarially Determined Contribution	\$ 591,611	\$ 753,471	\$ 794,811
Contributions in Relation to the Actuarially Determined Contribution	(591,611)	(753,471)	(794,811)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Accrual Contributions as a Percentage of Actuarial Determined Contribution	100.00%	100.00%	100.00%
Covered-Employee Payroll	\$ 4,699,822	\$ 4,562,934	\$ 4,664,599
Contributions as a Percentage of Covered-Employee Payroll	12.59%	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 three years are shown.

Note to Schedule:

Valuation Date: June 30, 2015

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, closed
Remaining Amortization Period	5 years
Asset 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





Other Supplemental Information

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,324,995	\$ 4,324,995	\$ 4,324,995	\$ -
Resources (Inflows):				
Use of money and property	40,000	40,000	75,317	35,317
Intergovernmental	5,375,000	5,375,000	3,119,010	(2,255,990)
Transfers in	16,208,000	20,453,454	9,736,222	(10,717,232)
Amounts Available for Appropriations	<u>25,947,995</u>	<u>30,193,449</u>	<u>17,255,544</u>	<u>(12,937,905)</u>
Charges to Appropriations (Outflow):				
Capital outlay	<u>21,583,000</u>	<u>25,828,454</u>	<u>10,855,245</u>	<u>14,973,209</u>
Total Charges to Appropriations	<u>21,583,000</u>	<u>25,828,454</u>	<u>10,855,245</u>	<u>14,973,209</u>
Budgetary Fund Balance, June 30	<u>\$ 4,364,995</u>	<u>\$ 4,364,995</u>	<u>\$ 6,400,299</u>	<u>\$ 2,035,304</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 Fund was established to account for revenues received and expenditures made for community development and housing assistance. Financing is provided under agreement with the County whereby the City is a secondary recipient with funds made available from the U.S. Department of Housing and Urban Development under the Housing and Community Development Acts of 1974 and 1977.

The 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, 2017

	Special Revenue Funds			
	Gas Tax	Local Transportation	Transit	Proposition A
Assets:				
Pooled cash and investments	\$ 2,860,036	\$ -	\$ 604,444	\$ 2,178,648
Receivables:				
Notes and loans	-	-	-	-
Accrued interest	8,333	-	1,761	6,108
Prepaid costs	-	-	46,533	-
Due from other governments	-	32,818	-	-
Due from other funds	-	-	114,290	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,868,369	\$ 32,818	\$ 767,028	\$ 2,184,756
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 111,966	\$ -
Accrued liabilities	-	-	827	-
Unearned revenue	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	169,874	32,818	533	114,292
Total Liabilities	169,874	32,818	113,326	114,292
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	46,533	-
Restricted for:				
Public safety	-	-	-	-
Leisure and cultural	-	-	607,169	-
Public works	2,698,495	-	-	2,070,464
Debt service	-	-	-	-
Total Fund Balances	2,698,495	-	653,702	2,070,464
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,868,369	\$ 32,818	\$ 767,028	\$ 2,184,756

(Continued)

CITY OF LA MIRADA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds			
	Proposition C	Measure R	Park Grants	Air Quality Management Distribution
Assets:				
Pooled cash and investments	\$ 2,298,711	\$ 1,959,235	\$ -	\$ 272,752
Receivables:				
Notes and loans	-	-	-	-
Accrued interest	6,783	5,708	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	16,113
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,305,494	\$ 1,964,943	\$ -	\$ 288,865
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	5,279	120,597	-	-
Total Liabilities	5,279	120,597	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted for:				
Public safety	-	-	-	-
Leisure and cultural	-	-	-	-
Public works	2,300,215	1,844,346	-	288,865
Debt service	-	-	-	-
Total Fund Balances	2,300,215	1,844,346	-	288,865
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,305,494	\$ 1,964,943	\$ -	\$ 288,865

(Continued)

CITY OF LA MIRADA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds			
	Housing and Community Development	Used Oil Recycling Grant	Beverage Container Recycling	Federal Grants
Assets:				
Pooled cash and investments	\$ -	\$ 23,752	\$ 146,465	\$ -
Receivables:				
Notes and loans	858,340	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	660	-	-
Due from other governments	73,854	-	12,664	267,606
Due from other funds	-	-	-	76,286
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 932,194	\$ 24,412	\$ 159,129	\$ 343,892
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 480	\$ -	\$ -
Accrued liabilities	-	1,508	124	-
Unearned revenue	-	3,882	158,960	-
Due to other governments	5,000	-	-	-
Due to other funds	68,854	-	45	267,626
Total Liabilities	73,854	5,870	159,129	267,626
Deferred Inflows of Resources:				
Unavailable revenues	858,340	-	-	76,266
Total Deferred Inflows of Resources	858,340	-	-	76,266
Fund Balances:				
Nonspendable:				
Prepaid costs	-	660	-	-
Restricted for:				
Public safety	-	-	-	-
Leisure and cultural	-	-	-	-
Public works	-	17,882	-	-
Debt service	-	-	-	-
Total Fund Balances	-	18,542	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 932,194	\$ 24,412	\$ 159,129	\$ 343,892

(Continued)

CITY OF LA MIRADA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
	State Public Safety Grant	Debt Service	
Assets:			
Pooled cash and investments	\$ 197,601	\$ 51,878	\$ 10,593,522
Receivables:			
Notes and loans	-	-	858,340
Accrued interest	-	-	28,693
Prepaid costs	-	-	47,193
Due from other governments	-	86,063	489,118
Due from other funds	-	-	190,576
Restricted assets:			
Cash and investments with fiscal agents	-	12	12
Total Assets	<u>\$ 197,601</u>	<u>\$ 137,953</u>	<u>\$ 12,207,454</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 112,446
Accrued liabilities	-	-	2,459
Unearned revenue	-	-	162,842
Due to other governments	-	-	5,000
Due to other funds	10,273	86,063	876,254
Total Liabilities	<u>10,273</u>	<u>86,063</u>	<u>1,159,001</u>
Deferred Inflows of Resources:			
Unavailable revenues	-	-	934,606
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>934,606</u>
Fund Balances:			
Nonspendable:			
Prepaid costs	-	-	47,193
Restricted for:			
Public safety	187,328	-	187,328
Leisure and cultural	-	-	607,169
Public works	-	-	9,220,267
Debt service	-	51,890	51,890
Total Fund Balances	<u>187,328</u>	<u>51,890</u>	<u>10,113,847</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 197,601</u>	<u>\$ 137,953</u>	<u>\$ 12,207,454</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, 2017

