

CITY OF IRWINDALE, CALIFORNIA



We are building the future. Today.

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2012



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CITY OF IRWINDALE

CALIFORNIA



Julian A. Miranda, Mayor
H. Manuel Ortiz, Mayor Pro Tem
Mark A. Breceda, Councilmember
David "Chico" Fuentes, Councilmember
Manuel R. Garcia, Councilmember

(At Date of Issuance)

John Davidson, City Manager

PREPARED BY THE CITY OF IRWINDALE FINANCE DEPARTMENT
Eva Carreon, Director of Finance / City Treasurer

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CITY OF IRWINDALE

JUNE 30, 2012

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February 25, 2013

Honorable Mayor, Members of the Council
& Citizens of the City of Irwindale

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the City of Irwindale (City) for the fiscal year ended June 30, 2012. The City annually issues a report on its financial position and activity, audited by an independent firm of certified public accountants. The City's Finance Department prepared this report in accordance with generally accepted accounting principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB) and other sources. This CAFR also conforms to GASB Statement 34 financial reporting standards, providing the reader a dual-perspective financial report. The report contains a citywide view of all governmental activities, as well as a focus on the financial position and operating results of the City's major funds.

Responsibility for the accuracy of the data, and the completeness and fairness of the presentations including disclosures, rests with the City. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. Also, all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Lance Soll & Lunghard, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Irwindale's financial statement for the year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

GAAP requires that management provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Irwindale, incorporated in 1957, is located in the center of the San Gabriel Valley which is just 20 miles east from busy downtown Los Angeles. The City is located at the confluence of the 605 and 210 freeways, providing an enviable location which attracts many large, well known and successful businesses.

The City of Irwindale currently occupies a land area of about 9.5 square miles and serves a population of about 25,000 during the business day and approximately 1,420 that reside in the City.



The City of Irwindale is a full service, charter city. A charter city allows voters to determine how their city government is organized and, with respect to municipal affairs, enact legislation different than that adopted by the state. The City endeavors to create a livable community with a high quality of life through land-use policies that balance the need for housing, jobs, open space and essential services. The city is a legally separate and fiscally independent agency. It can issue debt, set and modify budgets, fees and sue and be sued.

The City of Irwindale operates under the Council-Manager form of government with a five-member council, elected at large by the city residents. The City Council acts as the legislative body of the City. City Council members appoint the City Manager and City Attorney. City Council members serve four-year terms with elections staggered every two years. The Mayor and Mayor Pro-Tem are chosen by the Council to serve as its presiding officer. Traditionally, these positions serve a one-year term. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City government, and working with the directors and managers of City departments.

The City provides a full range of services, including police protection; construction and maintenance of highways, streets and other infrastructure; community development; community services (such as a senior center, library, recreation programs, etc.); parks; general and administrative services. The City is financially accountable for the successor agency to the former redevelopment agency, a housing authority, and reclamation authority, all of which are reported separately with the City's financial statements. Additional information regarding these legally separate entities can be found in the notes to the financial statements.

The Council is required to adopt a final budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the City of Irwindale's financial planning and established control. The appropriated budget is prepared by fund, department (e.g., police), and division (e.g., administration). Department heads may transfer resources within a department as they see fit, and the City Manager has authority to transfer resources within an individual fund. Supplemental appropriations, and transfers between funds require approval from the governing body.

REPORTING ENTITY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Irwindale that previously reported a redevelopment agency within the reporting entity of the City as a blended component unit. On January 11, 2012, the City Council elected for the City to become the Successor Agency to the former Irwindale Community Redevelopment Agency in accordance with Assembly Bill 1X 26. Additional information on the dissolution is included in Note 14 of the Notes to the financial statements.

This report combines the financial statements of the City of Irwindale, the Successor Agency to the Irwindale Community Redevelopment Agency, the Irwindale Housing Authority, and the Irwindale Reclamation Authority to constitute a single reporting entity. This combined presentation better represents the financial activities of the City of Irwindale.

LOCAL ECONOMY

The Irwindale Community Redevelopment Agency (ICRA) has been officially dissolved as of February 1, 2012 in accordance with Assembly Bill 1X 26. The impact of this dissolution to the City and the ICRA constitutes a loss of over \$18 million in property tax increment previously received annually by the ICRA, which included amounts set aside for low and moderate housing programs. This loss of funding will significantly impact the ability to fund important projects that would significantly improve blighted areas throughout the City.

The economy is showing signs of recovery for most of the nation, however California continues to lag behind in this economic recovery. In spite of this, California continues to have one great advantage: a large and growing population. This increasing population ensures a stable, underlying demand for housing and consumer goods, at least during non-recessionary times. It is anticipated that this demand will continue to improve residential construction and retail sales tax revenues as credit conditions are improving for consumers and the economic outlook continues to look brighter.

The City's local economy is gradually rebounding. The City's main tax base comes from the mining and commercial/industrial business sectors. Both of these sectors struggled significantly during the recession, however they have been showing slow signs of recovery. The City's mining companies have been projecting increased activity over prior years, which would generate increased mining tax revenue for the City. Sales tax revenue for the City is also slowly starting to stabilize. With the housing market recently gaining strength, it is anticipated that sales tax revenue for the City will also show increases as a major sector of the City's sales tax base is tied to the building and construction industry.

LONG-TERM FINANCIAL PLANNING

The City has adopted a fund balance policy in compliance with Governmental Accounting Standards Board Statement No. 54. The assigned fund balance in the general fund equals approximately 138% of general fund expenditures. These reserves are assigned or set aside for many reasons including infrastructure and capital asset replacement, employee benefit obligations (i.e. retirement programs), capital projects and economic contingencies.

The City is continuing to move forward with the implementation of the Economic Strategic Plan for Fiscal Years 2011-12 through 2015-16, which was approved by the City Council in October 2011. The Plan outlines the strategies to create a sustainable stream of new revenues, while maximizing/leveraging Successor Agency assets and resources for the greatest economic impact and return to the community. Some of the priority, near-term development opportunities include:

- A Materials Recovery Facility/Transfer Station on a 17-acre site;
- Retail/commercial development of the 16 acre North Kincaid Pit;
- Retail/commercial/housing development of the 35 acre Manning Pit;
- Industrial Flex developments: 6.3 acre and 2.5 acre Arrow Highway properties and 12.5 acre Los Angeles Street Property.

CONSTRUCTION IN PROGRESS (CIP)

The City of Irwindale continues to complete infrastructure projects to improve services to residents and visitors to Irwindale. Funding for CIP is almost entirely from sources outside the General Fund. Project funding sources include, Special Mining Funds, Measure R Sales Tax, Prop C Funds, State Gas Tax, CDBG, and other Federal/State grants or private contributions.

During FY 2011-12, Irwindale spent \$1.2 million in infrastructure improvements. Completed projects during FY 2011-12 totaled \$1.8 million and include Street Resurfacing Project, Los Angeles Street Reconstruction, and Arrow Highway Safety Improvements. In FY 2012-13, the City is budgeted to complete an additional \$6.4 in capital projects.

AWARDS AND ACKNOWLEDGEMENTS

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 Irwindale for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. This was the second year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The City's CAFR was prepared through the combined efforts of City staff. Special recognition is extended to the capable and dedicated Finance Department staff including: Jeanette Duran, Finance Analyst II; Eileen Diep, Finance Analyst; Megan Zepeda, Finance Technician; and Iris Espino, Business License Clerk. Appreciation is also extended to the Mayor and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



John Davidson
City Manager



Eva Carreon
Director of Finance/City Treasurer

CITY OF IRWINDALE
LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2012

ELECTED OFFICIALS

Mayor David “Chico” Fuentes
Mayor Pro Tem Julian A. Miranda
Councilmember Mark A. Breceda
Councilmember Manuel R. Garcia
Councilmember H. Manuel Ortiz

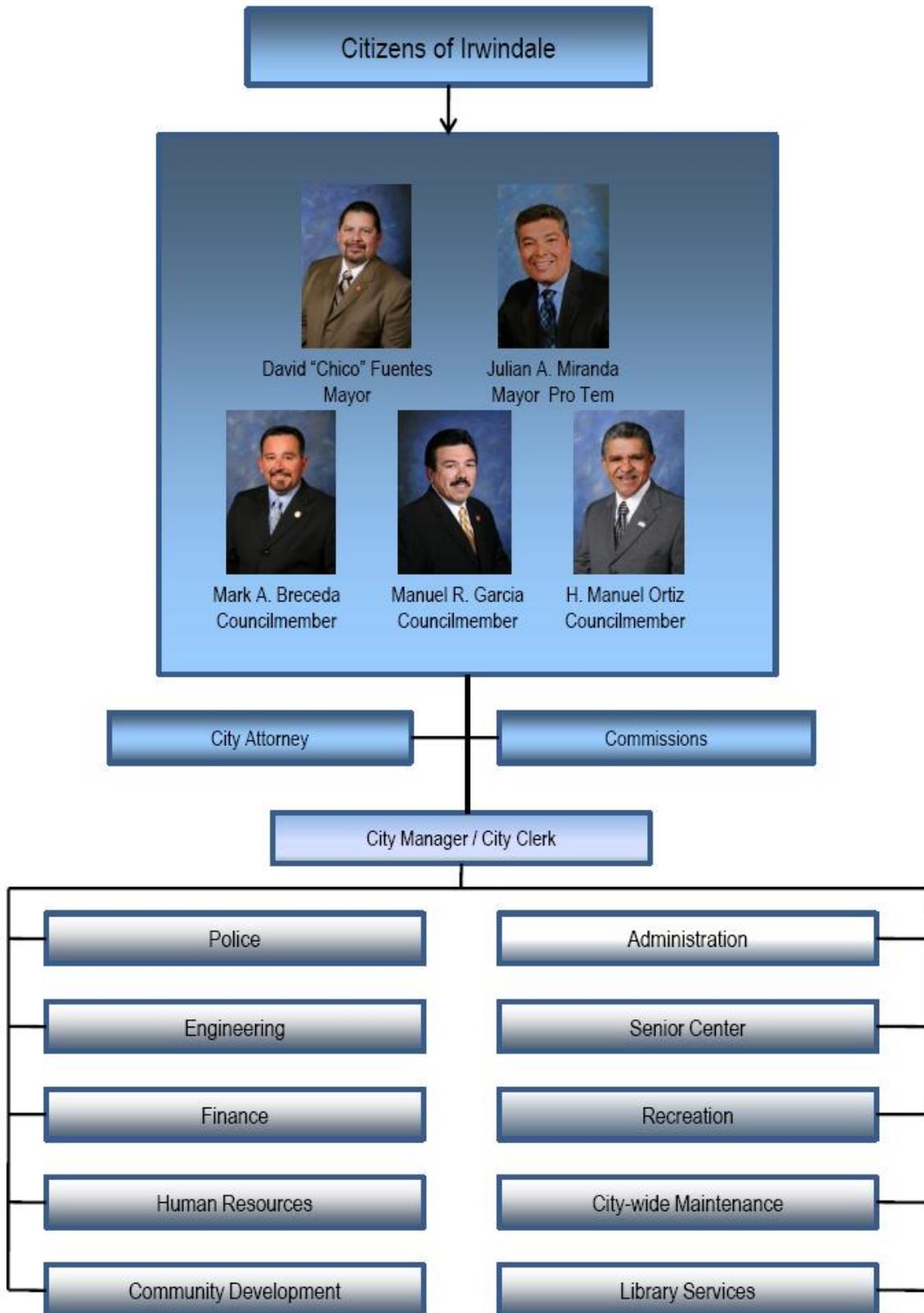
EXECUTIVE MANAGEMENT

City Manager John Davidson
Assistant City Manager Camille Diaz
Chief of Police Dennis Smith
Director of Finance/City Treasurer Eva Carreon
Director of Public Works/City Engineer William K. Tam
Director of Community Development /Consultant. Ken Lee
Deputy City Clerk Laura Nieto

CITY ATTORNEY

Fred Galante, Aleshire & Wynder, LLP

**CITY OF IRWINDALE
ORGANIZATION CHART
June 30, 2012**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Irwindale
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

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CERTIFIED PUBLIC ACCOUNTANTS

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

Brandon W. Burrows, CPA, Retired

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Irwindale, California

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Irwindale, California (the City), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Irwindale's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Irwindale as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund, Housing Authority Fund, and the Special Mining Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We would like to draw the reader's attention to Note 14 – "Successor Agency Trust for Assets of Former Redevelopment Agency". The note provides information on the dissolution of the Redevelopment Agency and the new formed Successor Agency.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2013, on our consideration of the City of Irwindale's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



To the Honorable Mayor and Members of the City Council
City of Irwindale, California

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lance, Soll & Luyhard, LLP

Brea, California
February 25, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the City of Irwindale's Comprehensive Annual Financial Report (CAFR) presents management's discussion and analysis of the City's performance during the fiscal year that ended June 30, 2012. This analysis should be read in conjunction with the Transmittal Letter at the front of this report and the accompanying financial statements.

FINANCIAL HIGHLIGHTS

Long-Term Economic Resource (Government-wide) Focus – Economic resources are differentiated from financial resources in that the economic measurement focus measures changes in net assets as soon as the event occurs regardless of the timing of related cash flows. Therefore, this measurement focus includes current spendable resources and fixed non-spendable assets, and long-term claims against these assets. The resulting net asset utilizing this measurement focus provides one measure of the City's overall long-term financial condition.

- The City's assets exceeded its liabilities at the close of the most recent fiscal year by \$176 million.
- The City's total net assets increased by \$51 million.
- The City's total debt decreased by \$93 million during the current fiscal year.
- These significant changes to the net assets and liabilities listed above are attributed to the dissolution of the Irwindale Community Redevelopment Agency. On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 which dissolved all redevelopment agencies in the State of California as of February 1, 2012. This year's financial reports includes entries which account for the dissolution and transfer of redevelopment activities to the Successor Agency.

Short-Term Financial Resource (Fund) Focus - The financial resources focus measures inflows of current spendable assets. The resulting net difference between current financial assets and current financial liabilities otherwise known as fund balance (or net working capital in the private sector) is to measure the City's ability to finance activities in the near term.

- At the close of the current fiscal year, the City's Governmental Funds reported a combined ending fund balance of \$110 million, a decrease of \$34.9 million. This decrease is primarily due to the transfer of assets as a result of Assembly Bill 1X 26. Approximately \$25.2 million are fund balances assigned for specific purposes and may be modified as deemed appropriate. The purposes for which these fund balances have been assigned include economic contingency, future capital projects, capital and infrastructure replacement, and other special purposes.
- The General Fund reported a fund balance of \$55.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the comprehensive annual financial report contains the following information: *Independent Auditor's Report*, *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and the *Supplementary Information* section, an optional section that presents combining and budgetary schedules for individual non-major funds. The *Basic Financial Statements* are comprised of three components: 1) *Government-wide Financial Statements*, 2) *Fund Financial Statements* and 3) *Notes to the Financial Statements*. The Management's Discussion and Analysis is intended to be an introduction to the Basic Financial Statements.

BASIC FINANCIAL STATEMENTS

Government-wide financial statements. The Government-wide Financial Statements are intended to provide a “Big Picture” view of the City as a whole using accounting methods similar to those used by private sector companies. The statement of net assets includes all of the City’s assets (including non-spendable assets like streets and roads) and liabilities (including long-term liabilities that may be paid over many years). All of the current year revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Government-wide Financial Statements report the City’s net assets and how they have changed.

The Statement of Net Assets – presents information on all of the City of Irwindale’s assets and liabilities, with the difference between the two reported as net assets. Net assets are one way to measure the City’s financial health or position. Over time, increases or decreases in the City’s net assets are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, one should also consider additional non-financial factors such as changes in the City’s property tax base and the condition of the City’s roads.

The Statement of Activities – presents information showing how the government’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City of Irwindale that are principally supported by taxes and intergovernmental revenues (*government activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Irwindale include general government, public safety, public works, and parks and recreation. The City of Irwindale does not provide any business-type activities.

The government-wide financial statements include the blending of separate legal entities—the former Irwindale Community Redevelopment Agency, the Irwindale Housing Authority and the Irwindale Reclamation Authority. Although legally separate, these “component units” are important because the City of Irwindale is financially accountable for them.

Fund Financial Statements – Funds are accounting devices that the City uses to track and control resources intended for specific purposes. The Fund Financial Statements provide more detailed information about the City’s most significant funds (major funds) but not the City as a whole. Some funds are required by State and Federal law or by bond covenants. Other funds are utilized simply to control and manage resources intended for particular purposes.

The City utilizes two categories of funds:

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term and outflows of spendable resource, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term

financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Irwindale maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Special Mining Tax Fund, the former Irwindale Community Redevelopment Agency Capital Project Fund and the former Irwindale Community Redevelopment Agency Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Irwindale adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Fiduciary Funds – The City utilizes Fiduciary Funds to account for assets held by the City in a trustee capacity, or as an agent for other governmental entities, private organizations, or individuals. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's Government-wide Financial Statements because the City cannot use these assets to finance its operations.

Notes to the Financial Statements – The financial statements also include the Notes to the Financial Statements that provide important narrative details about the information contained in the financial statements. Information contained in the Notes to the Financial Statements is critical to a reader's full understanding of the Government-wide and Fund Financial Statements.

Supplementary Information – In addition to the required elements of the Basic Financial Statements, we have also included a Supplementary Information section, which includes budgetary and combining schedules that provide additional details about the City's non-major Governmental Funds and Fiduciary Funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

Net assets serve over time as a useful indicator of a government's financial position. The City's net assets for the year ended June 30, 2012, as shown in the following table, were \$176.2 million.

City of Irwindale
Net Assets at June 30, 2012 and 2011
(in Thousands)

	Governmental Activities	
	2012	2011
Current and other assets	\$ 126,514	\$ 169,787
Capital assets	54,170	57,646
Total assets	<u>180,684</u>	<u>227,433</u>
Long-term debt outstanding	901	93,727
Other liabilities	3,607	7,414
Total liabilities	<u>4,508</u>	<u>101,141</u>
Net assets:		
Invested in capital assets, net of debt	54,163	52,415
Restricted	84,592	115,639
Unrestricted	37,421	(41,762)
Total net assets	<u>\$ 176,176</u>	<u>\$ 126,292</u>

Invested in Capital Assets – This component represents 31 percent of Net Assets and represents the amount of funds required to acquire the City’s capital assets, less any related debt used for such acquisition that is still outstanding. The City uses these capital assets to provide services to citizens. The capital assets of the City are not sources of income for repayment of debt as most assets are not revenue generating and generally are not liquidated to repay debt. Therefore, debt service payments are funded from other sources available to the City.

Restricted Assets – An additional portion of the City’s net assets, \$84.6 million, represents resources that are subject to external restrictions on how they may be used which include capital projects, debt service, grants, etc.

