



*City of*  
**IRWINDALE**  
*California*



*Comprehensive  
Annual  
Financial  
Report*

*For the fiscal year ended  
June 30, 2013*

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

## CITY OF IRWINDALE

CALIFORNIA



**Mark A. Breceda, Mayor**  
**Manuel R. Garcia, Mayor Pro Tem**  
**Albert F. Ambriz, Councilmember**  
**Julian A. Miranda, Councilmember**  
**H. Manuel Ortiz, Councilmember**

*(At Date of Issuance)*

**John Davidson, City Manager**

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

CITY OF IRWINDALE

JUNE 30, 2013

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December 5, 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, 2013. 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, as well as GASB 45 which requires more financial information regarding other post employment benefits, and GASB 54 which requires fund balance reporting and governmental fund type definitions. 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 unmodified ("clean") opinion on the City of Irwindale's financial statement for the year ended June 30, 2013. 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 was incorporated in 1957 and is located in the center of the San Gabriel Valley which is just 20 miles east from 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 1,450 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, charge 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

The California Supreme Court upheld Assembly Bill 1X 26 that provides for the dissolution of all redevelopment agencies in the State of California as of February 1, 2012. 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 13 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.

## **ECONOMIC CONDITION AND OUTLOOK**

As the national economy has been in a slow recovery over the past year, California is also continuing to recover and stabilize with new tax laws that effect future revenue growth. California continues to have the advantage of 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 have improved for consumers and the economic outlook continues to look brighter.

The City's local economy is now starting to show signs of recovery as well. The analysis for the City's latest quarterly sales tax figures reflect a positive turn. This is a great milestone for the City as sales tax revenue has dropped significantly year after year over the past five years, with the latest fiscal year sales tax revenues at over \$2 million lower than in FY 2007-08 when sales taxes peaked at \$5.5 million. Although this upturn is extremely small at only 3.5% over the prior year quarterly sales tax, it is a very positive sign that revenues for the City are turning around. The City's primary tax base comes from the mining and commercial/industrial business sectors. Both of these sectors struggled significantly during the recession, but are now showing 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.

Another fiscal challenge for the City of Irwindale relates to the dissolution of the Irwindale Community Redevelopment Agency (ICRA) in pursuant the passage of Assembly Bill 1X 26. The dissolution of the ICRA has constituted a loss of over \$18 million in annual property tax increment revenue. The loss of this funding has significantly impacted the ability to fund important redevelopment projects and improve blighted areas throughout the City.

## **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 102% 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;
- A 650,000 SF Regional Outlet Center at the Speedway 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.

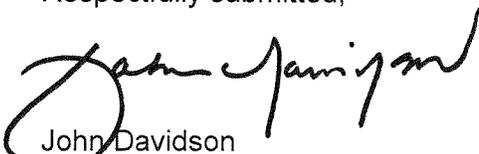
During FY 2012-13, the City of Irwindale spent \$663,000 in infrastructure improvements. Completed projects during FY 2012-13 totaled \$440,000 and include Town Center Access Ramps and the City Swimming Pool Improvement Project. A total of \$5.9 million has been appropriated for capital projects in prior years for approved multi-year projects that are currently underway or in the design stage. Additionally, another \$650,000 in new capital projects has been included in the FY 2013-14 adopted budget.

### **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, 2012. This was the third 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 unflinching 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, 2013**

**ELECTED OFFICIALS**

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

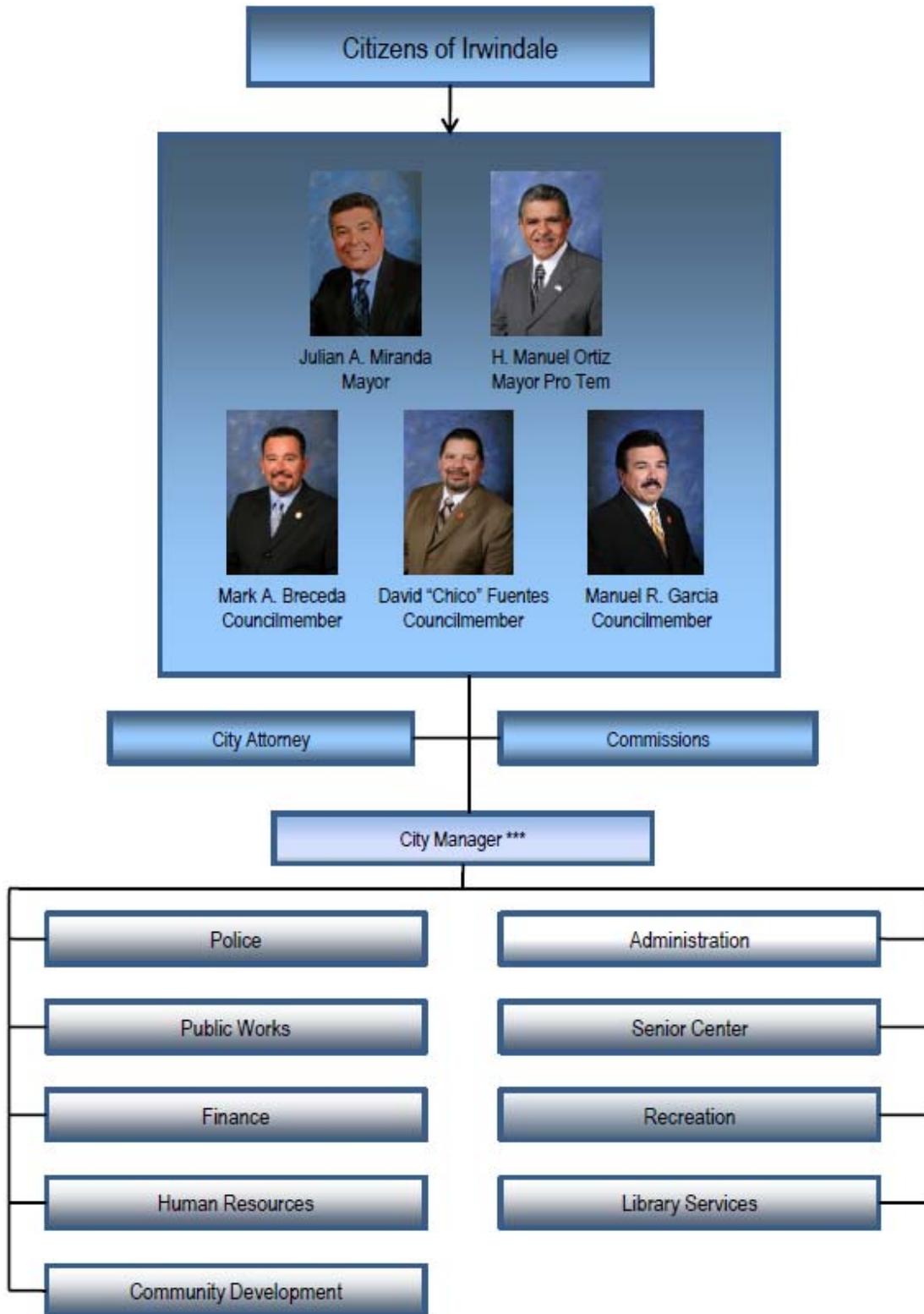
**EXECUTIVE MANAGEMENT**

City Manager .....	John Davidson
Assistant City Manager .....	Camille Diaz
Interim Chief of Police .....	Roy Campos
Director of Finance/City Treasurer .....	Eva Carreon
Director of Public Works/City Engineer .....	William K. Tam
Director of Community Development .....	Gustavo Romo
Deputy City Clerk .....	Laura Nieto

**CITY ATTORNEY**

Fred Galante, Aleshire & Wynder, LLP

**CITY OF IRWINDALE  
ORGANIZATION CHART  
June 30, 2013**



\*\*\* Serves as City Clerk, Personnel Director and Executive Director to the Successor Agency



Government Finance Officers Association

**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, 2012**

Executive Director/CEO

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Irwindale, California, (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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



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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Irwindale, California, as of June 30, 2013, and, the respective changes in financial position and, where applicable, cash flows 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 accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in 2013 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

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

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



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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Lance, Solt & Lingham, LLP*

Brea, California  
December 2, 2013

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## 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, 2013. 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 position 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 position 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 \$172 million.
- The City's total net position decreased by \$4 million.
- The City's total debt increased by \$4 million during the current fiscal year.
- The City's non-current liabilities include \$4 million of outstanding debt. The 2001 Certificates of Participation were used to finance capital improvements of municipal facilities, and this debt was previously recorded under the 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. Consequently, all redevelopment activities were transferred to the Successor Agency. During fiscal year ending June 30, 2013, the California Department of Finance determined this debt was not an enforceable obligation of the Successor Agency, and therefore this debt was transferred to the City.

**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 \$111.6 million, an increase of \$1.8 million over the previous year. Approximately \$17.7 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 \$54.5 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 position 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 position and how they have changed.

The Statement of Net Position – presents information on all of the City of Irwindale’s assets and liabilities, with the difference between the two reported as net position. Net position is one way to measure the City’s financial health or position. Over time, increases or decreases in the City’s net position 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 position changed during the most recent fiscal year. All changes in net position 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 City of Irwindale, 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 seventeen 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 Housing Authority, and the Special Mining Tax 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 position and a statement of changes in fiduciary net position. We exclude these activities from the City's Government-wide Financial Statements because the City cannot use these assets to finance its operations. Upon dissolution of the Irwindale Community Redevelopment Agency effective February 1, 2012, the remaining balances of the agency's assets and obligations were transferred to a private purpose trust fund, accounts for all the financial transactions of the Successor Agency to the former Irwindale Community Redevelopment Agency.

**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 Position

Net position serve over time as a useful indicator of a government's financial position. The City's net position for the year ended June 30, 2013, as shown in the following table, were \$172 million.

#### City of Irwindale Net Position at June 30, 2013 and 2012 (in Thousands)

	Governmental Activities	
	2013	2012
Current and other assets	\$ 128,229	\$ 126,514
Capital assets	53,423	54,170
Total assets	181,652	180,684
Long-term debt outstanding	5,216	901
Other liabilities	4,181	3,607
Total liabilities	9,397	4,508
Net position:		
Net investment in capital assets	49,062	54,163
Restricted	89,708	84,592
Unrestricted	33,485	37,421
Total net position	\$ 172,255	\$ 176,176

**Net Investment in Capital Assets** – This component represents 29 percent of Net Position 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.

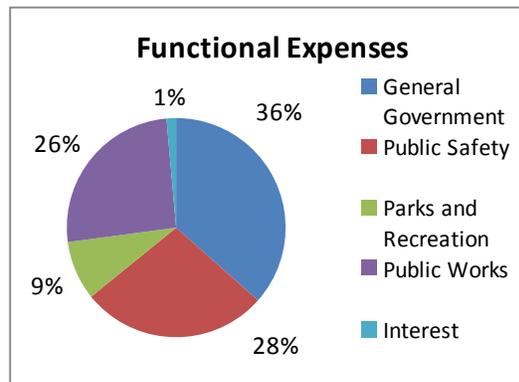
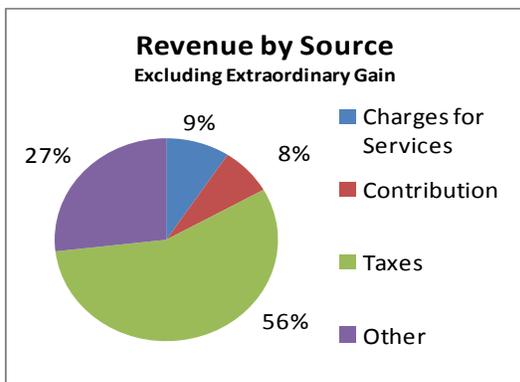
**Restricted Assets** – An additional portion of the City's net position, \$89.7 million, represents resources that are subject to external restrictions on how they may be used which include capital projects, debt service, grants, etc.

Overall the City's net position decreased \$4 million during the current fiscal year. This decrease in net position is due to the \$4 million increase in long term debt resulting from the transfer of outstanding debt to the City from the Successor Agency. During fiscal year, the California Department of Finance determined this debt was not an enforceable obligation of the Successor Agency, and therefore this debt was transferred to the City.

**Statement of Activities** - The following is a condensed Statement of Activities for the fiscal year ended June 30, 2013 and 2012.

**City of Irwindale – Statement of Activities  
(Changes in Net Position) as of June 30, 2013 and 2012  
(in Thousands)**

	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1,027	\$ 1,139
Operating contributions and grants	615	887
Capital contributions and grants	227	34
Total program revenues	<u>1,869</u>	<u>2,060</u>
General revenues:		
Taxes:		
Property taxes	3,621	9,023
Mining/Processing taxes	5,001	4,458
Sales taxes	3,757	3,395
Franchise taxes	1,069	1,115
Business License taxes	1,085	1,119
Utility Users' Tax	3,290	3,134
Other taxes	268	310
Motor vehicle in lieu	114	112
Use of money and property	1,331	2,726
Gain on Sale of Property	514	-
Other	1,135	411
Extraordinary Gain/(Loss) Note 13	<u>(5,975)</u>	<u>50,572</u>
Total general revenues	<u>15,210</u>	<u>76,375</u>
Total revenues	<u>17,079</u>	<u>78,435</u>
<b>Expenses</b>		
General government	7,675	11,618
Public safety	5,798	5,947
Parks and recreation	1,835	1,847
Public works	5,393	5,743
Interest on long-term debt	298	2,657
Total expenses	<u>20,999</u>	<u>27,812</u>
Change in net position	\$ (3,920)	\$ 50,623
Net position at beginning of year, as restated	176,176	126,292
Restatement of net position	<u>-</u>	<u>(739)</u>
Net position at end of year	<u>\$ 172,255</u>	<u>\$ 176,176</u>



**Governmental Activities** – The City reported program revenues of \$1.9 million and general revenues of \$15.2 million. Included in the total revenues is \$5.9 million in Extraordinary Loss resulting from the return to the County of a loan repayment of \$3.6 million and the transfer of outstanding debt to the City from the Successor Agency. These transfers were required as a result of the State determination that they were not enforceable obligations of the Successor Agency. See Note 13 for additional information. The Governmental Activities of the City resulted in a decrease of \$4 million in the total net position for the City over the prior year.