	Special Revenue Funds			
	Gas Tax	Local Transportation	Transit	Proposition A
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 903,627
Intergovernmental	938,500	32,818	302,375	-
Use of money and property	30,189	-	7,408	23,588
Total Revenues	<u>968,689</u>	<u>32,818</u>	<u>309,783</u>	<u>927,215</u>
Expenditures:				
Current:				
Community development	-	-	-	-
Leisure and cultural	-	-	868,090	-
Public works	1,810	-	-	-
Public safety	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,810</u>	<u>-</u>	<u>868,090</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>966,879</u>	<u>32,818</u>	<u>(558,307)</u>	<u>927,215</u>
Other financing sources (uses):				
Transfers in	-	-	602,542	81,786
Transfers out	(941,605)	(32,818)	-	(602,542)
Total Other Financing Sources (Uses)	<u>(941,605)</u>	<u>(32,818)</u>	<u>602,542</u>	<u>(520,756)</u>
Net Changes in Fund Balances	25,274	-	44,235	406,459
Fund Balances, Beginning of Fiscal Year	<u>2,673,221</u>	<u>-</u>	<u>609,467</u>	<u>1,664,005</u>
Fund Balances, End of Fiscal Year	<u>\$ 2,698,495</u>	<u>\$ -</u>	<u>\$ 653,702</u>	<u>\$ 2,070,464</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, 2017

	Special Revenue Funds			
	Proposition C	Measure R	Park Grants	Air Quality Management Distribution
Revenues:				
Taxes	\$ 749,612	\$ 562,287	\$ -	\$ -
Intergovernmental	-	-	300,000	63,387
Use of money and property	28,792	21,667	-	-
Total Revenues	<u>778,404</u>	<u>583,954</u>	<u>300,000</u>	<u>63,387</u>
Expenditures:				
Current:				
Community development	-	-	-	-
Leisure and cultural	-	-	-	-
Public works	-	-	-	-
Public safety	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>778,404</u>	<u>583,954</u>	<u>300,000</u>	<u>63,387</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(610,907)	(374,876)	(300,000)	(144,889)
Total Other Financing Sources (Uses)	<u>(610,907)</u>	<u>(374,876)</u>	<u>(300,000)</u>	<u>(144,889)</u>
Net Changes in Fund Balances	167,497	209,078	-	(81,502)
Fund Balances, Beginning of Fiscal Year	<u>2,132,718</u>	<u>1,635,268</u>	<u>-</u>	<u>370,367</u>
Fund Balances, End of Fiscal Year	<u>\$ 2,300,215</u>	<u>\$ 1,844,346</u>	<u>\$ -</u>	<u>\$ 288,865</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, 2017

	Special Revenue Funds			
	Housing and Community Development	Used Oil Recycling Grant	Beverage Container Recycling	Federal Grants
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	196,508	19,244	20,149	833,893
Use of money and property	-	-	-	-
Total Revenues	196,508	19,244	20,149	833,893
Expenditures:				
Current:				
Community development	116,240	-	-	-
Leisure and cultural	30,071	-	-	-
Public works	-	19,244	20,149	-
Public safety	53,008	-	-	2,554
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	199,319	19,244	20,149	2,554
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,811)	-	-	831,339
Other financing sources (uses):				
Transfers in	2,811	-	-	76,695
Transfers out	-	-	-	(908,751)
Total Other Financing Sources (Uses)	2,811	-	-	(832,056)
Net Changes in Fund Balances	-	-	-	(717)
Fund Balances, Beginning of Fiscal Year	-	18,542	-	717
Fund Balances, End of Fiscal Year	\$ -	\$ 18,542	\$ -	\$ -

(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, 2017

	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
	State Public Safety Grant	Debt Service Fund	
Revenues:			
Taxes	\$ -	\$ -	\$ 2,215,526
Intergovernmental	129,324	86,063	2,922,261
Use of money and property	-	15	111,659
Total Revenues	129,324	86,078	5,249,446
Expenditures:			
Current:			
Community development	-	-	116,240
Leisure and cultural	-	-	898,161
Public works	-	-	41,203
Public safety	-	-	55,562
Debt service:			
Principal retirement	-	490,000	490,000
Interest and fiscal charges	-	351,875	351,875
Total Expenditures	-	841,875	1,953,041
Excess (Deficiency) of Revenues Over (Under) Expenditures	129,324	(755,797)	3,296,405
Other financing sources (uses):			
Transfers in	-	838,227	1,602,061
Transfers out	(44,723)	(86,063)	(4,047,174)
Total Other Financing Sources (Uses)	(44,723)	752,164	(2,445,113)
Net Changes in Fund Balances	84,601	(3,633)	851,292
Fund Balances, Beginning of Fiscal Year	102,727	55,523	9,262,555
Fund Balances, End of Fiscal Year	\$ 187,328	\$ 51,890	\$ 10,113,847

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,673,221	\$ 2,673,221	\$ 2,673,221	\$ -
Resources (Inflows):				
Intergovernmental	1,018,862	1,018,862	938,500	(80,362)
Use of money and property	25,000	25,000	30,189	5,189
Amounts Available for Appropriations	<u>3,717,083</u>	<u>3,717,083</u>	<u>3,641,910</u>	<u>(75,173)</u>
Charges to Appropriations (Outflow):				
Public works	1,300	1,300	1,810	(510)
Transfers out	2,725,000	2,725,000	941,605	1,783,395
Total Charges to Appropriations	<u>2,726,300</u>	<u>2,726,300</u>	<u>943,415</u>	<u>1,782,885</u>
Budgetary Fund Balance, June 30	<u>\$ 990,783</u>	<u>\$ 990,783</u>	<u>\$ 2,698,495</u>	<u>\$ 1,707,712</u>

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 LOCAL TRANSPORTATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	33,000	33,000	32,818	(182)
Amounts Available for Appropriations	<u>33,000</u>	<u>33,000</u>	<u>32,818</u>	<u>(182)</u>
Charges to Appropriations (Outflow):				
Transfers out	33,000	33,000	32,818	182
Total Charges to Appropriations	<u>33,000</u>	<u>33,000</u>	<u>32,818</u>	<u>182</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE
TRANSIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 609,467	\$ 609,467	\$ 609,467	\$ -
Resources (Inflows):				
Intergovernmental	292,946	292,946	302,375	9,429
Use of money and property	10,000	10,000	7,408	(2,592)
Transfers in	691,674	691,674	602,542	(89,132)
Amounts Available for Appropriations	<u>1,604,087</u>	<u>1,604,087</u>	<u>1,521,792</u>	<u>(82,295)</u>
Charges to Appropriations (Outflow):				
Leisure and cultural	954,509	954,509	868,090	86,419
Total Charges to Appropriations	<u>954,509</u>	<u>954,509</u>	<u>868,090</u>	<u>86,419</u>
Budgetary Fund Balance, June 30	<u>\$ 649,578</u>	<u>\$ 649,578</u>	<u>\$ 653,702</u>	<u>\$ 4,124</u>