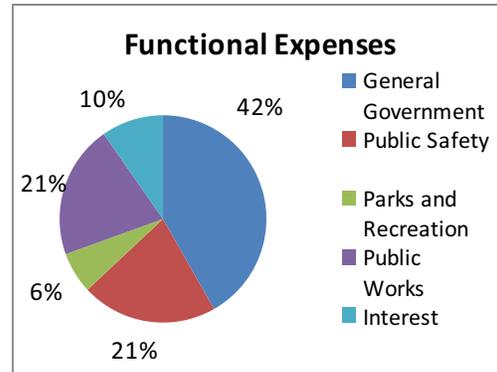
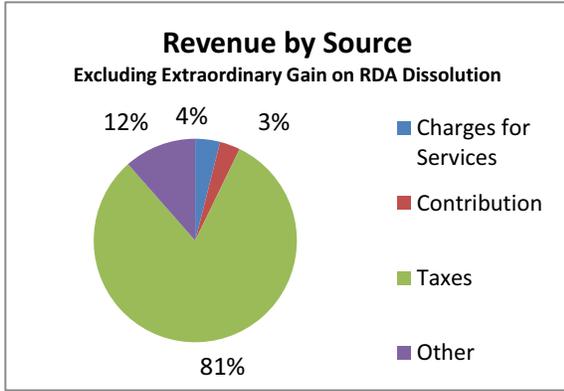
Overall the City’s net assets increased \$49.9 million during the current fiscal year. This increase in net assets is primarily due to the significant decrease in long-term debt outstanding resulting from the dissolution of the Irwindale Community Redevelopment Agency.

Statement of Activities

The following is a condensed Statement of Activities for the fiscal year ended June 30, 2012 and 2011.

City of Irwindale – Statement of Activities
(Changes in Net Assets) as of June 30, 2012 and 2011
(in Thousands)

	Governmental Activities	
	2012	2011
Revenues		
Program revenues:		
Charges for services	\$ 1,139	\$ 2,214
Operating contributions and grants	887	1,470
Capital contributions and grants	34	42
Total program revenues	<u>2,060</u>	<u>3,726</u>
General revenues:		
Taxes:		
Property taxes	9,023	18,421
Mining/Processing taxes	4,458	4,257
Sales taxes	3,395	4,208
Franchise taxes	1,115	910
Business License taxes	1,119	972
Utility Users' Tax	3,134	3,594
Other taxes	310	442
Motor vehicle in lieu	112	121
Use of money and property	2,726	1,848
Gain on Sale of Property	-	4,845
Other	411	1,122
Extraordinary Gain on RDA Dissolution	50,572	-
Total general revenues	<u>76,375</u>	<u>40,740</u>
Total revenues	<u>78,435</u>	<u>44,466</u>
Expenses		
General government	11,618	15,296
Public safety	5,947	5,713
Parks and recreation	1,847	1,851
Public works	5,743	6,309
Interest on long-term debt	2,657	5,428
Total expenses	<u>27,812</u>	<u>34,597</u>
Change in net assets	50,623	9,869
Net assets at beginning of year, as restated	126,292	128,399
Restatement of net assets	<u>(739)</u>	<u>(11,976)</u>
Net assets at end of year	<u>\$ 176,176</u>	<u>\$ 126,292</u>



Governmental Activities – The City reported program revenues of \$2 million and general revenues of \$76.4 million. Included in the total revenues is \$25.8 million in Extraordinary Gains resulting from the accounting for the dissolution of the Irwindale Community Redevelopment Agency. Expenses for all Governmental Activities for the year totaled \$27.8 million. The Governmental Activities of the City resulted in an increase of \$49.9 million in the total net assets for the City over the prior year.

Program revenues decreased \$1.7 million (45%) from the prior year. The primary reason for this decrease is attributed to the significantly reduced building activity and capital grants received during the fiscal year over the prior year.

General revenues increased \$35.6 million (47%) from the prior year. This significant increase in revenue is attributed to the Extraordinary Gain resulting from the accounting for the dissolution of the Irwindale Community Redevelopment.

The total net decrease between years in expenses is \$6.8 million (20%). Reduction of program expenses in the general government and public works reflect continued efforts by the City to reduce operating costs by early retirements, freezing open positions and deferring costs where possible. Additionally, decreased long term debt expenses are due to the dissolution of the Irwindale Community Redevelopment Agency.

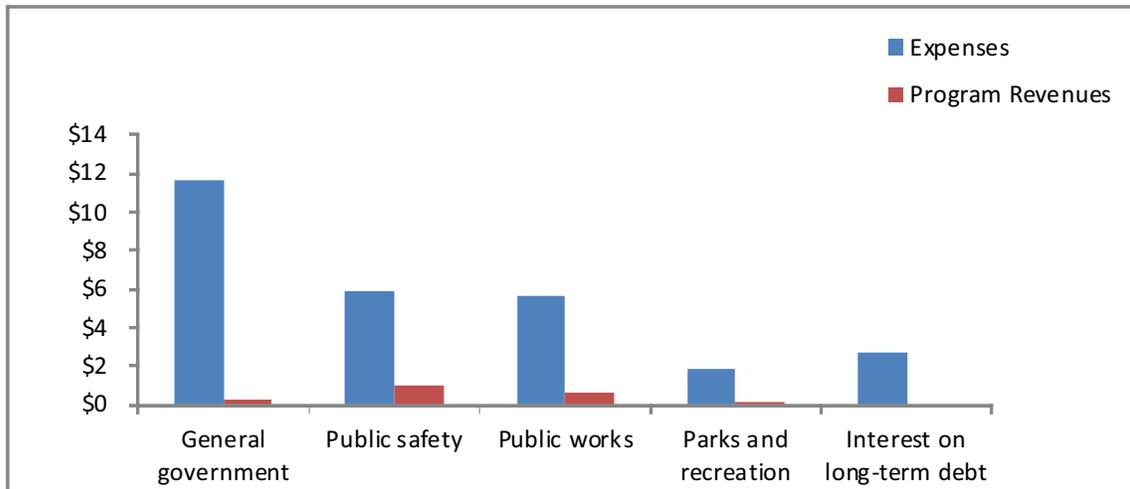
Each programs' net cost (total cost less revenues generated by the activities) is presented in the table below. The net cost shows the extent to which the City's general taxes support each of the City's programs.

City of Irwindale
Governmental Activities as of June 30, 2012 and 2011
(in Thousands)

	Program Expenses		Program Revenues		Net Cost of Services	
	2012	2011	2012	2011	2012	2011
General government	\$ 11,618	\$ 15,296	\$ 250	\$ 1,006	\$ (11,368)	\$ (14,290)
Public safety	5,947	5,713	1,004	863	(4,943)	(4,850)
Public works	5,743	6,309	681	1,731	(5,062)	(4,578)
Parks and recreation	1,847	1,851	125	126	(1,722)	(1,725)
Interest on long-term debt	2,657	5,428	-	-	(2,657)	(5,428)
Totals	\$ 27,812	\$ 34,597	\$ 2,060	\$ 3,726	\$ (25,752)	\$ (30,871)

The net cost of services indicates that the overall cost of government is more than the revenues generated to support it. The City is not fully recovering the cost of these services with program revenues from user fees and other contributions. The table below provides an illustrative chart comparing program expenses to program revenues for governmental activities.

**City of Irwindale
Program Expenses and Revenues – Governmental Activities
Fiscal Year Ended June 30, 2012
(in millions)**



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of the end of the current fiscal year, the City of Irwindale's governmental funds reported combined ending fund balances of \$110 million. Of this balance 23% is legally restricted to fund such areas as low and moderate housing projects, public safety, community services, public works and debt service; 23% is assigned to capital projects, capital asset replacement, PERS stabilization, compensated absences, post retirement benefits and economic contingency; 54% is nonspendable for prepaid costs, land held for resale, notes and loans, and advances to other funds; and 0% is unassigned. These designations have been made to provide resources for the future needs and liabilities.

The General Fund ended the year with a \$55.4 million fund balance, a net decrease of \$11.3 million from the prior fiscal year. Of the total decrease, \$9.2 million is due to the transfer of Land Held for Resale for low/mod income housing purposes. This property was previously conveyed to the City from the former redevelopment agency's low and moderate income housing fund, and was transferred to the Irwindale Housing Authority as required per the State's redevelopment dissolution legislation. The remaining \$2.1 million is the deficit resulting from total expenses exceeding revenues during the fiscal year.

Assigned fund balances establish the assignments of fund balance amounts for intended specific purposes and can be modified as deemed appropriate. This category was previously reported as unreserved under the old financial reporting standards prior to implementation of GASB 54. As a measure of the general fund's liquidity, it may be useful to compare both the total fund balance and the assigned fund balance to total general fund expenditures. The assigned fund balance totals \$25.2 million, which represents 45% of the total general fund balance of \$55.4 million and 148% of total general fund expenditures totaling \$17 million. These balances represent the ongoing efforts of the City of Irwindale to remain fiscally conservative and ensure that the City maintains adequate reserves to cover economic contingencies, future employee obligations, capital improvement and infrastructure needs.

The Special Mining Tax Special Revenue fund ended the fiscal year with \$14.8 million in fund balance, a net increase of \$249,000 from prior year. The net increase is mainly due to reduced expenditures in capital projects during the fiscal year.

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Irwindale that previously reported a redevelopment agency within the reporting entity of the City as a blended component unit. The financial information included in this report reflects the accounting for the dissolution of the redevelopment agency as required by Assembly Bill 1X 26, which results in an extraordinary loss of \$50.6 million on the dissolution of the redevelopment agency. Additional information on the dissolution of the Irwindale Community Redevelopment Agency is included in Note 14 of the Notes to the Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final appropriations for the General Fund at year-end were \$1.8 million more than the original budget and total actual expenditures were \$1.1 million less than the final budget. Several factors contributed to the final variance and are briefly summarized as follows:

Changes to Original Budget:

Resources (Inflows)—

- Revenue estimates reflect an overall increase of \$770,000 to the revenue budget.
- This increase is primarily due to \$1.1 million carried forward in anticipated grant revenue related to continuing capital projects from FY 2010-11.
- The \$1.1 million increase is offset by a decrease \$330,000, reducing Sales Tax revenue estimates as a result of significantly lower sales tax projections determined during the mid-year analysis.

Appropriations (Outflows)—

- Expenditure appropriations reflect an overall increase of \$1.8 million to the original budget.
- This increase is primarily due to \$1.3 million in continuing appropriations and encumbrances recorded from FY 2010-11 for ongoing capital projects.
- The remainder of approximately \$500,000 is attributed to supplemental appropriations approved by the City Council during the fiscal year, which includes \$260,000 to cover the cost of damages resulting from the powerful wind storms experienced during December 2011.

Variances with Final Budget:

Resources (Inflows)—

- Actual revenues resulted in an overall negative variance of \$1.1 million.
- This negative variance is primarily due to the anticipated grant revenue that was carried forward not being realized. Approximately \$960,000 is still pending further completion of the associated projects, and will be carried forward into the next fiscal year.
- The remaining variance is primarily attributed to a decrease in estimated Utility Users Tax revenue received of \$330,000, offset by an increase over estimated revenue in Interest and Rent revenue of \$180,000.

Appropriations (Outflows)—

- Actual operating expenditures and transfers resulted in an overall positive variance of \$2.4 million in expenditures coming in under budget.
- This positive variance is partially attributed to concerted efforts by the City in controlling costs to minimize the general fund operating deficit. Approximately \$1.2 million of this variance of actual expenditures over budget was accomplished through freezing open positions, reducing consulting services, minimizing travel costs and other operating costs.
- The positive variance between budgeted and actual capital outlay of another \$1.2 million was attributed to capital projects being deferred. These capital project budgets will be carried over to Fiscal Year 2012-13 for project continuation and/or completion.
- The positive variances listed above for the City's operating budget were offset to reflect an overall negative variance of \$6.9 million, due to a transfer out of \$9.3 million in land held for resale to the Irwindale Housing Authority. This transfer of housing assets to the Housing Authority was required as part of the redevelopment agency dissolution process. Refer to Note 14 for additional information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2011-12, the City had \$54.2 million invested in a broad range of capital assets, including land, buildings, infrastructure, and equipment. This amount represents a net decrease (including additions and deductions) of \$3.5 million, over last year.

City of Irwindale
Capital Assets as of June 30, 2012 and 2011
(Net of Depreciation, in Thousands)

	Government Activities	
	2012	2011
Land	\$ 3,146	\$ 5,907
Buildings and Improvements	1,598	2,117
Furniture and Equipment	589	554
Infrastructure	45,829	45,545
Construction in progress	3,008	3,523
	<u>\$ 54,170</u>	<u>\$ 57,646</u>

The decrease in Land and Buildings and Improvements is due to transfers of capital assets of the former Irwindale Redevelopment Agency to the Successor Agency. See Note 14 for additional information.

Long-term Debt

At the end of the current fiscal year, the City of Irwindale had total outstanding debt of \$900,000 for accrued employee benefits and capital leases payable.

City of Irwindale
Outstanding Debt as of June 30, 2012 and 2011
(in Thousands)

	Government Activities	
	2012	2011
Tax Allocation Bonds	\$ -	\$ 86,155
Certificates of Participation	-	5,220
Accrued Employee Benefits	894	896
Capital leases payable	6	12
Unamortized original issue discount	-	1,443
	\$ 900	\$ 93,726
Totals		

The decrease in Outstanding Debt is due to the dissolution of the former Irwindale Redevelopment Agency which carried the bond debt. See Note 14 for additional information.

FACTORS EFFECTING NEXT YEAR'S BUDGET

The City's Fiscal Year 2012-13 Budget includes projected General Fund revenues of \$14.5 million. Overall, General Fund revenues are estimated to be about 7% or \$1.1 million lower than actual FY 2011-12 revenues.

The City anticipates that most general tax revenue will remain flat, however Sales Tax revenue is projected to be approximately \$500,000 lower in FY 2012-13. In addition, due to the dissolution of the former Irwindale Community Redevelopment Agency, the City revenue will be decreased by approximately \$600,000 from reduced reimbursements of personnel costs.

This budget also includes projected General Fund expenditures of \$18.2 million, which represents a slight increase over FY 2011-12 actual of \$17.5 million. The FY 2012-13 expenditure budget represents an increase of \$670,000 or 4% from FY 2011-12.

In FY 2012-13, a total of \$95,900 has been budgeted for capital projects. These funds will provide for additional needed funds for the Goldline Construction project, and for certain City Hall upgrades necessary to meet safety standards for employees. In addition, \$380,000 of the general fund balance has been assigned to continuing appropriations for completion of projects started in prior fiscal years.

Based on the projections noted above, the budget for FY 2012-13 results in a \$3.9 million operating deficit. Over the past several years, the City has made significant strides in cutting operating costs, as well as personnel costs. Due to numerous retirements and the institution of a hiring freezing, the City's workforce has been reduced by over 23%. In spite of these accomplishments and concentrated efforts, certain uncontrollable expenditures continue to increase. These expenditure increases, in addition to the continued decline in revenue, will continue to present challenges for the City to present a balanced budget.

Even under the best of circumstances, the elimination of the deficit will continue to be a multi-year effort. Fortunately, in addition to an Economic Contingency Reserve of \$6.9 million, which equates to roughly 41% of the current year expenditures, the City has other assigned reserves of \$18.3 million estimated at the beginning of the fiscal year totaling \$25.2 million. As noted above, the deficit for FY 2012-13 is anticipated to be \$3.9 million, which will reduce the total assigned reserves to \$21.3 million, consisting of \$5 million in the Economic Contingency Reserve for future contingencies, per the City's adopted Fund Balance Policy, and \$16.3 million in the remaining assigned fund balances. The City Council and management will continue to work on revenue enhancement and cost reduction measures to reduce the deficit.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department at the City of Irwindale, 5050 North Irwindale Avenue, Irwindale, California, 91706, and (626) 430-2200.

CITY OF IRWINDALE

STATEMENT OF NET ASSETS
 JUNE 30, 2012

	Governmental Activities
Assets:	
Cash and investments	\$ 51,648,579
Receivables:	
Accounts	543,133
Taxes	1,900,446
Notes and loans	24,293,811
Accrued interest	76,076
Advances to Successor Agency	1,189,209
Prepaid costs	25,782
Due from other governments	2,911
Prepaid other post employment benefits	35,723
Land held for resale	46,798,450
Capital assets not being depreciated	6,153,838
Capital assets, net of depreciation	<u>48,015,737</u>
Total Assets	<u>180,683,695</u>
Liabilities:	
Accounts payable	576,311
Accrued liabilities	297,333
Unearned revenue	2,071,355
Deposits payable	662,458
Noncurrent liabilities:	
Due within one year	584,577
Due in more than one year	<u>316,059</u>
Total Liabilities	<u>4,508,093</u>
Net Assets:	
Invested in capital assets, net of related debt	54,163,083
Restricted for:	
Public safety	347,622
Community development projects	25,289,147
Capital projects	58,954,695
Unrestricted	<u>37,421,055</u>
Total Net Assets	<u>\$ 176,175,602</u>

CITY OF IRWINDALE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	(Expenses) Revenues and Changes in Net Assets Primary Government
Primary Government:					
Governmental Activities:					
General government	\$ 11,618,188	\$ 502	\$ 249,646	\$ -	\$ (11,368,040)
Public safety	5,947,245	497,442	506,353	-	(4,943,450)
Parks and recreation	1,846,848	117,481	7,000	-	(1,722,367)
Public works	5,743,162	523,323	124,049	34,169	(5,061,621)
Interest on long-term debt	2,657,051	-	-	-	(2,657,051)
Total Governmental Activities	27,812,494	1,138,748	887,048	34,169	(25,752,529)
Total Primary Government	\$ 27,812,494	\$ 1,138,748	\$ 887,048	\$ 34,169	(25,752,529)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					9,022,938
Mining/processing taxes					4,457,993
Sales taxes					3,394,807
Franchise taxes					1,114,846
Business licenses taxes					1,118,699
Utility users tax					3,134,265
Other taxes					310,334
Motor vehicle in lieu - unrestricted					111,598
Use of money and property					2,725,901
Other					411,368
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note14)					<u>50,571,909</u>
Total General Revenues and Extraordinary Special Items					<u>76,374,658</u>
Change in Net Assets					50,622,129
Net Assets at Beginning of Year					126,292,110
Restatement of Net Assets					<u>(738,637)</u>
Net Assets at End of Year					<u>\$ 176,175,602</u>

CITY OF IRWINDALE

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

	General	Special Revenue Funds		Capital Projects Fund
		Housing Authority	Special Mining Tax	Redevelopment Agency Capital Projects
Assets:				
Cash and investments	\$ 25,592,799	\$ 3,403,485	\$ 15,551,370	\$ -
Receivables:				
Accounts	404,227	-	71,233	-
Taxes	1,327,080	-	573,366	-
Notes and loans	12,218	24,281,593	-	-
Accrued interest	39,657	1,379	24,051	-
Prepaid costs	25,782	-	-	-
Due from other governments	2,911	-	-	-
Due from other funds	50,982	-	-	-
Advances to Successor Agency	-	1,189,209	-	-
Land held for resale	30,153,045	16,645,405	-	-
Total Assets	\$ 57,608,701	\$ 45,521,071	\$ 16,220,020	\$ -
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 494,992	\$ 4,155	\$ 53,145	\$ -
Accrued liabilities	281,967	-	12,678	-
Deferred revenues	70,983	12,993,855	-	-
Unearned revenues	904,213	-	1,167,142	-
Deposits payable	488,863	-	173,595	-
Due to other funds	-	-	-	-
Total Liabilities	2,241,018	12,998,010	1,406,560	-
Fund Balances:				
Nonspendable:				
Prepaid costs	25,782	-	-	-
Land held for resale	30,153,045	16,645,405	-	-
Notes and loans	12,218	11,287,738	-	-
Advances to other funds	-	1,189,209	-	-
Restricted for:				
Continuing projects	-	3,400,709	-	-
Public safety	-	-	-	-
Public works	-	-	14,813,460	-
Assigned to:				
Capital projects	500,000	-	-	-
Capital asset replacement	6,400,000	-	-	-
Continuing appropriations	380,000	-	-	-
PERS stabilization	800,000	-	-	-
Compensated absences liability	900,000	-	-	-
Post retirement benefits	9,240,000	-	-	-
Economic contingency	6,956,638	-	-	-
Total Fund Balances	55,367,683	32,523,061	14,813,460	-
Total Liabilities and Fund Balances	\$ 57,608,701	\$ 45,521,071	\$ 16,220,020	\$ -

CITY OF IRWINDALE

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

	<u>Debt Service Fund</u>		
	<u>Redevelopment Agency Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ -	\$ 7,100,925	\$ 51,648,579
Receivables:			
Accounts	-	67,673	543,133
Taxes	-	-	1,900,446
Notes and loans	-	-	24,293,811
Accrued interest	-	10,989	76,076
Prepaid costs	-	-	25,782
Due from other governments	-	-	2,911
Due from other funds	-	-	50,982
Advances to Successor Agency	-	-	1,189,209
Land held for resale	-	-	46,798,450
Total Assets	\$ -	\$ 7,179,587	\$ 126,529,379
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ 24,019	\$ 576,311
Accrued liabilities	-	2,688	297,333
Deferred revenues	-	-	13,064,838
Unearned revenues	-	-	2,071,355
Deposits payable	-	-	662,458
Due to other funds	-	50,982	50,982
Total Liabilities	-	77,689	16,723,277
Fund Balances:			
Nonspendable:			
Prepaid costs	-	-	25,782
Land held for resale	-	-	46,798,450
Notes and loans	-	-	11,299,956
Advances to other funds	-	-	1,189,209
Restricted for:			
Continuing projects	-	-	3,400,709
Public safety	-	347,622	347,622
Public works	-	6,754,276	21,567,736
Assigned to:			
Capital projects	-	-	500,000
Capital asset replacement	-	-	6,400,000
Continuing appropriations	-	-	380,000
PERS stabilization	-	-	800,000
Compensated absences liability	-	-	900,000
Post retirement benefits	-	-	9,240,000
Economic contingency	-	-	6,956,638
Total Fund Balances	-	7,101,898	109,806,102
Total Liabilities and Fund Balances	\$ -	\$ 7,179,587	\$ 126,529,379

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CITY OF IRWINDALE

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

Fund balances of governmental funds \$ 109,806,102

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

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

Capital Assets	\$ 77,101,467	
Accumulated depreciation	<u>(22,931,892)</u>	
		54,169,575

Long-term debt and compensated absences that have not been included in the governmental fund activity:

Capital leases	(6,492)
Compensated Absences	(894,144)

Governmental funds report all OPEB contributions as expenditures, however in the Statement of Net Assets any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability.

