

City of Irwindale California

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016



Foothill Gold Line Grand Opening
Irwindale Station, March 5th, 2016



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

CITY OF IRWINDALE

CALIFORNIA



Mark A. Breceda, Mayor
Albert F. Ambriz, Mayor Pro Tem
Larry G. Burrola, Councilmember
Manuel R. Garcia, 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

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CITY OF IRWINDALE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 JUNE 30, 2016

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December 15, 2016

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, 2016. 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 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, 2016. 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 provided 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 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 11 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

Economic conditions both at the national and state levels have continued to reflect a positive outlook. California has 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 conditions continue to improve for consumers and the economic outlook.

The City’s local economy also continued its recovery this year, although at a much slower pace than the state and national economy. The City’s tax revenues received during FY 2015-16 have reflected healthy increases steadily over recent prior years. The City’s primary tax base comes from the mining taxes and sales taxes based from the commercial and industrial business sectors. These sectors have recovered from the great recession resulting in higher tax revenues for the City. The City’s mining companies have also projected increased activity over prior years, which will generate increased mining tax revenues.

It is anticipated that even with the recovery, the City’s revenues will never reach pre-recession levels. This is primarily a direct result of the loss of redevelopment. Pursuant to the Assembly Bill 1X 26, the City dissolved the Irwindale Community Redevelopment Agency (ICRA). The dissolution of the ICRA constituted a loss of over \$18 million in annual property tax increment revenue. The loss of this funding has significantly impacted the City’s ability to fund important redevelopment projects throughout the City which would have generated increased future revenues for the City’s General Fund.

LONG-TERM FINANCIAL PLANNING

The City has adopted a fund balance policy in compliance with Governmental Accounting Standards Board Statement No. 54. The assigned and unassigned fund balances in the general fund equal approximately 87% of the General Fund expenditure budget adopted for the next fiscal year. These reserves are assigned or set aside for several purposes, including post retirement benefits, compensated absences, capital projects, infrastructure and capital asset replacement, and economic contingencies.

The City is continuing its concerted efforts in economic development. The current Economic Strategic Plan is scheduled to be updated during the next fiscal year to continue to outline the best course of long-term economic strategies to create a sustainable stream of new revenues, while maximizing and leveraging Successor Agency assets and resources for the greatest economic impact and return to the community. Some of the priority near-term and long-term development opportunities include:

- Commencement of mining operations at the Olive Pit site;
- A Materials Recovery Facility/Transfer Station on a 17-acre site;
- Development of a Travel Center with New Truck Sales at the Nuway Pit;
- Industrial Flex developments: Arrow Highway Property;
- Industrial Flex developments: Los Angeles Street/Alderson Property;
- Retail/commercial/housing development of the 35 acre Manning Pit;
- Retail/commercial development of the Vulcan Pit;
- Retail/commercial development of the North Kincaid Pit;
- Retail/commercial development at the Speedway site

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 primarily from sources other than the General Fund. Project funding sources typically include Special Mining Funds, State Gas Tax, Proposition C Funds, Measure R Funds, TDA Funds, Community Development Block Grants, and other Federal/State grants or private contributions.

During FY 2015-16, the City of Irwindale spent approximately \$700,000 in infrastructure improvements, and completed the Irwindale Park Improvement Project and Sidewalk and Access Ramp Project. A total of \$4.3 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 \$3.6 million in new capital projects has been included in the FY 2016-17 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, 2015. This was the sixth consecutive year 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. Management believes the CAFR of the current year continues to meet the program requirements.

The City's CAFR was prepared through the combined efforts of City staff, under the leadership of the City Council. We would like to extend our appreciation to the Mayor and City Council for their continued support in maintaining the highest standards of professionalism in the management of the City's finances. Special recognition is extended to the Finance Department Staff for their hard work and dedication throughout the year.

Respectfully submitted,



John Davidson
City Manager



Eva Carreon
Director of Finance/City Treasurer

CITY OF IRWINDALE
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2016

ELECTED OFFICIALS



Mayor	Mark A. Breceda
Mayor Pro Tem	Albert F. Ambriz
Councilmember	Larry G. Burrola
Councilmember	Manuel R. Garcia
Councilmember	H. Manuel Ortiz

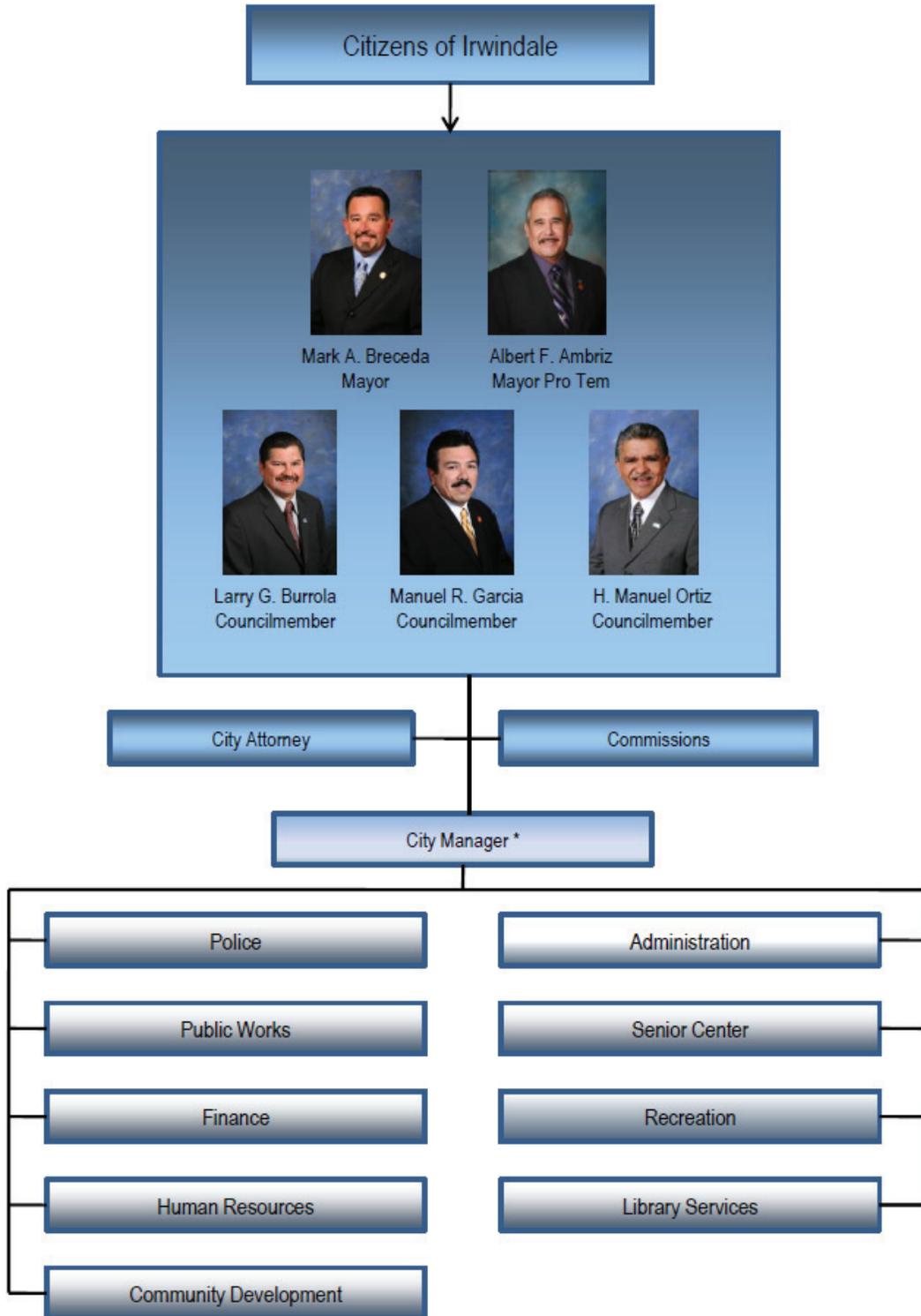
EXECUTIVE MANAGEMENT

City Manager	John Davidson
Chief of Police	Anthony Miranda
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, 2016