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION A
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,664,005	\$ 1,664,005	\$ 1,664,005	\$ -
Resources (Inflows):				
Taxes	870,000	870,000	903,627	33,627
Use of money and property	25,000	25,000	23,588	(1,412)
Transfers in	-	-	81,786	81,786
Amounts Available for Appropriations	<u>2,559,005</u>	<u>2,559,005</u>	<u>2,673,006</u>	<u>114,001</u>
Charges to Appropriations (Outflow):				
Transfers out	691,674	691,674	602,542	89,132
Total Charges to Appropriations	<u>691,674</u>	<u>691,674</u>	<u>602,542</u>	<u>89,132</u>
Budgetary Fund Balance, June 30	<u>\$ 1,867,331</u>	<u>\$ 1,867,331</u>	<u>\$ 2,070,464</u>	<u>\$ 203,133</u>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION C
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,132,718	\$ 2,132,718	\$ 2,132,718	\$ -
Resources (Inflows):				
Taxes	735,000	735,000	749,612	14,612
Use of money and property	25,000	25,000	28,792	3,792
Amounts Available for Appropriations	<u>2,892,718</u>	<u>2,892,718</u>	<u>2,911,122</u>	<u>18,404</u>
Charges to Appropriations (Outflow):				
Transfers out	<u>2,975,000</u>	<u>2,975,000</u>	<u>610,907</u>	<u>2,364,093</u>
Total Charges to Appropriations	<u>2,975,000</u>	<u>2,975,000</u>	<u>610,907</u>	<u>2,364,093</u>
Budgetary Fund Balance, June 30	<u>\$ (82,282)</u>	<u>\$ (82,282)</u>	<u>\$ 2,300,215</u>	<u>\$ 2,382,497</u>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE
MEASURE R
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,635,268	\$ 1,635,268	\$ 1,635,268	\$ -
Resources (Inflows):				
Taxes	550,000	550,000	562,287	12,287
Use of money and property	55,000	55,000	21,667	(33,333)
Amounts Available for Appropriations	<u>2,240,268</u>	<u>2,240,268</u>	<u>2,219,222</u>	<u>(21,046)</u>
Charges to Appropriations (Outflow):				
Transfers out	<u>1,215,000</u>	<u>1,215,000</u>	<u>374,876</u>	<u>840,124</u>
Total Charges to Appropriations	<u>1,215,000</u>	<u>1,215,000</u>	<u>374,876</u>	<u>840,124</u>
Budgetary Fund Balance, June 30	<u>\$ 1,025,268</u>	<u>\$ 1,025,268</u>	<u>\$ 1,844,346</u>	<u>\$ 819,078</u>

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 PARK GRANTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	320,100	320,100	300,000	(20,100)
Transfers in	-	-	-	-
Amounts Available for Appropriations	<u>320,100</u>	<u>320,100</u>	<u>300,000</u>	<u>(20,100)</u>
Charges to Appropriations (Outflow):				
Transfers out	<u>320,100</u>	<u>320,100</u>	<u>300,000</u>	<u>20,100</u>
Total Charges to Appropriations	<u>320,100</u>	<u>320,100</u>	<u>300,000</u>	<u>20,100</u>
Budgetary Fund Balance, June 30	<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, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 370,367	\$ 370,367	\$ 370,367	\$ -
Resources (Inflows):				
Intergovernmental	60,000	60,000	63,387	3,387
Transfers in	-	-	-	-
Amounts Available for Appropriations	<u>430,367</u>	<u>430,367</u>	<u>433,754</u>	<u>3,387</u>
Charges to Appropriations (Outflow):				
Public works	10,000	10,000	-	10,000
Transfers out	212,000	212,000	144,889	67,111
Total Charges to Appropriations	<u>222,000</u>	<u>222,000</u>	<u>144,889</u>	<u>77,111</u>
Budgetary Fund Balance, June 30	<u>\$ 208,367</u>	<u>\$ 208,367</u>	<u>\$ 288,865</u>	<u>\$ 80,498</u>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE
HOUSING AND COMMUNITY DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	235,712	\$ 481,166	196,508	(284,658)
Transfers in	-	-	2,811	2,811
Amounts Available for Appropriations	<u>235,712</u>	<u>481,166</u>	<u>199,319</u>	<u>(281,847)</u>
Charges to Appropriations (Outflow):				
Public safety	64,199	64,199	53,008	11,191
Community development	133,911	133,911	116,240	17,671
Leisure and cultural	37,602	37,602	30,071	7,531
Transfers out	-	245,454	-	245,454
Total Charges to Appropriations	<u>235,712</u>	<u>481,166</u>	<u>199,319</u>	<u>281,847</u>
Budgetary Fund Balance, June 30	<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, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 18,542	\$ 18,542	\$ 18,542	\$ -
Resources (Inflows):				
Intergovernmental	16,000	16,000	19,244	3,244
Amounts Available for Appropriations	<u>34,542</u>	<u>34,542</u>	<u>37,786</u>	<u>3,244</u>
Charges to Appropriations (Outflow):				
Public works	16,000	16,000	19,244	(3,244)
Total Charges to Appropriations	<u>16,000</u>	<u>16,000</u>	<u>19,244</u>	<u>(3,244)</u>
Budgetary Fund Balance, June 30	<u>\$ 18,542</u>	<u>\$ 18,542</u>	<u>\$ 18,542</u>	<u>\$ -</u>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE
 BEVERAGE CONTAINER RECYCLING GRANT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	13,000	13,000	20,149	7,149
Amounts Available for Appropriations	<u>13,000</u>	<u>13,000</u>	<u>20,149</u>	<u>7,149</u>
Charges to Appropriations (Outflow):				
Public Works	13,000	13,000	20,149	(7,149)
Total Charges to Appropriations	<u>13,000</u>	<u>13,000</u>	<u>20,149</u>	<u>(7,149)</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE
FEDERAL GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 717	\$ 717	\$ 717	\$ -
Resources (Inflows):				
Intergovernmental	-	152,145	833,893	681,748
Transfers in	-	-	76,695	76,695
Amounts Available for Appropriations	<u>717</u>	<u>152,862</u>	<u>911,305</u>	<u>758,443</u>
Charges to Appropriations (Outflow):				
Public safety	-	2,145	2,554	(409)
Public works	-	150,000	-	150,000
Transfers out	450,000	450,000	908,751	(458,751)
Total Charges to Appropriations	<u>450,000</u>	<u>602,145</u>	<u>911,305</u>	<u>(309,160)</u>
Budgetary Fund Balance, June 30	<u>\$ (449,283)</u>	<u>\$ (449,283)</u>	<u>\$ -</u>	<u>\$ 449,283</u>