Program revenues decreased approximately \$190,000 (9%) from the prior year. The primary reason for this decrease is attributed to the reduced building activity and capital grants received during the fiscal year as compared to the previous year.

General revenues decreased \$61 million (80%) from the prior year. This substantial change in revenue is attributed to the significant extraordinary gain listed in the prior fiscal year resulting from the accounting for the dissolution of the former Irwindale Community Redevelopment in the previous year.

The total net decrease between years in expenses is \$6.8 million (24%). 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 former Irwindale Community Redevelopment Agency.

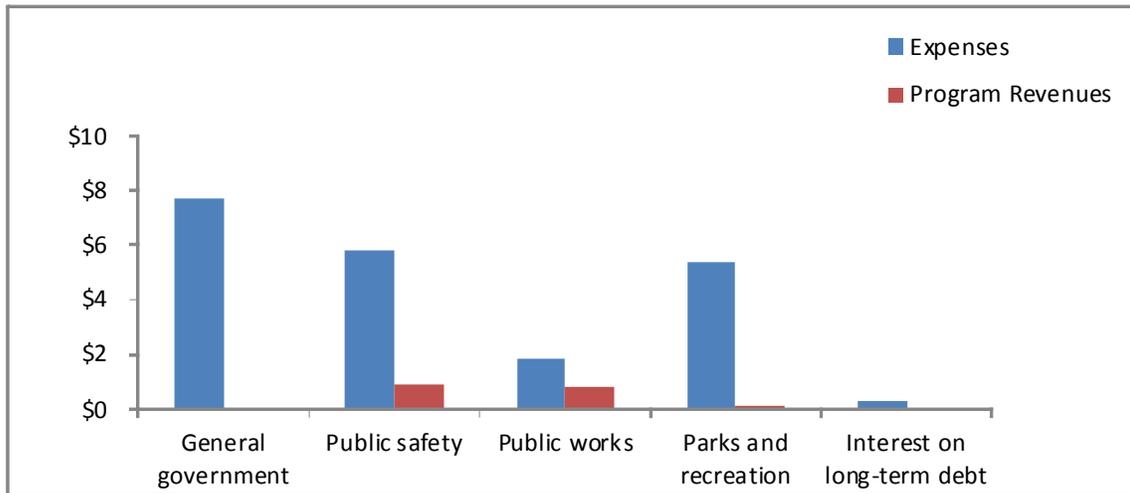
Each programs' net cost (total cost less revenues generated by the activities) is presented in the table below. The net cost shows the extent to which the City's general taxes support each of the City's programs.

**City of Irwindale  
Governmental Activities as of June 30, 2013 and 2012  
(in Thousands)**

	<b>Program Expenses</b>		<b>Program Revenues</b>		<b>Net Cost of Services</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
General government	\$ 7,675	\$ 11,618	\$ -	\$ 250	\$ (7,675)	\$ (11,368)
Public safety	5,798	5,947	924	1,004	(4,874)	(4,943)
Public works	5,393	5,743	820	681	(4,573)	(5,062)
Parks and recreation	1,835	1,847	125	125	(1,710)	(1,722)
Interest on long-term debt	298	2,657	-	-	(298)	(2,657)
<b>Totals</b>	<b>\$ 20,999</b>	<b>\$ 27,812</b>	<b>\$ 1,869</b>	<b>\$ 2,060</b>	<b>\$ (19,130)</b>	<b>\$ (25,752)</b>

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, 2013**  
(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 \$111.6 million. Of this balance 38% is legally restricted to fund such areas as low and moderate housing projects, public safety, community services, public works and debt service; 16% is assigned to capital projects, capital asset replacement, PERS stabilization, compensated absences, post retirement benefits and economic contingency; 46% 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 \$54.5 million fund balance, a net decrease of \$878,000 from the prior fiscal year. This decrease is primarily made up of the anticipated deficit resulting from total expenditures exceeding revenues during the fiscal year, as well as the extraordinary gain and loss as detailed in Note 13 of the Notes to the Financial Statements.

Assigned fund balances establish the assignments of fund balance amounts for specific intended 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 \$17.7 million, which represents 32% of the total general fund balance of \$54.5 million and 102% of total general fund expenditures totaling \$17.3 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 \$15.8 million in fund balance, a net increase of \$1 million from prior year. The net increase is mainly due to reduced expenditures in capital projects and slightly increased mining tax revenues 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. Upon dissolution of the Irwindale Community Redevelopment Agency effective February 1, 2012, the remaining balances of the assets and obligations were transferred to a private purpose trust fund, accounts for all the financial transactions of the Successor Agency to the former Irwindale Community Redevelopment Agency. Additional information on the Successor Agency is included in Note 13 of the Notes to the Financial Statements.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The final appropriations for the General Fund at year-end were \$6.5 million more than the original budget and total actual expenditures were \$6.1 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 \$2.8 million to the original revenue budget.
- This increase is comprised primarily from revenue estimate adjustments in anticipation of bond proceeds for the Irwindale Park Improvement Project of \$1.8 million.
- The remaining \$1 million increase consists of approximately made \$500,000 in carried forward grant revenue related to continuing capital projects from FY 2011-12, plus another \$500,000 in mid-year adjustments including a one-time contribution for the Materials Recovery Facility project.

#### **Appropriations (Outflows)—**

- Expenditure appropriations reflect an overall increase of \$6.5 million to the original budget.
- This increase is primarily due to a \$3.6 million loan repayment required by the State to be returned to the County, plus a \$1.8 million appropriation for the Irwindale Park Improvement project funded by bond proceeds.
- The remainder of approximately \$1.1 million is attributed to continuing appropriations and supplemental appropriations approved by the City Council during the fiscal year.

### **Variances with Final Budget:**

#### **Resources (Inflows)—**

- Actual revenues resulted in an overall positive variance of approximately \$400,000.
- This variance is primarily due to Residual Property Tax revenue received of \$2.2 million. This one-time residual revenue was received as a result of the Successor Agency's Due Diligence Review payments required of \$21 million made in March 2013. The City as a taxing entity received just over 10% of this payment as residual revenue to the General Fund.
- The \$2.2 million residual revenue was offset by bond proceed revenue budgeted at \$1.8 million, but not received as of fiscal year-end. The Irwindale Park Improvement project related to the bond proceeds was delayed, and will not be completed until FY 2013-14 at which time the City will receive the bond proceed funds.

#### **Appropriations (Outflows)—**

- Actual operating expenditures and transfers resulted in an overall positive variance of \$4.9 million in expenditures coming in under budget, excluding extraordinary items.
- This positive variance is partially attributed to concerted efforts by the City in controlling costs to minimize the general fund operating deficit. Approximately \$2.8 million of this variance of actual expenditures over budget was accomplished through continued freezing of vacant positions, reducing consulting services, minimizing travel costs and other operating costs.

- An additional \$2.1 million of this positive variance is a result of deferred capital projects, which were budgeted, but not started in FY 2012-13. This capital projects budget will be carried forward to Fiscal Year 2013-14 for project continuation and/or completion.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of FY 2012-13, the City had \$53.4 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 \$747,000 over last year.

**City of Irwindale**  
**Capital Assets as of June 30, 2013 and 2012**  
**(Net of Depreciation, in Thousands)**

	Government Activities	
	2013	2012
Land	\$ 3,146	\$ 3,146
Buildings and Improvements	1,914	1,598
Furniture and Equipment	783	589
Infrastructure	44,348	45,829
Construction in progress	3,232	3,008
Totals	<u>\$ 53,423</u>	<u>\$ 54,170</u>

The overall decrease is primarily due to an increase in accumulated depreciation for Infrastructure assets which started being depreciated this fiscal year.

### Long-term Debt

At the end of the current fiscal year, the City of Irwindale had total outstanding debt of \$5.2 million for accrued employee benefits, capital leases payable and outstanding indebtedness.

**City of Irwindale**  
**Outstanding Debt as of June 30, 2013 and 2012**  
**(in Thousands)**

	Government Activities	
	2013	2012
2001 Certificates of Participation	\$ 4,360	\$ -
Accrued Employee Benefits	855	894
Capital leases payable	1	6
Totals	<u>\$ 5,216</u>	<u>\$ 900</u>

The increase in Outstanding Debt is due to the transfer to the City of the 2001 Certificates of Participation which were previously recorded under the Successor Agency. During fiscal year ending June 30, 2013, the California Department of Finance determined this debt was not an enforceable obligation of the Successor Agency, and therefore this debt was transferred to the City.

## **FACTORS EFFECTING NEXT YEAR'S BUDGET**

The City's Fiscal Year 2013-14 Budget includes projected General Fund revenues of \$14.9 million. FY 2012-2013 actual revenues are \$17.7 million. This figure includes one-time revenue of \$2.1 million in residual revenue, plus an additional \$500,000 in a one-time contribution. Net of one-time revenues, the operation revenues for FY 2012-13 is \$15.1 million. This represents about a 1.2% decrease in operating revenue estimated for FY 2013-14. The City anticipates that most general tax revenue will remain flat, however Sales Tax, Property Tax, and Residual Revenue are projected at lower levels than FY 2012-13 actuals.

This budget also includes projected General Fund expenditures of \$18.5 million, which represents an increase of \$1.1 million or 6% over FY 2012-13 actual of \$17.4 million. This increase is primarily attributed to uncontrollable expenses that increase year over year, such as PERS rates, healthcare rates, insurance premiums, and utilities.

In FY 2013-14, a total of \$115,000 has been budgeted in capital projects. This budget will provide for additional needed funds for the Goldline Construction project. In addition, \$263,000 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 2013-14 results in a \$3.6 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 maintaining a hiring freeze policy, the City's workforce has been reduced by approximately 25%. 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, have continued to present challenges for the City to present a balanced budget.

The elimination of the budget deficit continues to be a multi-year effort. Fortunately, in addition to an Economic Contingency Reserve of \$5 million, which equates to roughly 29% of the current year expenditures, the City has other assigned reserves of \$13 million estimated at the beginning of the fiscal year totaling \$18 million. As noted above, the deficit for FY 2013-14 is anticipated to be \$3.6 million, which will reduce the total assigned reserves to \$14.4 million, consisting of \$5 million in the Economic Contingency Reserve for future contingencies, per the City's adopted Fund Balance Policy, and \$9.4 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 POSITION  
JUNE 30, 2013

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 62,117,341
Receivables:	
Accounts	78,548
Taxes	2,857,333
Notes and loans	12,062,052
Accrued interest	66,164
Advances to Successor Agency	1,189,209
Prepaid costs	45,992
Prepaid other post employment benefits	35,030
Land held for resale	47,312,903
Restricted assets:	
Cash with fiscal agent	2,464,621
Capital assets not being depreciated	6,377,345
Capital assets, net of depreciation	<u>47,045,777</u>
<b>Total Assets</b>	<b><u>181,652,315</u></b>
<b>Liabilities:</b>	
Accounts payable	820,477
Accrued liabilities	310,086
Accrued interest	61,982
Unearned revenue	2,076,967
Deposits payable	911,719
Noncurrent liabilities:	
Due within one year	1,051,165
Due in more than one year	<u>4,164,803</u>
<b>Total Liabilities</b>	<b><u>9,397,199</u></b>
<b>Net Position:</b>	
Net investment in capital assets	49,061,789
Restricted for:	
Community development projects	26,577,123
Public safety	439,857
Capital projects	60,226,672
Debt service	2,464,622
Unrestricted	<u>33,485,053</u>
<b>Total Net Position</b>	<b><u><u>\$ 172,255,116</u></u></b>

CITY OF IRWINDALE

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013

Functions/Programs	Program Revenues				Net
	Expenses	Charges for Services	Operating	Capital	(Expenses)
			Contributions and Grants	Contributions and Grants	Revenues and Changes in Net Position
Primary Government:					Primary Government
Governmental Activities:					Governmental Activities
General government	\$ 7,675,365	\$ 442	\$ -	\$ -	\$ (7,674,923)
Public safety	5,797,927	409,754	513,844	-	(4,874,329)
Parks and recreation	1,835,292	116,836	8,600	-	(1,709,856)
Public works	5,392,703	499,829	92,812	227,058	(4,573,004)
Interest on long-term debt	297,961	-	-	-	(297,961)
<b>Total Governmental Activities</b>	<b>20,999,248</b>	<b>1,026,861</b>	<b>615,256</b>	<b>227,058</b>	<b>(19,130,073)</b>
<b>Total Primary Government</b>	<b>\$ 20,999,248</b>	<b>\$ 1,026,861</b>	<b>\$ 615,256</b>	<b>\$ 227,058</b>	<b>(19,130,073)</b>
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purpose					3,621,003
Mining/processing taxes					5,001,084
Sales taxes					3,757,466
Franchise taxes					1,068,712
Business licenses taxes					1,084,552
Utility users tax					3,289,837
Other taxes					267,682
Motor vehicle in lieu - unrestricted					113,675
Use of money and property					1,330,941
Other					1,135,156
Gain on sale of land held for resale					514,453
<b>Extraordinary gain/(loss) - (Note 13)</b>					<b>(5,974,974)</b>
<b>Total General Revenues and Extraordinary Items</b>					<b>15,209,587</b>
Change in Net Position					(3,920,486)
Net Position at Beginning of Year					176,175,602
<b>Net Position at End of Year</b>					<b>\$ 172,255,116</b>