* Serves as City Clerk, Human Resources Director and Executive Director to the Successor Agency, Housing Authority, Reclamation Authority, and Joint Powers Authority.



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, 2015

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 the 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund and Housing Authority, Special Mining Tax, and Reclamation special revenue funds, the schedule of proportionate share of the net pension liability – cost-sharing plans, the schedule of contributions – cost-sharing plans, the schedule of changes in net pension liability and related ratio – retirement enhancement plan, the schedule of contributions – retirement enhancement plan, and the schedule of investment returns – retirement enhancement plan 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 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 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. The 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 are fairly stated in all material respects in relation to the basic financial statements as a whole.

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



CPAs AND ADVISORS

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lughard, LLP

Brea, California
December 19, 2016

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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, 2016. 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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$134.4 million.
- The City's total net position increased by \$3.5 million. This increase is primarily due to an increase in cash as a result of the sale of the City's Manning Pit property and first year proceeds from the Olive Pit Project.
- The City's non-current liabilities include \$2.9 million of outstanding debt, as well as \$16.2 million in total pension liabilities.
- The City's governmental funds reported a combined fund balance of \$91.7 million.

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 deferred outflows of resources versus the current financial liabilities and deferred inflows or resources 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 \$91.7 million, which represents an increase of \$4.7 million over the previous year. Approximately \$18.7 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, post retirement benefits, compensated absences and continuing appropriations. As fund balances continue to recover in coming years, additional purposes to be assigned will include capital projects, capital assets and infrastructure replacement.
- The General Fund reported a fund balance of \$30.8 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 deferred outflows of resources less the liabilities and deferred inflows or resources, with the difference between them 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, the Irwindale Reclamation Authority and the Irwindale Joint Powers 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 16 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 which 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. Effective this year, this supplementary information also includes pension liability information pursuant to the implementation of GASB 68--Accounting and Financial reporting for pensions

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, 2016, as shown in the following table, were \$134.4 million.

City of Irwindale Net Position at June 30, 2016 and 2015 (in Thousands)

	Governmental Activities	
	2016	2015
Current and other assets	\$ 108,961	\$ 104,178
Capital assets	52,322	53,370
Total assets	<u>161,283</u>	<u>157,548</u>
Deferred Outflows of Resources	<u>2,303</u>	<u>1,587</u>
Long-term debt outstanding	20,498	18,268
Other liabilities	5,919	5,772
Total liabilities	<u>26,417</u>	<u>24,040</u>
Deferred Inflows of Resources	<u>2,759</u>	<u>4,207</u>
Net Position:		
Net investment in capital assets	49,795	50,300
Restricted	60,867	50,523
Unrestricted	23,748	30,064
Total net position	<u>\$ 134,410</u>	<u>\$ 130,887</u>

Net Investment in Capital Assets – This component represents 37% 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.

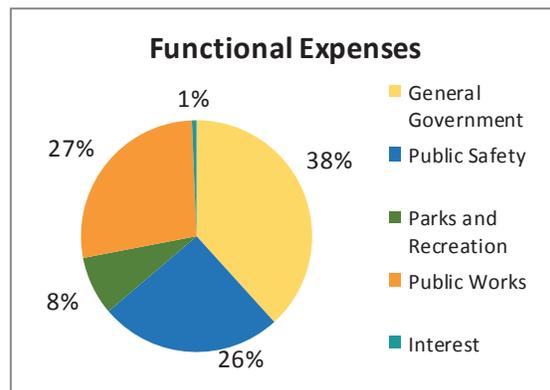
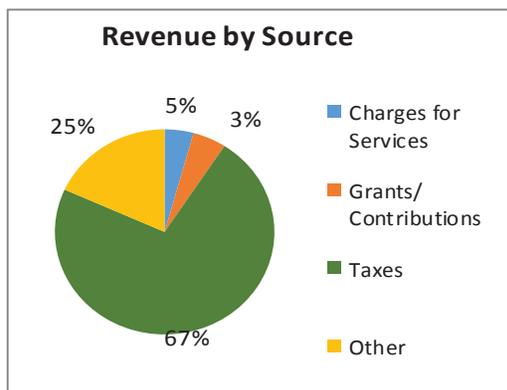
Restricted Assets – An additional portion of the City's net position, \$60.9 million, represents resources that are subject to external restrictions on how they may be used which include capital projects, debt service, grants, etc.

Overall the City's net position increased \$3.5 million during the current fiscal year. This increase is due primarily to the gain recognized on the sale of the City's Manning Pit property.

Statement of Activities - The following is a condensed Statement of Activities for the fiscal years ended June 30, 2016 and 2015.

**City of Irwindale – Statement of Activities
(Changes in Net Position) as of June 30, 2016 and 2015
(in Thousands)**

	Governmental Activities	
	2016	2015
Revenues		
Program revenues:		
Charges for services	\$ 1,122	\$ 1,360
Operating contributions and grants	1,010	801
Capital contributions and grants	290	196
Total program revenues	<u>2,422</u>	<u>2,357</u>
General revenues:		
Taxes:		
Property taxes	2,166	1,995
Mining/Processing taxes	6,717	6,446
Sales taxes	3,692	3,883
Franchise taxes	1,331	1,332
Business License taxes	1,152	983
Utility Users' Tax	3,755	4,019
Other taxes	345	376
Motor vehicle in lieu	127	125
Use of money and property	1,156	1,013
Other	2,810	275
Extraordinary Gain/(Loss)	718	5,785
Total general revenues	<u>23,969</u>	<u>26,232</u>
Total revenues	<u>26,391</u>	<u>28,589</u>
Expenses		
General government	8,761	7,630
Public safety	5,838	5,718
Parks and recreation	1,879	1,853
Public works	6,269	7,153
Interest on long-term debt	145	143
Total expenses	<u>22,892</u>	<u>22,497</u>
 Change in net position	 \$ 3,499	 \$ 6,092
Net position at beginning of year, as restated	<u>130,911</u>	<u>124,795</u>
Net position at end of year	<u>\$ 134,410</u>	<u>\$ 130,887</u>



Governmental Activities – The City reported program revenues of \$2.4 million, general revenues of \$23.3 million, and an extraordinary gain of \$.7 million.