CITY OF LA MIRADA

BUDGETARY COMPARISON SCHEDULE
 STATE PUBLIC SAFETY GRANT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 102,727	\$ 102,727	\$ 102,727	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	129,324	29,324
Amounts Available for Appropriations	<u>202,727</u>	<u>202,727</u>	<u>232,051</u>	<u>29,324</u>
Charges to Appropriations (Outflow):				
Transfers out	100,000	100,000	44,723	55,277
Total Charges to Appropriations	<u>100,000</u>	<u>100,000</u>	<u>44,723</u>	<u>55,277</u>
Budgetary Fund Balance, June 30	<u>\$ 102,727</u>	<u>\$ 102,727</u>	<u>\$ 187,328</u>	<u>\$ 84,601</u>

CITY OF LA MIRADA

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 55,523	\$ 55,523	\$ 55,523	\$ -
Resources (Inflows):				
Use of money and property	-	-	15	15
Transfers in	842,008	842,008	838,227	(3,781)
Amounts Available for Appropriations	<u>897,531</u>	<u>897,531</u>	<u>893,765</u>	<u>(3,766)</u>
Charges to Appropriations (Outflow):				
Principal retirement	490,000	490,000	490,000	-
Interest and fiscal charges	352,008	352,008	351,875	133
Total Charges to Appropriations	<u>842,008</u>	<u>842,008</u>	<u>841,875</u>	<u>133</u>
Budgetary Fund Balance, June 30	<u>\$ 55,523</u>	<u>\$ 55,523</u>	<u>\$ 51,890</u>	<u>\$ (3,633)</u>

CITY OF LA MIRADA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017**

	Employee Benefits	Equipment Replacement	Totals
Assets:			
Current:			
Cash and investments	\$ 1,484,438	\$ 4,556,570	\$ 6,041,008
Receivables:			
Accounts	16	-	16
Accrued interest	1,410	-	1,410
Prepaid costs	184,920	-	184,920
Due from other governments	-	-	-
Due from other funds	53,269	-	53,269
Restricted:			
Cash and investments with fiscal agents	75,785	-	75,785
Total Current Assets	1,799,838	4,556,570	6,356,408
Noncurrent:			
Net OPEB asset	10,196,549	-	10,196,549
Capital assets, net of accumulated depreciation	-	601,458	601,458
Total Noncurrent Assets	10,196,549	601,458	10,798,007
Total Assets	11,996,387	5,158,028	17,154,415
Deferred Outflow of Resources:			
Deferred pension related items	4,171,684	-	4,171,684
Total Deferred Outflow of Resources	4,171,684	-	4,171,684
Total Assets and Deferred Outflows of Resources	\$ 16,168,071	\$ 5,158,028	\$ 21,326,099
Liabilities:			
Current:			
Accounts payable	\$ 1,793	\$ 20,000	\$ 21,793
Accrued liabilities	42,569	-	42,569
Total Current Liabilities	44,362	20,000	64,362
Noncurrent:			
Net pension liability	12,638,753	-	12,638,753
Total Noncurrent Liabilities	12,638,753	-	12,638,753
Total Liabilities	12,683,115	20,000	12,703,115
Deferred Inflow of Resources:			
Deferred pension related items	2,089,119	-	2,089,119
Total Deferred Inflow of Resources	2,089,119	-	2,089,119
Net Position:			
Investment in capital assets	-	601,458	601,458
Unrestricted	1,395,837	4,536,570	5,932,407
Total Net Position	1,395,837	5,138,028	6,533,865
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 16,168,071	\$ 5,158,028	\$ 21,326,099

CITY OF LA MIRADA

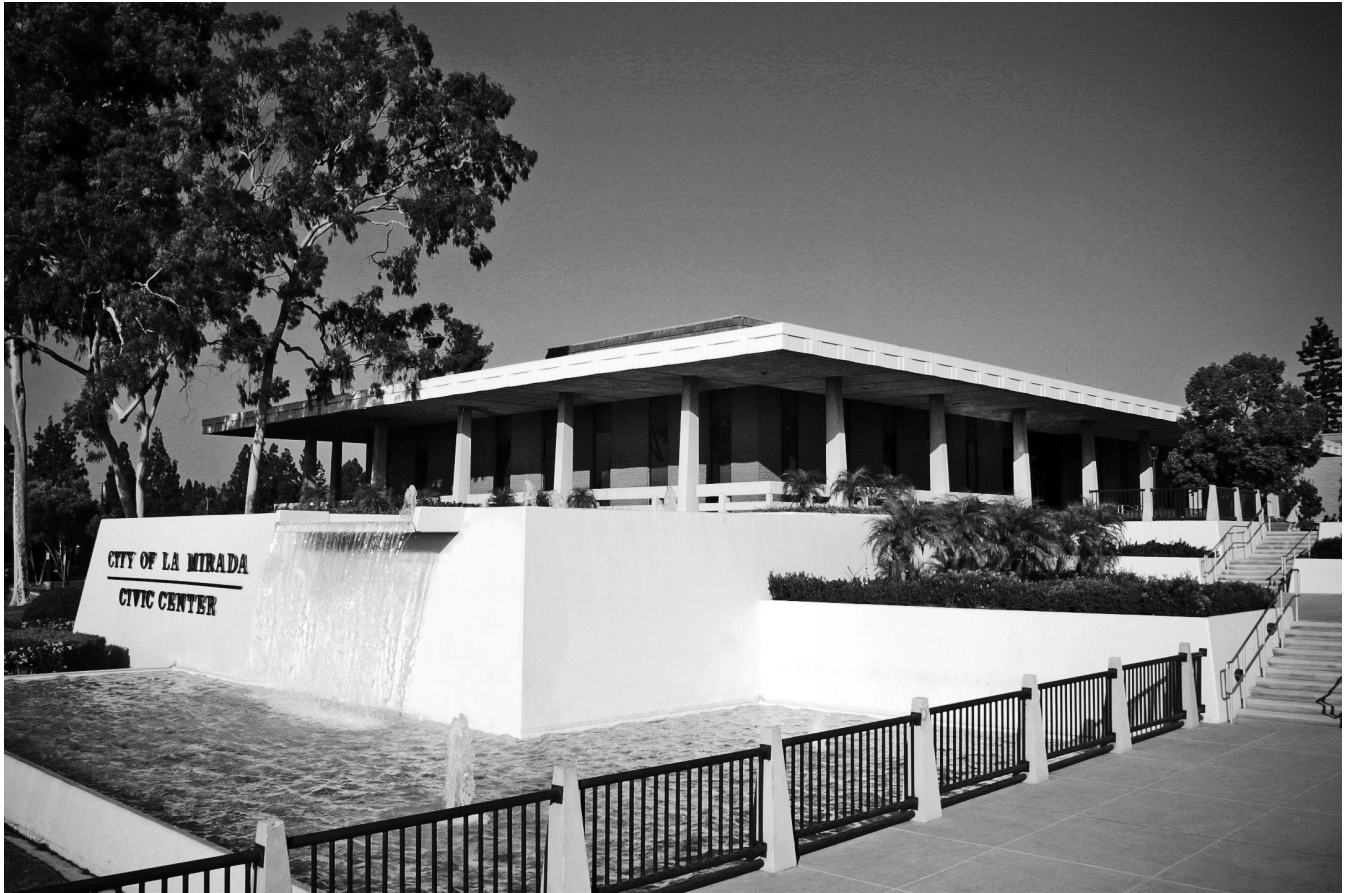
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Employee Benefits</u>	<u>Equipment Replacement</u>	<u>Totals</u>
Operating Revenues:			
Sales and service charges	\$ 3,632,006	\$ -	\$ 3,632,006
Total Operating Revenues	<u>3,632,006</u>	<u>-</u>	<u>3,632,006</u>
Operating Expenses			
Administration and general	4,953,556	-	4,953,556
Depreciation expense	-	160,538	160,538
Total Operating Expenses	<u>4,953,556</u>	<u>160,538</u>	<u>5,114,094</u>
Operating Income (Loss)	<u>(1,321,550)</u>	<u>(160,538)</u>	<u>(1,482,088)</u>
Nonoperating Revenues (Expenses)			
Interest revenue	2,419	-	2,419
Total Nonoperating Revenues (Expenses)	<u>2,419</u>	<u>-</u>	<u>2,419</u>
Income (Loss) Before Transfers	(1,319,131)	(160,538)	(1,479,669)
Transfers In	1,000,000	144,890	1,144,890
Changes in Net Position	(319,131)	(15,648)	(334,779)
Net Position:			
Beginning of Fiscal Year	1,714,968	5,153,676	6,868,644
End of Fiscal Year	<u>\$ 1,395,837</u>	<u>\$ 5,138,028</u>	<u>\$ 6,533,865</u>