CITY OF IRWINDALE

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	<u>Special Revenue Funds</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>Housing Authority</u>	<u>Special Mining Tax</u>	<u>Other Governmental Funds</u>	
<b>Assets:</b>					
Pooled cash and investments	\$ 22,643,647	\$ 15,055,388	\$ 16,482,698	\$ 7,935,608	\$ 62,117,341
Receivables:					
Accounts	48,065	-	-	30,483	78,548
Taxes	2,015,002	-	842,331	-	2,857,333
Notes and loans	13,756	12,048,296	-	-	12,062,052
Accrued interest	27,758	10,313	19,198	8,895	66,164
Prepaid costs	45,992	-	-	-	45,992
Advances to Successor Agency	-	1,189,209	-	-	1,189,209
Due from other funds	8,026	-	-	-	8,026
Advances to other funds	-	4,136,786	-	-	4,136,786
Land held for resale	34,287,045	13,025,858	-	-	47,312,903
Restricted assets:					
Cash and investments with fiscal agents	2,464,621	-	-	-	2,464,621
<b>Total Assets</b>	<b><u>\$ 61,553,912</u></b>	<b><u>\$ 45,465,850</u></b>	<b><u>\$ 17,344,227</u></b>	<b><u>\$ 7,974,986</u></b>	<b><u>\$ 132,338,975</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 534,792	\$ 46,337	\$ 235,733	\$ 3,615	\$ 820,477
Accrued liabilities	298,062	-	10,277	1,747	310,086
Unearned revenues	1,108,564	-	968,403	-	2,076,967
Deposits payable	542,483	54,500	314,736	-	911,719
Due to other funds	-	-	-	8,026	8,026
Advances from other funds	4,136,786	-	-	-	4,136,786
<b>Total Liabilities</b>	<b><u>6,620,687</u></b>	<b><u>100,837</u></b>	<b><u>1,529,149</u></b>	<b><u>13,388</u></b>	<b><u>8,264,061</u></b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues	443,989	12,051,082	-	-	12,495,071
<b>Total Deferred Inflows of Resources</b>	<b><u>443,989</u></b>	<b><u>12,051,082</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>12,495,071</u></b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Prepaid costs	45,992	-	-	-	45,992
Land held for resale	34,287,045	13,025,858	-	-	47,312,903
Notes and loans	13,756	-	-	-	13,756
Advances to other funds	-	4,136,786	-	-	4,136,786
<b>Restricted for:</b>					
Continuing operations	-	16,151,287	-	-	16,151,287
Public safety	-	-	-	439,857	439,857
Public works	-	-	15,815,078	7,521,741	23,336,819
Debt service	2,464,622	-	-	-	2,464,622
<b>Assigned to:</b>					
Capital projects	225,000	-	-	-	225,000
Capital asset replacement	1,000,000	-	-	-	1,000,000
Continuing appropriations	470,000	-	-	-	470,000
PERS stabilization	800,000	-	-	-	800,000
Compensated absences liability	855,000	-	-	-	855,000
Post Retirement Benefits	9,300,000	-	-	-	9,300,000
Economic contingency	5,027,821	-	-	-	5,027,821
<b>Total Fund Balances</b>	<b><u>54,489,236</u></b>	<b><u>33,313,931</u></b>	<b><u>15,815,078</u></b>	<b><u>7,961,598</u></b>	<b><u>111,579,843</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 61,553,912</u></b>	<b><u>\$ 45,465,850</u></b>	<b><u>\$ 17,344,227</u></b>	<b><u>\$ 7,974,986</u></b>	<b><u>\$ 132,338,975</u></b>

CITY OF IRWINDALE

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2013**

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Fund balances of governmental funds \$ 111,579,843

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

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

Capital Assets	\$ 77,483,892	
Accumulated Depreciation	<u>(24,060,770)</u>	53,423,122

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

Certificates of Participation	(4,360,000)	
Capital Leases	(1,333)	
Compensated Absences	<u>(854,635)</u>	(5,215,968)

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

35,030

Accrued interest payable for the current portion of interest due on Certificates of Participation has not been reported in the governmental funds.

(61,982)

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

12,495,071

**Net Position of governmental activities**

**\$ 172,255,116**

CITY OF IRWINDALE

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013**

	<u>Special Revenue Funds</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>Housing Authority</u>	<u>Special Mining Tax</u>	<u>Other Governmental Funds</u>	
<b>Revenues:</b>					
Taxes	\$ 14,789,271	\$ -	\$ 2,749,743	\$ 178,316	\$ 17,717,330
Licenses and permits	247,039	-	-	-	247,039
Intergovernmental	248,046	-	191,446	649,477	1,088,969
Charges for services	447,475	-	-	-	447,475
Use of money and property	467,712	759,225	71,090	32,914	1,330,941
Fines and forfeitures	332,347	-	-	-	332,347
Contributions	8,600	-	-	-	8,600
Miscellaneous	1,141,631	-	2,006	-	1,143,637
<b>Total Revenues</b>	<b>17,682,121</b>	<b>759,225</b>	<b>3,014,285</b>	<b>860,707</b>	<b>22,316,338</b>
<b>Expenditures:</b>					
Current:					
General government	6,103,255	482,808	288,057	17,773	6,891,893
Public safety	5,415,745	-	-	153,330	5,569,075
Parks and recreation	1,648,960	-	-	4,410	1,653,370
Public works	3,096,011	-	924,957	138,548	4,159,516
Capital outlay	440,485	-	156,936	329,663	927,084
Debt service:					
Principal retirement	445,159	-	-	-	445,159
Interest and fiscal charges	235,979	-	-	-	235,979
<b>Total Expenditures</b>	<b>17,385,594</b>	<b>482,808</b>	<b>1,369,950</b>	<b>643,724</b>	<b>19,882,076</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	296,527	276,417	1,644,335	216,983	2,434,262
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	642,717	642,717
Transfers out	-	-	(642,717)	-	(642,717)
Gain on sale of land held for resale	-	514,453	-	-	514,453
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>514,453</b>	<b>(642,717)</b>	<b>642,717</b>	<b>514,453</b>
Extraordinary gain/(loss) - (Note 13)	(1,174,974)	-	-	-	(1,174,974)
Net Change in Fund Balances	(878,447)	790,870	1,001,618	859,700	1,773,741
Fund Balances, Beginning of Year	55,367,683	32,523,061	14,813,460	7,101,898	109,806,102
<b>Fund Balances, End of Year</b>	<b>\$ 54,489,236</b>	<b>\$ 33,313,931</b>	<b>\$ 15,815,078</b>	<b>\$ 7,961,598</b>	<b>\$ 111,579,843</b>

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, 2013**

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Net change in fund balances - total governmental funds \$ 1,773,741

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	\$ 1,096,297	
Depreciation	<u>(1,842,750)</u>	(746,453)

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

2001 Refunding Certificates of Participation	440,000	
Capital Lease Payable	<u>5,159</u>	445,159

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

(61,982)

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.

39,509

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.

(693)

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

(569,767)

Extraordinary gains and losses relating to long term liabilities transferred from 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.

(4,800,000)

**Change in net position of governmental activities**

**\$ (3,920,486)**

CITY OF IRWINDALE

**BUDGETARY COMPARISON STATEMENT  
GENERAL FUND  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 55,367,683	\$ 55,367,683	\$ 55,367,683	\$ -
<b>Resources (Inflows):</b>				
Taxes	12,083,000	12,272,400	14,789,271	2,516,871
Licenses and permits	325,600	325,600	247,039	(78,561)
Intergovernmental	176,500	626,512	248,046	(378,466)
Charges for services	364,000	364,000	447,475	83,475
Use of money and property	553,000	553,000	467,712	(85,288)
Fines and forfeitures	354,000	354,000	332,347	(21,653)
Contributions	2,500	2,500	8,600	6,100
Miscellaneous	625,880	998,374	1,141,631	143,257
Notes and loans issued	-	1,789,013	-	(1,789,013)
<b>Amounts Available for Appropriations</b>	<b>69,852,163</b>	<b>72,653,082</b>	<b>73,049,804</b>	<b>396,722</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	6,459,983	10,340,049	6,103,255	4,236,794
Public safety	5,803,067	5,742,940	5,415,745	327,195
Parks and recreation	1,817,256	1,829,986	1,648,960	181,026
Public works	3,277,552	3,519,003	3,096,011	422,992
Capital outlay	151,900	2,565,513	440,485	2,125,028
Debt service:				
Principal retirement	5,159	5,159	445,159	(440,000)
Interest and fiscal charges	213	213	235,979	(235,766)
Transfers out	672,980	672,980	-	672,980
Extraordinary gain/(loss)	-	-	1,174,974	(1,174,974)
<b>Total Charges to Appropriations</b>	<b>18,188,110</b>	<b>24,675,843</b>	<b>18,560,568</b>	<b>6,115,275</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 51,664,053</b>	<b>\$ 47,977,239</b>	<b>\$ 54,489,236</b>	<b>\$ 6,511,997</b>

CITY OF IRWINDALE

**BUDGETARY COMPARISON STATEMENT  
HOUSING AUTHORITY  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 32,523,061	\$32,523,061	\$ 32,523,061	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	5,200	5,200	759,225	754,025
Gain on sale of land held for resale	-	-	514,453	514,453
<b>Amounts Available for Appropriations</b>	<b>32,528,261</b>	<b>32,528,261</b>	<b>33,796,739</b>	<b>1,268,478</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	105,075	471,453	482,808	(11,355)
<b>Total Charges to Appropriations</b>	<b>105,075</b>	<b>471,453</b>	<b>482,808</b>	<b>(11,355)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 32,423,186</b>	<b>\$32,056,808</b>	<b>\$ 33,313,931</b>	<b>\$ 1,257,123</b>

CITY OF IRWINDALE

**BUDGETARY COMPARISON STATEMENT  
SPECIAL MINING TAX  
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 14,813,460	\$ 14,813,460	\$ 14,813,460	\$ -
<b>Resources (Inflows):</b>				
Taxes	2,421,000	2,616,000	2,749,743	133,743
Intergovernmental	-	-	191,446	191,446
Use of money and property	172,000	172,000	71,090	(100,910)
Miscellaneous	-	634,280	2,006	(632,274)
<b>Amounts Available for Appropriations</b>	<b>17,406,460</b>	<b>18,235,740</b>	<b>17,827,745</b>	<b>(407,995)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	315,609	315,609	288,057	27,552
Public works	1,390,277	1,591,377	924,957	666,420
Capital outlay	7,500	3,589,097	156,936	3,432,161
Transfers out	671,243	671,243	642,717	28,526
<b>Total Charges to Appropriations</b>	<b>2,384,629</b>	<b>6,167,326</b>	<b>2,012,667</b>	<b>4,154,659</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 15,021,831</b>	<b>\$ 12,068,414</b>	<b>\$ 15,815,078</b>	<b>\$ 3,746,664</b>

CITY OF IRWINDALE

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2013

	<u>Agency Funds</u>	<u>Private- Purpose Trust Fund Successor Agency of the Former ICRA</u>
<b>Assets:</b>		
Pooled cash and investments	\$ 1,964,437	\$ 14,455,619
Receivables:		
Accounts	-	1,000
Taxes	14,014	-
Accrued interest	1,870	9,903
Land held for resale	-	403,602
Restricted assets:		
Cash and investments with fiscal agents	866,038	4,378,093
Capital assets:		
Capital assets, not being depreciated	-	2,761,293
Capital assets, net of accumulated depreciation	-	401,136
<b>Total Assets</b>	<b><u>\$ 2,846,359</u></b>	<b><u>22,410,646</u></b>
<b>Deferred Outflows of Resources:</b>		
Deferred charge on refunding		722,872
<b>Total Deferred Outflows of Resources</b>		<b><u>722,872</u></b>
<b>Liabilities:</b>		
Accounts payable	\$ 7,253	95,874
Accrued interest	-	1,574,315
Deposits payable	2,839,106	-
Long-term liabilities:		
Due in one year	-	4,100,000
Due in more than one year	-	76,930,707
<b>Total Liabilities</b>	<b><u>\$ 2,846,359</u></b>	<b><u>82,700,896</u></b>
<b>Net Position:</b>		
Held in trust for other purposes		(59,567,378)
<b>Total Net Position</b>		<b><u>\$ (59,567,378)</u></b>

CITY OF IRWINDALE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2013

	<u>Private- Purpose Trust Fund Successor Agency of the Former ICRA</u>
<b>Additions:</b>	
Taxes	\$ 8,613,441
Interest and change in fair value of investments	1,067,362
Miscellaneous	<u>5,803</u>
<b>Total Additions</b>	<b><u>9,686,606</u></b>
<b>Deductions:</b>	
Administrative expenses	312,430
Contractual services	229,352
Interest expense	4,162,535
Depreciation expense	17,070
Reimbursement of prior taxes to County	<u>20,961,832</u>
<b>Total Deductions</b>	<b><u>25,683,219</u></b>
Extraordinary gain/(loss) - (Note 13)	<u>5,974,974</u>
<b>Changes in Net Position</b>	<b>(10,021,639)</b>
Net Position - Beginning of the Year	(46,636,316)
Restatement of Net Position	<u>(2,909,423)</u>
<b>Net Position - End of the Year</b>	<b><u>\$ (59,567,378)</u></b>

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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 Public Financing Authority, the Irwindale Housing Authority, and the Irwindale Reclamation Authority.
2. 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 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 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 former 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 former 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 former Irwindale Redevelopment Agency.