Program revenues increased \$65,000 (3%) over the prior year. This increase is primarily due to increases in grants and contributions received for operating and capital program expenditures.

General revenues increased about 2.8 million (14%) over the prior year, exclusive of one-time extraordinary items. This increase in revenue is primarily attributed to first year proceeds received resulting from the start of the City’s Olive Pit Mining Operations Project. Additionally, revenues included an extraordinary gain resulting from the sale of the Manning Pit Project.

The total net increase in expense over the prior year was \$395,000 (2%). This increase is attributed to uncontrollable expenses that increase every year, such as PERS rates, healthcare rates, insurance premiums, and utilities.

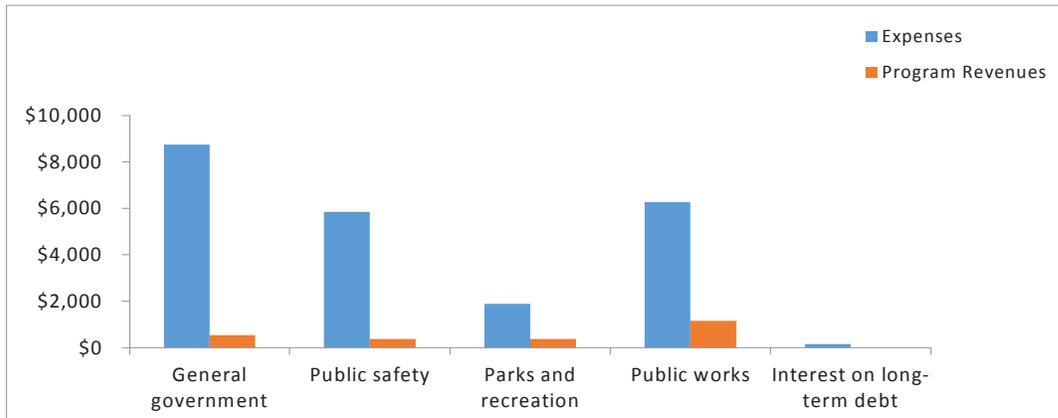
Each programs’ net cost (total cost less revenues generated by the activities) is presented in the table below. The net cost shows the extent to which the City’s general taxes support each of the City’s programs.

**City of Irwindale
Governmental Activities as of June 30, 2016 and 2015
(in Thousands)**

	Program Expenses		Program Revenues		Net Cost of Services	
	2016	2015	2016	2015	2016	2015
General government	\$ 8,761	\$ 7,630	\$ 536	\$ 431	\$ (8,225)	\$ (7,199)
Public safety	5,838	5,718	365	388	(5,473)	(5,330)
Parks and recreation	1,879	1,853	370	206	(1,509)	(1,647)
Public works	6,269	7,153	1,151	1,332	(5,118)	(5,821)
Interest on long-term debt	145	143	-	-	(145)	(143)
Totals	\$ 22,892	\$ 22,497	\$ 2,422	\$ 2,357	\$ (20,470)	\$ (20,140)

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, 2016
(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 \$91.7 million. Of this balance 14% is nonspendable for prepaid costs, land held for resale, notes and loans, and advances to other funds; 66% is legally restricted to fund functions and programs such as low and moderate housing projects, public safety, community services, public works and debt service; 20% is assigned to continuing appropriations for capital projects, compensated absences, post retirement benefits and economic contingency; and 0% is unassigned. These designations have been made to provide resources for the City's future needs and liabilities.

The General Fund ended the year with a \$30.8 million fund balance, a net increase of \$4.9 million from the prior fiscal year. This increase is primarily due a gain on the sale of the City's Manning Pit, as well as proceeds received related to the start of the Olive Pit Project.

Assigned fund balances are established 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 \$12.1 million, which represents 39% of the total general fund balance of \$30.8 million and 69% of total general fund expenditures totaling \$17.6 million. These balances represent continued efforts by the City of Irwindale to remain fiscally conservative and ensure that the City maintains adequate reserves to cover economic contingencies, future employee obligations, and future capital improvement and infrastructure needs.

The Special Mining Tax Special Revenue fund ended the fiscal year with \$19.5 million in fund balance, a net increase of \$1.7 million from prior year. The net increase is due to both increased revenues mining taxes, grants, and interest, as well as reduced operating and capital expenditures 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 11 of the Notes to the Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final appropriations for the General Fund at year-end were \$2.5 million more than the original budget and total actual expenditures were \$3.8 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 \$4.1 million to the original revenue budget.
- This increase is comprised from revenue estimate adjustments of \$3.9 million made during the annual mid-year review. This additional revenue estimate was to account for the anticipated sale of the Manning Pit Property and new proceeds from the Olive Pit Project.
- The remaining \$207,000 increase consists of carried forward grant revenue related to continuing capital projects.

Appropriations (Outflows)—

- Expenditure appropriations reflect an overall increase of \$2.5 million to the original budget.
- This increase is primarily due to approximately \$936,000 in continuing appropriations for on-going capital projects.
- Additional appropriations totaling \$1.6 million were approved by the City Council during the fiscal year. These funds were needed for the purchase of a new property for City storage (\$1.5 million) and for the purchase of a new school bus (\$120,000).

Variances with Final Budget:

Resources (Inflows)—

- Actual revenues resulted in an overall positive variance of \$415,000 over budgeted revenues.
- This increase primarily due mining taxes and business license taxes coming in higher than originally anticipated.

Appropriations (Outflows)—

- Actual expenditures and transfers resulted in an overall positive variance \$3.8 million in expenditures coming in under budget.
- This variance is partially attributed to concerted efforts by the City in controlling costs to minimize the general fund operating deficit. These strategies include continued freezing of vacant positions, minimizing travel costs and other operating costs wherever possible. Additionally, the City realized lower than projected rate increases in healthcare costs.
- Approximately \$2.5 million of this positive variance is a result of deferred capital projects, which were budgeted, but not finished or started in FY 2015-16. This capital projects budget will be carried forward to Fiscal Year 2016-17 for project continuation and completion.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2015-16, the City had \$52.3 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 approximately \$1 million from last year.

City of Irwindale Capital Assets as of June 30, 2016 and 2015 (Net of Depreciation, in Thousands)

	Government Activities	
	2016	2015
Land	\$ 2,959	\$ 2,959
Buildings and Improvements	2,025	2,220
Furniture and Equipment	860	765
Infrastructure	41,743	42,479
Construction in progress	4,735	4,946
Totals	<u>\$ 52,322</u>	<u>\$ 53,369</u>

The overall decrease is primarily due to an increase in accumulated depreciation for Infrastructure assets which started being depreciated this fiscal year. Additional detail on Capital Assets can be found in Note 3 of the Notes to the Financial Statements.

Long-Term Debt

At the end of the current fiscal year, the City of Irwindale had total outstanding debt of \$4.3 million for accrued employee benefits, outstanding indebtedness and a claim settlement.