35,723

Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.

13,064,838

Net assets of governmental activities

\$ 176,175,602

CITY OF IRWINDALE

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

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>
	<u>General</u>	<u>Housing Authority</u>	<u>Special Mining Tax</u>	<u>Redevelopment Agency Capital Projects</u>
Revenues:				
Taxes	\$ 11,711,991	\$ -	\$ 2,451,050	\$ 1,730,643
Licenses and permits	283,398	-	-	-
Intergovernmental	159,081	-	34,169	-
Charges for services	470,000	-	-	-
Use of money and property	836,587	12,398	258,336	1,502,079
Fines and forfeitures	385,350	-	-	-
Contributions	2,000	-	-	-
Miscellaneous	1,708,989	-	-	5,803
Total Revenues	15,557,396	12,398	2,743,555	3,238,525
Expenditures:				
Current:				
General government	6,401,284	1,240,902	269,781	894,605
Public safety	5,643,181	-	-	-
Parks and recreation	1,661,899	-	-	-
Public works	3,098,912	-	906,215	26,331
Capital outlay	159,906	-	675,803	336,683
Debt service:				
Principal retirement	4,902	-	-	885,000
Interest and fiscal charges	470	-	-	1,197,472
Total Expenditures	16,970,554	1,240,902	1,851,799	3,340,091
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,413,158)	(1,228,504)	891,756	(101,566)
Other Financing Sources (Uses):				
Transfers in	-	9,270,000	-	3,042
Transfers out	(9,395,414)	-	(642,717)	-
Contributions to Successor Agency	(545,416)	-	-	-
Total Other Financing Sources (Uses)	(9,940,830)	9,270,000	(642,717)	3,042
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note14)	-	19,531,651	-	(44,263,833)
Net Change in Fund Balances	(11,353,988)	27,573,147	249,039	(44,362,357)
Fund Balances, Beginning of Year	66,721,671	4,949,914	14,564,421	44,362,357
Fund Balances, End of Year	\$ 55,367,683	\$ 32,523,061	\$ 14,813,460	\$ -

CITY OF IRWINDALE

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

	<u>Debt Service Fund</u>		<u>Total Governmental Funds</u>
	<u>Redevelopment Agency Debt Service</u>	<u>Other Governmental Funds</u>	
Revenues:			
Taxes	\$ 6,937,785	\$ 163,122	\$ 22,994,591
Licenses and permits	-	-	283,398
Intergovernmental	-	661,098	854,348
Charges for services	-	-	470,000
Use of money and property	-	116,501	2,725,901
Fines and forfeitures	-	-	385,350
Contributions	-	-	2,000
Miscellaneous	-	-	1,714,792
Total Revenues	6,937,785	940,721	29,430,380
Expenditures:			
Current:			
General government	2,192,829	9,963	11,009,364
Public safety	-	148,859	5,792,040
Parks and recreation	-	591	1,662,490
Public works	-	376,228	4,407,686
Capital outlay	-	277,513	1,449,905
Debt service:			
Principal retirement	2,850,000	-	3,739,902
Interest and fiscal charges	3,048,669	-	4,246,611
Total Expenditures	8,091,498	813,154	32,307,998
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,153,713)	127,567	(2,877,618)
Other Financing Sources (Uses):			
Transfers in	125,414	642,717	10,041,173
Transfers out	(3,042)	-	(10,041,173)
Contributions to Successor Agency	-	-	(545,416)
Total Other Financing Sources (Uses)	122,372	642,717	(545,416)
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note14)	(6,710,818)	-	(31,443,000)
Net Change in Fund Balances	(7,742,159)	770,284	(34,866,034)
Fund Balances, Beginning of Year	7,742,159	6,331,614	144,672,136
Fund Balances, End of Year	\$ -	\$ 7,101,898	\$ 109,806,102

CITY OF IRWINDALE

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012**

Net change in fund balances - total governmental funds \$ (34,866,034)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period

Capital outlay	\$	1,455,006	
Depreciation		<u>(1,745,225)</u>	(290,219)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets

2002 Tax Allocation Senior Bonds		530,000	
2003 Tax Allocation Housing Bonds		710,000	
2005 Tax Allocation Housing Bonds		175,000	
2006 Tax Allocation Refunding Bonds		1,645,000	
2006 Subordinate Lien TARB		675,000	
Capital Lease Payable		4,902	
Bond discounts and premiums amortization		31,177	
Bond defeasance loss amortization		(34,139)	
Cost of issuance amortization		<u>(189,687)</u>	3,547,253

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 1,782,209

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 2,340

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the Statement of Activities only the ARC is an expense. (663)

Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the following revenues in the governmental fund activity:

Taxes			(440,709)
Intergovernmental			(43,605)
Deferred loans			(1,083,352)

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

Capital Assets		(3,186,611)	
Long-term liabilities		89,052,214	
Unamortized bond issuance costs		(3,044,913)	
Unamortized bond defeasance loss		<u>(805,781)</u>	<u>82,014,909</u>

Change in net assets of governmental activities \$ 50,622,129

CITY OF IRWINDALE

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

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 66,721,671	\$ 66,721,671	\$ 66,721,671	\$ -
Resources (Inflows):				
Taxes	12,160,400	11,953,400	11,711,991	(241,409)
Licenses and permits	558,000	318,000	283,398	(34,602)
Intergovernmental	159,550	1,123,016	159,081	(963,935)
Charges for services	559,000	559,000	470,000	(89,000)
Use of money and property	700,500	660,500	836,587	176,087
Fines and forfeitures	350,000	350,000	385,350	35,350
Contributions	3,000	3,000	2,000	(1,000)
Miscellaneous	1,352,170	1,648,170	1,708,989	60,819
Amounts Available for Appropriations	82,564,291	83,336,757	82,279,067	(1,057,690)
Charges to Appropriation (Outflow):				
General government	6,324,830	6,547,244	6,401,284	145,960
Public safety	6,006,149	6,007,932	5,643,181	364,751
Parks and recreation	1,847,574	1,858,996	1,661,899	197,097
Public works	3,250,959	3,600,631	3,098,912	501,719
Capital outlay	61,210	1,325,123	159,906	1,165,217
Debt service:				
Principal retirement	4,902	4,902	4,902	-
Interest and fiscal charges	470	470	470	-
Transfers out	670,830	670,830	9,395,414	(8,724,584)
Contributions to Successor Agency	-	-	545,416	(545,416)
Total Charges to Appropriations	18,166,924	20,016,128	26,911,384	(6,895,256)
Budgetary Fund Balance, June 30	\$ 64,397,367	\$ 63,320,629	\$ 55,367,683	\$ (7,952,946)

CITY OF IRWINDALE

**BUDGETARY COMPARISON STATEMENT
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,949,914	\$ 4,949,914	\$ 4,949,914	\$ -
Resources (Inflows):				
Use of money and property	8,000	8,000	12,398	4,398
Transfers in	150,000	150,000	9,270,000	9,120,000
Extraordinary gain on dissolution of redevelopment agency	-	-	19,531,651	19,531,651
Amounts Available for Appropriations	5,107,914	5,107,914	33,763,963	28,656,049
Charges to Appropriation (Outflow):				
General government	216,652	1,771,346	1,240,902	530,444
Total Charges to Appropriations	216,652	1,771,346	1,240,902	530,444
Budgetary Fund Balance, June 30	\$ 4,891,262	\$ 3,336,568	\$ 32,523,061	\$ 29,186,493

CITY OF IRWINDALE

**BUDGETARY COMPARISON STATEMENT
SPECIAL MINING TAX
YEAR ENDED JUNE 30, 2012**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 14,564,421	\$ 14,564,421	\$ 14,564,421	\$ -
Resources (Inflows):				
Taxes	2,238,000	2,238,000	2,451,050	213,050
Intergovernmental	-	-	34,169	34,169
Use of money and property	200,000	200,000	258,336	58,336
Miscellaneous	-	635,000	-	(635,000)
Amounts Available for Appropriations	<u>17,002,421</u>	<u>17,637,421</u>	<u>17,307,976</u>	<u>(329,445)</u>
Charges to Appropriation (Outflow):				
General government	313,849	317,687	269,781	47,906
Public works	1,196,881	1,443,144	906,215	536,929
Capital outlay	67,500	2,085,834	675,803	1,410,031
Transfers out	670,978	670,978	642,717	28,261
Total Charges to Appropriations	<u>2,249,208</u>	<u>4,517,643</u>	<u>2,494,516</u>	<u>2,023,127</u>
Budgetary Fund Balance, June 30	<u>\$ 14,753,213</u>	<u>\$ 13,119,778</u>	<u>\$ 14,813,460</u>	<u>\$ 1,693,682</u>

CITY OF IRWINDALE

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2012

	Agency Funds	Private- Purpose Trust Fund Successor Agency of the Former ICRA
Assets:		
Cash and investments	\$ 1,770,486	\$ 27,889,990
Receivables:		
Accounts	-	24,415
Taxes	68,863	-
Notes and loans	-	3,050,524
Accrued interest	2,618	31,670
Land held for resale	-	403,602
Deferred charges	-	3,690,819
Restricted assets:		
Cash and investments with fiscal agents	870,250	6,842,187
Capital assets:		
Capital assets, not being depreciated	-	2,761,293
Capital assets, net of accumulated depreciation	-	418,206
Total Assets	\$ 2,712,217	45,112,706
Liabilities:		
Accounts payable	\$ 1,190	\$ 108,402
Accrued interest	-	1,713,234
Deposits payable	2,708,116	128,233
Due to other governments	2,911	-
Long-term liabilities:		
Due in one year	-	4,355,000
Due in more than one year	-	85,444,153
Total Liabilities	\$ 2,712,217	91,749,022
Net Assets:		
Held in trust for other purposes		(46,636,316)
Total Net Assets		\$ (46,636,316)

CITY OF IRWINDALE

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

	<u>Private- Purpose Trust Fund Successor Agency of the Former ICRA</u>
Additions:	
Contributions:	
Taxes	\$ 6,657,773
Interest and change in fair value of investments	462,246
Contributions from City	<u>545,416</u>
Total Additions	<u>7,665,435</u>
Deductions:	
Administrative expenses	1,224,229
Contractual services	120,158
Interest expense	2,378,343
Depreciation expense	<u>7,112</u>
Total Deductions	<u>3,729,842</u>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 14)	<u>(50,571,909)</u>
Changes in Net Assets	(46,636,316)
Net Assets - Beginning of the Year	<u>-</u>
Net Assets - End of the Year	<u>\$ (46,636,316)</u>

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The City of Irwindale, the primary government, was incorporated on August 7, 1957, under the laws of the State of California and enjoys all the rights and privileges applicable to a Charter City. It is governed by an elected five-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Irwindale (the City) and its component units, entities for which the City is considered financially accountable.

The inclusion of an organization within the scope of the reporting entity of the City of Irwindale is based on the provisions of GASB Statement No. 14. The blended component units discussed below, although legally separate entities, are in substance part of the government operation and so data from these component units has been combined herein. The following criteria were used in the determination of the blended component units:

1. The members of the City Council also act as the governing body of the Irwindale Redevelopment Agency (the Agency), the Irwindale Public Financing Authority, the Irwindale Housing Authority, and the Irwindale Reclamation Authority.
2. The Agency, the Public Financing Authority, the Housing Authority and the Reclamation Authority are managed by employees of the City. A portion of the City's personnel costs is allocated to these component units each year.
3. The City, the Agency, the Public Financing Authority, the Housing Authority and the Reclamation Authority are financially interdependent. They provide financial benefit/burden to the City.

Blended Component Units

The Irwindale Community Redevelopment Agency was established on January 24, 1975, pursuant to the State of California Health and Safety Code, Section 33000. Its purpose is to prepare and carry out plans for the improvement, rehabilitation and development of blighted areas within the territorial limits of the City of Irwindale. The Redevelopment Agency was dissolved as of January 31, 2012 through the Supreme Court decision on Assembly Bill 1X 26. See Note 13 and 14 for more information on the dissolution.

The Irwindale Public Financing Authority was established on October 29, 1990, pursuant to the State of California Joint Exercise of Powers Act. Its purpose is to acquire, construct, modify and rehabilitate facilities; undertake a program of local agency bond pooled financing and lending; and make more efficient use of the common powers of the City of Irwindale and the Irwindale Community Redevelopment Agency.

The Irwindale Housing Authority was established on August 27, 1987, by a joint exercise of powers agreement between the City and the Community Redevelopment Agency. Under the bond law, the Authority has the power to issue bonds and loan the proceeds to any local agency.

The Irwindale Reclamation Authority was established on August 17, 2004, under a Joint Power Agreement between the City of Irwindale and the Irwindale Redevelopment Agency.

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

The Authority is organized to receive and reassign the operating rights from each of the mining companies under SMARA for certain quarries located in the City of Irwindale for the purpose of complying with the California Surface Mining and Reclamation Act of 1975 (SMARA) and implementing State Mining and Geology Board Reclamation Regulations (SMGB Regulations).

Component unit financial statements for the Irwindale Community Redevelopment Agency have been issued under a separate cover and may be obtained from the City. Separate financial statements have not been prepared for the Irwindale Public Financing Authority, the Irwindale Housing Authority and the Irwindale Reclamation Authority.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities are normally supported by taxes and intergovernmental revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

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

claims and judgments, are recorded only when payment is due. Agency funds are reported on the accrual basis of accounting.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

- The General Fund accounts for all unrestricted resources except those required to be accounted for in another fund.
- The Housing Authority Fund accounts for the transactions of the Irwindale Housing Authority which was established to for the development of low and moderate income housing in the City.
- The Special Mining Tax Fund accounts for the excavation and processing taxes received from the various mining companies in the City.
- The Irwindale Community Redevelopment Agency Capital Projects Fund accounts for the financial resources segregated for the acquisition and construction of major capital facilities within the Irwindale Project Area. The Redevelopment Agency was dissolved as of January 31, 2012 through the Supreme Court decision on Assembly Bill 1X 26. See Note 13 for more information.
- The Irwindale Community Redevelopment Agency Debt Service Fund accounts for the accumulation of resources for the payment of interest and principal on the long-term debt of the Agency. The Redevelopment Agency was dissolved as of January 31, 2012 through the Supreme Court decision on Assembly Bill 1X 26. See Note 13 for more information.

Additionally, the City reports the following fund types:

- Agency Funds are used to account for funds held for the benefit of parties outside the government. The resources in these agency funds are not used to support any City programs. Agency funds for the City consists of the Trust & Agency Fiduciary Fund, the Community Facilities District (CFD#1), the Live Oak Sewer Assessment District, the Street Light Assessment District, and the Sewer Maintenance Assessment District Fund.
- Private-purpose trust funds are used to accounts for the assets and liabilities of the former redevelopment agency and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

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

reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Certain indirect costs are included in the program expense reported for individual functions and activities.

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

d. Assets, Liabilities and Net Assets or Equity

1. Investments

Investments are reported at fair value as required under GASB Statement No. 31. The City's investment in land held for resale is stated at cost. If a disposition and development agreement has been entered into specifying a lower value for the land, then the difference between cost and this value has been reflected as an allowance for decline in value of land held.

2. 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."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property tax revenue is recognized on the basis of NCGA Interpretation No. 3 (adopted by GASB); that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of January each year and are delinquent on August 31.

3. Inventories and Prepaid Items

Governmental funds use the purchases method to account for their inventories of materials and supplies. Under the purchase method, inventories are reported as expenditure when purchased rather than capitalized as an asset.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2012

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

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. The fund balances in the governmental fund types have been reserved for amounts equal to the prepaid items in the fund level statements since these amounts are not available for appropriation.

4. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, sidewalks and similar items) and intangible assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets other than infrastructure assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Infrastructure assets have a capitalization threshold of \$100,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In accordance with GASB Statement No. 34, the City has reported its general infrastructure assets acquired after June 30, 1980, which include pavement, sidewalk, curb and gutter, streetlights, storm drains, bridges and traffic signals

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	25 - 100
Buildings	50
Furniture, Fixtures and Equipment	3 – 10

5. Compensated Absences

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment, upon completion of six months of service. Sick leave is payable when an employee is unable to work because of illness. Upon termination, sick leave accrued will be paid based on the following:

- 75% reimbursement from one day up to 60 days,
- 50% reimbursement from 60 days up to 100 days, and
- 25% reimbursement for any amount of days over 100.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

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

6. Claims and Judgments

Only the short-term liability, if any, is reflected as a current liability in the applicable governmental fund. The short-term liability, which will be liquidated with expendable available financial resources, is the amount of settlement reached, but unpaid, related to claims and judgments entered. At June 30, 2012, there were no material long-term claims and judgments against the City and no liability was reported.