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).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

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

Separate financial statements have not been prepared for the Irwindale Public Financing Authority, the Irwindale Housing Authority and the Irwindale Reclamation Authority.

The Irwindale Joint Powers Authority was established on April 24, 2013 pursuant to Article 1 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California. Its purpose is to provide an entity which can provide assistance to the Irwindale Housing Authority and the City of Irwindale in their respective financing undertakings and to provide assistance in the financing of public capital improvements to be owned by either member. During the year under audit there was no activity.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the 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, 2013

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**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, which includes restricted resources and assets transferred from the former Irwindale Community Redevelopment Agency Low and Moderate Income Housing Fund after the passage of AB 1X 26. Additional information can be found under Note 13.
- The Special Mining Tax Fund accounts for the excavation and processing taxes received from the various mining companies in the City.

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 account for the assets and liabilities of the former redevelopment agency and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

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

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

**d. Assets, Liabilities and Net Position 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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2013

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

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. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. At this time, the City has one item that qualifies under this classification regarding deferred charges on refunding in the fiduciary fund.

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

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

6. Net position flow assumption

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

7. Fund balance flow assumptions

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

8. 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.

9. 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, 2013, there were no material long-term claims and judgments against the City and no liability was reported.

10. Long-Term Obligations

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

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

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.

11. 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.

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.

12. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

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

- 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.

13. GASB 65 – Change in Accounting principle

The City implemented GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65, among other things, amends prior guidance with respect to the treatment of debt issuance costs. Debt issuance costs should be recognized in the period incurred rather than reported on the statement of net position as deferred charges and recognized systematically over the life of the debt. The accounting changes of this statement should be applied retroactive and therefore the City has reported a restatement of beginning net position in the fiduciary fund for any unamortized debt issuance costs (deferred charges) previously reported on the statement of net position to conform.

**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.

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

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

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. The Asset Forfeiture State Fund does not have a legally adopted budget for the current year.

**III. DETAILED NOTES ON ALL FUNDS**

**Note 3: Cash and Investments**

As of June 30, 2013, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 64,581,962
Fiduciary funds	<u>21,664,187</u>
Total Cash and Investments	<u><u>\$ 86,246,149</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, 2013, the carrying amount of the City's deposits was \$2,357,718 and the bank balance was \$1,974,324. The \$383,394 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, 2013

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

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.

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.

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

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, 2013, 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, 2013, 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, 2013, 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, 2013, 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, 2013, the City has invested \$6,035,820 (7%) in Federal Home Loan Mortgage Corporation and \$4,918,100 (6%) in Federal Home Loan Bank.

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

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that 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.

**CITY OF IRWINDALE**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

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

As of June 30, 2013, 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	
Investments:					
California Local Agency Investment Fund	\$ 54,806,746	\$ -	\$ -	\$ -	\$ 54,806,746
Certificate of Deposit	3,938,709	919,397	4,130,203	1,418,492	10,406,801
Money Market Fund	12,213	-	-	-	12,213
Federal Agency Securities	-	6,035,820	-	4,918,100	10,953,920
Investments with fiscal agents:					
Money Market Mutual Fund	7,708,751	-	-	-	7,708,751
	<u>\$ 66,466,419</u>	<u>\$ 6,955,217</u>	<u>\$ 4,130,203</u>	<u>\$ 6,336,592</u>	<u>\$ 83,888,431</u>

**Note 4: Capital Assets**

Capital assets activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 3,145,664	\$ -	\$ -	\$ -	\$ 3,145,664
Construction-in-progress	3,008,174	663,256	-	(439,749)	3,231,681
Total Capital Assets, Not Being Depreciated	6,153,838	663,256	-	(439,749)	6,377,345
Capital assets, being depreciated:					
Buildings and improvements	4,481,611	-	-	396,539	4,878,150
Furniture, fixtures and equipment	3,927,588	433,041	(713,872)	-	3,646,757
Infrastructure	62,538,430	-	-	43,210	62,581,640
Total Capital Assets, Being Depreciated	70,947,629	433,041	(713,872)	439,749	71,106,547
Less accumulated depreciation:					
Buildings and improvements	2,883,430	80,305	-	-	2,963,735
Furniture, fixtures and equipment	3,339,679	237,341	(713,872)	-	2,863,148
Infrastructure	16,708,783	1,525,104	-	-	18,233,887
Total Accumulated Depreciation	22,931,892	1,842,750	(713,872)	-	24,060,770
Total Capital Assets, Being Depreciated, Net	48,015,737	(1,409,709)	-	439,749	47,045,777
Governmental Activities Capital Assets, Net	<u>\$ 54,169,575</u>	<u>\$ (746,453)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,423,122</u>

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2013

**Note 4: Capital Assets (Continued)**

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

Governmental Activities:	
General government	\$ 35,303
Public safety	208,521
Parks and recreation	176,290
Public works	<u>1,422,636</u>
Total Depreciation Expense	<u>\$ 1,842,750</u>

**Note 5: Interfund Receivable, Payable and Transfer**

The composition of interfund balances as of June 30, 2013, is as follows:

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

	Due To Other Funds
	<u>Nonmajor Governmental Funds</u>
<u>Due From Other Funds</u>	
General Fund	<u>\$ 8,026</u>

The due to General fund of \$8,026 from various nonmajor funds was to cover temporary deficit cash balances at June 30, 2013.

**b. Advances To/From Other Funds**

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. As a result, a promissory note between the City and the Housing Authority was issued in the amount of \$4,134,000 with principal payments due every April 9<sup>th</sup> over ten years in equal annual installments of \$413,400. Interest is accrued at 3% of the annual payment, if the payment is not made. The outstanding balance at June 30, 2013, was \$4,136,786.

**c. Interfund Transfers**

	<u>Transfers out</u>
	Special Mining Tax
<u>Transfers in</u>	
Nonmajor Governmental Funds	<u>\$ 642,717</u>

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, 2013**

**Note 6: Long-Term Debt**

The following is a schedule of changes in governmental activities long-term debt for fiscal year ended June 30, 2013.

	Outstanding July 1, 2012	Transfers from Successor Agency *	Additions	Deletions	Outstanding June 30, 2013	Due Within One Year
<b>Certificates of Participation:</b>						
2001 Refunding Certificates of Participation	\$ -	\$ 4,800,000	\$ -	\$ 440,000	\$ 4,360,000	\$ 460,000
<b>Accrued Employee Benefits</b>	894,144	-	577,590	617,099	854,635	589,832
<b>Capital Lease Payable</b>	6,492	-	-	5,159	1,333	1,333
<b>Total</b>	<u>\$ 900,636</u>	<u>\$ 4,800,000</u>	<u>\$ 577,590</u>	<u>\$ 1,062,258</u>	<u>\$ 5,215,968</u>	<u>\$ 1,051,165</u>

\* The California Department of Finance determined that the 2001 Refunding Certificates of Participation were not an enforceable obligation of the Successor Agency; therefore, they were transferred back to the City during fiscal year ending June 30, 2013.

**a. 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, 2013, the outstanding balance on the 2001 Refunding Certificates of Participation was \$4,360,000.

The annual requirements to amortize the outstanding indebtedness as of June 30, 2013, including interest, are as follows:

	2001 Refunding Certificates of Participation	
	Principal	Interest
2013-2014	\$ 460,000	\$ 213,180
2014-2015	480,000	192,020
2015-2016	505,000	169,460
2016-2017	530,000	145,220
2017-2018	555,000	119,250
2018-2021	1,830,000	186,000
<b>Totals</b>	<u>\$ 4,360,000</u>	<u>\$ 1,025,130</u>

**CITY OF IRWINDALE**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

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**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. 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, 2013, the outstanding balance on the lease was \$1,333. The following is a schedule by years of future minimum lease payments:

Year Ending June 30,	Total
2014	\$ 1,343
Total payments	1,343
Less amount representing interest	10
Outstanding Principal	<u>\$ 1,333</u>

**d. 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 position 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 June 30, 2013
City of Irwindale Sewer Assessment District (Live Oak Avenue) Limited Obligation Improvement Bonds	\$ 420,000
City of Irwindale Community Facilities District No. 1 2010 Special Tax Refunding Bonds	6,555,000

## 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) of their required contribution. The City contributes the employer requirement at an actuarially determined rate. The current employer rate is 10.119% (26.416% 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 2012-2013, the City's contribution of \$1,303,296 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2010, 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
6/30/2011	\$ 1,374	100%
6/30/2012	1,348	100%
6/30/2013	1,303	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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

**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 single-employer benefit plan 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.

Funding Policy

The City is required to contribute at an actuarially determined rate; the current rate is 14.22% of the annual covered payroll. The required contribution was based on the July 1, 2012, actuarial valuation, using the entry age normal actuarial cost method. Based on the July 1, 2012, 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 2.00% per year. Miscellaneous employees hired prior to December 31, 2010, are required to contribute .40% of compensation, with the City contributing 14.22%. All miscellaneous employees hired after January 1, 2011, are required to pay 7.76% of compensation. The UAAL is being amortized as a level percentage of payroll and is based on a closed 20 year amortization period from July 1, 2011, with amortization payments increasing 3.25% annually.

Required Contribution

For fiscal year ending June 30, 2013, the City's required contribution and actual contribution was \$472,891. The following table provides 3 years of historical information of the Annual Pension Cost:

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	\$ 462	100 %	\$ -
6/30/2012	503	100 %	-
6/30/2013	473	100 %	-

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

**Note 8: Retirement Enhancement Plan (Continued)**

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
6/30/08	\$ 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%
6/30/12	7,942	5,148	2,794	64.8%	3,777	74.0%

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.

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 2012-2013, 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 2012-2013, the City paid \$890,969 for retiree benefits and contributed \$208,984 to CERBT to fund future benefits.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**
**Note 9: Other Post-Employment Employee Benefits (Continued)**

## 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	(1,647)
Adjustment to ARC	<u>2,340</u>
Annual OPEB cost	1,100,646
Contribution made	<u>1,099,953</u>
Decrease in net OPEB asset	(693)
Net OPEB asset - July 1, 2012	<u>35,723</u>
Net OPEB asset - June 30, 2013	<u><u>\$ 35,030</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for the 2012-2013 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)
6/30/2011	\$ 961,675	\$ 961,057	99.9%	\$ 36,386
6/30/2012	1,100,616	1,099,953	99.9%	35,723
6/30/2013	1,100,646	1,099,953	99.9%	35,030

## 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 will be performed every two years thereafter.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

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

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%, an annual aggregate payroll increase of 3.00%, and a healthcare cost trend of 4.00%. 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 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

**b. Self-Insurance Programs of the Authority**

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

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**Note 10: Risk Management (Continued)**

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.

Liability

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

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

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$25 million per occurrence. This \$25 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 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.

**Note 10: Risk Management (Continued)**

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 \$41,813,123. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City of 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 \$25,800,206. 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 2012-13.

The CJPIA has published its own financial report for the year ended June 30, 2013, which can be obtained from California Joint Powers Insurance Authority, 8081 Moody Street, La Palma, California, 90623.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

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**Note 11: Construction Commitments**

As of June 30, 2013, there were no significant construction commitments in which the City of Irwindale was involved in.

**Note 12: Subsequent Event**

On July 2, 2013, the Irwindale Joint Powers Authority issued the Lease Revenue Refunding Bonds, Series 2013 in the amount of \$3,870,000 for the purpose of refinancing the City's 2001 Refunding Certificates of Participation.

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

The California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of 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).

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

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

**a. Cash and investments**

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

Cash and investments pooled with the City	\$ 14,455,619
Cash and investments with fiscal agent	<u>4,378,093</u>
	<u>\$ 18,833,712</u>

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2013

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

**b. Capital Assets**

An analysis of capital assets as of June 30, 2013, follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Capital Assets, not being depreciated				
Land	\$ 2,761,293	\$ -	\$ -	\$ 2,761,293
Total Capital Assets, Not Being Depreciated	<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>853,487</u>	<u>-</u>	<u>-</u>	<u>853,487</u>
Less Accumulated Depreciation				
Buildings and structures	435,281	17,070	-	452,351
Total Accumulated Depreciation	<u>435,281</u>	<u>17,070</u>	<u>-</u>	<u>452,351</u>
Total Capital Assets, Being Depreciated, Net	<u>418,206</u>	<u>(17,070)</u>	<u>-</u>	<u>401,136</u>
Total Capital Assets, Net	<u>\$ 3,179,499</u>	<u>\$ (17,070)</u>	<u>\$ -</u>	<u>\$ 3,162,429</u>

**CITY OF IRWINDALE**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013**

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

**c. Long-Term Debt**

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Outstanding July 1, 2012	Transfers to City *	Additions	Deletions	Outstanding June 30, 2013	Due Within One Year
<b>Fiduciary Activities</b>						
Successor Agency of the Former RDA						
Tax Allocation Bonds:						
2002 Tax Allocation						
Senior Parity Bonds	\$ 10,270,000	\$ -	\$ -	\$ 550,000	\$ 9,720,000	\$ 570,000
2003 Tax Allocation Housing						
Parity Bonds	4,230,000	-	-	740,000	3,490,000	780,000
2005 Tax Allocation Housing						
Parity Bonds	16,340,000	-	-	190,000	16,150,000	195,000
2006 Tax Allocation Refunding						
Parity Bonds	36,185,000	-	-	1,725,000	34,460,000	1,810,000
2006 Subordinate Lien Tax						
Allocation Refunding Bonds	15,395,000	-	-	710,000	14,685,000	745,000
Certificates of Participation:						
2001 Refunding Certificates						
of Participation	4,800,000	(4,800,000)	-	-	-	-
Advances from the Housing						
Authority	1,189,209	-	-	-	1,189,209	-
Totals	<u>\$ 88,409,209</u>	<u>\$ (4,800,000)</u>	<u>\$ -</u>	<u>\$ 3,915,000</u>	79,694,209	<u>\$ 4,100,000</u>
				Unamortized bond premium	1,447,049	
				Unamortized bond discount	(110,551)	
					<u>\$ 81,030,707</u>	

\* The California Department of Finance determined that the 2001 Refunding Certificates of Participation were not an enforceable obligation of the Successor Agency; therefore, they were transferred back to the City during fiscal year ending June 30, 2013.