City of Irwindale Outstanding Debt as of June 30, 2016 and 2015 (in Thousands)

	Government Activities	
	2016	2015
2013 Lease Revenue Bonds	\$ 2,599	\$ 2,955
Accrued Employee Benefits	972	929
Claim Settlement	732	-
Totals	<u>\$ 4,303</u>	<u>\$ 3,884</u>

The net increase in Outstanding Debt is due a new claim settlement related to the Olive Pit Project for \$732,800, to be paid over two years. This increase is offset by the annual reduction of the outstanding obligation for the 2013 Lease Revenue Bonds from debt service payments made during the year. Additional detail on the City's long-term debt can be found in Note 6 of the Notes to the Financial Statements.

FACTORS EFFECTING NEXT YEAR'S BUDGET

The City's Fiscal Year 2016-17 Adopted Budget includes projected General Fund revenues of \$20.7 million. Over the past couple of fiscal years, the City has benefitted from the economic recovery by realizing a slow but steady increase in tax revenues, primarily in Sales Taxes, Mining Taxes and Utility User's Taxes. The FY 2016-17 revenue estimates are projected to continue to maintain this trend. It is anticipated however that General Fund tax revenues will start to plateau in the coming years as the revenues reach pre-recession levels.

This budget also includes projected General Fund operating expenditures of \$21.4 million, which reflect an increase of \$3.1 million, or 18%, over FY 2015-16 actual operating expenditures of \$17.8 million. This increase is attributed to higher costs in various areas including liability insurance premiums, PERS rates, health insurance rates, Olive Pit Loan payment, additional staff positions added, and additional costs for part-time personnel related to Affordable Care Act requirements. In FY 2016-17, the General Fund Budget also includes a budget of \$396,000 in capital projects. This budget will provide for Facility ADA Improvements, Irwindale Avenue Resurfacing, and a Pavement Management Study.

The revenue and expenditure budget projections for FY 2016-17 will result in an estimated operating deficit of \$735,000. Over the past several years, the City has made significant strides in reducing its operating deficit by cutting operating costs and deferring capital expenditures. In spite of these concentrated efforts, many costs continue to increase which are outside of the City's control. These expenditure increases have steadily outpaced the slow recovery in revenues, and therefore have continued to present challenges for the City to adopt a balanced budget.

Fortunately, the City has maintained a healthy General Fund Balance which currently totals \$18.7 million. Per the City's adopted Fund Balance Policy, an Economic Contingency Reserve is required to be maintained at \$5 million, and the remaining \$13.7 General Fund reserves are assigned for other functions, such as post retirement benefits, compensated absences and continuing appropriations. The projected deficit for FY 2016-17 is estimated to be \$735,000 as of adoption of the budget. This will reduce the total General Fund reserves to \$17.9 million.

The City's strong General Fund reserves have provided the City Council and City Staff time to work strategically to resolve the City's structural budget deficit. This has enabled the City Council to avoid making drastic cuts that would have devastating consequences for its residents and employees, such as cuts in programs and services or forced lay-offs. The City Council instead elected to approach the budget deficit as a multi-year effort, by implementing short-term and long-term strategies.

The City continues focusing on cost reduction measures every year, as well as revenue enhancement strategies wherever possible. Additionally, the City has worked diligently on economic development projects aimed at generating significant on-going revenue increases for the City. These types of projects can sometimes take years to be realized. The City is pleased to finally see some of those efforts come to fruition as FY 2015-16 marked the start of the Olive Pit Mining Operations Project which is already generating new General Fund revenue. Additional economic development projects are also underway, and the City will continue working diligently to move the projects forward.

The FY 2016-17 adopted budget deficit of \$735,000 actually represents the lowest deficit at budget adoption for the City since the great recession. The FY 2012-13 adopted budget included the City's highest deficit of \$3.9 million, caused by the worst years of the recession and dissolution of redevelopment. The City has made great strides over the past four years to reduce the deficit, while still providing quality programs and services to its residents. The City is pleased that its long-term efforts have been successful in moving the City's finances in the right direction.

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, 2016

	Governmental Activities
Assets:	
Cash and investments	\$ 69,074,869
Receivables:	
Accounts	798,237
Taxes	3,547,735
Notes and loans	10,261,685
Accrued interest	97,507
Advances to Agency Fund	301,151
Prepaid costs	467,804
Prepaid other post employment benefits	33,240
Land held for resale	23,461,275
Restricted assets:	
Cash with fiscal agent	917,080
Capital assets not being depreciated	7,694,893
Capital assets, net of depreciation	<u>44,627,397</u>
Total Assets	<u>161,282,873</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	71,061
Deferred pension related items	<u>2,231,495</u>
Total Deferred Outflows of Resources	<u>2,302,556</u>
Liabilities:	
Accounts payable	1,557,142
Accrued liabilities	333,016
Accrued interest	23,447
Unearned revenue	2,487,101
Deposits payable	1,490,560
Noncurrent liabilities:	
Due within one year	1,389,411
Due in more than one year	2,913,724
Net pension liability	<u>16,194,924</u>
Total Liabilities	<u>26,416,881</u>
Deferred Inflows of Resources:	
Deferred pension related items	<u>2,759,009</u>
Total Deferred Inflows of Resources	<u>2,759,009</u>
Net Position:	
Net investment in capital assets	49,794,671
Restricted for:	
Housing activities	30,169,981
Public safety	321,512
Public works	685,081
Capital projects	29,690,575
Unrestricted	<u>23,747,719</u>
Total Net Position	<u>\$ 134,409,539</u>

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CITY OF IRWINDALE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position Primary Government	
	Expenses	Charges for Services	Operating Contributions and Grants		Capital Contributions and Grants
Primary Government:					
Governmental Activities:					
General government	\$ 8,761,277	\$ 400	\$ 535,416	\$ -	\$ (8,225,461)
Public safety	5,837,909	219,112	146,308	-	(5,472,489)
Parks and recreation	1,879,106	121,177	248,775	-	(1,509,154)
Public works	6,268,933	780,947	79,506	290,685	(5,117,795)
Interest on long-term debt	145,043	-	-	-	(145,043)
Total Governmental Activities	22,892,268	1,121,636	1,010,005	290,685	(20,469,942)
Total Primary Government	\$ 22,892,268	\$ 1,121,636	\$ 1,010,005	\$ 290,685	(20,469,942)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					2,166,117
Mining/processing taxes					6,717,324
Sales taxes					3,691,820
Franchise taxes					1,330,527
Business licenses taxes					1,151,728
Utility users tax					3,755,043
Other taxes					345,301
Motor vehicle in lieu - unrestricted					127,443
Use of money and property					1,155,492
Other					2,809,931
Gain on sale of land held for resale					718,150
Total General Revenues					23,968,876
Change in Net Position					3,498,934
Net Position at Beginning of Year, as Originally Reported					130,887,844
Restatement of Net Position					22,761
Net Position at Beginning of Year, as Restated					130,910,605
Net Position at End of Year					\$ 134,409,539