CITY OF LA MIRADA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Employee Benefits</u>	<u>Equipment Replacement</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 3,631,990	\$ -	\$ 3,631,990
Cash paid to employees for services	(4,317,535)	-	(4,317,535)
Net Cash Provided (Used) by Operating Activities	<u>(685,545)</u>	<u>-</u>	<u>(685,545)</u>
Cash Flows from Non-Capital Financing Activities:			
Cash transferred in	1,000,000	144,890	1,144,890
Loan provided to other funds	(7,376)	-	(7,376)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>992,624</u>	<u>144,890</u>	<u>1,137,514</u>
Cash Flows from Capital and Related Financing Activities:			
Purchases of capital assets	-	(261,053)	(261,053)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(261,053)</u>	<u>(261,053)</u>
Cash Flows from Investing Activities:			
Interest received	4,025	-	4,025
Net Cash Provided (Used) by Investing Activities	<u>4,025</u>	<u>-</u>	<u>4,025</u>
Net Increase (Decrease) in Cash and Cash Equivalents	311,104	(116,163)	194,941
Cash and Cash Equivalents at Beginning of Fiscal Year	<u>1,249,119</u>	<u>4,672,733</u>	<u>5,921,852</u>
Cash and Cash Equivalents at End of Fiscal Year	<u>\$ 1,560,223</u>	<u>\$ 4,556,570</u>	<u>\$ 6,116,793</u>
Reconciliation of Operating Income (loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (1,321,550)	\$ (160,538)	\$ (1,482,088)
Adjustment to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	-	160,538	160,538
(Increase) decrease in accounts receivable	(16)	-	(16)
(Increase) decrease in prepaid expense	61,616	-	61,616
(Increase) decrease in Net OPEB asset	22,830	-	22,830
(Increase) decrease in deferred outflows of pension related items	(2,540,904)	-	(2,540,904)
Increase (decrease) in accounts payable	(1,345)	-	(1,345)
Increase (decrease) in accrued liabilities	(82,717)	-	(82,717)
Increase (decrease) in pension liability	3,501,365	-	3,501,365
Increase (decrease) in deferred inflows of pension related items	(324,824)	-	(324,824)
Total Adjustments	<u>636,005</u>	<u>160,538</u>	<u>796,543</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (685,545)</u>	<u>\$ -</u>	<u>\$ (685,545)</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>
Financial Trends	108
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	118
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	122
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	126
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	130
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.	

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

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

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets	\$ 86,581,992	\$ 89,231,607	\$ 92,636,224	\$ 98,459,941	\$ 100,334,511
Restricted	34,083,335	34,152,613	29,733,496	30,996,348	34,605,983
Unrestricted	58,831,878	70,649,632	72,325,004	78,562,920	82,798,144
Total governmental activities net position	<u>\$ 179,497,205</u>	<u>\$ 194,033,852</u>	<u>\$ 194,694,724</u>	<u>\$ 208,019,209</u>	<u>\$ 217,738,638</u>
Total primary government net position	<u>\$ 179,497,205</u>	<u>\$ 194,033,852</u>	<u>\$ 194,694,724</u>	<u>\$ 208,019,209</u>	<u>\$ 217,738,638</u>

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

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

Schedule 2

City of La Mirada

Changes in Net Position, Last Ten Fiscal Years

(accrual basis of accounting)

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

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses					
Governmental activities:					
General government	\$ 5,559,670	\$ 4,051,569	\$ 4,357,631	\$ 3,837,337	\$ 4,269,803
Public safety	8,855,190	9,197,072	9,196,201	9,608,429	9,918,822
Community development	8,883,197	1,411,686	1,468,225	1,654,271	1,604,363
Leisure and cultural	11,476,686	11,689,280	12,675,136	12,527,600	16,851,879
Public works	7,727,791	7,655,602	8,911,393	10,474,615	10,226,731
Interest on long-term debt	484,884	516,449	497,387	581,770	239,259
Total governmental activities expenses	<u>\$ 42,987,418</u>	<u>\$ 34,521,658</u>	<u>\$ 37,105,973</u>	<u>\$ 38,684,022</u>	<u>\$ 43,110,857</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 169,930	\$ 454,754	\$ 380,234	\$ 608,738	\$ 263,146
Public safety	631,442	622,233	574,620	536,923	451,423
Community development	840,083	1,357,604	1,141,022	1,728,665	1,737,160
Leisure and cultural	7,141,228	7,928,099	8,619,081	9,016,600	9,274,713
Operating contributions and grants	3,589,280	2,658,984	2,274,058	3,840,893	853,969
Capital contributions and grants	55,794	3,254,432	2,798,127	4,894,510	7,066,852
Total governmental activities program revenues	<u>\$ 12,427,757</u>	<u>\$ 16,276,106</u>	<u>\$ 15,787,142</u>	<u>\$ 20,626,329</u>	<u>\$ 19,647,263</u>