7. 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 assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

8. Fund Equity

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

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

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

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by ordinance or resolution.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager is authorized to assign amounts to a specific purpose, which was established by the governing body in a resolution.

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

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

The accounting policies of the City considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

9. Functional Classifications

Expenditures of the Governmental Funds are classified by function. Functional classifications are defined as follows:

- General Government includes legislative activities which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities which provide management or support services across more than one functional area.
- Public Safety includes those activities which involve the protection of people and property.
- Public Works includes those activities which involve the maintenance and improvement of City streets, roads and park development and maintenance.
- Parks and Recreation includes those activities, which involve the parks and recreation system.
- Capital Outlay includes those activities which involve the acquisition of capital assets.
- Debt Service includes those activities that account for the payment of long-term debt principal, interest and fiscal charges.

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. Budgetary Data

General Budget Policies

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public meetings are conducted prior to its adoption by the Council. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Supplemental appropriations, where required during the period, are also approved by the Council. The City Manager is authorized to transfer budgeted appropriations within the control accounts provided no change is made to the total amount for any one fund. Actual expenditures may not exceed budgeted appropriations at the fund level. At fiscal year-end, all operating budget appropriations lapse. During the year, several supplementary appropriations were necessary.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

Note 2: Stewardship, Compliance and Accountability (Continued)

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue and similar governmental funds.

Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

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

Governmental activities	\$ 51,648,579
Fiduciary funds	<u>37,372,913</u>
Total Cash and Investments	<u><u>\$ 89,021,492</u></u>

The City of Irwindale maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

Deposits

At June 30, 2012, the carrying amount of the City's deposits was \$908,013 and the bank balance was \$1,092,596. The \$184,583 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which 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 governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

Note 3: Cash and Investments (Continued)

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

Investments

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

- Bonds issued by the City
- United States Treasury Bills, Notes & Bonds
- Registered state warrants or treasury notes or bonds issued by the State of California
- Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies
- Obligations issued by Agencies or Instrumentality of the US Government
- Bankers Acceptances
- Negotiable Certificates of Deposit which are fully insured by the Federal Deposit Insurance Corporation (FDIC)
- Repurchase/Reverse Repurchase Agreements
- Medium Term Notes
- Corporate Bonds which are fully insurance by the Federal Deposit Insurance Corporation (FDIC)
- Money market mutual funds
- Funds held under the terms of a Trust Indenture or other contract or agreement
- Collateralized bank deposits with a perfected security interest

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 shares.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

Note 3: Cash and Investments (Continued)

GASB Statement No. 31

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

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits investments in medium-term notes (MTN's) to those rated "AA" or higher by Standard and Poor's (S&P) or by Moody's. As of June 30, 2012, the City had no investments in medium-term notes. In addition, the City's investments in Federal Agency investments were rated "AAA" by Moody's and S&P. All securities were investment grade and legal under State law. Investments in U.S. treasuries are not considered to have credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2012, the City's investments in external investment pools and money market mutual funds are 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, 2012, none of the City's deposits or investments was exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer for the following types of investments: Medium Term Notes (30%), Medium Term of any one corporation (15%), Banker's Acceptances (20%), and Bank's acceptance of any one commercial bank (10%). With respect to concentration of credit risk, as of June 30, 2012, the Agency is in compliance with its investment policy. In accordance with GASB Statement No. 40 a separate disclosure is needed if the City has invested more than 5% of its total investments in any one issuer. As of June 30, 2012, the City has invested \$11,091,030 (13%) in Federal Home Loan Mortgage Corporation and \$12,552,750 (14%) in Federal National Mortgage Association.

Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

Note 3: Cash and Investments (Continued)

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 at least two-thirds of the City's portfolio shall mature in three years or less. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2012, the City had the following investments and original maturities:

	Investment Maturities					Fair Value
	Less 6 Months	6 Months to 1 Year	1 to 3 Years	3 to 5 Years	More than 5 years	
Investments:						
California Local Agency Investment Fund	\$ 40,937,592	\$ -	\$ -	\$ -	\$ -	\$ 40,937,592
Certificate of Deposit	201,096	2,927,672	4,432,784	3,881,533	1,654,443	13,097,528
Corporate Bonds	-	-	205,100	-	-	205,100
Money Market Fund	25,142	-	-	-	-	25,142
Federal Agency Securities	-	-	6,074,580	-	20,061,100	26,135,680
Investments with fiscal agents:						
Money Market Mutual Fund	7,712,437	-	-	-	-	7,712,437
	<u>\$ 48,876,267</u>	<u>\$ 2,927,672</u>	<u>\$ 10,712,464</u>	<u>\$ 3,881,533</u>	<u>\$ 21,715,543</u>	<u>\$ 88,113,479</u>

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Deletions	Transfers to Successor Agency*	Transfers	Ending Balance
Capital assets, not being depreciated:						
Land	\$ 5,906,957	\$ -	\$ -	\$ (2,761,293)	\$ -	\$ 3,145,664
Construction-in-progress	3,523,483	1,245,391	-	-	(1,760,700)	3,008,174
Total Capital Assets, Not Being Depreciated	9,430,440	1,245,391	-	(2,761,293)	(1,760,700)	6,153,838
Capital assets, being depreciated:						
Buildings and improvements	5,335,098	-	-	(853,487)	-	4,481,611
Furniture, fixtures and equipment	3,885,721	209,615	(167,748)	-	-	3,927,588
Infrastructure	60,777,730	-	-	-	1,760,700	62,538,430
Total Capital Assets, Being Depreciated	69,998,549	209,615	(167,748)	(853,487)	1,760,700	70,947,629
Less accumulated depreciation:						
Buildings and improvements	3,217,391	94,208	-	(428,169)	-	2,883,430
Furniture, fixtures and equipment	3,332,056	175,371	(167,748)	-	-	3,339,679
Infrastructure	15,233,137	1,475,646	-	-	-	16,708,783
Total Accumulated Depreciation	21,782,584	1,745,225	(167,748)	(428,169)	-	22,931,892
Total Capital Assets, Being Depreciated, Net	48,215,965	(1,535,610)	-	(425,318)	1,760,700	48,015,737
Governmental Activities Capital Assets, Net	\$ 57,646,405	\$ (290,219)	\$ -	\$ (3,186,611)	\$ -	\$ 54,169,575

* As a result of the dissolution of the Irwindale Community Redevelopment Agency, capital assets of the former Community Redevelopment Agency were transferred to the Successor Agency. See Note 14 for additional information.

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

Governmental Activities:	
General government	\$ 41,038
Public safety	152,014
Parks and recreation	175,050
Public works	1,377,123
Total Depreciation Expense	\$ 1,745,225

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2012

Note 5: Interfund Receivable, Payable and Transfer

The composition of interfund balances as of June 30, 2012, is as follows:

a. Due To/From Other Funds

Due From Other Funds	Due To Other Funds Nonmajor Governmental Funds
General Fund	\$ 50,982

The due to General fund of \$50,982 from various nonmajor funds was to cover temporary deficit cash balances at June 30, 2012.

b. Interfund Transfers

Funds	Transfers out			Total
	General Fund	Special Mining Tax	Debt Service Fund	
Transfers in:				
Housing Authority	\$ 9,270,000	\$ -	\$ -	\$ 9,270,000
Redevelopment Agency Capital Projects		-	3,042	3,042
Redevelopment Agency Debt Service	125,414	-	-	125,414
Nonmajor Governmental Funds	-	642,717	-	642,717
Total	<u>\$ 9,395,414</u>	<u>\$ 642,717</u>	<u>\$ 3,042</u>	<u>\$ 10,041,173</u>

The General Fund transferred land held for resale to the Housing Authority in the amount of \$9,270,000. This land was conveyed in the prior year from the Irwindale Community Redevelopment Agency.

The General Fund transferred \$124,414 to the Irwindale Community Redevelopment Agency Debt Service fund for the lease on municipal facilities related to the 2001 refunding Certificates of Participation.

The Special Mining Tax fund transferred \$642,717 to the Reclamation fund for annual mining contributions pursuant to a settlement agreement.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

Note 6: Long-Term Debt

The following is a schedule of changes in governmental activities long-term debt for fiscal year ended June 30, 2012.

	Outstanding July 1, 2011	Additions	Deletions	Transfers to Successor Agency *	Outstanding June 30, 2012	Due Within One Year
Tax Allocation Bonds:						
2002 Tax Allocation Senior Parity Bonds	\$ 10,800,000	\$ -	\$ 530,000	\$ (10,270,000)	\$ -	\$ -
2003 Tax Allocation Housing Parity Bonds	4,940,000	-	710,000	(4,230,000)	-	-
2005 Tax Allocation Housing Parity Bonds	16,515,000	-	175,000	(16,340,000)	-	-
2006 Tax Allocation Refunding Parity Bonds	37,830,000	-	1,645,000	(36,185,000)	-	-
2006 Subordinate Lien Tax Allocation Refunding Bonds	16,070,000	-	675,000	(15,395,000)	-	-
Certificates of Participation:						
2001 Refunding Certificates of Participation	5,220,000	-	-	(5,220,000)	-	-
Accrued Employee Benefits	896,484	578,594	580,934	-	894,144	579,418
Capital Lease Payable	11,394	-	4,902	-	6,492	5,159
Unamortized net bond discounts and premiums	1,443,391	33,268	64,445	(1,412,214)	-	-
Total	<u>\$ 93,726,269</u>	<u>\$ 611,862</u>	<u>\$ 4,385,281</u>	<u>\$ (89,052,214)</u>	<u>\$ 900,636</u>	<u>\$ 584,577</u>

* As a result of the dissolution of the redevelopment agency, indebtedness of the former redevelopment agency was transferred to the Successor Agency. See Note 14 for disclosures for indebtedness.

a. Capital Leases

In September 2008, the City entered into a capital lease agreement to acquire a copier. For accounting purposes, the lease qualifies as capital leases and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2012, the outstanding balance on the lease was \$6,492. The following is a schedule by years of future minimum lease payments:

Year Ending June 30,	Total
2013	\$ 5,372
2014	1,343
Total payments	6,715
Less amount representing interest	223
Outstanding Principal	<u>\$ 6,492</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2012

Note 6: Long-Term Debt (Continued)

b. Compensated Absences

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

c. Other Special Obligations

On November 30, 1998, the City of Irwindale Sewer Assessment District issued \$975,000 in limited obligation improvement bonds carrying an interest rate of 6.25% pursuant to the provision of the Improvement Bond Act of 1915.

On July 13, 2010, the City of Irwindale Community Facilities District No. 1 issued \$7,685,000 in Special Tax Refunding Bonds with interest rates varying from 3.00% to 5.00% to refund the District's outstanding 1998 Special Tax Refunding Bonds.

The issues described above are not reflected in the liabilities on the statement of net assets because they are special obligations payable solely from and secured by specific revenue source described in the resolutions and official statement of the issues. Neither the faith and credit nor the taxing power of the City, the Redevelopment Agency, the State of California or any political subdivision thereof, is pledged for the payment of these bonds.

	Amount Outstanding at <u>June 30, 2012</u>
City of Irwindale Sewer Assessment District (Live Oak Avenue) Limited Obligation Improvement Bonds	\$ 470,000
City of Irwindale Community Facilities District No. 1 2010 Special Tax Refunding Bonds	7,180,000

IV. OTHER DISCLOSURES

Note 7: Retirement Plan

Plan Description

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

Funding Policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. As of January 1, 2011, existing participants were required to pay 1% of the current 7% (9% for safety employees). This percentage increased to 2% effective July 1, 2011. Participants hired after July 1, 2010 are required to pay the full 7% (9% for safety employees)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

Note 7: Retirement Plan (Continued)

of their required contribution. The City contributes the employer requirement at an actuarially determined rate. The current employer rate is 10.056% (25.821% for safety employees) of the annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Required Contribution

During fiscal year 2011-2012, the City's contribution of \$1,348,157 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method.

The following table provides the annual pension cost and the percentage contributed for the current and two prior fiscal years.

Fiscal Years Ended	Required Contribution	Percentage Contributed
6/30/2010	\$ 1,471	100%
6/30/2011	1,374	100%
6/30/2012	1,348	100%

The City of Irwindale participated in risk pooling. Risk pooling consists of combining assets and liabilities across employers to produce large groups where the impact of a catastrophic demographic event is shared among all employers of the same risk pool. Participation in risk pools is mandatory for all plans with less than 100 active members. Mandated participation in risk pools was initially based on the active membership of each rate plan as of June 30, 2003. The implementation of risk pools was done in a way that minimizes the impact on employer contribution rates. The first year in risk pools, the employer contributions are almost identical to what the rates would have been outside the pools. Future rates will be based on the experience of each pool. Pooling will reduce the volatility of future employer rates. Mandated participation will occur on an annual basis.

Note 8: Retirement Enhancement Plan

Plan Description

The City of Irwindale established the PARS Retirement Enhancement Plan (PARS) for its miscellaneous employees to supplement PERS retirement benefits. PARS is a 401(a) tax-qualified multiple employer trust made up of California governmental agencies. Union Bank of California is the trustee for PARS and has the duties to receive and invest plan contributions, safeguard assets of the plan and distribute benefits to eligible plan participants or beneficiaries pursuant to the plan document. To be eligible for benefits under this plan, employees must be a full-time or part-time employee, be at least 50 years of age, have completed at least three years of continuous employment with the City as of the last day of employment with the City if hired prior to January 1, 2007, or 10 years of continuous employment if hired on or after January 1, 2007. Employees must terminate employment with the City; concurrently retire under PERS; and have applied for benefits under this plan. PARS supplements the current 2% at 55 PERS benefits to provide a combined total retirement benefit equivalent to a 3% at 55 PERS benefits based on the total credited PERS years of service.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

Note 8: Retirement Enhancement Plan (Continued)

Funding Policy

The City is required to contribute at an actuarially determined rate; the current rate is 14.25% of the annual covered payroll. The required contribution was based on the July 1, 2011, actuarial valuation, using the entry age normal actuarial cost method. Based on the July 1, 2011 actuarial valuation assumptions included (a) an investment return of 7.50%, (b) an inflation rate of 3.00%, (c) projected annual payroll increases of 3.85% to 12.65% based on year of service, and (d) a cost-of-living adjustment of 2% per year. Miscellaneous employees hired prior to July 1, 2010 are required to contribute .4% of the current rate, with the City contributing the remaining portion (currently 13.85%). All miscellaneous employees hired after July 1, 2010 are required to pay 50% of the current rate with the City contributing the remaining 50% (currently 7.125%). The UAAL is being amortized as a level percentage of payroll and is based on a 20 year amortization period from July 1, 2011 with amortization payments increasing 3.25% annually.

Required Contribution

For fiscal year ending June 30, 2012, the City's required contribution and actual contribution was \$502,904. The following table provides 3 years of historical information of the Annual Pension Cost:

Trend Information for PARS
(Amounts in Thousands)

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 448	100 %	\$ -
6/30/2011	462	100 %	-
6/30/2012	503	100 %	-

Schedule of Funded Status and Funding Progress for PARS
(Amounts in Thousands)

Actuarial Valuation Date	Actuarial Liability (AAL) Entry Age	Actuarial Value of Assets	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/06	\$ 4,894	\$ 4,212	\$ 683	86.1%	\$ 3,622	18.9%
6/30/08	5,461	4,535	926	83.1%	4,373	21.2%
6/30/10	6,957	3,974	2,983	57.1%	3,617	82.5%

Actuarial valuation is performed every other year.

Note 9: Other Post-Employment Employee Benefits

Plan Description

The City has established a qualified OPEB trust with the California Employers' Retiree Benefit Trust Fund (CERBT) to fund future benefits. The City provides medical insurance for its retired employees according to the Personnel Rules and Regulations. The authority to do so is included in the Memorandum of Understanding between the City and each of its employee groups and ultimately passed by Council action.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2012

Note 9: Other Post-Employment Employee Benefits (Continued)

For employees hired before July 1, 2010, the plan provides lifetime benefits towards medical insurance for all employees who retire from the City on or after attaining the age of 50 with at least five years of service. For employees hired after July 1, 2010, retiree medical benefits will be implemented in accordance with the vesting resolution with CalPERS which mirrors the state plan for contribution levels; requiring 10 years of service for 50% contribution of state designated amount towards retiree medical premiums and 20 years of service for 100% contribution of state designated amount towards retiree medical premiums.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City, City Council and/or the employee association. Currently, contributions are not required from plan members. The contribution amount is based on the annual required contribution (ARC) of \$1,099,953 for fiscal year 2011-2012, 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.

The City pays current benefits on a pay-as-you-go basis and makes additional contribution to the California Employers' Retiree Benefit Trust Fund (CERBT) to fund future benefits. For fiscal year 2011-2012, the City paid \$759,958 for retiree benefits and contributed \$339,995 to CERBT to fund future benefits.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB asset:

Annual required contribution (ARC)	\$ 1,099,953
Interest on net pension obligation	(1,677)
Adjustment to ARC	<u>2,340</u>
Annual OPEB cost	1,100,616
Contribution made	<u>1,099,953</u>
Decrease in net OPEB asset	(663)
Net OPEB asset - July 1, 2011	<u>36,386</u>
Net OPEB asset - June 30, 2012	<u><u>\$ 35,723</u></u>

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2012

Note 9: Other Post-Employment Employee Benefits (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for the 2011-2012 fiscal year and the two preceding years were as follows:

Fiscal Year End	Annual OPEB Cost	Actual Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset (Liability)
6/30/2010	\$ 1,075,009	\$ 1,074,419	99.9%	\$ 37,004
6/30/2011	961,675	961,057	99.9%	36,386
6/30/2012	1,100,616	1,099,953	99.9%	35,723

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 trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The plan was implemented in fiscal year 2008-2009 and an actuarial valuation was performed during that year. Additionally, actuarial valuations were performed for fiscal year 2010-2011 and for fiscal year 2011-2012, and subsequent actuarial valuations will be performed every two years thereafter.

Actuarial Valuation Date	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
8/1/2008	\$ -	\$ 11,221,220	0.00%	\$ 6,176,705	181.67%
7/1/2010	1,221,250	11,392,900	10.72%	6,176,705	184.45%
6/30/2011	1,670,513	11,471,570	14.56%	6,176,705	185.72%

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 actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial valuation, dated May 30, 2012, used the Entry Age Normal actuarial cost method, a discount rate of 7.61% which is the long-term expected rate of return on the City's investment fund, an annual general inflation rate of 3.00%, and an annual aggregate payroll increase of 3.00%. The initial unfunded accrued actuarial liability (UAAL) is being amortized as a level percentage of projected payroll over a closed 30-year period and the residual UAAL is being amortized over an open 30-year period beginning with the 2011-2012, fiscal year. As of the actuarial valuation date, the City had 82 active participants and 66 recipients.