CITY OF IRWINDALE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds			
	General	Housing Authority	Special Mining Tax	Reclamation
Assets:				
Pooled cash and investments	\$ 22,676,622	\$ 14,355,868	\$ 20,838,944	\$ 10,138,665
Receivables:				
Accounts	749,456	-	19,027	-
Taxes	2,622,346	-	925,389	-
Notes and loans	14,926	10,246,759	-	-
Accrued interest	30,316	20,750	29,785	15,089
Prepaid costs	440,645	27,071	88	-
Advances to Agency Fund	301,151	-	-	-
Due from other funds	6,241	-	-	-
Advances to other funds	-	3,748,156	-	-
Land held for resale	11,385,431	12,075,844	-	-
Cash and investments with fiscal agents	917,080	-	-	-
Total Assets	\$ 39,144,214	\$ 40,474,448	\$ 21,813,233	\$ 10,153,754
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,161,970	\$ 30,152	\$ 352,116	\$ 6,095
Accrued liabilities	291,977	-	32,786	-
Unearned revenues	1,463,047	-	1,024,054	-
Deposits payable	1,065,790	-	424,770	-
Due to other funds	-	-	-	-
Advances from other funds	3,748,156	-	-	-
Total Liabilities	7,730,940	30,152	1,833,726	6,095
Deferred Inflows of Resources:				
Unavailable revenues	594,636	10,274,315	504,897	-
Total Deferred Inflows of Resources	594,636	10,274,315	504,897	-
Fund Balances:				
Nonspendable:				
Prepaid costs	440,645	-	-	-
Land held for resale	11,385,431	-	-	-
Notes and loans	14,926	-	-	-
Advances to Agency Fund	301,151	-	-	-
Restricted for:				
Housing activities	-	30,169,981	-	-
Public safety - police activities	-	-	-	-
Capital Projects	-	-	19,474,610	10,147,659
Assigned to:				
Continuing appropriations	280,000	-	-	-
Compensated absences liability	972,000	-	-	-
Post Retirement Benefits	12,400,000	-	-	-
Economic contingency	5,024,485	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	30,818,638	30,169,981	19,474,610	10,147,659
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 39,144,214	\$ 40,474,448	\$ 21,813,233	\$ 10,153,754

CITY OF IRWINDALE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	Other Governmental Funds	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 1,064,770	\$ 69,074,869
Receivables:		
Accounts	29,754	798,237
Taxes	-	3,547,735
Notes and loans	-	10,261,685
Accrued interest	1,567	97,507
Prepaid costs	-	467,804
Advances to Agency Fund	-	301,151
Due from other funds	-	6,241
Advances to other funds	-	3,748,156
Land held for resale	-	23,461,275
Cash and investments with fiscal agents	-	917,080
Total Assets	\$ 1,096,091	\$ 112,681,740
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 6,809	\$ 1,557,142
Accrued liabilities	8,253	333,016
Unearned revenues	-	2,487,101
Deposits payable	-	1,490,560
Due to other funds	6,241	6,241
Advances from other funds	-	3,748,156
Total Liabilities	21,303	9,622,216
Deferred Inflows of Resources:		
Unavailable revenues	4,752	11,378,600
Total Deferred Inflows of Resources	4,752	11,378,600
Fund Balances:		
Nonspendable:		
Prepaid costs	-	440,645
Land held for resale	-	11,385,431
Notes and loans	-	14,926
Advances to Agency Fund	-	301,151
Restricted for:		
Housing activities	-	30,169,981
Public safety - police activities	321,512	321,512
Capital Projects	753,387	30,375,656
Assigned to:		
Continuing appropriations	-	280,000
Compensated absences liability	-	972,000
Post Retirement Benefits	-	12,400,000
Economic contingency	-	5,024,485
Unassigned	(4,863)	(4,863)
Total Fund Balances	1,070,036	91,680,924
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,096,091	\$ 112,681,740

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CITY OF IRWINDALE

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

Fund balances of governmental funds		\$ 91,680,924
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	\$ 82,073,202	
Accumulated Depreciation	<u>(29,750,912)</u>	52,322,290
Deferred outflows of resources relate to:		
Contributions made after the measurement date - PERS	1,355,459	
Difference due to expected and actual experiences - PERS	25,132	
Miscellaneous adjustment due to differences in proportions - PERS	217,456	
PARS net difference between projected and actual earnings	<u>633,448</u>	2,231,495
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Lease Revenue Refunding Bonds	(2,598,680)	
Unamortized loss on defeasance	71,061	
Claim settlement	(732,800)	
Compensated Absences	<u>(971,655)</u>	(4,232,074)
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.		
		33,240
Governmental funds report all pension contributions as expenditures, however, in the statement of net position, the excess of the plan proportionate share of the total pension liability over the proportionate share of the plan fiduciary net position is reported as a net pension liability.		
California Public Employees' Retirement Plan (PERS)	(13,214,444)	
PARS net pension liability	<u>(2,980,480)</u>	(16,194,924)
Deferred inflows of resources relate to:		
Changes in assumptions	(622,916)	
Net difference between projected and actual earnings	(314,391)	
Difference proportionate share of contribution	(791,888)	
Adjustment due to differences in proportions	(946,075)	
Net difference between projected and actual experiences	<u>(83,739)</u>	(2,759,009)
Accrued interest payable for the current portion of interest due on the Lease Revenue Refunding Bonds has not been reported in the governmental funds.		
		(23,447)
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.		
		<u>11,351,044</u>
Net Position of governmental activities		<u>\$ 134,409,539</u>

CITY OF IRWINDALE

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

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Housing Authority</u>	<u>Special Mining Tax</u>	<u>Reclamation</u>
Revenues:				
Taxes	\$ 15,363,207	\$ -	\$ 3,693,225	\$ -
Licenses and permits	554,101	-	-	-
Intergovernmental	152,061	-	264,933	-
Charges for services	526,145	-	-	-
Use of money and property	640,090	124,429	250,226	126,762
Fines and forfeitures	193,467	-	-	-
Contributions	59,702	496,326	-	-
Miscellaneous	311,809	-	431	2,500,000
Total Revenues	17,800,582	620,755	4,208,815	2,626,762
Expenditures:				
Current:				
General government	6,322,764	1,241,477	419,396	13,744
Public safety	5,589,866	-	-	-
Parks and recreation	1,774,628	-	-	-
Public works	3,405,580	-	1,159,939	63,405
Capital outlay	457,499	-	279,708	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	27,556	-	-	-
Total Expenditures	17,577,893	1,241,477	1,859,043	77,149
Excess (Deficiency) of Revenues Over (Under) Expenditures	222,689	(620,722)	2,349,772	2,549,613
Other Financing Sources (Uses):				
Transfers in	2,694,685	-	-	650,326
Transfers out	(563,998)	-	(650,326)	(1,777,605)
Gain (loss) on sale of land held for resale	2,554,786	(1,836,636)	-	-
Total Other Financing Sources (Uses)	4,685,473	(1,836,636)	(650,326)	(1,127,279)
Net Change in Fund Balances	4,908,162	(2,457,358)	1,699,446	1,422,334
Fund Balances, Beginning of Year	25,910,476	32,627,339	17,775,164	8,725,325
Fund Balances, End of Year	\$ 30,818,638	\$ 30,169,981	\$ 19,474,610	\$ 10,147,659