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Net (Expense)/Revenue					
Total Governmental activities	\$ (30,559,661)	\$ (18,245,552)	\$ (21,318,831)	\$ (18,057,693)	\$ (23,463,594)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 9,661,518	\$ 9,513,978	\$ 10,178,680	\$ 10,752,452	\$ 11,237,676
Transient occupancy taxes	1,218,046	1,366,458	1,500,392	1,690,411	1,543,509
Sales taxes	13,572,127	15,209,182	16,658,358	13,879,537	16,374,977
Franchise taxes	2,590,407	2,723,472	2,767,895	2,786,450	2,795,690
Business licenses taxes	294,963	326,759	310,968	332,985	325,734
Other taxes	199,933	140,720	207,778	-	-
Motor vehicle in lieu	21,415	-	20,685	19,981	22,238
Use of money and property	963,339	979,340	1,040,369	1,280,129	716,025
Other	94,837	2,522,290	289,002	423,104	167,174
Extraordinary gain	(14,879,577)	-	-	-	-
Transfers	-	-	-	-	-
Total governmental activities	<u>13,737,008</u>	<u>32,782,199</u>	<u>32,974,127</u>	<u>31,165,049</u>	<u>33,183,023</u>
Change in Net Position					
Governmental activities	\$ (16,822,653)	\$ 14,536,647	\$ 11,655,296	\$ 13,107,356	\$ 9,719,429
Business-type activities	-	-	-	-	-
Total primary government	<u>\$ (16,822,653)</u>	<u>\$ 14,536,647</u>	<u>\$ 11,655,296</u>	<u>\$ 13,107,356</u>	<u>\$ 9,719,429</u>

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

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

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

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

	FISCAL YEAR				
	2013	2014	2015	2016	2017
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	27,601,922	25,775,961	25,282,224	25,184,832	25,340,399
Unreserved	-	-	-	-	-
Restricted	-	-	-	-	18,623
Committed	6,625,000	6,625,000	6,625,000	6,625,000	6,625,000
Assigned	-	5,833,389	7,137,653	8,023,549	11,204,706
Unassigned	20,143,084	21,178,368	26,239,183	31,630,728	33,994,657
Total General Fund	<u>\$ 54,370,006</u>	<u>\$ 59,412,718</u>	<u>\$ 65,284,060</u>	<u>\$ 71,464,109</u>	<u>\$ 77,183,385</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	528,436	57,574	12,818	7,836	47,193
Restricted for:					
Community development projects	-	-	-	-	-
Public safety	105,856	109,725	53,717	103,444	187,328
Leisure and cultural	1,273,031	1,454,637	1,576,309	601,631	607,169
Public works	7,397,750	5,642,805	6,758,110	8,494,121	9,220,267
Capital projects	-	3,145,007	3,211,815	4,324,995	6,400,299
Low and Moderate Housing	16,809,744	16,857,726	17,068,977	17,012,205	17,077,739
Debt service	1,077,564	1,051,750	1,051,750	55,523	51,890
Unassigned	(1,962)	-	-	-	-
Total all other governmental funds	<u>\$ 27,190,419</u>	<u>\$ 28,319,224</u>	<u>\$ 29,733,496</u>	<u>\$ 30,599,755</u>	<u>\$ 33,591,885</u>

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

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Revenues					
Taxes	\$ 35,727,260	\$ 33,950,858	\$ 32,972,100	\$ 34,721,315	\$ 29,843,830
Licenses and permits	488,475	526,139	654,882	891,207	745,278
Intergovernmental	3,599,273	3,000,593	4,085,201	3,439,471	3,381,677
Charges for services	2,517,099	3,029,409	6,058,797	6,253,631	8,153,135
Use of money and property	3,708,600	3,474,698	5,393,378	2,645,372	2,652,528
Fines and penalties	641,787	594,846	555,850	641,179	554,301
Miscellaneous	1,160,003	232,082	27,602	68,013	19,959
Contributions	3,234,384	99,925	39,722	28,713	2,386,236
Total revenues	51,076,881	44,908,550	49,787,532	48,688,901	47,736,944
Expenditures					
Current:					
General government	6,733,138	5,790,740	10,215,234	7,453,971	4,800,297
Public safety	7,992,255	8,133,571	7,950,681	7,481,904	7,521,387
Community development	4,031,523	3,504,888	2,058,652	1,791,027	1,565,395
Leisure and cultural	5,113,667	6,764,774	10,416,447	9,946,396	10,800,649
Public works	6,554,912	7,704,992	7,487,466	6,282,179	7,480,792
Capital outlay	27,004,236	1,344,826	2,212,063	5,634,803	10,234,039
Debt service:					
Interest and fiscal charges	6,122,852	5,981,076	8,576,531	7,636,610	3,146,930
Principal retirement	2,562,473	2,782,588	2,897,149	2,952,145	2,830,080
Payments to escrow agent	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
Total expenditures	66,115,056	42,007,455	51,814,223	49,179,035	48,379,569
Excess of revenues over (under) expenditures	(15,038,175)	2,901,095	(2,026,691)	(490,134)	(642,625)
Other Financing Sources (Uses)					
Long-term debt issued	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	-	-	11,659
Notes and loans issued	-	-	-	-	201,559
Contributions from other governments	-	-	-	-	2,450,210
Refunding bonds issued	-	-	(10,165,000)	-	-
Loss on sale of land held for resale	-	-	-	-	-
Transfers in	28,892,238	10,557,520	17,415,717	16,990,767	15,239,592
Transfers out	(30,008,217)	(10,668,066)	(18,322,016)	(16,754,111)	(15,639,592)
Total other financing sources (uses)	(365,877)	185,874	6,642,152	559,582	2,263,428
Extraordinary gain/(loss)	-	-	-	-	20,907,341
Net change in fund balances	\$ (15,404,052)	\$ 3,086,969	\$ 4,615,461	\$ 69,448	\$ 22,528,144
Debt service as a percentage of noncapital expenditures	20.07%	21.54%	23.21%	24.34%	15.66%