Note 10: Risk Management

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

The City of Irwindale is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 121 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

b. Self-Insurance Programs of the Authority

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

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

General Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. On a cumulative basis for all 2011-12 reinsurance contracts the annual aggregate deductible is \$5.5 million. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

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

Note 10: Risk Management (Continued)

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

Workers' Compensation

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

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

c. Purchased Insurance

Pollution Legal Liability Insurance

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

Property Insurance

The City of Irwindale participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Irwindale property is currently insured according to a schedule of covered property submitted by the City of Irwindale to the Authority. City of Irwindale property currently has all-risk property insurance protection in the amount of \$33,530,503. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

Note 10: Risk Management (Continued)

Earthquake and Flood Insurance

The City of Irwindale purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Irwindale property currently has earthquake protection in the amount of \$27,806,446. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City of Irwindale 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.

d. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2011-12.

The CJPIA has published its own financial report for the year ended June 30, 2012, which can be obtained from California Joint Powers Insurance Authority, 8081 Moody Street, La Palma, California, 90623.

Note 11: Construction Commitments

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

<u>Project Name</u>	<u>Contract Amount</u>	<u>Expenditures to date as of June 30, 2012</u>	<u>Remaining Commitments</u>
I-605 Interchange at Live Oak/Arrow Highway	\$ 964,037	\$ 231,145	\$ 732,892

Note 12: Net Assets Restatements

Beginning net assets were restated by (\$738,637) to expense the prepaid pension contribution made in prior years to pay off the PERS side fund created when the City's plan joined CalPERS' risk pool.

Note 13: California Redevelopment Agency Dissolution

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

Note 13: California Redevelopment Agency Uncertainty (Continued)

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

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

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

Note 14: Successor Agency Trust For Assets of Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Irwindale 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 January 11, 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 2012-08-2547.

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

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

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

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

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

of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

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

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

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

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

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

Total extraordinary loss reported in the governmental funds - increase to net assets of the Successory Agency Trust Fund	\$ (31,443,000)
Capital assets recorded in the government-wide financial statements - increase to net assets of the Successor Agency Trust Fund	(3,186,611)
Long-term debt reported in the government-wide financial statements - decrease to net assets of the Successor Agency Trust Fund	<u>85,201,520</u>
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	<u><u>\$ 50,571,909</u></u>

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2012

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

a. Cash and investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 27,889,990
Cash and investments with fiscal agent	<u>6,842,187</u>
	<u>\$ 34,732,177</u>

b. Loans Receivable

As a result of the dissolution of the Redevelopment Agency, notes and loans receivable of the former Redevelopment Agency were transferred to the Successor Agency in the amount of \$3,050,524.

c. Capital Assets

An analysis of capital assets as of June 30, 2012, follows:

	Balance July 1, 2011	Transfer from Former RDA *	Additions	Deletions	Balance June 30, 2012
Capital Assets, not being depreciated					
Land	\$ -	\$ 2,761,293	\$ -	\$ -	\$ 2,761,293
Total Capital Assets, Not Being Depreciated	<u>-</u>	<u>2,761,293</u>	<u>-</u>	<u>-</u>	<u>2,761,293</u>
Capital Assets, being depreciated					
Buildings and structures	-	853,487	-	-	853,487
Total Capital Assets, Being Depreciated	<u>-</u>	<u>853,487</u>	<u>-</u>	<u>-</u>	<u>853,487</u>
Less Accumulated Depreciation					
Buildings and structures	-	428,169	7,112	-	435,281
Total Accumulated Depreciation	<u>-</u>	<u>428,169</u>	<u>7,112</u>	<u>-</u>	<u>435,281</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>425,318</u>	<u>(7,112)</u>	<u>-</u>	<u>418,206</u>
Total Capital Assets, Net	<u>\$ -</u>	<u>\$ 3,186,611</u>	<u>\$ (7,112)</u>	<u>\$ -</u>	<u>\$ 3,179,499</u>

*As a result of the dissolution of the Redevelopment Agency, capital assets of the former Redevelopment Agency were transferred to the Successor Agency.

CITY OF IRWINDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012**

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

d. Long-Term Debt

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

	Outstanding July 1, 2011	Transfers from former RDA *	Additions	Deletions	Outstanding June 30, 2012	Due Within One Year
Fiduciary Activities						
Successor Agency of the Former RDA						
Tax Allocation Bonds:						
2002 Tax Allocation Senior Parity Bonds	\$ -	\$ 10,270,000	\$ -	\$ -	\$ 10,270,000	\$ 550,000
2003 Tax Allocation Housing Parity Bonds	-	4,230,000	-	-	4,230,000	740,000
2005 Tax Allocation Housing Parity Bonds	-	16,340,000	-	-	16,340,000	190,000
2006 Tax Allocation Refunding Parity Bonds	-	36,185,000	-	-	36,185,000	1,725,000
2006 Subordinate Lien Tax Allocation Refunding Bonds	-	15,395,000	-	-	15,395,000	710,000
Certificates of Participation:						
2001 Refunding Certificates of Participation	-	5,220,000	-	420,000	4,800,000	440,000
Advances from the City	-	2,385,644	-	1,196,435	1,189,209	-
Totals	<u>\$ -</u>	<u>\$ 90,025,644</u>	<u>\$ -</u>	<u>\$ 1,616,435</u>		<u>\$ 4,355,000</u>
				Unamortized bond premium	1,557,525	
				Unamortized bond discount	(167,581)	
					<u>\$ 89,799,153</u>	

*As a result of the dissolution of the Redevelopment Agency, long term debts of the former Redevelopment Agency were transferred to the Successor Agency.

Tax Allocation Bonds

A description of individual issues of bonds outstanding at June 30, 2012 (excluding defeased bonds) follows:

2002 Tax Allocation Senior Parity Bonds

On January 6, 2003, the former redevelopment agency issued \$14,175,000 of City Industrial Development Project Tax Allocation Senior Parity Bonds. The bonds were issued to provide funds for certain redevelopment activities of the Agency. Interest on the bonds is payable semi-annually on January 15 and July 15, commencing July 15, 2003. The bonds carry various interest rates from 1.25% to 5.00%. Principal maturities begin July 15, 2004, and continue through 2025. The outstanding balance at June 30, 2012, was \$10,270,000.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2012

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

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

	2002 Tax Allocation Senior Parity Bonds	
	Principal	Interest
2012-2013	\$ 550,000	\$ 464,038
2013-2014	570,000	442,748
2014-2015	590,000	419,833
2015-2016	615,000	395,118
2016-2017	640,000	368,123
2018-2021	3,670,000	1,359,324
2021-2027	3,635,000	373,953
Totals	<u>\$ 10,270,000</u>	<u>\$ 3,823,137</u>

2003 Taxable Housing Tax Allocation Parity Bonds

In December 2003, the former redevelopment agency issued \$9,345,000 of Taxable Housing Tax Allocation Housing Bonds to advance refund the outstanding balance of the 1995 Tax Allocation Housing Bonds and to acquire property for future development for low and moderate income housing. The bonds consist of \$7,760,000 serial bonds maturing from August 2004 through August 2019, bearing annual interest ranging from 2.00% to 6.00% and \$1,585,000 term bonds due August 1, 2025, bearing annual interest at 6.25%. Interest on the bonds is payable semi annually on August 1 and February 1. The outstanding balance at June 30, 2012, was \$4,230,000.

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

	2003 Taxable Housing Tax Allocation Parity Bonds	
	Principal	Interest
2012-2013	\$ 740,000	\$ 223,938
2013-2014	780,000	184,500
2014-2015	165,000	159,694
2015-2016	170,000	150,688
2016-2017	180,000	140,838
2018-2021	1,075,000	523,119
2021-2027	1,120,000	144,688
Totals	<u>\$ 4,230,000</u>	<u>\$ 1,527,465</u>

2005 Taxable Housing Tax Allocation Parity Bonds

On August 2, 2005, the former redevelopment agency issued \$17,445,000 of Taxable Housing Tax Allocation Parity Bonds to refinance the outstanding balance of the 1998 Tax Allocation Housing Refunding Bonds and to finance low and moderate income housing activities of the former redevelopment agency. The 2005 Taxable Housing Tax Allocation Parity Bonds were payable on a parity with certain obligations of the former

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

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

redevelopment agency solely from certain Housing Set-Aside Revenues of the former redevelopment agency. The bonds consist of \$5,225,000 serial bonds maturing from August 2006 through August 2017 bearing annual interest ranging from 4.32% to 5.25%, \$5,900,000 term bonds due August 1, 2022, bearing annual interest at 5.4%, and \$6,320,000 term bonds due August 1, 2026, bearing annual interest at 5.53%. Interest on the bonds is payable beginning February 1, 2006, and semi-annually thereafter on August 1 and February 1. The outstanding balance at June 30, 2012, was \$16,340,000.

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

	<u>2005 Taxable Housing Parity</u>	
	<u>Principal</u>	<u>Interest</u>
2012-2013	\$ 190,000	\$ 876,679
2013-2014	195,000	866,909
2014-2015	860,000	839,791
2015-2016	910,000	794,214
2016-2017	955,000	745,951
2018-2021	5,605,000	2,887,068
2021-2027	<u>7,625,000</u>	<u>1,133,217</u>
Totals	<u>\$ 16,340,000</u>	<u>\$ 8,143,829</u>

2006 Tax Allocation Refunding Parity Bonds

In July 2006, the former redevelopment agency issued the City Industrial Development Project 2006 Tax Allocation Refunding Parity Bonds in the amount of \$44,035,000 for the purpose of refunding, on a current basis, the Agency's 1996 Senior Lien Tax Allocation Bonds. The 2006 Tax Allocation Refunding Parity Bonds were payable on a parity with certain obligations of the former redevelopment agency solely from certain tax increment revenues allocated to the former redevelopment agency as further discussed in each official statement of the issue. The bonds consist of \$18,465,000 serial bonds maturing from January 15, 2007 through July 15, 2017, bearing annual interest ranging from 4.25% to 5.25%, and term bonds ranging from \$2,275,000 to \$3,510,000 due July 15, 2018 through 2026, respectively, and bearing annual interest at 5.25% and 5.85%, respectively. Interest on the bonds is payable semi-annually on January 15 and July 15. The outstanding balance at June 30, 2012, was \$36,185,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

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

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

	2006 Tax Allocation Refunding Parity Bonds	
	Principal	Interest
2012-2013	\$ 1,725,000	\$ 1,943,523
2013-2014	1,810,000	1,857,323
2014-2015	1,895,000	1,765,698
2015-2016	2,000,000	1,666,054
2016-2017	2,105,000	1,559,741
2018-2021	12,335,000	5,995,200
2021-2027	14,315,000	2,159,051
Totals	<u>\$ 36,185,000</u>	<u>\$ 16,946,590</u>

2006 Subordinate Lien Tax Allocation Refunding Bonds

In October 2006, the former redevelopment agency issued the City Industrial Development Project 2006 Subordinate Lien Tax Allocation Refunding Bonds in the amount of \$18,505,000 for the purpose of refunding, on a current basis, the former redevelopment agency's 1996 Subordinate Lien Tax Allocation Bond. The 2006 Subordinate Lien Tax Allocation Refunding Bonds were payable on a subordinate basis to certain obligations of the former redevelopment agency solely from certain tax increment revenues allocated to the former redevelopment agency as further discussed in each official statement for the issue. The bonds consist of \$18,505,000 serial bonds ranging from \$565,000 to \$1,475,000 maturing from December 1, 2007 through June 1, 2026, bearing annual interest ranging from 4.50% to 5.50%, due December 1, 2007 through 2026, respectively. Interest on the bonds is payable annually on December 1. The outstanding balance at June 30, 2012, was \$15,395,000.

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

	2006 Subordinate Lien Tax Allocation Refunding Bonds	
	Principal	Interest
2012-2013	\$ 710,000	\$ 788,200
2013-2014	745,000	753,600
2014-2015	775,000	715,600
2015-2016	820,000	675,725
2016-2017	860,000	633,725
2018-2021	4,990,000	2,459,375
2021-2027	6,495,000	895,400
Totals	<u>\$ 15,395,000</u>	<u>\$ 6,921,625</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

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

Pledged Revenue

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 \$119,782,646 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$8,668,428 and the debt service obligation on the bonds was \$8,206,673.

Moody's Investors Services Bond Rating Change

On June 14, 2012, Moody's Investors Service ("Moody's") downgraded all California tax allocation bonds rated 'Baa3' and above. As such, the Bonds' insured rating was downgraded from 'A3' to 'Ba1' and underlying rating was downgraded from 'A3' to 'Ba1'. According to Moody's, all California tax allocation bond ratings remain on review for possible withdrawal.

Certificates of Participation

2001 Refunding Certificates of Participation

On August 1, 2001, the City of Irwindale issued \$8,820,000 in Certificates of Participation with interest rates ranging from 2.65% to 5.00%. Interest on the certificates is payable semi-annually on April 1 and October 1 of each year commencing October 1, 2001. Principal maturities begin April 1, 2001, and continue annually through April 1, 2018. The certificates were issued for the purpose of currently refunding, on August 1, 2001, certain outstanding Certificates of Participation known and designated as the \$4,075,000 City of Irwindale, California, Issue of 1997. During October 2001, the remaining 1997 Certificates were currently refunded. The 1997 Certificates of Participation were issued for the advance refunding of certain outstanding Certificates of Participation known and designated as the \$4,125,000 City of Irwindale, California, Issue of 1989. The 1989 Certificates were issued to crossover advance refunding of certain outstanding Certificates of Participation known and designed as the \$5,630,000 City of Irwindale, California, Certificates of Participation Issue of 1985. The 1985 Certificates financed certain structures and improvements in the City. At June 30, 2012, the outstanding balance on the 2001 Refunding Certificates of Participation was \$4,800,000.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

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

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

	2001 Refunding Certificates of Participation	
	Principal	Interest
2012-2013	\$ 440,000	\$ 232,980
2013-2014	460,000	213,180
2014-2015	480,000	192,020
2015-2016	505,000	169,460
2016-2017	530,000	145,220
2018-2021	2,385,000	305,250
Totals	<u>\$ 4,800,000</u>	<u>\$ 1,258,110</u>

Advances from the City

On July 23, 2009, the State adopted legislation requiring a shift of monies during fiscal years 2009-2010 and 2010-2011 to be deposited into the County "Supplemental" Educational Revenue Augmentation Fund (SERAF). To accomplish these payments, the Agency borrowed a total of \$7,221,314 from the Irwindale Community Redevelopment Agency Capital Projects Fund (after adopting appropriate findings of necessity). The balance outstanding is \$1,189,209 as of June 30, 2012.

e. Insurance

The Successor Agency is covered under the City of Irwindale'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 10.

Note 15: Subsequent Events

Successor Agency

Assembly Bill 1484 established a requirement for the successor agency to remit to the County auditor-controller three payments as determined by the auditor-controller which consist of a payment to be made in July 2012 for taxing entities' share of December 2011 property tax distribution to redevelopment agency/successor agency, a payment to be made in November 2012 related to Low-Moderate Income Housing Fund Due Diligence Review for unencumbered cash, and a payment to be made in April 2013 related to the other Redevelopment Funds Due Diligence Review for unencumbered cash. As of the date of the report the Low-Moderate Income Housing Due Diligence Review resulted in an amount due of \$2,771,978 and the other Redevelopment Funds Due Diligence Review resulted in an amount due of \$14,597,399, neither of which have been confirmed by the Department of Finance.

Note 15: Subsequent Events (Continued)

Purchase of Land

On January 9, 2013, the City of Irwindale entered into an agreement with the Irwindale Housing Authority ("Authority") to purchase property known as the Olive Pit for a total of \$4,134,000. The Authority acquired this property in 2004 with the intent to reclaim portions for the development of affordable housing. It has not been possible for the Authority to secure arrangements for the reclamation of this mining pit and instead requires continuous monitoring and maintenance. As such, pursuant to Health & Safety Code Section 34315, the Authority is authorized to sell the property provided the proceeds of the sale are used directly to assist affordable housing projects. The City of Irwindale is experienced in enforcing mining regulations, and has entered into the purchase agreement for the fully appraised market value of the property. The City will make payments to the Authority over ten years in equal annual installments of \$413,400. The Authority will be able to utilize the proceeds of this sale toward the development of affordable housing elsewhere in the City.

Nonmajor Governmental Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose. Nonmajor special revenue funds for the City of Irwindale are as follows:

Reclamation Fund – This fund accounts for deposits received from quarry operators, for the purpose of securing the proper reclamation of mining sites in the City.

AB 939 – This fund accounts for revenue received as a result of AB939, adopted by the state in 1989, requiring cities to develop source reduction and recycling programs. Funds for administering these programs are generated through waste collection fees and forwarded to the cities.

Asset Forfeiture – This fund accounts for proportionate funds received as a result of coordinated drug enforcement efforts. The funds then provide for expenditures in relation to targeting, investigating and prosecuting individuals engaged in drug-trafficking activities, and to seize all assets derived there from.

State Gas Tax Fund – This fund accounts for revenues apportioned to the City by the State, pursuant to the Streets and Highways Code of the State of California, which provide for street maintenance and improvements.

Air Quality Improvement – This fund accounts for the City's share of revenue received under AB 2766 to be used to reduce air pollution from motor vehicles pursuant to the California Clean Air Act of 1988.

Proposition A – This fund accounts for the City's share of the half cent sales tax levied in Los Angeles County effective July 1982, which provides for local transit related expenditures.

Proposition C – This fund accounts for the City's share of the half cent sales tax levied in Los Angeles County effective November 1990, which provides for local transit related expenditures.

Measure R – This fund accounts for the City's share of the half cent sales tax approved by Los Angeles County voters, effective July 1, 2009. Measure R funds are distributed on a per capita basis, and are to be used specifically for transportation purposes.

Federal Grants – This fund accounts for a grant received by the U.S. Department of Justice, Community Oriented Policing Services Office. This grant provides for the purchase of technological equipment for law enforcement purposes.

Citizen's Options for Public Safety (COPS) Fund – This fund accounts for the City's portion of funds distributed to local agencies, pursuant to the AB 2339 COPS grant, which provide for law enforcement related expenditures.