CITY OF IRWINDALE

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

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 247,745	\$ 19,304,177
Licenses and permits	-	554,101
Intergovernmental	268,977	685,971
Charges for services	-	526,145
Use of money and property	13,985	1,155,492
Fines and forfeitures	-	193,467
Contributions	-	556,028
Miscellaneous	-	2,812,240
Total Revenues	530,707	25,787,621
Expenditures:		
Current:		
General government	1,850	7,999,231
Public safety	112,747	5,702,613
Parks and recreation	7,332	1,781,960
Public works	112,100	4,741,024
Capital outlay	250,709	987,916
Debt service:		
Principal retirement	455,000	455,000
Interest and fiscal charges	109,000	136,556
Total Expenditures	1,048,738	21,804,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	(518,031)	3,983,321
Other Financing Sources (Uses):		
Transfers in	563,998	3,909,009
Transfers out	(917,080)	(3,909,009)
Gain (loss) on sale of land held for resale	-	718,150
Total Other Financing Sources (Uses)	(353,082)	718,150
Net Change in Fund Balances	(871,113)	4,701,471
Fund Balances, Beginning of Year	1,941,149	86,979,453
Fund Balances, End of Year	\$ 1,070,036	\$ 91,680,924

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, 2016**

Net change in fund balances - total governmental funds		\$ 4,701,471
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	\$ 968,579	
Depreciation	<u>(1,955,773)</u>	(987,194)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
2013 Lease Revenue Refunding Bonds	455,000	
2013 Lease Revenue Refunding Bonds Deferred Charge amortization	(11,843)	
2013 Lease Revenue Refunding Bonds Premium amortization	16,446	
Claim settlement	<u>(732,800)</u>	(273,197)
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		
		3,356
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.		
		(42,412)
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.		
		(650)
Pension obligation 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.		
California Public Employees' Retirement Plan (PERS)	210,593	
PARS Retirement Enhancement Plan	<u>(44,103)</u>	166,490
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.		
		<u>(68,930)</u>
Change in net position of governmental activities		<u><u>\$ 3,498,934</u></u>

CITY OF IRWINDALE

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2016

	<u>Agency Funds</u>	<u>Private- Purpose Trust Fund Successor Agency of the Former ICRA</u>
Assets:		
Pooled cash and investments	\$ 1,200,477	\$ 13,730,930
Receivables:		
Accounts	215,945	-
Taxes	1,427	-
Accrued interest	1,285	14,945
Prepaid costs	790	-
Land held for resale	-	19,251,793
Restricted assets:		
Cash and investments with fiscal agents	866,764	3,364,688
Capital assets:		
Capital assets, not being depreciated	-	1,513,870
	<u> -</u>	<u> -</u>
Total Assets	<u><u>\$ 2,286,688</u></u>	<u><u>37,876,226</u></u>
Deferred Outflows of Resources:		
Deferred charge on refunding		862,781
		<u> 862,781</u>
Total Deferred Outflows of Resources		<u><u>862,781</u></u>
Liabilities:		
Accounts payable	\$ 11,211	34,380
Accrued interest	-	1,332,416
Deposits payable	1,974,326	-
Due to City of Irwindale	301,151	-
Long-term liabilities:		
Due in one year	-	4,675,000
Due in more than one year	-	61,498,373
	<u> -</u>	<u> -</u>
Total Liabilities	<u><u>\$ 2,286,688</u></u>	<u><u>67,540,169</u></u>
Net Position:		
Held in trust for other purposes		(28,801,162)
		<u> (28,801,162)</u>
Total Net Position		<u><u>\$ (28,801,162)</u></u>

CITY OF IRWINDALE

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

	<u>Private- Purpose Trust Fund</u>
	<u>Successor Agency of the Former ICRA</u>
Additions:	
Taxes	\$ 8,036,419
Interest and change in fair value of investments	555,913
Miscellaneous	437,992
	<u>9,030,324</u>
Total Additions	9,030,324
Deductions:	
Administrative expenses	344,122
Contractual services	140,323
Interest expense	3,454,033
Contributions to other governments	496,326
Loss on sale of assets	255,471
	<u>4,690,275</u>
Total Deductions	4,690,275
Changes in Net Position	4,340,049
Net Position - Beginning of the Year	<u>(33,141,211)</u>
Net Position - End of the Year	<u>\$ (28,801,162)</u>

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).

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 claims and judgments, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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

The City's fiduciary funds consist of agency funds and a private purpose trust fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Private purpose trust funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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 for the development of low and moderate income housing in the City. The fund reports 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. Revenues include bond proceeds held by the Irwindale Successor Agency that will be transferred for use into this fund for affordable housing activities.
- The Special Mining Tax Fund accounts for the excavation and processing taxes received from the various mining companies in the City.
- The Reclamation Fund accounts for deposits received from quarry operators, for the purpose of securing the proper reclamation of mining sites 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.

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

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.

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

1. Cash and Investments

Investments are reported at fair value, which is the quoted market price at June 30, 2015. The City's policy is generally to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

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

3. Inventories, Prepaid Items and Land Held for Resale

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.

Land purchased for resale is capitalized as inventory at acquisition costs or net realizable value if lower.

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 reports 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. There is one item to report in this category relating to the net pension obligation reported in the government-wide statement of net position.

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

These outflows are the results of contributions made after the measurement period, which are expensed in the following year, and adjustments due to the difference between actual contributions made and the proportionate share of the risk pool's total contributions, which are deferred and amortized over the expected average remaining service life time.

In addition to liabilities, the statement of financial position and governmental fund balance sheet 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 two items to report in this category. One arises only under a modified accrual basis of accounting, 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. The second item related to deferred inflows related to the pensions reported in the government-wide statement of net position. This inflows is the result of the net difference between projected and actual earnings on pension plan investments and differences between employer's contributions and proportionate share of contributions. This amount is deferred and amortized straight-line over a five year period.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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

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. As of June 30, 2016, 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.

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. Pensions

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

12. 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 resolution.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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

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. City Council adopted Resolution 2011-33-2519 on June 22, 2011 to establish a general fund economic contingency reserve at a minimum of \$5,000,000.

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. The General Fund is the only fund that has a positive unassigned balance.

13. Functional Classifications

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Note 2: Stewardship, Compliance and Accountability

a. Excess of Expenditures Over Appropriations

Excess expenditures over appropriations were as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Reclamation Fund	\$ 1,854,754	\$ 1,351,388	\$ 503,366
Irwindale Joint Powers Authority	1,481,080	564,000	917,080

b. Deficit Fund Balances or Net Position

At June 30, 2016, the following funds had deficit fund balance as follows:

Governmental Funds

Federal Grants	\$ (4,558)
Irwindale Joint Powers Authority	(305)

At June 30, 2016, the Successor Agency of the Former RDA had a deficit net position amount of \$(28,801,162).

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

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

Governmental activities	\$ 69,991,949
Fiduciary funds	<u>19,162,859</u>
Total Cash and Investments	<u><u>\$ 89,154,808</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

As of June 30, 2016, the carrying amount of the City's deposits was \$8,518,044 and the bank balance was \$8,493,988. The \$24,056 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.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 3: Cash and Investments (Continued)

- 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.

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, 2016, 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, 2016, the City's investments in external investment pools and money market mutual funds are unrated.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 3: Cash and Investments (Continued)

Custodial Credit Risk

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

As of June 30, 2016, none of the City's deposits or investments was exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions 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, 2016, 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, 2016, the City has invested \$8,024,660 (10%) in Federal Home Loan Mortgage Corporation and \$12,900,375 (16%) in Federal Farm Credit 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.