**Tax Allocation Bonds**

A description of individual issues of bonds outstanding at June 30, 2013 (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, 2013, was \$9,720,000.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2013

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

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2013, including interest, are as follows:

	2002 Tax Allocation Senior Parity Bonds	
	Principal	Interest
2013-2014	\$570,000	\$442,748
2014-2015	590,000	419,833
2015-2016	615,000	395,118
2016-2017	640,000	368,123
2017-2018	670,000	338,968
2018-2023	3,845,000	1,180,559
2023-2025	2,790,000	213,750
Totals	<u>\$ 9,720,000</u>	<u>\$ 3,359,099</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, 2013, was \$3,490,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2013, including interest, are as follows:

	2003 Taxable Housing Tax Allocation Parity Bonds	
	Principal	Interest
2013-2014	\$ 780,000	\$ 184,500
2014-2015	165,000	159,694
2015-2016	170,000	150,688
2016-2017	180,000	140,838
2017-2018	190,000	129,963
2018-2023	1,145,000	455,031
2023-2025	860,000	82,813
Totals	<u>\$ 3,490,000</u>	<u>\$ 1,303,527</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, 2013**

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**Note 13: 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, 2013, was \$16,150,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2013, including interest, are as follows:

	<u>2005 Taxable Housing Parity</u>	
	<u>Principal</u>	<u>Interest</u>
2013-2014	\$ 195,000	\$ 866,909
2014-2015	860,000	839,791
2015-2016	910,000	794,214
2016-2017	955,000	745,951
2017-2018	1,010,000	694,609
2018-2023	5,900,000	2,577,190
2024-2026	<u>6,320,000</u>	<u>748,486</u>
Totals	<u>\$ 16,150,000</u>	<u>\$ 7,267,150</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, 2013, was \$34,460,000.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2013

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

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2013, including interest, are as follows:

	2006 Tax Allocation Refunding Parity Bonds	
	Principal	Interest
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
2017-2018	2,215,000	1,447,785
2018-2023	13,000,000	5,332,913
2023-2026	11,435,000	1,373,554
Totals	<u>\$ 34,460,000</u>	<u>\$ 15,003,068</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, 2013, was \$14,685,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2013, including interest, are as follows:

	2006 Subordinate Lien Tax Allocation Refunding Bonds	
	Principal	Interest
2013-2014	\$ 745,000	\$ 753,600
2014-2015	775,000	715,600
2015-2016	820,000	675,725
2016-2017	860,000	633,725
2017-2018	900,000	589,725
2018-2023	5,245,000	2,195,113
2023-2026	5,340,000	569,938
Totals	<u>\$ 14,685,000</u>	<u>\$ 6,133,426</u>

**Note 13: 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 \$111,571,270 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$8,613,441 and the debt service obligation on the bonds was \$8,211,378.

Moody's Investors Services Bond Rating Change

On January 18, 2013, Moody's Investors Service ("Moody's") downgraded the insurance financial strength rating of Assured Guaranty Municipal Corp. ("AGM") from Aa3 to A2. AGM is the insurer of the Agency's 2006 Tax Allocation Refunding Parity Bonds. As a result, the Bonds' insured rating was downgraded from 'Aa3' to 'A2'.

**Advances from the Housing Authority**

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 Low/Mod Housing Fund (after adopting appropriate findings of necessity). The balance outstanding is \$1,189,209 as of June 30, 2013.

**d. 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.

**e. Extraordinary Gain/Loss**

The Successor Agency was subject to Due Diligence reviews during the dissolution of the Former Redevelopment Agency in regards to the former Low/Mod funds and other Funds. The Department of Finance determined that cash transferred to the City of Irwindale in the amount of \$3,639,235 was not an enforceable obligation and should be returned to the Former Redevelopment Agency and remitted to the County. As a result, the City was required to transfer the amount to the Successor Agency and remit payment to the County. This amount has been treated as an extraordinary item.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

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

During the review of the ROPS III Schedule of Enforceable Obligations, for the period of January 1, 2013 to June 30, 2013, the Department of Finance disallowed the 2001 Certificates of Participation as an enforceable obligation of the Successor Agency and the Agency subsequently transferred the debt and related fiscal agent cash back to the City, resulting in an extraordinary gain of \$2,335,739.

The General Fund reported an extraordinary loss in the amount of \$(1,174,974) which consisted of an extraordinary loss of \$(3,639,235) for payment transferred back to the Successor Agency and an extraordinary gain of \$2,464,261 for the transfer of the restricted cash balance for the 2001 Certificates of Participation.

**f. Net Position Restatements**

Beginning net position has been restated due to the implementation of GASB 65 for the recognition of debt issuance costs in the amount of \$(2,909,423).

## 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 from the United States Department 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.

**Community Development Block Grant** - This fund accounts for grants received from the U.S. Department of Housing and Urban Development in the form of a Community Development Block Grant (CDBG) program, which is administered by the County of Los Angeles. The program has specific federal guidelines and all CDBG expenditures are monitored for compliance with both federally mandated rules and regulations and County of Los Angeles regulations.

**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.

**Asset Forfeiture – State** - This fund accounts for proportionate funds received from the California Department of Justice 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.

CITY OF IRWINDALE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	Special Revenue Funds			
	Reclamation	AB939	Asset Forfeiture	State Gas Tax
<b>Assets:</b>				
Pooled cash and investments	\$ 7,308,470	\$ 129,855	\$ 389,309	\$ 28,272
Receivables:				
Accounts	-	17,897	-	4,560
Accrued interest	8,315	127	318	21
<b>Total Assets</b>	<b>\$ 7,316,785</b>	<b>\$ 147,879</b>	<b>\$ 389,627</b>	<b>\$ 32,853</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 428	\$ 299	\$ -
Accrued liabilities	-	1,747	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>2,175</b>	<b>299</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Public safety	-	-	389,328	-
Public works	7,316,785	145,704	-	32,853
<b>Total Fund Balances</b>	<b>7,316,785</b>	<b>145,704</b>	<b>389,328</b>	<b>32,853</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,316,785</b>	<b>\$ 147,879</b>	<b>\$ 389,627</b>	<b>\$ 32,853</b>

CITY OF IRWINDALE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

(CONTINUED)

	<u>Special Revenue Funds</u>			
	<u>Air Quality Improvement</u>	<u>Proposition A</u>	<u>Proposition C</u>	<u>Measure R</u>
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ 14,748	\$ 8,153	\$ 6,350
Receivables:				
Accounts	447	-	-	-
Accrued interest	-	11	13	12
<b>Total Assets</b>	<b><u>\$ 447</u></b>	<b><u>\$ 14,759</u></b>	<b><u>\$ 8,166</u></b>	<b><u>\$ 6,362</u></b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 2,888	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	447	-	-	-
<b>Total Liabilities</b>	<b><u>447</u></b>	<b><u>2,888</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Public safety	-	-	-	-
Public works	-	11,871	8,166	6,362
<b>Total Fund Balances</b>	<b><u>-</u></b>	<b><u>11,871</u></b>	<b><u>8,166</u></b>	<b><u>6,362</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 447</u></b>	<b><u>\$ 14,759</u></b>	<b><u>\$ 8,166</u></b>	<b><u>\$ 6,362</u></b>

CITY OF IRWINDALE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	Special Revenue Funds			
	Federal Grants	Community Development Block Grant	COPS	Asset Forfeiture - State
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ -	\$ 44,772	\$ 5,679
Receivables:				
Accounts	-	7,579	-	-
Accrued interest	-	-	73	5
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 7,579</b>	<b>\$ 44,845</b>	<b>\$ 5,684</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	7,579	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>7,579</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Public safety	-	-	44,845	5,684
Public works	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>44,845</b>	<b>5,684</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 7,579</b>	<b>\$ 44,845</b>	<b>\$ 5,684</b>

CITY OF IRWINDALE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

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	<b>Total Governmental Funds</b>
<b>Assets:</b>	
Pooled cash and investments	\$ 7,935,608
Receivables:	
Accounts	30,483
Accrued interest	8,895
	<hr/>
<b>Total Assets</b>	<b>\$ 7,974,986</b>
	<hr/> <hr/>
<b>Liabilities and Fund Balances:</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 3,615
Accrued liabilities	1,747
Due to other funds	8,026
	<hr/>
<b>Total Liabilities</b>	<b>13,388</b>
	<hr/>
<b>Fund Balances:</b>	
<b>Restricted for:</b>	
Public safety	439,857
Public works	7,521,741
	<hr/>
<b>Total Fund Balances</b>	<b>7,961,598</b>
	<hr/>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,974,986</b>
	<hr/> <hr/>

## CITY OF IRWINDALE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013

	<b>Special Revenue Funds</b>			
	<b>Reclamation</b>	<b>AB939</b>	<b>Asset Forfeiture</b>	<b>State Gas Tax</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ 178,316	\$ -	\$ -
Intergovernmental	-	-	265,404	44,272
Use of money and property	30,790	470	1,177	79
<b>Total Revenues</b>	<b>30,790</b>	<b>178,786</b>	<b>266,581</b>	<b>44,351</b>
<b>Expenditures:</b>				
Current:				
General government	-	15,773	-	2,000
Public safety	-	-	152,992	-
Parks and recreation	-	-	-	-
Public works	5,783	115,485	-	-
Capital outlay	-	-	11,609	10,000
<b>Total Expenditures</b>	<b>5,783</b>	<b>131,258</b>	<b>164,601</b>	<b>12,000</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,007	47,528	101,980	32,351
<b>Other Financing Sources (Uses):</b>				
Transfers in	642,717	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>642,717</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	667,724	47,528	101,980	32,351
Fund Balances, Beginning of Year	6,649,061	98,176	287,348	502
<b>Fund Balances, End of Year</b>	<b>\$ 7,316,785</b>	<b>\$ 145,704</b>	<b>\$ 389,328</b>	<b>\$ 32,853</b>

## CITY OF IRWINDALE

COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2013

(CONTINUED)

	<b>Special Revenue Funds</b>			
	<b>Air Quality Improvement</b>	<b>Proposition A</b>	<b>Proposition C</b>	<b>Measure R</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,708	26,532	21,865	16,486
Use of money and property	-	33	39	37
<b>Total Revenues</b>	<b>1,708</b>	<b>26,565</b>	<b>21,904</b>	<b>16,523</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	17,280	-	-
Capital outlay	1,708	-	14,400	13,450
<b>Total Expenditures</b>	<b>1,708</b>	<b>17,280</b>	<b>14,400</b>	<b>13,450</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	9,285	7,504	3,073
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	-	9,285	7,504	3,073
Fund Balances, Beginning of Year	-	2,586	662	3,289
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ 11,871</b>	<b>\$ 8,166</b>	<b>\$ 6,362</b>

CITY OF IRWINDALE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			
	Federal Grants	Community Development Block Grant	COPS	Asset Forfeiture - State
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	131,933	35,612	100,000	5,665
Use of money and property	-	-	270	19
<b>Total Revenues</b>	<b>131,933</b>	<b>35,612</b>	<b>100,270</b>	<b>5,684</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	338	-
Parks and recreation	4,410	-	-	-
Public works	-	-	-	-
Capital outlay	132,000	35,612	110,884	-
<b>Total Expenditures</b>	<b>136,410</b>	<b>35,612</b>	<b>111,222</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,477)	-	(10,952)	5,684
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(4,477)	-	(10,952)	5,684
Fund Balances, Beginning of Year	4,477	-	55,797	-
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,845</b>	<b>\$ 5,684</b>

CITY OF IRWINDALE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013

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	<b>Total Governmental Funds</b>
<b>Revenues:</b>	
Taxes	\$ 178,316
Intergovernmental	649,477
Use of money and property	32,914
	<hr/>
<b>Total Revenues</b>	<b>860,707</b>
	<hr/>
<b>Expenditures:</b>	
Current:	
General government	17,773
Public safety	153,330
Parks and recreation	4,410
Public works	138,548
Capital outlay	329,663
	<hr/>
<b>Total Expenditures</b>	<b>643,724</b>
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	216,983
	<hr/>
<b>Other Financing Sources (Uses):</b>	
Transfers in	642,717
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>642,717</b>
	<hr/>
Net Change in Fund Balances	859,700
	<hr/>
Fund Balances, Beginning of Year	7,101,898
	<hr/>
<b>Fund Balances, End of Year</b>	<b>\$ 7,961,598</b>
	<hr/> <hr/>