CITY OF IRWINDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Special Revenue Funds			
	Reclamation	AB939	Asset Forfeiture	State Gas Tax
Assets:				
Cash and investments	\$ 6,638,784	\$ 94,617	\$ 287,790	\$ -
Receivables:				
Accounts	-	9,808	-	6,013
Accrued interest	10,277	145	444	-
Total Assets	\$ 6,649,061	\$ 104,570	\$ 288,234	\$ 6,013
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 4,592	\$ -	\$ -
Accrued liabilities	-	1,802	886	-
Due to other funds	-	-	-	5,511
Total Liabilities	-	6,394	886	5,511
Fund Balances:				
Restricted for:				
Public safety	-	-	287,348	-
Public works	6,649,061	98,176	-	502
Total Fund Balances	6,649,061	98,176	287,348	502
Total Liabilities and Fund Balances	\$ 6,649,061	\$ 104,570	\$ 288,234	\$ 6,013

CITY OF IRWINDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

(Continued)

	Special Revenue Funds			
	Air Quality Improvement	Proposition A	Proposition C	Measure R
Assets:				
Cash and investments	\$ 210	\$ 4,111	\$ 661	\$ 1,763
Receivables:				
Accounts	441	-	-	1,523
Accrued interest	-	6	1	3
Total Assets	\$ 651	\$ 4,117	\$ 662	\$ 3,289
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 1,531	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	651	-	-	-
Total Liabilities	651	1,531	-	-
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Public works	-	2,586	662	3,289
Total Fund Balances	-	2,586	662	3,289
Total Liabilities and Fund Balances	\$ 651	\$ 4,117	\$ 662	\$ 3,289

CITY OF IRWINDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Special Revenue Funds		Total Governmental Funds
	Federal Grants	COPS	
Assets:			
Cash and investments	\$ -	\$ 72,989	\$ 7,100,925
Receivables:			
Accounts	49,888	-	67,673
Accrued interest	-	113	10,989
Total Assets	\$ 49,888	\$ 73,102	\$ 7,179,587
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 591	\$ 17,305	\$ 24,019
Accrued liabilities	-	-	2,688
Due to other funds	44,820	-	50,982
Total Liabilities	45,411	17,305	77,689
Fund Balances:			
Restricted for:			
Public safety	4,477	55,797	347,622
Public works	-	-	6,754,276
Total Fund Balances	4,477	55,797	7,101,898
Total Liabilities and Fund Balances	\$ 49,888	\$ 73,102	\$ 7,179,587

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CITY OF IRWINDALE

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

	Special Revenue Funds			
	Reclamation	AB939	Asset Forfeiture	State Gas Tax
Revenues:				
Taxes	\$ -	\$ 163,122	\$ -	\$ -
Intergovernmental	-	-	277,260	53,248
Use of money and property	108,817	1,791	3,894	102
Total Revenues	108,817	164,913	281,154	53,350
Expenditures:				
Current:				
General government	-	7,988	-	1,975
Public safety	-	-	107,436	-
Parks and recreation	-	-	-	-
Public works	5,478	231,952	-	51,400
Capital outlay	-	-	35,636	-
Total Expenditures	5,478	239,940	143,072	53,375
Excess (Deficiency) of Revenues Over (Under) Expenditures	103,339	(75,027)	138,082	(25)
Other Financing Sources (Uses):				
Transfers in	642,717	-	-	-
Total Other Financing Sources (Uses)	642,717	-	-	-
Net Change in Fund Balances	746,056	(75,027)	138,082	(25)
Fund Balances, Beginning of Year	5,903,005	173,203	149,266	527
Fund Balances, End of Year	\$ 6,649,061	\$ 98,176	\$ 287,348	\$ 502

CITY OF IRWINDALE

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

(Continued)

	Special Revenue Funds			
	Air Quality Improvement	Proposition A	Proposition C	Measure R
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,789	25,090	20,688	15,508
Use of money and property	-	54	131	165
Total Revenues	1,789	25,144	20,819	15,673
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	1,789	22,738	33,812	29,059
Capital outlay	-	-	-	-
Total Expenditures	1,789	22,738	33,812	29,059
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	2,406	(12,993)	(13,386)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	2,406	(12,993)	(13,386)
Fund Balances, Beginning of Year	-	180	13,655	16,675
Fund Balances, End of Year	\$ -	\$ 2,586	\$ 662	\$ 3,289

CITY OF IRWINDALE

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

	<u>Special Revenue Funds</u>		<u>Total Governmental Funds</u>
	<u>Federal Grants</u>	<u>COPS</u>	
Revenues:			
Taxes	\$ -	\$ -	\$ 163,122
Intergovernmental	167,515	100,000	661,098
Use of money and property	11	1,536	116,501
Total Revenues	167,526	101,536	940,721
Expenditures:			
Current:			
General government	-	-	9,963
Public safety	21,199	20,224	148,859
Parks and recreation	591	-	591
Public works	-	-	376,228
Capital outlay	93,397	148,480	277,513
Total Expenditures	115,187	168,704	813,154
Excess (Deficiency) of Revenues Over (Under) Expenditures	52,339	(67,168)	127,567
Other Financing Sources (Uses):			
Transfers in	-	-	642,717
Total Other Financing Sources (Uses)	-	-	642,717
Net Change in Fund Balances	52,339	(67,168)	770,284
Fund Balances, Beginning of Year	(47,862)	122,965	6,331,614
Fund Balances, End of Year	\$ 4,477	\$ 55,797	\$ 7,101,898

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
RECLAMATION
YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,903,005	\$ 5,903,005	\$ 5,903,005	\$ -
Resources (Inflows):				
Use of money and property	70,000	70,000	108,817	38,817
Transfers in	670,980	670,980	642,717	(28,263)
Amounts Available for Appropriations	6,643,985	6,643,985	6,654,539	10,554
Charges to Appropriation (Outflow):				
General government	10,000	10,000	-	10,000
Public works	18,261	18,261	5,478	12,783
Total Charges to Appropriations	28,261	28,261	5,478	22,783
Budgetary Fund Balance, June 30	\$ 6,615,724	\$ 6,615,724	\$ 6,649,061	\$ 33,337

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
AB939
YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 173,203	\$ 173,203	\$ 173,203	\$ -
Resources (Inflows):				
Taxes	357,000	163,000	163,122	122
Use of money and property	2,000	2,000	1,791	(209)
Amounts Available for Appropriations	532,203	338,203	338,116	(87)
Charges to Appropriation (Outflow):				
General government	5,000	5,000	7,988	(2,988)
Public works	351,504	357,293	231,952	125,341
Total Charges to Appropriations	356,504	362,293	239,940	122,353
Budgetary Fund Balance, June 30	\$ 175,699	\$ (24,090)	\$ 98,176	\$ 122,266

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 149,266	\$ 149,266	\$ 149,266	\$ -
Resources (Inflows):				
Intergovernmental	-	-	277,260	277,260
Use of money and property	-	-	3,894	3,894
Amounts Available for Appropriations	149,266	149,266	430,420	281,154
Charges to Appropriation (Outflow):				
Public safety	-	197,533	107,436	90,097
Capital outlay	-	136,876	35,636	101,240
Total Charges to Appropriations	-	334,409	143,072	191,337
Budgetary Fund Balance, June 30	\$ 149,266	\$ (185,143)	\$ 287,348	\$ 472,491

CITY OF IRWINDALE

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

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 527	\$ 527	\$ 527	\$ -
Resources (Inflows):				
Intergovernmental	51,100	51,100	53,248	2,148
Use of money and property	100	100	102	2
Amounts Available for Appropriations	51,727	51,727	53,877	2,150
Charges to Appropriation (Outflow):				
General government	1,975	1,975	1,975	-
Public works	51,400	51,400	51,400	-
Total Charges to Appropriations	53,375	53,375	53,375	-
Budgetary Fund Balance, June 30	\$ (1,648)	\$ (1,648)	\$ 502	\$ 2,150

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	1,900	1,900	1,789	(111)
Amounts Available for Appropriations	1,900	1,900	1,789	(111)
Charges to Appropriation (Outflow):				
Public works	1,999	1,999	1,789	210
Total Charges to Appropriations	1,999	1,999	1,789	210
Budgetary Fund Balance, June 30	\$ (99)	\$ (99)	\$ -	\$ 99

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION A
YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 180	\$ 180	\$ 180	\$ -
Resources (Inflows):				
Intergovernmental	23,000	23,000	25,090	2,090
Use of money and property	-	-	54	54
Amounts Available for Appropriations	23,180	23,180	25,324	2,144
Charges to Appropriation (Outflow):				
Public works	23,093	23,093	22,738	355
Total Charges to Appropriations	23,093	23,093	22,738	355
Budgetary Fund Balance, June 30	\$ 87	\$ 87	\$ 2,586	\$ 2,499

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION C
YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 13,655	\$ 13,655	\$ 13,655	\$ -
Resources (Inflows):				
Intergovernmental	19,100	19,100	20,688	1,588
Use of money and property	200	200	131	(69)
Amounts Available for Appropriations	32,955	32,955	34,474	1,519
Charges to Appropriation (Outflow):				
Public works	33,812	33,812	33,812	-
Total Charges to Appropriations	33,812	33,812	33,812	-
Budgetary Fund Balance, June 30	\$ (857)	\$ (857)	\$ 662	\$ 1,519

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
MEASURE R
YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 16,675	\$ 16,675	\$ 16,675	\$ -
Resources (Inflows):				
Intergovernmental	14,300	14,300	15,508	1,208
Use of money and property	100	100	165	65
Amounts Available for Appropriations	31,075	31,075	32,348	1,273
Charges to Appropriation (Outflow):				
Public works	16,543	31,075	29,059	2,016
Total Charges to Appropriations	16,543	31,075	29,059	2,016
Budgetary Fund Balance, June 30	\$ 14,532	\$ -	\$ 3,289	\$ 3,289

CITY OF IRWINDALE

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

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (47,862)	\$ (47,862)	\$ (47,862)	\$ -
Resources (Inflows):				
Intergovernmental	-	55,005	167,515	112,510
Use of money and property	-	-	11	11
Amounts Available for Appropriations	(47,862)	7,143	119,664	112,521
Charges to Appropriation (Outflow):				
Public safety	-	21,199	21,199	-
Parks and recreation	-	5,000	591	4,409
Capital outlay	-	95,015	93,397	1,618
Total Charges to Appropriations	-	121,214	115,187	6,027
Budgetary Fund Balance, June 30	\$ (47,862)	\$ (114,071)	\$ 4,477	\$ 118,548

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
COPS
YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 122,965	\$ 122,965	\$ 122,965	\$ -
Resources (Inflows):				
Intergovernmental	-	100,000	100,000	-
Use of money and property	-	-	1,536	1,536
Amounts Available for Appropriations	122,965	222,965	224,501	1,536
Charges to Appropriation (Outflow):				
Public safety	-	49,000	20,224	28,776
Capital outlay	-	173,965	148,480	25,485
Total Charges to Appropriations	-	222,965	168,704	54,261
Budgetary Fund Balance, June 30	\$ 122,965	\$ -	\$ 55,797	\$ 55,797

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
IRWINDALE COMMUNITY REDEVELOPMENT AGENCY CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2012**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 44,362,357	\$ 44,362,357	\$ 44,362,357	\$ -
Resources (Inflows):				
Taxes	3,557,000	3,557,000	1,730,643	(1,826,357)
Intergovernmental	-	1,500,000	-	(1,500,000)
Use of money and property	1,107,300	1,107,300	1,502,079	394,779
Miscellaneous	5,800	5,800	5,803	3
Transfers in	5,700	5,700	3,042	(2,658)
Amounts Available for Appropriation	49,038,157	50,538,157	47,603,924	(2,934,233)
Charges to Appropriation (Outflow):				
General government	2,211,527	2,211,527	894,605	1,316,922
Public works	239,000	253,268	26,331	226,937
Capital outlay	4,454,381	4,454,381	336,683	4,117,698
Debt service:				
Principal retirement	885,000	885,000	885,000	-
Interest and fiscal charges	1,236,500	1,236,500	1,197,472	39,028
Extraordinary loss on dissolution of redevelopment agency	-	-	44,263,833	(44,263,833)
Total Charges to Appropriations	9,026,408	9,040,676	47,603,924	(38,563,248)
Budgetary Fund Balance, June 30	\$ 40,011,749	\$ 41,497,481	\$ -	\$ (41,497,481)

CITY OF IRWINDALE

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

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 7,742,159	\$ 7,742,159	\$ 7,742,159	\$ -
Resources (Inflows):				
Taxes	14,256,500	14,256,500	6,937,785	(7,318,715)
Transfers in	6,846,200	6,846,200	125,414	(6,720,786)
Amounts Available for Appropriation	28,844,859	28,844,859	14,805,358	(14,039,501)
Charges to Appropriation (Outflow):				
General government	6,107,990	6,107,990	2,192,829	3,915,161
Debt service:				
Principal retirement	3,270,000	3,270,000	2,850,000	420,000
Interest and fiscal charges	3,576,200	3,576,200	3,048,669	527,531
Transfers out	6,181,060	6,181,060	3,042	6,178,018
Extraordinary loss on dissolution of redevelopment agency	-	-	6,710,818	(6,710,818)
Total Charges to Appropriations	19,135,250	19,135,250	14,805,358	4,329,892
Budgetary Fund Balance, June 30	\$ 9,709,609	\$ 9,709,609	\$ -	\$ (9,709,609)

Agency Funds

Agency funds are used to account for funds held for the benefit of parties outside the government. The resources in these agency funds are not used to support any City programs. Agency funds for the City of Irwindale are as follows:

Agency Fund – This fund accounts for deposits relative to specific programs or projects, received from external parties under the terms of established agreements.

Community Facilities District (CFD#1) – This fund accounts for the payment of debt service for bonds which were used for community facility improvements.

Live Oak Sewer Assessment District – This fund accounts for the payment of debt service for bonds which were used for sewer improvements on Live Oak Avenue.

Street Light Assessment District – This fund accounts for special assessments levied by the City for the operation and maintenance of street lights in the Irwindale Business Center.

Sewer Maintenance Assessment District – This fund accounts for special assessments levied for sewer system maintenance at the Irwindale Business Center.

CITY OF IRWINDALE

COMBINING BALANCE SHEET
 ALL AGENCY FUNDS
 JUNE 30, 2012

	<u>Agency</u>	<u>CFD #1</u>	<u>Live Oak Assessment District</u>	<u>Street Lighting District</u>
Assets:				
Cash and investments	\$ 31,434	\$ 836,702	\$ -	\$ 29,403
Receivables:				
Taxes	-	-	31,894	3,229
Accrued interest	-	1,197	-	58
Restricted assets:				
Cash and investments with fiscal agents	-	772,747	97,503	-
Total Assets	<u>\$ 31,434</u>	<u>\$ 1,610,646</u>	<u>\$ 129,397</u>	<u>\$ 32,690</u>
Liabilities:				
Accounts payable	\$ 721	\$ -	\$ -	\$ -
Deposits payable	30,713	1,610,646	126,486	32,690
Due to other governments	-	-	2,911	-
Total Liabilities	<u>\$ 31,434</u>	<u>\$ 1,610,646</u>	<u>\$ 129,397</u>	<u>\$ 32,690</u>

CITY OF IRWINDALE

COMBINING BALANCE SHEET
 ALL AGENCY FUNDS
 JUNE 30, 2012

	Sewer Maintenance District	Totals
Assets:		
Cash and investments	\$ 872,947	\$ 1,770,486
Receivables:		
Taxes	33,740	68,863
Accrued interest	1,363	2,618
Restricted assets:		
Cash and investments with fiscal agents	-	870,250
Total Assets	\$ 908,050	\$ 2,712,217
Liabilities:		
Accounts payable	\$ 469	\$ 1,190
Deposits payable	907,581	2,708,116
Due to other governments	-	2,911
Total Liabilities	\$ 908,050	\$ 2,712,217

CITY OF IRWINDALE

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2012**

	<u>Balance 7/1/2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2012</u>
<u>Agency</u>				
Assets:				
Cash and investments	\$ 32,005	\$ 41,076	\$ 41,647	\$ 31,434
Receivables:				
Accounts	295	-	295	-
Total Assets	<u>\$ 32,300</u>	<u>\$ 41,076</u>	<u>\$ 41,942</u>	<u>\$ 31,434</u>
Liabilities:				
Accounts payable	\$ 1,470	\$ 38,783	\$ 39,532	\$ 721
Deposits payable	30,830	41,800	41,917	30,713
Total Liabilities	<u>\$ 32,300</u>	<u>\$ 80,583</u>	<u>\$ 81,449</u>	<u>\$ 31,434</u>
<u>CFD #1</u>				
Assets:				
Cash and investments	\$ 678,741	\$ 992,197	\$ 834,236	\$ 836,702
Receivables:				
Taxes	68	-	68	-
Accrued interest	1,064	2,260	2,127	1,197
Restricted assets:				
Cash and investments with fiscal agents	772,850	315	418	772,747
Total Assets	<u>\$ 1,452,723</u>	<u>\$ 994,772</u>	<u>\$ 836,849</u>	<u>\$ 1,610,646</u>
Liabilities:				
Accounts payable	\$ 10	\$ 10,933	\$ 10,943	\$ -
Deposits payable	1,452,713	990,384	832,451	1,610,646
Total Liabilities	<u>\$ 1,452,723</u>	<u>\$ 1,001,317</u>	<u>\$ 843,394</u>	<u>\$ 1,610,646</u>
<u>Live Oak Assessment District</u>				
Assets:				
Cash and investments	\$ 22,672	\$ 99,548	\$ 122,220	\$ -
Receivables:				
Taxes	7,924	31,894	7,924	31,894
Due from other governments	1,415	686	2,101	-
Restricted assets:				
Cash and investments with fiscal agents	97,500	66,253	66,250	97,503
Total Assets	<u>\$ 129,511</u>	<u>\$ 198,381</u>	<u>\$ 198,495</u>	<u>\$ 129,397</u>
Liabilities:				
Deposits payable	\$ 129,511	\$ 126,433	\$ 129,458	\$ 126,486
Due to other governments	-	2,911	-	2,911
Total Liabilities	<u>\$ 129,511</u>	<u>\$ 129,344</u>	<u>\$ 129,458</u>	<u>\$ 129,397</u>

CITY OF IRWINDALE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2012

	<u>Balance 7/1/2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2012</u>
<u>Street Lighting District</u>				
Assets:				
Cash and investments	\$ 28,837	\$ 12,176	\$ 11,610	\$ 29,403
Receivables:				
Taxes	3,216	3,229	3,216	3,229
Accrued interest	84	143	169	58
Total Assets	<u>\$ 32,137</u>	<u>\$ 15,548</u>	<u>\$ 14,995</u>	<u>\$ 32,690</u>
Liabilities:				
Deposits payable	\$ 32,137	\$ 15,237	\$ 14,684	\$ 32,690
Total Liabilities	<u>\$ 32,137</u>	<u>\$ 15,237</u>	<u>\$ 14,684</u>	<u>\$ 32,690</u>
<u>Sewer Maintenance District</u>				
Assets:				
Cash and investments	\$ 771,946	\$ 140,586	\$ 39,585	\$ 872,947
Receivables:				
Taxes	36,435	33,740	36,435	33,740
Accrued interest	1,929	3,291	3,857	1,363
Total Assets	<u>\$ 810,310</u>	<u>\$ 177,617</u>	<u>\$ 79,877</u>	<u>\$ 908,050</u>
Liabilities:				
Accounts payable	\$ -	\$ 2,147	\$ 1,678	\$ 469
Deposits payable	810,310	170,468	73,197	907,581
Total Liabilities	<u>\$ 810,310</u>	<u>\$ 172,615</u>	<u>\$ 74,875</u>	<u>\$ 908,050</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 1,534,201	\$ 1,285,583	\$ 1,049,298	\$ 1,770,486
Receivables:				
Accounts	295	-	295	-
Taxes	47,643	68,863	47,643	68,863
Accrued interest	3,077	5,694	6,153	2,618
Due from other governments	1,415	686	2,101	-
Restricted assets:				
Cash and investments with fiscal agents	870,350	66,568	66,668	870,250
Total Assets	<u>\$ 2,456,981</u>	<u>\$ 1,427,394</u>	<u>\$ 1,172,158</u>	<u>\$ 2,712,217</u>
Liabilities:				
Accounts payable	\$ 1,480	\$ 51,863	\$ 52,153	\$ 1,190
Deposits payable	2,455,501	1,344,322	1,091,707	2,708,116
Due to other governments	-	2,911	-	2,911
Total Liabilities	<u>\$ 2,456,981</u>	<u>\$ 1,399,096</u>	<u>\$ 1,143,860</u>	<u>\$ 2,712,217</u>

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Statistical Section

This part of the City of Irwindale'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(s)</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.</i>	88-91
Revenue Capacity <i>These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.</i>	92-98
Debt Capacity <i>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.</i>	99-102
Demographic and Economic Information <i>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.</i>	103-104
Operating Information <i>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.</i>	105-107