As of June 30, 2016, 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	\$ 40,156,985	\$ -	\$ -	\$ -	\$ 40,156,985
Certificates of Deposit	1,623,580	1,443,804	4,369,943	1,955,829	9,393,156
Money Market Fund	1	-	-	-	1
Federal Agency Securities	-	10,400,000	7,513,515	8,024,660	25,938,175
Investments with fiscal agents:					
Money Market Mutual Fund	5,148,447	-	-	-	5,148,447
	<u>\$ 46,929,013</u>	<u>\$ 11,843,804</u>	<u>\$ 11,883,458</u>	<u>\$ 9,980,489</u>	<u>\$ 80,636,764</u>

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 3: Cash and Investments (Continued)

Fair Value Measurement and Application

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2016:

Investment Type	Totals	Investments not Measured at Fair Value	Level		
			1	2	3
Certificates of deposit	\$ 9,393,156	\$ 9,393,156	\$ -	\$ -	\$ -
Federal Government Agency	25,938,175	-	-	25,938,175	-
Money Market Funds	1	-	1	-	-
Local Agency Investment Fund (LAIF)	40,156,985	-	-	40,156,985	-
Investments with Fiscal Agent:					
Money Market Funds	5,148,447	-	5,148,447	-	-
Total Investments	\$ 80,636,764	\$ 9,393,156	\$ 5,148,448	\$ 66,095,160	\$ -

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Adjustments	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated:							
Land	\$ 2,959,371	\$ -	\$ 2,959,371	\$ -	\$ -	\$ -	\$ 2,959,371
Construction-in-progress	4,945,935	479,904	5,425,839	600,421	-	(1,290,738)	4,735,522
Total Capital Assets, Not Being Depreciated	7,905,306	479,904	8,385,210	600,421	-	(1,290,738)	7,694,893
Capital assets, being depreciated:							
Buildings and improvements	5,364,502	-	5,364,502	-	-	-	5,364,502
Furniture, fixtures and equipment	4,075,078	-	4,075,078	368,158	(69,625)	-	4,373,611
Infrastructure	63,829,362	(479,904)	63,349,458	-	-	1,290,738	64,640,196
Total Capital Assets, Being Depreciated	73,268,942	(479,904)	72,789,038	368,158	(69,625)	1,290,738	74,378,309
Less accumulated depreciation:							
Buildings and improvements	3,144,402	60,143	3,204,545	135,352	-	-	3,339,897
Furniture, fixtures and equipment	3,310,546	-	3,310,546	272,948	(69,625)	-	3,513,869
Infrastructure	21,349,673	-	21,349,673	1,547,473	-	-	22,897,146
Total Accumulated Depreciation	27,804,621	60,143	27,864,764	1,955,773	(69,625)	-	29,750,912
Total Capital Assets, Being Depreciated, Net	45,464,321	(540,047)	44,924,274	(1,587,615)	-	1,290,738	44,627,397
Governmental Activities Capital Assets, Net	\$ 53,369,627	\$ (60,143)	\$ 53,309,484	\$ (987,194)	\$ -	\$ -	\$ 52,322,290

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 4: Capital Assets (Continued)

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

Governmental Activities:	
General government	\$ 19,918
Public safety	258,880
Parks and recreation	172,823
Public works	<u>1,504,152</u>
Total Depreciation Expense	<u>\$ 1,955,773</u>

Note 5: Interfund Receivable, Payable and Transfer

The composition of interfund balances as of June 30, 2016, is as follows:

a. Due To/From Other Funds

	Due From Other Funds
<u>Due To Other Funds</u>	<u>General Fund</u>
Irwindale Joint Powers Authority	\$ 305
Nonmajor governmental fund	5,936
	<u>6,241</u>

The due to General fund of \$305 from the Irwindale Joint Powers Authority fund was to cover expenditures incurred for the Irwindale Park Gazebo Plaza Improvement Project.

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 9th 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 as of June 30, 2016, was \$3,748,156.

c. Interfund Transfers

	Transfers Out				
	General Fund	Special Mining Tax	Reclamation	Nonmajor Governmental Funds	Total
<u>Transfers In</u>					
General Fund	\$ -	\$ -	\$ 1,777,605	\$ 917,080	\$ 2,694,685
Reclamation	-	650,326	-	-	650,326
Nonmajor Governmental Funds	563,998	-	-	-	563,998
Total	<u>\$ 563,998</u>	<u>\$ 650,326</u>	<u>\$ 1,777,605</u>	<u>\$ 917,080</u>	<u>\$ 3,909,009</u>

The Special Mining Tax fund transferred \$650,326 to the Reclamation fund for annual mining contributions pursuant to a settlement agreement. The General Fund transferred \$563,998 to the Irwindale Joint Powers Authority for the principal and interest payments for the IJPA Lease Revenue Refunding Bonds. The Irwindale Joint Powers Authority transferred \$917,080 of bond proceeds to the General Fund for expenditures incurred for the Irwindale Park Gazebo Plaza Improvement Project. The Olive Pit Reclamation Fund transferred royalty receipts in the amount of \$1,777,605 to the General Fund as the Olive Pit Reclamation Fund was created for tracking such royalty receipts.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 6: Long-Term Debt

The following is a schedule of changes in governmental activities long-term debt for fiscal year ended June 30, 2016.

	Outstanding July 1, 2015	Additions	Deletions	Outstanding June 30, 2016	Due Within One Year
Certificates of Participation:					
2013 Lease Revenue Refunding Bonds	\$ 2,955,000	\$ -	\$ 455,000	\$ 2,500,000	\$ 465,000
Accrued Employee Benefits	929,243	576,066	533,654	971,655	558,011
Claim Settlement	-	732,800	-	732,800	366,400
Total	<u>\$ 3,884,243</u>	<u>\$ 1,308,866</u>	<u>\$ 988,654</u>	4,204,455	<u>\$ 1,389,411</u>
			Unamortized Bond Premium	98,680	
				<u>\$ 4,303,135</u>	

a. Certificates of Participation

2013 Lease Revenue Refunding Bonds

On July 2, 2013, the City of Irwindale Joint Powers Authority issued \$3,870,000 in Lease Revenue Refunding Bonds with interest rates ranging from 2.0% to 4.0%. Interest on the bonds is payable semi-annually on April 1 and October 1 of each year commencing October 1, 2014. Principal maturities begin July 2, 2014, and continue annually through April 1, 2021. The bonds were issued for the purpose of refunding the outstanding Certificates of Participation known and designated as the \$8,820,000 City of Irwindale, California, Issue of 2001. As of June 30, 2016, the outstanding balance on the 2013 Lease Revenue Refunding Bonds is \$2,500,000.

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

Year Ending June 30,	2013 Lease Revenue Refunding Bonds	
	Principal	Interest
2017	\$ 465,000	\$ 95,350
2018	480,000	81,400
2019	495,000	62,200
2020	520,000	42,400
2021	540,000	21,600
Totals	<u>\$ 2,500,000</u>	<u>\$ 302,950</u>

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. Claim Settlement

The City settled to pay the City of Baldwin Park for a total of \$732,800 related to the Olive Pit Mining project. The settlement was accrued for the fiscal year ended June 30, 2016. There will be 2 half payments to be paid within the next two years.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 6: Long-Term Debt (Continued)

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 as 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 Successor Agency, the State of California or any political subdivision thereof, is pledged for the payment of these bonds.