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE  
 RECLAMATION  
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$6,649,061	\$ 6,649,061	\$ 6,649,061	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	72,000	72,000	30,790	(41,210)
Transfers in	671,243	671,243	642,717	(28,526)
<b>Amounts Available for Appropriations</b>	<b>7,392,304</b>	<b>7,392,304</b>	<b>7,322,568</b>	<b>(69,736)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	9,000	9,000	-	9,000
Public works	18,526	18,526	5,783	12,743
<b>Total Charges to Appropriations</b>	<b>27,526</b>	<b>27,526</b>	<b>5,783</b>	<b>21,743</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$7,364,778</b>	<b>\$ 7,364,778</b>	<b>\$ 7,316,785</b>	<b>\$ (47,993)</b>

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE  
 AB939  
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 98,176	\$ 98,176	\$ 98,176	\$ -
<b>Resources (Inflows):</b>				
Taxes	152,000	152,000	178,316	26,316
Use of money and property	700	700	470	(230)
<b>Amounts Available for Appropriations</b>	<b>250,876</b>	<b>250,876</b>	<b>276,962</b>	<b>26,086</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	4,500	4,500	15,773	(11,273)
Public works	143,746	143,746	115,485	28,261
<b>Total Charges to Appropriations</b>	<b>148,246</b>	<b>148,246</b>	<b>131,258</b>	<b>16,988</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 102,630</b>	<b>\$ 102,630</b>	<b>\$ 145,704</b>	<b>\$ 43,074</b>

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE  
ASSET FORFEITURE  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 287,348	\$ 287,348	\$ 287,348	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	-	265,404	265,404
Use of money and property	-	-	1,177	1,177
<b>Amounts Available for Appropriations</b>	<b>287,348</b>	<b>287,348</b>	<b>553,929</b>	<b>266,581</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	-	207,207	152,992	54,215
Capital outlay	-	80,970	11,609	69,361
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>288,177</b>	<b>164,601</b>	<b>123,576</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 287,348</b>	<b>\$ (829)</b>	<b>\$ 389,328</b>	<b>\$ 390,157</b>

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE  
 STATE GAS TAX  
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 502	\$ 502	\$ 502	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	48,640	48,640	44,272	(4,368)
Use of money and property	70	70	79	9
<b>Amounts Available for Appropriations</b>	<b>49,212</b>	<b>49,212</b>	<b>44,853</b>	<b>(4,359)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	2,000	2,000	2,000	-
Capital outlay	46,710	46,710	10,000	36,710
<b>Total Charges to Appropriations</b>	<b>48,710</b>	<b>48,710</b>	<b>12,000</b>	<b>36,710</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 502</b>	<b>\$ 502</b>	<b>\$ 32,853</b>	<b>\$ 32,351</b>

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE  
AIR QUALITY IMPROVEMENT  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,900	1,900	1,708	(192)
<b>Amounts Available for Appropriations</b>	<b>1,900</b>	<b>1,900</b>	<b>1,708</b>	<b>(192)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	1,900	1,900	1,708	192
<b>Total Charges to Appropriations</b>	<b>1,900</b>	<b>1,900</b>	<b>1,708</b>	<b>192</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION A  
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,586	\$ 2,586	\$ 2,586	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	21,600	21,600	26,532	4,932
Use of money and property	-	-	33	33
<b>Amounts Available for Appropriations</b>	<b>24,186</b>	<b>24,186</b>	<b>29,151</b>	<b>4,965</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	21,600	21,600	17,280	4,320
<b>Total Charges to Appropriations</b>	<b>21,600</b>	<b>21,600</b>	<b>17,280</b>	<b>4,320</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,586</b>	<b>\$ 2,586</b>	<b>\$ 11,871</b>	<b>\$ 9,285</b>

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION C  
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 662	\$ 662	\$ 662	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	17,900	17,900	21,865	3,965
Use of money and property	100	100	39	(61)
<b>Amounts Available for Appropriations</b>	<b>18,662</b>	<b>18,662</b>	<b>22,566</b>	<b>3,904</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	3,600	3,600	-	3,600
Capital outlay	14,400	14,400	14,400	-
<b>Total Charges to Appropriations</b>	<b>18,000</b>	<b>18,000</b>	<b>14,400</b>	<b>3,600</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 662</b>	<b>\$ 662</b>	<b>\$ 8,166</b>	<b>\$ 7,504</b>

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE  
MEASURE R  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 3,289	\$ 3,289	\$ 3,289	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	13,400	13,400	16,486	3,086
Use of money and property	50	50	37	(13)
<b>Amounts Available for Appropriations</b>	<b>16,739</b>	<b>16,739</b>	<b>19,812</b>	<b>3,073</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	13,450	13,450	13,450	-
<b>Total Charges to Appropriations</b>	<b>13,450</b>	<b>13,450</b>	<b>13,450</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,289</b>	<b>\$ 3,289</b>	<b>\$ 6,362</b>	<b>\$ 3,073</b>

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE  
 FEDERAL GRANTS  
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,477	\$ 4,477	\$ 4,477	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	132,000	131,933	(67)
<b>Amounts Available for Appropriations</b>	<b>4,477</b>	<b>136,477</b>	<b>136,410</b>	<b>(67)</b>
<b>Charges to Appropriation (Outflow):</b>				
Parks and recreation	-	4,410	4,410	-
Capital outlay	-	132,000	132,000	-
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>136,410</b>	<b>136,410</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,477</b>	<b>\$ 67</b>	<b>\$ -</b>	<b>\$ (67)</b>

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY DEVELOPMENT BLOCK GRANT  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	35,622	35,622	35,612	(10)
<b>Amounts Available for Appropriation</b>	<b>35,622</b>	<b>35,622</b>	<b>35,612</b>	<b>(10)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	35,622	35,622	35,612	10
<b>Total Charges to Appropriations</b>	<b>35,622</b>	<b>35,622</b>	<b>35,612</b>	<b>10</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE  
 COPS  
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 55,797	\$ 55,797	\$ 55,797	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	100,000	100,000	-
Use of money and property	-	-	270	270
<b>Amounts Available for Appropriations</b>	<b>55,797</b>	<b>155,797</b>	<b>156,067</b>	<b>270</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	-	28,776	338	28,438
Capital outlay	-	126,411	110,884	15,527
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>155,187</b>	<b>111,222</b>	<b>43,965</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 55,797</b>	<b>\$ 610</b>	<b>\$ 44,845</b>	<b>\$ 44,235</b>

## 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 STATEMENT OF NET POSITION  
 ALL AGENCY FUNDS  
 JUNE 30, 2013

	<u>Agency</u>	<u>CFD #1</u>	<u>Live Oak Assessment District</u>	<u>Street Lighting District</u>
<b>Assets:</b>				
Pooled cash and investments	\$ 46,467	\$ 851,700	\$ 42,438	\$ 32,501
Receivables:				
Taxes	-	19	10,211	378
Accrued interest	-	706	3	41
Restricted assets:				
Cash and investments with fiscal agents	-	768,532	97,506	-
<b>Total Assets</b>	<b><u>\$ 46,467</u></b>	<b><u>\$ 1,620,957</u></b>	<b><u>\$ 150,158</u></b>	<b><u>\$ 32,920</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 3,960	\$ 46	\$ 35	\$ 129
Deposits payable	42,507	1,620,911	150,123	32,791
<b>Total Liabilities</b>	<b><u>\$ 46,467</u></b>	<b><u>\$ 1,620,957</u></b>	<b><u>\$ 150,158</u></b>	<b><u>\$ 32,920</u></b>

CITY OF IRWINDALE

COMBINING STATEMENT OF NET POSITION  
 ALL AGENCY FUNDS  
 JUNE 30, 2013

	Sewer Maintenance District	Totals
<b>Assets:</b>		
Pooled cash and investments	\$ 991,331	\$ 1,964,437
Receivables:		
Taxes	3,406	14,014
Accrued interest	1,120	1,870
Restricted assets:		
Cash and investments with fiscal agents	-	866,038
<b>Total Assets</b>	<b>\$ 995,857</b>	<b>\$ 2,846,359</b>
<b>Liabilities:</b>		
Accounts payable	\$ 3,083	\$ 7,253
Deposits payable	992,774	2,839,106
<b>Total Liabilities</b>	<b>\$ 995,857</b>	<b>\$ 2,846,359</b>

CITY OF IRWINDALE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2013

	Balance 7/1/2012	Additions	Deductions	Balance 6/30/2013
<b><u>Agency</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 31,434	\$ 41,392	\$ 26,359	\$ 46,467
<b>Total Assets</b>	<b>\$ 31,434</b>	<b>\$ 41,392</b>	<b>\$ 26,359</b>	<b>\$ 46,467</b>
<b>Liabilities:</b>				
Accounts payable	\$ 721	\$ 28,015	\$ 24,776	\$ 3,960
Deposits payable	30,713	41,371	29,577	42,507
<b>Total Liabilities</b>	<b>\$ 31,434</b>	<b>\$ 69,386</b>	<b>\$ 54,353</b>	<b>\$ 46,467</b>
<b><u>CFD #1</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 836,702	\$ 944,819	\$ 929,821	\$ 851,700
Taxes	-	19	-	19
Accrued interest	1,197	706	1,197	706
Restricted assets:				
Cash and investments with fiscal agents	772,747	127	4,342	768,532
<b>Total Assets</b>	<b>\$ 1,610,646</b>	<b>\$ 945,671</b>	<b>\$ 935,360</b>	<b>\$ 1,620,957</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 9,964	\$ 9,918	\$ 46
Deposits payable	1,610,646	176,343	166,078	1,620,911
<b>Total Liabilities</b>	<b>\$ 1,610,646</b>	<b>\$ 186,307</b>	<b>\$ 175,996</b>	<b>\$ 1,620,957</b>
<b><u>Live Oak Assessment District</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ 131,292	\$ 88,854	\$ 42,438
Receivables:				
Taxes	31,894	10,211	31,894	10,211
Accrued interest	-	3	-	3
Restricted assets:				
Cash and investments with fiscal agents	97,503	16	13	97,506
<b>Total Assets</b>	<b>\$ 129,397</b>	<b>\$ 141,522</b>	<b>\$ 120,761</b>	<b>\$ 150,158</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 7,066	\$ 7,031	\$ 35
Deposits payable	126,486	26,669	3,032	150,123
Due to other governments	2,911	-	2,911	-
<b>Total Liabilities</b>	<b>\$ 129,397</b>	<b>\$ 33,735</b>	<b>\$ 12,974</b>	<b>\$ 150,158</b>

CITY OF IRWINDALE

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
YEAR ENDED JUNE 30, 2013**

	Balance 7/1/2012	Additions	Deductions	Balance 6/30/2013
<b><u>Street Lighting District</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 29,403	\$ 15,015	\$ 11,917	\$ 32,501
Receivables:				
Taxes	3,229	378	3,229	378
Accrued interest	58	41	58	41
<b>Total Assets</b>	<b>\$ 32,690</b>	<b>\$ 15,434</b>	<b>\$ 15,204</b>	<b>\$ 32,920</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 1,830	\$ 1,701	\$ 129
Deposits payable	32,690	2,876	2,775	32,791
<b>Total Liabilities</b>	<b>\$ 32,690</b>	<b>\$ 4,706</b>	<b>\$ 4,476</b>	<b>\$ 32,920</b>
<b><u>Sewer Maintenance District</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 872,947	\$ 143,758	\$ 25,374	\$ 991,331
Receivables:				
Taxes	33,740	3,406	33,740	3,406
Accrued interest	1,363	1,120	1,363	1,120
<b>Total Assets</b>	<b>\$ 908,050</b>	<b>\$ 148,284</b>	<b>\$ 60,477</b>	<b>\$ 995,857</b>
<b>Liabilities:</b>				
Accounts payable	\$ 469	\$ 12,368	\$ 9,754	\$ 3,083
Deposits payable	907,581	104,403	19,210	992,774
<b>Total Liabilities</b>	<b>\$ 908,050</b>	<b>\$ 116,771</b>	<b>\$ 28,964</b>	<b>\$ 995,857</b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 1,770,486	\$1,276,276	\$1,082,325	\$ 1,964,437
Receivables:				
Taxes	68,863	14,014	68,863	14,014
Accrued interest	2,618	1,870	2,618	1,870
Restricted assets:				
Cash and investments with fiscal agents	870,250	143	4,355	866,038
<b>Total Assets</b>	<b>\$ 2,712,217</b>	<b>\$ 1,292,303</b>	<b>\$ 1,158,161</b>	<b>\$ 2,846,359</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,190	\$ 59,243	\$ 53,180	\$ 7,253
Deposits payable	2,708,116	351,662	220,672	2,839,106
Due to other governments	2,911	-	2,911	-
<b>Total Liabilities</b>	<b>\$ 2,712,217</b>	<b>\$ 410,905</b>	<b>\$ 276,763</b>	<b>\$ 2,846,359</b>

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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.*

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> <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>	<b>84-87</b>
<b>Revenue Capacity</b> <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>	<b>88-94</b>
<b>Debt Capacity</b> <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>	<b>95-98</b>
<b>Demographic and Economic Information</b> <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>	<b>99-100</b>
<b>Operating Information</b> <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>	<b>101-103</b>

**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 Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 49,061,789
Restricted	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	89,708,274
Unrestricted	(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	33,485,053
Total governmental activities net position	\$ 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	\$ 172,255,116