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

Table 1
City of Irwindale
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 20,450,807	\$ 25,857,323	\$ 28,706,957	\$ 33,383,575	\$ 42,814,561	\$ 47,560,687	\$ 58,229,206	\$ 60,704,534	\$ 52,415,011	\$ 54,163,083
Restricted	102,911,967	99,975,990	102,403,844	103,757,596	104,564,305	118,259,967	113,653,485	112,221,761	115,639,163	84,591,464
Unrestricted	(69,237,240)	(68,735,612)	(63,785,071)	(59,063,422)	(44,068,315)	(40,036,895)	(38,478,703)	(44,527,151)	(41,762,064)	37,421,055
Total governmental activities net assets	\$ 54,125,534	\$ 57,097,701	\$ 67,325,730	\$ 78,077,749	\$ 103,310,551	\$ 125,783,759	\$ 133,403,988	\$ 128,399,144	\$ 126,292,110	\$ 176,175,602

Table 2
City of Inwindsale
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 7,086,907	\$ 10,606,038	\$ 9,618,833	\$ 10,096,308	\$ 12,008,823	\$ 11,547,438	\$ 13,412,919	\$ 19,854,727	\$ 15,295,872	\$ 11,618,188
Public safety	6,203,971	5,835,709	7,313,871	10,317,450	18,619,724	8,063,566	8,074,775	7,137,519	5,713,485	5,947,245
Public Works	2,678,881	3,596,167	3,023,048	3,311,389	5,425,969	5,623,566	5,680,673	5,977,716	6,308,680	5,743,162
Parks and Recreation	1,509,108	1,949,082	1,866,982	2,886,369	2,262,166	2,519,073	2,225,792	1,872,053	1,851,457	1,846,948
Interest on long-term debt	6,042,658	7,342,928	6,296,110	5,320,746	5,481,674	5,755,469	5,676,260	5,702,436	5,427,530	2,657,051
Total primary government expenses	\$ 23,521,525	\$ 29,329,924	\$ 28,118,844	\$ 31,932,262	\$ 43,798,356	\$ 33,509,112	\$ 34,970,419	\$ 40,544,451	\$ 34,597,024	\$ 27,812,949
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 8,561	\$ 4,356	\$ 5,808	\$ 7,372	\$ 5,365	\$ 65,162	\$ -	\$ -	\$ -	\$ 502
Public safety	419,089	427,875	507,595	599,816	631,617	568,437	567,589	528,525	529,939	497,442
Public Works	923,944	483,803	898,633	1,190,418	964,154	1,210,761	688,504	1,097,721	1,562,668	523,323
Parks and Recreation	87,253	97,538	95,343	105,575	96,338	125,620	96,079	112,600	121,570	117,481
Operating grants and contributions	1,568,525	1,869,995	3,182,288	5,592,528	12,656,436	608,949	1,052,056	1,323,556	1,469,968	887,048
Capital grants and contributions	-	-	-	-	-	400,000	-	586,548	41,852	34,169
Total primary government revenues	\$ 3,007,372	\$ 2,883,567	\$ 4,689,667	\$ 7,495,709	\$ 14,353,910	\$ 2,978,929	\$ 2,404,228	\$ 3,648,950	\$ 3,725,997	\$ 2,059,965
Net Revenues (Expense)										
Total primary government net expense	\$ (20,514,153)	\$ (26,446,357)	\$ (23,429,177)	\$ (24,436,553)	\$ (29,444,446)	\$ (30,530,183)	\$ (32,566,191)	\$ (36,895,501)	\$ (30,871,027)	\$ (25,752,529)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes	\$ 9,924,907	\$ 14,858,896	\$ 12,780,666	\$ 12,981,637	\$ 17,102,425	\$ 15,751,809	\$ 18,718,793	\$ 21,048,420	\$ 18,421,025	\$ 9,022,938
Property	6,817,598	6,869,599	6,937,271	7,681,083	7,328,634	5,710,900	3,641,541	3,641,752	4,256,883	4,457,993
Mining/processing	3,307,164	3,934,389	4,855,595	5,272,592	4,518,768	3,938,361	4,541,326	3,919,905	4,207,592	3,394,807
Sales	4,233,414	3,830,372	3,967,353	4,245,058	4,518,768	3,789,366	3,789,366	3,171,532	3,593,910	3,134,265
Utility Users	779,312	746,851	822,143	871,268	991,247	916,917	982,119	943,735	910,274	1,114,846
Franchise	508,443	687,343	719,143	776,361	674,678	1,300,093	1,088,467	674,410	971,720	1,118,699
Business licenses	42	12,495	6,425	5,528	33,407	504,001	466,760	435,179	441,742	310,334
Other	83,081	59,832	21,603	3,257	7,745	107,343	113,485	122,041	121,549	111,598
Motor vehicle in lieu	3,979,549	2,228,302	3,471,873	3,627,387	5,301,935	5,729,773	4,277,620	2,773,276	1,847,903	2,725,901
Use of money and property	-	-	-	25,845	-	11,795,420	205,437	-	4,844,874	-
Gain on sale of assets	79,592	33,570	102,199	21,459	79,308	1,728,496	2,090,634	1,175,407	1,122,602	411,368
Other	-	-	-	-	-	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 14) *	-	-	-	-	-	-	-	-	-	-
Total primary government	29,713,102	33,281,649	33,684,271	35,018,768	41,310,653	52,763,663	39,915,548	37,905,657	40,740,074	50,571,909
Change in Net Assets										
Total primary government	\$ 9,198,949	\$ 6,815,292	\$ 10,255,094	\$ 10,582,215	\$ 11,866,207	\$ 22,223,480	\$ 7,349,357	\$ 1,010,156	\$ 9,869,047	\$ 50,622,129

* Per State Assembly Bill AB 1X26, redevelopment agencies in California were dissolved as of February 1, 2012. After this dissolution date, the assets and financial activities of the former Inwindsale Community Redevelopment Agency are reported as a fiduciary fund in the financial statements of the City of Inwindsale which serves as the Successor Agency to the Inwindsale Community Redevelopment Agency.

Table 3
City of Irwindale
Fund Balances of Governmental Funds
As of June 30, 2012
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012
General fund										
Reserved	\$ 12,818,899	\$ 14,041,434	\$ 14,410,631	\$ 16,550,127	\$ 9,155,651	\$ 8,251,506	\$ 6,772,885	\$ 6,855,694	\$ -	\$ -
Unreserved	10,959,604	10,931,499	11,855,778	10,122,592	18,429,294	21,296,916	22,507,298	20,520,102	-	-
General fund	-	-	-	-	-	-	-	-	\$ 42,441,980	\$ 30,191,045
Nonspendable	-	-	-	-	-	-	-	-	24,279,691	25,176,638
Assigned	-	-	-	-	-	-	-	-	66,721,671	55,367,883
Total general fund	23,778,503	24,972,933	26,266,409	26,672,719	27,584,945	29,548,422	29,280,183	27,375,796		
All other governmental funds										
Reserved	22,656,566	32,030,272	40,824,606	52,004,977	43,073,376	64,370,186	57,441,039	66,445,575	-	-
Unreserved, reported in:										
Special revenue funds	14,208,745	16,796,203	18,355,843	21,000,573	25,901,999	28,339,516	20,917,965	21,374,947	-	-
Debt service funds	10,569,401	6,558,455	17,798,493	15,799,285	16,074,932	6,296,728	4,534,733	1,422,725	-	-
Capital projects funds	57,506,170	46,839,159	27,405,526	16,985,861	21,487,133	21,212,138	32,665,403	24,363,088	-	-
Nonspendable	-	-	-	-	-	-	-	-	24,227,822	29,122,352
Restricted:										
Community development projects	-	-	-	-	-	-	-	-	25,084,449	3,400,709
Public safety	-	-	-	-	-	-	-	-	272,231	347,622
Public works	-	-	-	-	-	-	-	-	20,671,666	21,567,736
Debt service	-	-	-	-	-	-	-	-	7,742,159	-
Unassigned	-	-	-	-	-	-	-	-	(47,862)	-
Total all other governmental funds	\$ 104,940,882	\$ 102,224,089	\$ 104,384,468	\$ 105,790,696	\$ 106,537,440	\$ 120,218,568	\$ 115,559,140	\$ 113,606,335	\$ 77,950,465	\$ 54,438,419

* The City of Irwindale implemented GASB 54 in the fiscal year ended June 30, 2011

Table 4
City of Irwindale
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis accounting)

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	\$ 25,182,316	\$ 30,345,334	\$ 29,113,298	\$ 30,483,436	\$ 35,161,982	\$ 33,472,527	\$ 33,185,335	\$ 33,904,686	\$ 32,787,793	\$ 22,994,591
Licenses and permits	1,259,220	986,506	1,198,377	1,423,707	1,316,064	673,240	354,936	412,414	989,453	283,398
Intergovernmental	1,495,500	1,804,926	1,822,585	2,244,139	1,940,270	560,723	1,216,649	1,013,107	634,658	854,348
Charges for services	369,176	388,216	657,475	920,586	649,075	806,291	585,241	923,939	842,152	470,000
Fines and forfeitures	318,894	326,193	370,670	325,249	407,012	419,100	410,988	396,870	1,847,903	385,350
Use of money and property	3,650,693	1,455,167	3,471,873	3,653,232	5,301,935	5,734,077	4,275,780	2,775,116	382,572	2,725,901
Contributions								950	4,547	2,000
Miscellaneous	115,819	65,739	133,746	54,040	123,089	2,822,137	3,859,481	3,025,803	3,057,217	1,714,792
Total revenues	\$ 32,391,618	\$ 35,372,081	\$ 36,768,024	\$ 39,114,389	\$ 44,899,428	\$ 44,488,095	\$ 43,888,410	\$ 42,452,890	\$ 40,546,295	\$ 29,430,380
Expenditures:										
General government	\$ 7,066,405	\$ 10,504,849	\$ 9,486,560	\$ 9,997,298	\$ 11,905,172	\$ 11,403,642	\$ 13,353,100	\$ 19,852,391	\$ 15,281,394	\$ 11,009,364
Public safety	6,181,287	6,362,744	7,081,086	11,775,501	18,296,950	7,811,497	8,792,926	6,915,434	5,449,255	5,792,040
Public works	2,600,124	3,334,122	3,337,143	3,196,168	3,595,906	2,410,170	4,319,916	5,011,158	1,651,410	4,407,686
Parks and recreation	1,473,032	1,879,686	1,872,221	1,970,076	2,136,059	4,371,390	2,131,443	1,652,324	5,136,018	1,662,490
Capital outlay	7,791,022	5,247,943	2,127,754	3,884,914	2,460,634	5,763,547	11,755,692	3,668,526	1,735,299	1,449,905
Debt Service:										
Debt issuance costs	-	416,913	-	690,789	3,459,022	-	-	-	-	-
Refunding escrow	-	128,095	-	1,426,443	-	-	-	-	-	-
Principal	2,054,071	2,153,138	3,079,260	3,021,899	65,431,923 A	3,407,473	3,563,274	3,779,425	3,989,657	3,739,902
Interest and fiscal charges	6,623,186	7,209,486	6,303,080	5,010,424	5,219,474	5,471,191	5,399,785	5,430,824	5,162,080	4,246,611
Total expenditures	\$ 33,789,127	\$ 37,236,976	\$ 33,287,104	\$ 40,973,512	\$ 112,505,140	\$ 40,638,910	\$ 49,316,136	\$ 46,310,082	\$ 38,405,113	\$ 32,307,998
Excess of revenues over (under) expenditures	\$ (1,397,509)	\$ (1,864,895)	\$ 3,480,920	\$ (1,859,123)	\$ (67,605,712)	\$ 3,849,185	\$ (5,427,726)	\$ (3,857,192)	\$ 2,141,182	\$ (2,877,618)
Other financing sources (uses):										
Transfers in	1,313,873	7,436,185	3,698,580	3,153,568	5,225,638	4,634,545	11,683,810	4,160,591	45,678,056	10,041,173
Transfers out	(1,313,873)	(7,436,185)	(3,698,580)	(3,153,568)	(5,225,638)	(4,634,545)	(11,683,810)	(4,160,591)	(45,678,056)	(10,041,173)
Capital leases	-	-	-	-	23,750	-	-	-	-	-
Gain (loss) on sale of land held	31,951	-	-	-	-	11,795,420	205,437	-	4,844,874	-
Bonds issued	14,175,000	9,345,000	-	17,445,000	62,540,000	-	-	-	-	-
Bond premium	-	-	-	-	2,209,522	-	-	-	-	-
Discount on bonds issued	-	(29,116)	-	(261,675)	-	-	-	-	-	-
Payment to refunding escrow	-	(5,130,227)	-	(13,587,457)	-	-	-	-	-	-
Contributions to Successor Agency	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	14,206,951	4,185,657	-	3,595,868	64,749,522	11,795,420	229,187	-	4,844,874	(545,416)
Net change in fund balances before restatements	\$ 12,809,442	\$ 2,320,762	\$ 3,480,920	\$ 1,736,745	\$ (2,856,190)	\$ 15,644,605	\$ (5,198,539)	\$ (3,857,192)	\$ 6,986,056	\$ (3,423,034)
Restatement of fund balances	(6,145,166)	(3,843,125)	(27,065)	75,793	4,515,160	-	270,872	-	(3,296,051)	(31,443,000)
Net change in fund balances, after restatement	\$ 6,664,276	\$ (1,522,363)	\$ 3,453,855	\$ 1,812,538	\$ 1,658,970	\$ 15,644,605	\$ (4,927,667)	\$ (3,857,192)	\$ 3,690,005	\$ (34,866,034)
Debt service as a percentage of noncapital expenditures	33.38%	29.27%	30.11%	21.66%	6.84% *	25.46%	23.86%	21.60%	24.96%	25.88%

* Restated to exclude \$63,125,000 of refunded bonds in 2007

Table 5
City of Irwindale
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year Ended June 30	Property Tax	Mining Tax	Sales Tax	Utility Users Tax	Other Tax	Total Taxes
2003	\$ 9,924,907	\$ 6,817,598	\$ 3,307,164	\$ 4,233,414	\$ 1,287,797	\$ 25,570,880
2004	14,858,896	6,869,599	3,934,389	3,830,373	1,446,688	30,939,945
2005	12,780,666	6,937,271	4,855,595	3,967,354	1,547,710	30,088,596
2006	12,981,637	7,681,083	4,779,885	4,245,058	1,653,154	31,340,817
2007	17,102,425	7,328,634	5,272,506	4,518,768	1,699,332	35,921,665
2008	15,751,809	5,710,900	5,270,560	3,938,351	2,721,011	33,392,631
2009	18,718,793	3,641,541	4,541,326	3,789,366	2,537,346	33,228,372
2010	21,048,420	3,641,752	3,919,905	3,171,532	2,053,324	33,834,933
2011	18,421,025	4,256,883	4,207,592	3,593,910	2,323,736	32,803,146
2012 *	9,022,938	4,457,993	3,394,807	3,134,265	2,543,879	22,553,882

* Per State Assembly Bill AB 1X26, redevelopment agencies in California were dissolved as of February 1, 2012. After this dissolution date, the assets and financial activities of the former Irwindale Community Redevelopment Agency are reported as a fiduciary fund in the financial statements of the City of Irwindale which serves as the Successor Agency to the Irwindale Community Redevelopment Agency. Fiscal Year 2012 reflects a partial year of property taxes received by the redevelopment agency prior to its dissolution.

Table 6
City of Irwindale
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Category	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Residential	26,195,399	27,266,935	28,028,726	29,626,564	38,320,708	41,736,795	45,838,375	44,637,217	45,110,136	46,217,368
Commercial	119,947,291	126,723,886	131,697,987	136,628,799	145,795,732	152,387,665	167,402,041	173,943,816	171,734,153	156,088,581
Industrial	758,433,077	844,886,045	914,208,345	976,679,757	1,030,683,412	1,055,736,725	1,149,521,380	1,295,789,426	1,305,649,188	1,251,478,474
Government Owned	165,196	590,195	429,569	438,159	446,921	455,859	464,975	474,273	473,148	476,710
Institutional	131,460	1,278,934	136,590	139,320	142,106	144,947	147,845	150,801	150,442	151,574
Miscellaneous	7,717,910	6,934,977	6,683,859	5,025,912	5,056,048	5,219,860	5,606,829	7,741,017	7,585,554	7,445,786
Recreational	11,802,232	10,964,036	10,033,511	10,234,179	10,438,861	10,647,636	10,860,587	11,077,797	11,051,541	11,134,758
Vacant	30,501,885	28,089,141	32,793,045	45,239,935	45,714,577	49,233,056	45,661,181	45,408,486	44,713,577	44,946,595
SBE Nonunitary	9,060,998	9,277,222	9,517,563	9,149,509	9,058,945	8,279,624	8,279,624	8,279,624	8,555,358	8,555,358
Cross Reference	59,950,046	63,216,562	57,624,383	66,554,916	112,334,361	100,279,578	96,708,569	110,739,581	88,675,287	98,587,226
Unsecured	289,350,914	318,584,343	305,301,265	321,508,922	326,549,332	338,680,012	366,248,086	362,612,436	319,707,493	326,709,346
Exempt	(23,051,862)	(33,941,267)	(34,492,381)	(44,975,413)	(46,808,746)	(46,352,157)	(56,270,216)	(49,768,577)	(49,906,700)	(44,332,373)
TOTALS	1,313,256,408	1,437,812,276	1,496,454,843	1,601,225,972	1,724,541,003	1,762,801,757	1,896,739,492	2,060,854,474	2,003,405,877	1,951,791,776
Total Direct Rate	0.92397%	0.92818%	0.92959%	0.93203%	0.93073%	0.92616%	0.92690%	0.93193%	0.92974%	0.92704%

Source: Hdl Coren & Cone Reports

Notes: In 1978 the voters of the State of California passed Proposition 13 which limited property 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 increase 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 actual market value of taxable property and is subject to the limitations described above.

Table 7
City of Irwindale
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended	Direct Rate	Overlapping Rates				Total Direct & Overlapping Rates
	General Levy	Los Angeles County	School Districts	Community College	Water District	
2003	1.00000	0.00191	0.40006	0.01946	0.00670	1.42813
2004	1.00000	0.00146	0.44452	0.01525	0.00610	1.46733
2005	1.00000	0.00116	0.53102	0.06228	0.00580	1.60026
2006	1.00000	0.00085	0.50922	0.05687	0.00520	1.57214
2007	1.00000	0.00071	0.57112	0.04355	0.00470	1.62008
2008	1.00000	0.00000	0.55590	0.04731	0.00450	1.60771
2009	1.00000	0.00000	0.58847	0.07093	0.00430	1.66370
2010	1.00000	0.00000	0.69198	0.07682	0.00430	1.77310
2011	1.00000	0.00000	0.72929	0.08591	0.00370	1.81890
2012	1.00000	0.00000	0.80303	0.08507	0.00370	1.89180

Source: Hdl Coren & Cone Reports

Notes: In 1978, California voters passed Proposition 13 which sets 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 the various intergovernmental overlapping debt.