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues					
Taxes	\$ 28,767,326	\$ 31,308,978	\$ 32,878,469	\$ 29,102,576	\$ 29,866,496
Licenses and permits	867,388	1,363,566	1,174,342	1,728,665	1,606,646
Intergovernmental	2,768,723	4,544,490	2,297,352	10,808,767	10,792,661
Charges for services	7,314,020	8,420,887	9,018,482	9,397,012	9,672,274
Use of money and property	897,361	930,368	1,001,472	1,280,094	713,604
Fines and penalties	560,895	576,987	522,223	488,483	412,549
Miscellaneous	134,195	2,523,540	289,002	430,463	167,174
Contributions	45,409	50,460	1,093,748	75,499	-
Total revenues	41,355,317	49,719,276	48,275,090	53,311,559	53,231,404
Expenditures					
Current:					
General government	3,679,288	2,901,537	3,689,154	3,434,507	3,403,925
Public safety	7,506,665	7,788,347	7,700,751	8,229,995	8,450,901
Community development	2,028,689	1,063,067	1,102,740	1,298,546	1,209,563
Leisure and cultural	10,423,318	10,985,313	11,935,815	11,812,550	12,432,003
Public works	6,522,535	6,268,710	7,633,226	6,371,702	6,181,596
Capital outlay	4,608,363	6,793,685	7,935,054	12,732,374	10,855,245
Debt service:					
Interest and fiscal charges	493,108	524,871	506,071	486,471	351,875
Principal retirement	470,508	494,307	516,581	538,078	490,000
Payments to escrow agent	-	-	-	10,862,679	-
Debt issuance costs	-	-	-	197,205	-
Total expenditures	35,732,474	36,819,837	41,019,392	55,964,107	43,375,108
Excess of revenues over (under) expenditures	5,622,843	12,899,439	7,255,698	(2,652,548)	9,856,296
Other Financing Sources (Uses)					
Long-term debt issued	-	-	-	8,970,000	-
Premium on long-term debt issued	-	-	-	1,093,653	-
Discount on long-term debt issued	-	-	-	-	-
Capital leases	78,300	23,149	29,916	21,784	-
Notes and loans issued	-	-	-	-	-
Contributions from other governments	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Loss on sale of land held for resale	(6,835,816)	-	-	-	-
Transfers in	7,803,854	10,040,241	11,357,976	12,672,882	12,332,201
Transfers out	(7,803,854)	(10,166,312)	(11,357,976)	(12,672,882)	(13,477,091)
Total other financing sources (uses)	(6,757,516)	(102,922)	29,916	10,085,437	(1,144,890)
Extraordinary gain/(loss)	(10,475,602)	-	-	-	-
Net change in fund balances	\$ (11,610,275)	\$ 12,796,517	\$ 7,285,614	\$ 7,432,889	\$ 8,711,406
Debt service as a percentage of noncapital expenditures	3.05%	3.38%	3.09%	2.91%	2.22%

	FY 2017
Total expenditures	43,375,108
Less: Capital outlay	5,429,634
Noncapital expenditures	37,945,474
Debt service expenditures	841,875
Percentage of noncapital expenditures	2.22%

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

<u>Taxpayer</u>	<u>2017</u>		<u>2008</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	\$ 70,543,861	1.17%	-	0.00%
Price Reit Inc.	\$ 49,336,804	0.82%	\$ 42,943,705	0.88%
PR 1 La Mirada Industrial California LLC	\$ 48,218,980	0.80%	\$ 45,000,000	0.92%
USF Propco LLC	\$ 45,492,905	0.75%	\$ 31,661,445	0.65%
Lanting Family LLC	\$ 34,750,000	0.57%	\$ -	0.00%
Interstate 5 Firestone LLC	\$ 34,593,109	0.57%	\$ -	0.00%
Dexus Social LLC	\$ 28,409,363	0.47%	\$ -	0.00%
Icon Owner Pool 3 West LLC	\$ 26,761,990	0.44%	\$ -	0.00%
Catellus/Prologis	\$ 25,628,373	0.42%	\$ -	0.00%
UDR Rosebeach Apartments II LP	\$ 25,369,744	0.42%	\$ 22,433,053	0.46%
Rohm and Haas Chemicals LLC			\$ 31,865,678	0.65%
MC and CJA LLC			\$ 26,759,184	0.55%
LBA of Met Partners I Company III L			\$ 18,223,827	0.37%
Newage La Mirada Inn LLC			\$ 17,720,249	0.36%
Cha La Mirada LLC			\$ 17,647,127	0.36%
Prim Desman Industrial LLC			\$ 17,269,304	0.35%
Top Ten Totals	<u>\$ 389,105,129</u>	<u>6.43%</u>	<u>\$ 271,523,572</u>	<u>5.54%</u>
City Totals	\$ 6,051,859,016		\$ 4,905,248,074	

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
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%
2017	\$ 5,960,205	\$ 5,591,500	93.81%	\$ (86,050)	\$5,505,450	92.37%

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	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Residential	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	4,310,885,115
Commercial	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	399,234,596
Industrial	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	948,919,488
Govt. Owned	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	4,028,746
Institutional	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	54,849,319
Miscellaneous	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	1,559,142
Recreational	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	18,543,675
Vacant	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	29,122,840
SBE Nonunitary	462,093	557,085	557,085	557,085	619,095	619,095	619,095	619,095	619,095	619,095
Cross Reference	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	27,240,090
Unsecured	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	256,846,910
Exempt	[24,785,800]	[24,807,732]	[25,894,172]	[24,504,373]	[26,049,299]	[25,353,083]	[25,452,004]	[23,244,489]	[35,544,263]	[37,279,968]
TOTALS	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	6,051,859,016
Total Direct Rate	0.35378	0.36016	0.36673	0.36251	0.36064	0.35616	0.09398	0.09402	0.09405	0.09407

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 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 2007/08 - 2016/17 Combined Tax Rolls

Prepared On 8/8/2017 By MV

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of H&L, 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)	
	City's Share of 1% Levy per Prop 13	Prop 13 Direct Tax Less City Share of 1%	School District	Community College District	Water District	Total Direct and Overlapping Tax Rates	Total Direct Rate
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
2017	0.09468	0.90532	0.27081	0.10391	0.00350	1.37822	0.09407

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 ^a	Per Capita ^a
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
2017 (b)	\$ -	\$ -	\$ -	\$ 8,480,000	\$ -	\$ 47,105	\$ -	\$ 8,527,105	0.60%	\$296.05

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, 2017**

City Assessed Valuation	\$ 4,223,851,058
Redevelopment Agency Incremental Value	\$ 1,828,007,958
Total 2016-17 Assessed Valuation	<u>\$ 6,051,859,016</u>