**Table 2**  
**City of Irwindale**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 7,675,365
Public safety	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	5,797,927
Public Works	3,596,167	3,023,048	3,311,389	5,425,969	5,623,566	5,580,673	5,977,716	6,308,680	5,743,162	5,392,703
Parks and Recreation	1,949,082	1,866,982	2,886,369	2,262,166	2,219,073	2,225,792	1,872,053	1,851,457	1,846,848	1,835,292
Interest on long-term debt	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	297,961
Total primary government expenses	\$ 29,329,924	\$ 28,118,844	\$ 31,932,262	\$ 43,798,356	\$ 33,509,112	\$ 34,970,419	\$ 40,544,451	\$ 34,597,024	\$ 27,812,494	\$ 20,999,248
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 4,356	\$ 5,808	\$ 7,372	\$ 5,365	\$ 65,162	\$ -	\$ -	\$ -	\$ 502	\$ 442
Public safety	427,875	507,595	599,816	631,617	568,437	567,589	528,525	529,939	497,442	409,754
Public Works	483,803	898,633	1,190,418	964,154	1,210,761	688,504	1,097,721	1,562,668	523,323	499,829
Parks and Recreation	97,538	95,343	105,575	96,338	125,620	96,079	112,600	121,570	117,481	116,836
Operating grants and contributions	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	615,256
Capital grants and contributions	-	-	-	-	400,000	-	586,548	41,852	34,169	227,058
Total primary government revenues	\$ 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	\$ 1,869,175
<b>Net Revenues (Expense)</b>										
Total primary government net expense	\$ (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)	\$ (19,130,073)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes	\$ 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	\$ 3,621,003
Property	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	5,001,084
Mining/processing	3,934,389	4,855,595	4,779,895	5,272,506	5,270,560	4,541,326	3,919,905	4,207,592	3,394,807	3,757,466
Sales	3,830,372	3,967,353	4,245,058	4,518,768	3,938,351	3,789,366	3,171,532	3,593,910	3,134,265	3,289,837
Utility Users	746,851	822,143	871,268	991,247	916,917	982,119	943,735	910,274	1,114,846	1,068,712
Franchise	687,343	719,143	776,361	674,678	1,300,093	1,088,467	674,410	971,720	1,118,699	1,084,552
Business licenses	12,495	6,425	5,528	33,407	504,001	466,760	435,179	441,742	310,334	267,682
Other	59,832	21,603	3,257	7,745	107,343	113,485	122,041	121,549	111,598	113,675
Motor vehicle in lieu	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	1,330,941
Use of money and property	-	-	25,845	-	11,795,420	205,437	-	4,844,874	-	514,453
Gain on sale of assets	33,570	102,199	21,459	79,308	1,728,496	2,090,634	1,175,407	1,122,602	411,368	1,135,156
Other	-	-	-	-	-	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of redevelopment agency *	-	-	-	-	-	-	-	-	50,571,909	(5,974,974)
Total primary government	\$ 33,261,649	\$ 33,684,271	\$ 35,018,768	\$ 41,310,653	\$ 52,753,663	\$ 39,915,548	\$ 37,905,657	\$ 40,740,074	\$ 76,374,658	\$ 15,209,587
<b>Change in Net Position</b>										
Total primary government	\$ 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	\$ (3,920,486)

\* 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.

**Table 3**  
**City of Irwindale**  
**Fund Balances of Governmental Funds**  
**As of June 30, 2013**  
**(modified accrual basis of accounting)**

	2004	2005	2006	2007	2008	2009	2010	2011*	2012	2013
General fund										
Reserved	\$ 14,041,434	\$ 14,410,631	\$ 16,550,127	\$ 9,155,651	\$ 8,251,506	\$ 6,772,885	\$ 6,855,694	\$ -	\$ -	\$ -
Unreserved	10,931,499	11,855,778	10,122,592	18,429,294	21,296,916	22,507,298	20,520,102	-	-	-
General fund										
Nonspendable	-	-	-	-	-	-	-	42,441,980	30,191,045	34,346,793
Restricted	-	-	-	-	-	-	-	-	-	2,464,622
Assigned	-	-	-	-	-	-	-	24,279,691	25,176,638	17,677,821
Total general fund	\$ 24,972,933	\$ 26,266,409	\$ 26,672,719	\$ 27,584,945	\$ 29,548,422	\$ 29,280,183	\$ 27,375,796	\$ 66,721,671	\$ 55,367,683	\$ 54,469,236
All other governmental funds										
Reserved	\$ 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	16,796,203	18,355,843	21,000,573	25,901,999	28,339,516	20,917,965	21,374,947	-	-	-
Debt service funds	6,558,455	17,798,493	15,799,285	16,074,932	6,296,728	4,534,733	1,422,725	-	-	-
Capital projects funds	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	17,162,644
Restricted:										
Community development projects	-	-	-	-	-	-	-	25,084,449	3,400,709	16,151,287
Public safety	-	-	-	-	-	-	-	272,231	347,622	439,857
Public works	-	-	-	-	-	-	-	20,671,666	21,567,736	23,336,819
Debt service	-	-	-	-	-	-	-	7,742,159	-	-
Unassigned	-	-	-	-	-	-	-	(47,862)	-	-
Total all other governmental funds	\$ 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	\$ 57,090,607

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

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues:</b>										
Taxes	\$ 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	\$ 17,717,330
Licenses and permits	986,506	1,198,377	1,423,707	1,318,064	673,240	354,936	412,419	989,453	283,398	247,039
Intergovernmental	1,804,926	1,822,585	2,244,139	1,940,270	560,723	1,216,649	1,013,107	634,658	854,348	1,086,969
Charges for services	388,216	657,475	920,586	649,076	806,291	585,241	923,939	842,152	470,000	447,475
Fines and forfeitures	326,193	370,670	1,879,686	407,012	419,100	1,847,903	396,870	1,851,903	385,350	332,347
Use of money and property	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	1,330,941
Contributions	-	-	-	-	-	-	950	4,547	2,000	8,600
Miscellaneous	65,739	133,746	54,040	123,089	2,822,137	3,859,481	3,025,803	3,057,217	1,714,792	1,143,637
Total revenues	\$ 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	\$ 22,316,338
<b>Expenditures:</b>										
General government	\$ 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	\$ 6,891,893
Public safety	6,362,744	7,081,086	11,775,501	18,296,950	7,811,487	8,792,926	6,915,434	5,449,255	5,792,040	5,569,075
Public works	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	4,159,516
Parks and recreation	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	1,653,370
Capital outlay	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	927,084
Debt Service:										
Debt issuance costs	416,913	-	690,789	3,459,022	-	-	-	-	-	-
Refunding escrow	128,095	-	1,426,443	-	-	-	-	-	-	-
Principal	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	445,159
Interest and fiscal charges	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	235,979
Total expenditures	\$ 37,236,976	\$ 33,287,104	\$ 40,973,512	\$ 112,505,140	\$ 40,638,910	\$ 49,316,136	\$ 46,310,082	\$ 38,403,113	\$ 32,307,998	\$ 19,882,076
Excess of revenues over (under) expenditures	\$ (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)	\$ 2,434,262
<b>Other financing sources (uses):</b>										
Transfers in	7,436,185	3,698,560	3,153,568	5,225,638	4,634,545	11,683,810	4,160,591	45,673,056	10,041,173	642,717
Transfers out	(7,436,185)	(3,698,560)	(3,153,568)	(5,225,638)	(4,634,545)	(11,683,810)	(4,160,591)	(45,673,056)	(10,041,173)	(642,717)
Capital leases	-	-	-	-	-	23,750	-	-	-	-
Gain (loss) on sale of land held	-	-	-	-	11,795,420	205,437	-	4,844,874	-	514,453
Bonds issued	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	-	-	-	-	-	-	-	-	(545,416)	-
Total other financing sources (uses)	4,185,657	-	3,595,868	64,749,522	11,795,420	229,187	-	4,844,874	(545,416)	514,453
Extraordinary Gain/(Loss) *	-	-	-	-	-	-	-	-	(31,443,000)	(1,174,974)
Net change in fund balances before restatements	\$ 2,320,762	\$ 3,480,920	\$ 1,736,745	\$ (2,856,190)	\$ 15,644,605	\$ (5,199,539)	\$ (3,857,192)	\$ 6,985,056	\$ (34,866,034)	\$ 1,773,741
Restatement of fund balances	(3,843,125)	(27,065)	75,793	4,515,160	-	270,872	-	(3,296,051)	-	-
Net change in fund balances after restatement	\$ (1,522,363)	\$ 3,453,855	\$ 1,812,538	\$ 1,659,970	\$ 15,644,605	\$ (4,927,667)	\$ (3,857,192)	\$ 3,689,005	\$ (34,866,034)	\$ 1,773,741
Debt service as a percentage of noncapital expenditures	29.27%	30.11%	21.66%	6.84%	25.46%	23.86%	21.60%	24.96%	25.88%	3.59%

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

\* Per State Assembly Bill AB 1X26, redevelopment agencies in California were dissolved as of February 1, 2012. The assets and financial activities of the former Inwindsale Community Redevelopment Agency are now 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, which has resulted in these Extraordinary Gains/(Loss) amounts.

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

<b>Fiscal Year Ended June 30</b>	<b>Property Tax</b>	<b>Mining Tax</b>	<b>Sales Tax</b>	<b>Utility Users Tax</b>	<b>Other Tax</b>	<b>Total Taxes</b>
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
2013 *	3,621,003	5,001,084	3,757,466	3,289,837	2,420,946	18,090,336

\* 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 where tax increment revenues were not received due to the redevelopment agency dissolution. Fiscal Year 2013 reflects a full year of without tax increment revenues.

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

Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Residential	\$ 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	\$ 47,150,265
Commercial	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	154,295,529
Industrial	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	1,256,350,532
Government Owned	590,195	429,569	438,159	446,921	455,859	464,975	474,273	473,148	476,710	486,243
Institutional	1,278,934	136,590	139,320	142,106	144,947	147,845	150,801	150,442	151,574	154,604
Miscellaneous	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	7,399,309
Recreational	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	11,357,451
Vacant	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	61,389,175
SBE Nonunitary	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	8,555,358
Cross Reference	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	104,765,839
Unsecured	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	335,799,957
Exempt	(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)	(43,322,431)
<b>TOTALS</b>	<b>\$ 1,437,812,276</b>	<b>\$ 1,496,454,843</b>	<b>\$ 1,601,225,972</b>	<b>\$ 1,724,541,003</b>	<b>\$ 1,762,801,757</b>	<b>\$ 1,896,739,492</b>	<b>\$ 2,060,854,474</b>	<b>\$ 2,003,405,877</b>	<b>\$ 1,951,791,776</b>	<b>\$ 1,987,704,262</b>
<b>Total Direct Rate</b>	0.92818%	0.92959%	0.93203%	0.93073%	0.92616%	0.92690%	0.93193%	0.92974%	0.92704%	0.92472%

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**

<b>Fiscal Year Ended</b>	<b>Direct Rate</b>	<b>Overlapping Rates</b>			<b>Total Direct &amp; Overlapping Rates</b>	
	<b>General Levy</b>	<b>Los Angeles County</b>	<b>School Districts</b>	<b>Community College Water District</b>		
<b>2004</b>	1.00000	0.00146	0.44452	0.01525	0.00610	1.46733
<b>2005</b>	1.00000	0.00116	0.53102	0.06228	0.00580	1.60026
<b>2006</b>	1.00000	0.00085	0.50922	0.05687	0.00520	1.57214
<b>2007</b>	1.00000	0.00071	0.57112	0.04355	0.00470	1.62008
<b>2008</b>	1.00000	0.00000	0.55590	0.04731	0.00450	1.60771
<b>2009</b>	1.00000	0.00000	0.58847	0.07093	0.00430	1.66370
<b>2010</b>	1.00000	0.00000	0.69198	0.07682	0.00430	1.77310
<b>2011</b>	1.00000	0.00000	0.72929	0.08591	0.00370	1.81890
<b>2012</b>	1.00000	0.00000	0.80303	0.08507	0.00370	1.89180
<b>2013</b>	1.00000	0.00000	0.79355	0.08298	0.00350	1.88003

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, 2013**

Property Owner	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Miller Brewing Company	\$ 363,861,156	1	18.26%	\$ 262,302,895	1	18.19%
Crow Family Holdings Industrial	99,806,372	2	5.01%	35,095,094	6	2.43%
Metropolitan Life Insurance Company	53,032,750	3	2.66%	54,904,443	2	3.81%
Hanson Aggregates West Inc.	48,998,534	4	2.46%			
Ready Pac Produce Inc.	42,923,435	5	2.15%	37,296,989	5	2.59%
Davis Wire Corporation	37,269,134	6	1.87%	25,293,210	10	1.75%
Unitek Corporation	35,992,902	7	1.81%			
Vulcan Materials	31,930,186	8	1.60%	43,058,138	3	2.99%
LBA RIV-CO XX LLC	31,221,107	9	1.57%			
California Community News Corp	28,397,334	10	1.43%	25,612,168	9	1.78%
Realty Associates Fund				42,325,340	4	2.94%
Consolidated Rock Products				33,751,018	7	2.34%
Ortel Corporation AFA Agere System Inc.				29,243,764	8	2.03%
Totals	<u>\$ 773,432,910</u>		<u>38.81%</u>	<u>\$ 588,883,059</u>		<u>40.85%</u>

Source: HDL., Coren and Cone

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

Fiscal Year Ended June 30	City Tax Levy	Collected within the Fiscal Year of the Levy			Collected In Subsequent Years	Total Collections	
		Amount Collected	Percentage of Levy	Amount Collected		Percentage of Levy	
2004	\$ 188,657	\$ 181,110	96.0%	181	\$ 181,291	96.1%	
2005	189,725	182,136	96.0%	457	182,593	96.2%	
2006	191,403	176,845	92.4%	705	177,550	92.8%	
2007	198,193	189,057	95.4%	426	189,483	95.6%	
2008	200,091	195,067	97.5%	382	195,449	97.7%	
2009	200,610	197,760	98.6%	296	198,056	98.7%	
2010	203,934	202,982	99.5%	291	203,273	99.7%	
2011	201,838	200,222	99.2%	280	200,501	99.3%	
2012	203,082	202,147	99.5%	274	202,421	99.7%	
2013	203,572	202,460	99.5%	N/A	202,460	99.5%	

NA - Information not available.