Table 8
City of Irwindale
Principal Property Taxpayers
June 30, 2012

Property Owner	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Miller Brewing Company	\$ 345,033,207	1	17.63%	\$ 257,183,364	1	19.52%
Crow Family Holdings Industrial	96,370,393	2	4.93%	21,133,545	10	1.60%
Metropolitan Life Insurance Company	51,992,897	3	2.66%	53,827,888	2	4.09%
Hanson Aggregates West Inc.	48,646,649	4	2.49%	22,725,215	9	1.73%
Ready Pac Produce Inc.	40,846,541	5	2.09%			
Unitek Corporation	37,995,019	6	1.94%			
Davis Wire Corporation	37,131,472	7	1.90%	25,267,520	8	1.92%
Walton CWCA Ramona	31,840,702	8	1.63%			
Vulcan Materials	31,532,283	9	1.61%	41,881,958	3	3.18%
LBA RIV-CO XX LLC	30,608,929	10	1.56%			
Reality Associates Fund				34,334,774	4	2.61%
Ortel Corporation AFA Agere System Inc.				33,719,865	5	2.56%
United Rock Products				25,721,971	6	1.95%
Consolidated Rock Products				25,457,791	7	1.93%
Totals	<u>\$ 751,998,092</u>		<u>38.43%</u>	<u>\$ 541,253,891</u>		<u>41.09%</u>

Source: HDL, Coren and Cone

Table 9
City of Inwindale
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	City Tax Levy	Redevelopment Tax Increment	Collected within the Fiscal Year of the Levy		Total Fiscal Year Collections		Collection of Delinquent Taxes
			City Amount	Redevelopment Amount	Amount	Percentage of Levy	
2003	186,441	13,204,922	178,983	12,888,691	13,067,674	97.6%	(1,601,455)
2004	188,657	14,802,375	181,110	14,285,048	14,466,158	96.5%	203,531
2005	189,725	14,921,703	182,136	14,840,253	15,022,389	99.4%	774,262
2006	191,403	15,314,579	132,581	15,360,598	15,493,179	99.9%	258,125
2007	198,193	16,465,858	102,925	16,206,584	16,309,509	97.9%	539,687
2008	200,091	17,080,253	582,841	16,398,045	16,980,886	98.3%	(1,405,667)
2009	200,610	19,093,700	491,577	18,758,294	19,249,871	99.8%	(868,506)
2010	203,934	19,796,470	351,483	19,628,746	19,980,229	99.9%	919,221
2011	201,838	18,661,821	395,476	18,362,304	18,757,780	99.4%	(588,490)
2012	203,082	17,937,905	400,390	8,668,426	9,068,816	50.0%	83,435

NA - Information not available.

Source: HdL Coren & Cone Reports and tax remittance advices from LA County

(1) Totals include Taxpayer Refunds

(2) Per State Assembly Bill AB 1X26, redevelopment agencies in California were dissolved as of February 1, 2012. After this dissolution date, taxes were no longer allocated to redevelopment agencies as Tax Increment. Fiscal Year 2012 lists Tax Increment received for the partial year only, through January 31, 2012

Table 10
City of Irwindale
Taxable Sales by Category
Last Ten Fiscal Years

(in thousands of dollars)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Apparel Stores	\$ 48	\$ 130	\$ 130	\$ 128	\$ 159	\$ 245	\$ 311	\$ 358	\$ 640	\$ 818
General Merchandise	-	-	-	77	130	1,340	1,285	451	78	150
Food Stores	(1,423)	1,153	1,445	1,920	1,542	1,790	2,841	11,789	1,258	1,440
Eating and Drinking Places	9,751	11,522	13,217	16,441	16,293	17,384	17,009	16,817	17,107	17,487
Building Materials	14,668	14,055	16,564	17,174	19,252	19,488	14,136	9,674	10,011	9,980
Auto Dealers and Supplies	2,976	4,759	5,640	4,512	14,622	10,238	10,945	6,484	5,739	3,139
Service Stations	15,616	17,159	23,234	28,055	31,599	30,447	38,581	28,289	47,432	40,916
Other Retail Stores	16,020	14,930	17,869	20,445	21,112	21,704	20,950	16,389	20,455	22,604
All Other Outlets	307,253	304,556	359,012	364,079	437,659	427,173	383,200	300,600	310,599	266,831
Total	\$ 364,909	\$ 368,264	\$ 437,039	\$ 452,831	\$ 542,368	\$ 529,809	\$ 489,258	\$ 390,851	\$ 413,319	\$ 363,375

* 2012 data not available.

Source: State of California Board of Equalization and the HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available.
The categories presented are intended to provide alternative information regarding the sources of the City's revenue

Table 11
City of Irwindale
Top 25 Sales Tax Producers
June 30, 2012

2012		2003	
Business Name	Business Category	Business Name	Business Category
Airgas West	Drugs/Chemicals	Ademco Distribution	Electrical Equipment
Arco	Service Stations	All American Asphalt	Contractors
Arco AM PM	Service Stations	Arco AM PM	Service Stations
Arrow Petrol	Service Stations	Arrow Petrol	Service Stations
Chaparral Concrete	Contractors	B & B Redi Mix Concrete	Contractors
Chem Arrow	Drugs/Chemicals	B & K Electric Wholesale	Plumbing/Electrical Supplies
Decore Active Specialties	Contractors	Barron/Hallet Boats	Boats/Motorcycles
Emisii Purchasing	Stationery/Book Stores	Chem Arrow	Drugs/Chemicals
Food Makers Bakery Equipment	Food Mfg.	Decore Active Specialties	Contractors
Gano Excel Usa	Specialty Stores	Digital System Technology	Light Industrial/Printers
Grainger Industrial Supply	Electrical Equipment	Grainger Industrial Supply	Electrical Equipment
H & K	Heavy Industrial	Hanson Aggregates West	Contractors
Hanson Aggregates West	Contractors	Ingersoll Rand	Heavy Industrial
Holiday Rock Co	Contractors	L & L Building Material	Contractors
Jacmar Food Service	Food Mfg.	Messer Griesheim Industries	Petroleum Prod/Equipment
Kal Care Enterprises	Electronics/Appliance Stores	Miller Brewing	Food Mfg.
Matheson Tri Gas	Petroleum Prod/Equipment	Montgomery Hardware	Contractors
Miller Brewing	Food Mfg.	National Ready Mixed Concrete	Contractors
National Ready Mixed Concrete	Contractors	Seans Arco	Service Stations
Schlastic Book Fairs	Light Industrial/Printers	Spenser Communications	Light Industrial/Printers
Spragues Rock & Sand	Contractors	Spragues Rock & Sand	Contractors
United Rock Products	Contractors	Standard Concrete Products	Contractors
Unitek	Drugs/Chemicals	United Rock Products	Contractors
Vulcan Materials	Contractors	Unitek	Drugs/Chemicals
Western Emulsions	Petroleum Prod/Equipment	Vulcan Materials	Contractors
Percent of Fiscal Year Total			
Paid by Top 25 Accounts	67.82%		67.52%

Source: HdL Reports

Firms Listed Alphabetically (April through March data for each year)

Table 12
City of Irwindale
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Redevelopment Bonds		Housing Bonds		Certificates of Participation		Capital Leases	Total Debt Primary Government		Total Debt As A Percentage of Taxable Assessed Value	Per Capita Personal Income	Ratio of Outstanding Debt
	Bonds	Bonds	Bonds	Participation	Government	Government						
2003	81,660,000	19,685,000	8,090,000	63,692	109,498,692	8.34%	13,517	NM				
2004	80,285,000	23,805,000	7,770,000	45,555	111,905,555	7.78%	13,722	NM				
2005	78,375,000	22,985,000	7,440,000	26,295	108,826,295	7.27%	14,149	NM				
2006	76,380,000	25,505,000	7,100,000	9,396	108,994,396	6.81%	14,562	NM				
2007	74,720,000	24,630,000	6,750,000	2,473	106,102,473	6.15%	15,174	NM				
2008	72,420,000	23,885,000	6,390,000	-	102,695,000	5.83%	15,581	NM				
2009	70,010,000	23,110,000	6,015,000	20,476	99,155,476	5.23%	15,675	NM				
2010	67,435,000	22,300,000	5,625,000	16,051	95,376,051	4.63%	15,380	NM				
2011	64,700,000	21,455,000	5,220,000	11,394	91,386,394	4.56%	15,758	NM				
2012	61,850,000	20,570,000	4,800,000	6,492	87,226,492	4.47%	19,040	NM				

Source: City of Irwindale Note 5 to Financial Statements and Statistical Table 6 and Table 17

NM: Not Meaningful - As noted in Table 16, the city's population is very small, most of the City is Commercial and Industrial businesses. Therefore the Ratio of Outstanding Debt produces a result which is not meaningful or of value for analysis.

Table 13
City of Irwindale
Bonded Debt Pledged Revenue Coverage
Redevelopment Agency Tax Allocation Bonds
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Increment</u>	<u>Debt Service Principal and Interest</u>	<u>Coverage</u>
2003	11,287,213	5,431,252	2.08
2004	14,488,570	6,704,622	2.16
2005	15,614,612	9,170,401	1.70
2006	15,618,565	10,209,370	1.53
2007	16,745,566	75,398,790	1.90 (1)
2008	14,992,197	8,741,386	1.72
2009	17,889,505	8,779,474	2.04
2010	20,547,838	8,844,877	2.32
2011	17,759,769	8,888,625	2.00
2012	8,668,428	8,877,673	0.98 (2)

Source: City of Irwindale

Note: Details regarding the city's outstanding debt can be found in Note 5 to the Financial Statements.

- (1) During FY 2006-2007, the 1996 Sr Lien Tax Allocation and 1996 Subordinate Tax Allocation Bonds were refunded and are included in the debt service total for 2007, however this is excluded from the coverage rate calculation.
- (2) Per State Assembly Bill AB 1X26, redevelopment agencies in California were dissolved as of February 1, 2012. After this dissolution date, taxes were no longer allocated to redevelopment agencies as Tax Increment. Fiscal Year 2012 lists Tax Increment received for the partial year only. This schedule as been retained in the Statistical Section for historical reference.

Table 14
City of Irwindale
Direct and Overlapping Debt
As of June 30, 2012

	Percentage Applicable to City of Irwindale	Amount Applicable to City of Irwindale
		(1)
2011-12 Assessed Valuation, Direct and Overlapping Bonded Debt		<u>\$ 169,276,683</u>
Direct Debt:		
2001 Refunding Certificate of Participation	100%	\$ 4,800,000
Tax allocation bonds	0%	\$ -
Capital Leases	100%	\$ 6,492
Total Direct Debt		<u>\$ 4,806,492</u>
Overlapping Debt:		
Metropolitan Water District	0.020%	\$ 18,464
El Monte School District	2.081%	1,716,450
El Monte Union High School District	1.091%	1,343,967
Citrus Community College District	5.790%	4,628,620
Mt San Antonio Community College District	0.929%	1,466,305
Rio Hondo Community College District	0.417%	468,281
Azusa Unified School District	17.251%	486,258
Azusa Unified School District	17.251%	10,727,986
Baldwin Park Unified School District	6.128%	5,018,817
Covina Valley Unified School District	5.508%	5,232,895
Duarte Unified School District	11.021%	5,944,573
Monrovia Unified School District	88.500%	626,910
West Covina Unified School District	0.011%	3,282
Total Overlapping Debt		<u>\$ 37,682,808</u>
Total Direct and Overlapping Tax and Assessment Debt:		<u>\$ 42,489,300</u>

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

Ratio to Assessed Valuation:	
Direct Debt %	2.84%
Overlapping Debt %	22.26%
Total Gross Debt %	25.10%

Source: Hdl Coren & Cone Reports

Table 15
City of Irwindale
Legal Debt Margin Information
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed valuation	\$ 1,313,256,408	\$ 1,437,812,276	\$ 1,496,454,843	\$ 1,601,225,972	\$ 1,724,541,003	\$ 1,762,801,757	\$ 1,896,739,492	\$ 2,060,854,474	\$ 2,003,405,877	\$ 1,951,791,776
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	328,314,102	359,453,069	374,113,711	400,306,493	431,135,251	440,700,439	474,184,873	515,213,619	500,851,469	487,947,944
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	49,247,115	53,917,960	56,117,057	60,045,974	64,670,288	66,105,066	71,127,731	77,282,043	75,127,720	73,192,192
Less debt applicable to the limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 49,247,115	\$ 53,917,960	\$ 56,117,057	\$ 60,045,974	\$ 64,670,288	\$ 66,105,066	\$ 71,127,731	\$ 77,282,043	\$ 75,127,720	\$ 73,192,192
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

Source: City of Irwindale, Statistical Table 6 and Notes to Financial Statements.

Table 16
City of Irwindale
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2002	1,477	19,965	13,517	6.6%
2003	1,488	20,419	13,722	6.9%
2004	1,486	21,026	14,149	6.5%
2005	1,490	21,697	14,562	5.6%
2006	1,552	23,550	15,174	5.0%
2007	1,640	25,552	15,581	5.2%
2008	1,711	26,819	15,675	7.7%
2009	1,720	26,453	15,380	12.0%
2010	1,717	27,056	15,758	13.1%
2011	1,416	26,961	19,040	12.7%

* 2012 data not available.

Source: Hdl Coren & Cone Reports

Table 17
City of Irwindale
Principal Employers
Current Year

Employer	2012		
	Employees	Rank	Percentage of Total City Employment
Southern California Edison	2,528 *	1	10.1%
Ready-Pac Produce Inc.	1,950 *	2	7.8%
Miller Coors	520	3	2.1%
R Ranch Market	400	4	1.6%
Charter Communications	361	5	1.4%
Mariposa Horticultural Enterprise	360	6	1.4%
Decore-Ative Specialties Inc.	351	7	1.4%
Biosense Webster	300	8	1.2%
California Community News	261	9	1.0%
Gc Services Limited Partnership	236 *	10	0.9%
Total	<u>7,267</u>		<u>29.1%</u>
Estimated City Employment	<u>25,000</u>		

Estimated City Employment provided by Community Development Director.

Source: HDL, Coren & Cone, Survey completed by City with Chamber of Commerce input.

* Includes contract employees

Table 18
City of Irwindale
Full-time and Part-time City Employees by Function
Last Six Fiscal Years *

Function	Fiscal Year Ended June 30,					
	2007	2008	2009	2010	2011	2012
General government	16.00	19.00	18.00	16.00	16.00	15.00
Police	47.00	47.00	47.00	45.00	45.00	45.00
City-wide Maintenance	16.00	16.00	16.00	13.00	13.00	7.50
Community Dvlp & Code Enforcement	5.00	6.00	7.00	7.00	7.00	5.00
Engineering & Building/Safety	7.00	7.00	7.00	7.00	7.00	7.00
Library	2.50	4.50	4.50	4.50	4.50	4.50
Recreation	17.00	17.00	17.00	16.00	16.00	16.00
Senior Center	5.00	5.00	5.50	5.50	5.50	5.00
Total	115.50	121.50	122.00	114.00	114.00	105.00

Source: City of Irwindale, Finance Department, budget document

Reflects the number of positions authorized

* Data available for years beginning FY 2006/07, therefore only six years are presented.

Table 19
City of Irwindale
Operating Indicators by Function
Last Five Fiscal Years *

Function/Program	Fiscal Year				
	2008	2009	2010	2011	2012
Police:					
Increase in traffic enforcement citations	2,801	3,857	3,102	4,587	3497
DUI arrests	214	178	203	185	216
Unlicensed drivers arrested or cited	551	519	442	491	495
Vandalism Arrests	16	20	9	14	12
Stolen Vehicles	107	76	43	17	39
Robberies	11	10	9	2	3
Burglaries	102	90	72	33	54
Calls for service	25,453	23,895	21,437	25,537	27,374
Recreation:					
Number of facility rentals	227	212	344	173	206
Number of recreation classes/programs	124	124	89	69	102
Number of special events	25	26	24	31	45
Number of field trips	40	44	35	43	52
Aquatic participants	15,782	14,355	9,447	9,215	8,931
Senior Center:					
Number of facility rentals	167	184	158	125	124
Number of classes/programs	61	78	73	73	85
Number of special events/activities	19	27	39	39	39
Number of field trips	17	20	20	26	26
Number of meals served-Nutrition program/breakfast	13,180	10,581	10,189	7,856	7,975
Library					
Adult & children programs	14	37	19	6	65
Adult & children storytimes	128	75	65	58	21
Library items added	2,597	1,624	2,802	1,826	3,525
Learning Center tutoring hours	342	322	328	307	310
Public Works					
Street resurfacing (miles)	1.03	4.95	0.95	0.71	1.164
Sidewalk repair/replacement (sq.ft.)	-	20,447	-	20,002	0
Field Inspections	5 daily	5 daily	5 daily	4/week	4/week
Building & Safety					
Permits issued	455	345	363	368	308
Film Permits Issued	10	8	13	5	14
Finance					
Business Licenses issued	1,431	1,358	1,165	1,135	1,015
Account Payable checks issued	4,745	4,017	4,653	3,544	3,625
Payroll checks issued	3,962	4,095	3,825	3,701	3,372
Journal Vouchers	2,306	2,390	2,322	2,430	2,471
Purchase orders processed	1,081	944	366	259	179
Cash & Investments at year-end (in millions)	97.0	96.3	85.0	76.6	80.0
Administration					
Constituent requests for information processed	NA	88	87	76	43
Agenda Reports Submitted to Council	428	350	313	295	334
City Council Meeting Agendas Compiled	35	28	38	29	33
Resolutions (City Council)	84	77	86	61	49
Resolutions (ICRA)	13	14	15	12	2
Resolutions (SA)	-	-	-	-	5
Resolutions (Housing Authority)	4	11	3	5	3
Resolutions (Reclamation Authority)	2	2	1	1	1
Ordinances	10	8	10	11	10
Contracts	NA	53	119	128	68
City Council Requests Resolved	7	7	22	20	60
Weekly Reports to City Council	49	49	50	49	48
Number of recruitment applications processed	387	126	124	184	104

Source: City of Irwindale, various departments

* Data available for years beginning FY 2007/08.

Table 20
City of Irwindale
Capital Asset Statistics by Function
Last Five Fiscal Years *

Function	Fiscal Year				
	2008	2009	2010	2011	2012
Police					
Stations	1	1	1	1	1
Substations	0	0	0	0	0
Patrol units	19	19	19	10	14
Motorcycles	3	3	3	3	2
Trailer	1	1	1	1	1
Undercover Vehicle	0	0	1	7	6
Command Vehicle	0	0	1	1	3
Public Works					
Streets/Highway (miles)	27.73	27.73	27.73	27.73	27.73
Streetlights	861	861	861	861	861
Traffic signals	40	41	41	41	41
Bridges	15	15	15	15	15
Culture and recreation					
Recreation					
Parks	3	3	3	3	3
Playground areas	4	4	4	4	4
Tennis courts	1	1	1	1	1
Softball & baseball diamonds	1	1	1	1	1
Basketball full courts	2	2	2	2	2
Basketball half courts	1	1	1	1	1
Skate Parks	1	1	1	1	1
Swimming pools	1	1	1	1	1
Recreation Centers	1	1	1	1	1
Senior Center					
Community Centers	1	1	1	1	1
Senior Centers	1	1	1	1	1
Missions	1	1	1	1	1
Library					
Library buildings	1	1	1	1	1

Source: City of Irwindale, various departments

* Data available for years beginning FY 2007/08, therefore only five years are presented.

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