	Outstanding Debt 6/30/2017	City Percentage	Estimated Share Overlapping Debt
Overlapping Debt:			
Metropolitan Water District*	\$ 36,281,674	0.3910	\$ 141,861
East Whittier DS 2007 Ref Bonds	26,290,000	5.8160	1,529,026
Fullerton Unified HS 2002 Series A	2,039,011	0.1920	3,915
Fullerton Unified HS 2013 Ref	1,714,283	0.1920	3,291
Fullerton Joint Union HSD DS 2014 Series A and B	6,842,205	0.1920	13,137
Whittier Union HSD DS 2008 Series 2014B	14,750,682	1.8810	277,460
Whittier Union HSD DS 2008 Series 2015C	75,465,000	1.8810	1,419,497
Whittier Union HSD DS 2015 Ref Bonds	65,658,679	1.8810	1,235,040
Cerritos CCD DS 2004 Series 2009C	3,610,000	13.0770	472,080
Cerritos CCD DS 2004 Series 2012D	81,752,021	13.0770	10,690,712
Cerritos CCD DS 2012 Series 2014A	81,355,000	13.0770	10,638,793
Cerritos CCD DS 2014 Ref Bonds Series A	78,350,000	13.0770	10,245,830
Cerritos CCD DS 2014 Ref Bonds Series B	15,670,000	13.0770	2,049,166
N. Orange County CCD 2002 Series 2005 Ref	2,852,384	0.1870	5,334
N. Orange County CCD 2014 Series 2016A	2,801,652	0.1870	5,239
Rio Hondo CCD DS 2005 Refunding Bonds	35,355,000	1.2070	426,735
Rio Hondo CCD CS 2004 Series 2008	118,452,824	1.2070	1,429,726
ABC Unified 2003 Refund Bond Series A	29,626,700	4.5050	1,334,683
ABC Unified DS 1997 Series B	9,140,000	4.5050	411,757
Norwalk-La Mirada USD DS 2002 S-05A	40,450,182	42.8810	17,345,443
Norwalk-La Mirada USD DS 2002 Series 2007A	13,470,602	42.8810	5,776,329
Norwalk- La Mirada USD DS 2009 Ref Bonds	38,872,452	42.8810	16,668,896
Norwalk-La Mirada USD DS 2013 Ref Series A	8,800,000	42.8810	3,773,528
Norwalk-La Mirada USD DS 2014 Ref Bonds	11,245,000	42.8810	4,821,968
Norwalk-La Mirada USD DS 2014 Series A	17,900,000	42.8810	7,675,699
Norwalk-La Mirada USD DS 2015 Ref Bonds	7,710,000	42.8810	3,306,125
Total Overlapping Debt	<u>\$ 826,455,351</u>		<u>\$ 101,701,269</u>
City direct debt			(a) <u>8,527,105</u>
Total direct and overlapping debt			<u>\$ 110,228,374</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 2017

Total assessed value of all real and personal property	\$6,051,859,016
Debt limit percentage	3.75%
Total debt limit	<u>226,944,713</u>
Amount of debt applicable to debt limit	<u>0</u>
Legal debt margin	\$ 226,944,713

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>
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%
2017	\$ 226,944,713	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 Five Fiscal Years

Tax Increment Bonds				
Fiscal Year	Tax Increment	Debt Service		Coverage
		Principal	Interest	
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, 2017**

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. 15,000		
Registered Voters	Approx. 27,300		
Assessed Valuation	\$6,051,859,016		
Number of Local Businesses	Approx. 1,200		
Unemployment Rate (County)	5.40%	Unemployment Rate (City)	3.80%

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
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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. 6900 (excludes adult school enrollment)
University	Biola University
Student Enrollment	Approx. 6,100

City Employees

Full-Time	78
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
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%
2016	49,434	\$ 1,423,890	\$ 28,803	3.7%

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)

	2007-08	2008-09	2009-10	(a) 2010-11	(a) 2011-12	(a) 2012-13	2013-14	2014-15	2015-16	2016-17
Residential	7,216	5,186	5,994	13,209	20,719	9,207	53,993	10,155	16,781	19,378
Non-Residential	15,467	29,027	10,839	26,885	13,008	39,914	22,051	64,653	87,599	69,339
	<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>	<u>88,716</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
Prior Year and Eight Years Ago**

<u>Employer</u>	<u>2016</u>		<u>2008</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	6.24%
US Foodservice	650	2.73%	625	3.13%
Norwalk-La Mirada Unified School District	546	2.29%	900	4.50%
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	1.84%
Living Spaces			308	1.54%
(Estes) GI Trucking			292	1.46%
Frito Lay	(A)		266	1.33%
Architectural Area Lighting			146	0.73%
Spartech			142	0.71%
Coyle Reproductions, Inc.			135	0.68%
Total	<u>3,927</u>	<u>16.50%</u>	<u>4,429</u>	<u>22.15%</u>

(1) Labor Force 23,800 20,000

(A) Information not available

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

(+) Includes full-time and part-time

Source: MuniServices, LLC (information current as of September 2016)

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

<u>Function/Program</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>	<u>2017</u>
General government										
Legislative	8	8	8	7	7	7	6	6	6	6
Administration and Support ^(c)	12	13	11	14	12	11	12	13	13	13
Community Development ^(b)	10	8	8	7	7	3	3	4	3	4
Leisure and cultural	18	17	11	8	8	9	10	9	10	12
Public Safety ^(a)	8	7	2	6	6	8	8	8	8	6
Public Works ^(d)	37	35	36	29	28	28	26	26	30	29
Transit ^(e)	1	2	2	2	2	0	0	0	0	0
Theatre	9	9	7	7	8	7	7	7	7	8
Total	103	99	85	80	78	73	72	73	77	78

Source: Administrative Services Department - Annual Budget

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

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

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Building permits issued	634	499	532	659	645	554	716	789	1,052	972
Public Safety										
Parking violations	7,731	8,833	8,665	7,967	6,254	6,885	6,764	6,823	7,621	6,777
Traffic violations	7,077	8,769	7,478	7,465	7,066	6,160	6,009	4,085	3,557	2,246
Public Works										
Street resurfacing (miles)	1	1	1	1	1	1	1	1	1	1
Parks and recreation										
Recreation Classes	671	586	550	552	526	454	362	396	372	365
Aquatics Programs	54	84	93	92	92	94	83	106	93	80
Senior Programs	58	73	114	91	105	114	134	117	122	156
Facility Reservations	2,078	2,849	4,494	5,475	6,574	6,980	6,174	6,078	7,493	6,456
Transit										
Total route miles	116,657	120,635	133,755	168,303	158,375	180,590	170,010	148,191	154,516	130,091
Passengers	50,342	45,620	47,194	52,630	51,674	53,578	52,001	46,982	51,451	45,443
Theatre										
Number of productions	119	121	124	115	128	107	111	110	109	107
Number of rentals	167	160	141	140	121	78	79	77	75	68
Number of presentations	21	19	25	39	43	37	46	43	30	30

Sources: Various city departments.

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

<u>Function/Program</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>	<u>2017</u>
Police										
Stations	1	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	1
Parks and recreation										
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	1	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	10	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