Source: HdL Coren & Cone, City of Irwindale Finance Dept, and County of Los Angeles Office of Auditor-Controller

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

	(in thousands of dollars)									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Apparel Stores	\$ 130	\$ 58	\$ 128	\$ 159	\$ 245	\$ 311	\$ 358	\$ 640	\$ 818	\$ -
General Merchandise	-	-	77	130	1,340	1,285	451	78	150	-
Food Stores	1,153	1,445	1,920	1,542	1,790	2,841	11,789	1,258	1,440	-
Eating and Drinking Places	11,522	13,217	16,441	16,293	17,384	17,009	16,817	17,107	17,497	17,528
Building Materials	14,055	16,564	17,174	19,252	19,488	14,136	9,674	10,011	9,980	9,756
Auto Dealers and Supplies	4,759	5,640	4,512	14,622	10,238	10,945	6,484	5,739	3,139	3,521
Service Stations	17,159	23,234	28,055	31,599	30,447	38,581	28,289	47,432	40,916	50,541
Other Retail Stores	14,930	17,869	20,445	21,112	21,704	20,950	16,389	20,455	22,604	15,665
All Other Outlets	304,556	359,012	364,079	437,659	427,173	383,200	300,600	310,599	266,831	269,311
<b>Total</b>	<b>\$ 368,264</b>	<b>\$ 437,039</b>	<b>\$ 452,831</b>	<b>\$ 542,368</b>	<b>\$ 529,809</b>	<b>\$ 489,258</b>	<b>\$ 390,851</b>	<b>\$ 413,319</b>	<b>\$ 363,375</b>	<b>\$ 366,322</b>

\* 2013 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, 2013**

2013		2004	
Business Name	Business Category	Business Name	Business Category
ACH Supply	Contractors	Airgas West	Drugs/Chemicals
Airgas USA	Drugs/Chemicals	Arco AM PM	Service Stations
Arco	Service Stations	Arco AM PM	Service Stations
Arco AM PM	Service Stations	Associated Asphalt Paving Materis	Contractors
Arco AM PM	Service Stations	B & B Redi Mix Concrete	Contractors
Chaparral Concrete	Contractors	B & K Electric Wholesale	Plumbing/Electrical Supplies
Chem Arrow	Drugs/Chemicals	Barron/Hallet Boats	Boats/Motorcycles
Decore Active Specialties	Contractors	Decore Active Specialties	Contractors
Education Management Systems	Business Services	Grainger Industrial Supply	Electrical Equipment
Food Makers Bakery Equipment	Food Mfg.	Graphic Management Associates	Light Industrial/Printers
Grainger Industrial Supply	Electrical Equipment	Hanson Aggregates West	Contractors
H & K	Heavy Industrial	Ingersoll Rand	Heavy Industrial
Holiday Rock Co	Contractors	L & L Building Material	Contractors
Jacmar Food Service	Food Mfg.	Messer Griesheim Industries	Petroleum Prod/Equipment
Matheson Tri Gas	Petroleum Prod/Equipment	Miller Brewing	Food Mfg.
Miller Brewing	Food Mfg.	Montgomery Hardware	Contractors
No name on file 084155080	Receivables/Master Outlets	National Ready Mixed Concrete	Contractors
National Ready Mixed Concrete	Contractors	Scholastic Book Fairs	Light Industrial/Printers
Rivergrade Shell Station	Service Stations	Seans Arco	Service Stations
Service Solutions Group	Repair Shop/Equip. Rentals	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	65.45%		65.27%

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	
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	
2013		58,865,000		19,640,000		4,360,000		1,333		82,866,333	4.17%		20,093		NM	

Source: City of Irwindale Note 6 and Note 13 to Financial Statements and Statistical Table 6 and Table 16

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**  
**Successor Agency Tax Allocation Bonds**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Tax Increment/ Allocation</u>	<u>Debt Service Principal and Interest</u>	<u>Coverage</u>
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)
2013	8,613,441	8,211,378	1.05 (3)

Source: City of Irwindale

Note: Details regarding the city's outstanding debt can be found in Note 6 and Note 13 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.
- (3) As of February 1, 2012, the City now serves as Successor Agency to the former redevelopment agency, and funds for payment of debt obligations are allocated through a Recognized Obligation Payment Schedule (ROPS) process. The State must approve the ROPS prior to the County distributing property tax allocations. Fiscal Year 2012-13 reflects property tax allocated to the Successor Agency through the ROPS process for payment of its debt obligations.

**Table 14**  
**City of Irwindale**  
**Direct and Overlapping Debt**  
**As of June 30, 2013**

	<u>Percentage Applicable to City of Irwindale</u>	(1)	<u>Amount Applicable to City of Irwindale</u>
<b>2012-13 Assessed Valuation (after deducting Incremental Value)</b>			<u>\$ 169,986,379</u>
<b>Direct Debt:</b>			
2001 Refunding Certificate of Participation	100%		\$ 4,360,000
Capital Leases	100%		1,333
			<u>\$ 4,361,333</u>
<b>Overlapping Debt:</b>			
Metropolitan Water District	0.019%		\$ 15,369
El Monte School District	2.066%		1,958,966
El Monte Union High School District	1.078%		1,614,698
Citrus Community College District	5.742%		4,432,250
Mt San Antonio Community College District	0.947%		1,389,300
Rio Hondo Community College District	0.413%		692,383
Azusa Unified School District	17.548%		7,204,377
Azusa Unified School District	17.501%		3,844,744
Baldwin Park Unified School District	5.798%		4,564,412
Covina Valley Unified School District	5.874%		7,019,002
Duarte Unified School District	10.532%		5,502,524
Monrovia Unified School District	0.806%		563,654
West Covina Unified School District	0.011%		3,194
Total Overlapping Debt			<u>\$ 38,804,873</u>
Total Direct and Overlapping Tax and Assessment Debt:			<u>\$ 43,166,206</u>

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

Ratio to Assessed Valuation:	
Direct Debt %	2.56%
Overlapping Debt %	22.83%
Total Gross Debt %	25.39%

Source: Hdl Coren & Cone Reports

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed valuation	\$ 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	\$ 1,987,704,262
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	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	496,926,066
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	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	74,538,910
Less debt applicable to the limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 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	\$ 74,538,910
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**

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
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	1,454	29,215	20,093	9.7%

\* 2013 data not available.

Source: Hdl Coren & Cone Reports

**Table 17**  
**City of Irwindale**  
**Principal Employers**  
**Current Year**

<b>Employer</b>	<b>2013</b>		<b>Percentage of Total City Employment</b>
	<b>Employees</b>	<b>Rank</b>	
Southern California Edison	2,528 *	1	10.1%
Ready-Pac Produce Inc.	1,900 *	2	7.6%
Miller Coors	520	3	2.1%
Decore-Ative Specialties Inc.	436	4	1.7%
Biosense Webster	390	5	1.6%
Mariposa Horticultural Enterprise	360	6	1.4%
R Ranch Market	344	7	1.4%
Charter Communications	322	8	1.3%
Best Overnight Express, Inc.	268	9	1.1%
Superior Communications	243 *	10	1.0%
<b>Total</b>	<b>7,311</b>		<b>29.2%</b>
Estimated City Employment	<b>25,000</b>		

Note: Data for ten years ago is not available.

Source: HDL, Coren & Cone, Survey completed by City.

Estimated City Employment provided by Community Development Director.

\* Includes contract employees

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

Function	Fiscal Year Ended June 30,						
	2007	2008	2009	2010	2011	2012	2013
General government	16.00	19.00	18.00	16.00	16.00	15.00	15.00
Police	47.00	47.00	47.00	45.00	45.00	45.00	45.00
Community Dvlp & Code Enforcement	5.00	6.00	7.00	7.00	7.00	5.00	6.00
Public Works	23.00	23.00	23.00	20.00	20.00	14.50	14.50
Library	2.50	4.50	4.50	4.50	4.50	4.50	4.50
Recreation	17.00	17.00	17.00	16.00	16.00	16.00	15.00
Senior Center	5.00	5.00	5.50	5.50	5.50	5.00	5.00
<b>Total</b>	<b>115.50</b>	<b>121.50</b>	<b>122.00</b>	<b>114.00</b>	<b>114.00</b>	<b>105.00</b>	<b>105.00</b>

Source: City of Irwindale, Finance Department, budget document

Reflects the number of positions authorized

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

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

Function/Program	Fiscal Year					
	2008	2009	2010	2011	2012	2013
<b>Police:</b>						
Increase in traffic enforcement citations	2,801	3,857	3,102	4,587	3,497	2,875
DUI arrests	214	178	203	185	216	143
Unlicensed drivers arrested or cited	551	519	442	491	495	376
Vandalism Arrests	16	20	9	14	12	13
Stolen Vehicles	107	76	43	17	39	39
Robberies	11	10	9	2	3	5
Burglaries	102	90	72	33	54	46
Calls for service	25,453	23,895	21,437	25,537	27,374	22,547
<b>Recreation:</b>						
Number of facility rentals	227	212	344	173	206	238
Number of recreation classes/programs	124	124	89	69	102	58
Number of special events	25	26	24	31	45	44
Number of field trips	40	44	35	43	52	51
Aquatic participants	15,782	14,355	9,447	9,215	8,931	6,016
<b>Senior Center:</b>						
Number of facility rentals	167	184	158	125	124	171
Number of classes/programs	61	78	73	73	85	85
Number of special events/activities	19	27	39	39	39	39
Number of field trips	17	20	20	26	26	26
Number of meals served-Nutrition program/breakfast	13,180	10,581	10,189	7,856	7,975	9,520
<b>Library</b>						
Adult & children programs	14	37	19	6	65	102
Adult & children storytimes	128	75	65	58	21	30
Library items added	2,597	1,624	2,802	1,826	3,525	3,180
Learning Center tutoring hours	342	322	328	307	310	312
<b>Public Works</b>						
Street resurfacing (miles)	1.03	4.95	0.95	0.71	1.164	0
Sidewalk repair/replacement (sq.ft.)	-	20,447	-	20,002	0	2,617
Field Inspections	5 daily	5 daily	5 daily	4/week	4/week	4/week
<b>Building &amp; Safety</b>						
Permits issued	455	345	363	368	308	346
Film Permits Issued	10	8	13	5	14	10
<b>Finance</b>						
Business Licenses issued	1,431	1,358	1,165	1,135	1,015	1,520
Account Payable checks issued	4,745	4,017	4,653	3,544	3,625	2,922
Payroll checks issued	3,962	4,095	3,825	3,701	3,372	606
Journal Vouchers	2,306	2,390	2,322	2,430	2,471	2,223
Purchase orders processed	1,081	944	366	259	179	126
Cash & Investments at year-end (in millions)	97.0	96.3	85.0	76.6	80.0	76.1
<b>Administration</b>						
Constituent requests for information processed	NA	88	87	76	43	73
Agenda Reports Submitted to Council	428	350	313	295	334	341
City Council Meeting Agendas Compiled	35	28	38	29	33	23
Resolutions (City Council)	84	77	86	61	49	53
Resolutions (ICRA)	13	14	15	12	2	-
Resolutions (SA)	-	-	-	-	5	5
Resolutions (Housing Authority)	4	11	3	5	3	5
Resolutions (Reclamation Authority)	2	2	1	1	1	1
Ordinances	10	8	10	11	10	11
Contracts	NA	53	119	128	68	37
City Council Requests Resolved	7	7	22	20	60	85
Weekly Reports to City Council	49	49	50	49	48	47
Number of recruitment applications processed	387	126	124	184	104	282

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 Six Fiscal Years \***

Function	Fiscal Year					
	2008	2009	2010	2011	2012	2013
<b>Police</b>						
Stations	1	1	1	1	1	1
Substations	0	0	0	0	0	0
Patrol units	19	19	19	10	14	14
Motorcycles	3	3	3	3	2	2
Trailer	1	1	1	1	1	1
Undercover Vehicle	0	0	1	7	6	6
Command Vehicle	0	0	1	1	3	3
<b>Public Works</b>						
Streets/Highway (miles)	27.73	27.73	27.73	27.73	27.73	27.73
Streetlights	861	861	861	861	861	861
Traffic signals	40	41	41	41	41	41
Bridges	15	15	15	15	15	15
<b>Culture and recreation</b>						
<b>Recreation</b>						
Parks	3	3	3	3	3	3
Playground areas	4	4	4	4	4	4
Tennis courts	1	1	1	1	1	1
Softball & baseball diamonds	1	1	1	1	1	1
Basketball full courts	2	2	2	2	2	2
Basketball half courts	1	1	1	1	1	1
Skate Parks	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1
<b>Senior Center</b>						
Community Centers	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1
Missions	1	1	1	1	1	1
<b>Library</b>						
Library buildings	1	1	1	1	1	1

Source: City of Irwindale, various departments

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

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