	<u>Amount Outstanding at June 30, 2016</u>
City of Irwindale Sewer Assessment District (Live Oak Avenue) Limited Obligation Improvement Bonds	\$ 225,000
City of Irwindale Community Facilities District No. 1 2010 Special Tax Refunding Bonds	4,415,000

IV. OTHER DISCLOSURES

Note 7: City Employees Retirement Plan - Pension Plans

California Public Employees' Retirement Plan (PERS)

1. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefits tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The Local Government sponsors six rate plans (three miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016
Note 7: City Employees Retirement Plan - Pension Plans (Continued)
Benefits Provided

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

Below is a summary of the plan provisions and benefits in effect at June 30, 2016, for which the City of Irwindale has contracted:

Major Benefit Options	Miscellaneous *	Miscellaneous Tier II *	Miscellaneous PEPRA	Safety *	Safety Tier II *	Safety PEPRA
		After			After	
Hire Date	Prior to January 1, 2011	January 1, 2011 and before January 1, 2013	On or after January 1, 2013	Prior to January 1, 2011	January 1, 2011 and before January 1, 2013	On or after January 1, 2013
Benefit Provision						
Benefit Formula	2.0% @ 55	2.0% @ 55	2.0% @ 62	3.0% @ 50	3.0% @ 50	2.7% @ 57
Social Security	no	no	no	no	no	no
Full/Modified	full	full	full	full	full	full
Benefit vesting schedule	5 yrs service	5 yrs service	5 yrs service	5 yrs service	5 yrs service	5 yrs service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50	minimum 50	minimum 50	minimum 50	minimum 50	minimum 50
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.426% to 2.418%	1.0% to 2.5	3%	3%	1.426% to 2.0%
Required employer contribution rates	11.123%	11.840%	6.700%	29.556%	28.588%	12.250%
Required employee contribution rates	7.00%	7.00%	6.50%	9.00%	9.00%	12.25%

* Closed to new entrants

Contribution Description

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

For the year ended June 30, 2016, the contributions recognized as a reduction to the net pension liability for all Plans was \$1,123,645.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 7: City Employees Retirement Plan - Pension Plans (Continued)

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

As of June 30, 2016, the City of Irwindale reported net pension liabilities for its proportionate shares of the net pension liability of each Plan of \$13,214,444.

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

Proportions as a percentage of the CalPERS risk pool:

Proportion - June 30, 2014	0.38943%
Proportion - June 30, 2015	0.39375%
Change - Increase (Decrease)	1.10931%

For the year ended June 30, 2016, the City of Irwindale recognized pension expense of \$1,144,865. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Total Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,355,459	\$ -
Changes in assumptions	-	622,916
Net differences between projected and actual earnings on plan investments	-	314,391
Net differences between projected and actual experiences	25,132	83,739
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	791,888
Adjustment due to differences in proportions	217,456	946,075
Total	<u>\$ 1,598,047</u>	<u>\$ 2,759,009</u>

\$1,355,459 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/ (Inflows) of Resources
2017	\$ (1,043,816)
2018	(1,031,540)
2019	(833,040)
2020	391,975

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 7: City Employees Retirement Plan - Pension Plans (Continued)

Actuarial Assumptions

For the measurement period ended June 30, 2015 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2014, total pension liability.

The June 30, 2014 and the June 30, 2015, total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	3.3% - 14.2% (1)
Investment Rate of Return	7.50% (2)
Mortality Rate Table (3)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Depending on age, service and type of employment

(2) Net of Pension Plan Investment and Administrative Expenses; includes Inflation

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report on the CalPERS website.

All other actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 7: City Employees Retirement Plan - Pension Plans (Continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. However, employers may determine the impact at the plan level for their own financial reporting purposes.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Estate	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 7: City Employees Retirement Plan - Pension Plans (Continued)

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

The following presents the City's proportionate share of the net pension liability/ (asset) of the Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.50 percent) or 1% point higher (8.50 percent) than the current rate:

Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
\$ 22,501,936	\$ 13,211,444	\$ 5,571,959

Pension Plan Fiduciary Net Position

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

Note 8: Retirement Enhancement Plan

PARS - Public Agency Retirement System

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. 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.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined by an independent pension actuary using information furnished by the City and by PARS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2016 (the measurement date), the employer's contribution rate is 15.76% percent of annual payroll, and no contributions were made by the employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 8: Retirement Enhancement Plan (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

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

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Graded rates based on years of service, 3.50% after 30 years of service.
Investment Rate of Return	7.50%
Cost of Living Adjustments	2.00%
Mortality	Pre-Retirement: CalPERS Miscellaneous Non-Industrial Rates Post-Retirement: CalPERS 1997-2011 Healthy Retiree Mortality Tables (sex-distinct) projected using Scale AA and base year of 2008.
Maximum Benefits and Salary	Salary limits under 401(a)(17) apply
Beneficiaries	80% of participants are assumed to have an eligible spouse or domestic partner, with males three years older than their female partners.

Discount Rate

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per actuarial investment consulting practice as of January 1, 2016.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 8: Retirement Enhancement Plan (Continued)

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Cash	BofA Merrill Lynch 90-Day T-Bills	5.24%	0.42%	0.41%
US Core Fixed Income	Barclays Aggregate	36.89%	2.12%	1.99%
US Equity Market	Russell 3000	44.34%	5.12%	3.81%
Foreign Developed Equity	MSCI EAFE NR	10.30%	5.85%	4.20%
Emerging Market Equities	MSCI Emerging Markets	3.23%	8.07%	4.79%
Assumed Inflation - Mean			2.32%	2.30%
Assumed Inflation - Standard Deviation			1.89%	1.89%
Portfolio Real Mean Return			3.94%	3.44%
Portfolio Nominal Mean Return			6.26%	5.82%
Portfolio Standard Deviation				9.81%
Long-Term Expected Rate of Return				7.50%

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

Pension Plan Fiduciary Net Position

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

	<u>Total Pension Liability</u>	<u>Increase (Decrease) Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Assets)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c)=(a)-(b)</u>
Balance as of June 30, 2015	\$ 9,182,948	\$ 6,628,913	\$ 2,554,035
Changes for the year:			
Service Cost	224,310	-	224,310
Interest on the Total Pension Liability	684,249	-	684,249
Benefit Payments	(578,327)	(578,327)	-
Employer Contributions	-	524,910	(524,910)
Member Contributions	-	30,941	(30,941)
Net Investment Income	-	(60,544)	60,544
Administrative Expenses	-	(13,193)	13,193
Balance as of June 30, 2016	<u>\$ 9,513,180</u>	<u>\$ 6,532,700</u>	<u>\$ 2,980,480</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 8: Retirement Enhancement Plan (Continued)***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

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

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Total Pension Liability	\$ 10,281,988	\$ 9,513,180	\$ 8,839,052
Fiduciary Net Position	6,532,700	6,532,700	6,532,700
Net Pension Liability	<u>\$ 3,749,288</u>	<u>\$ 2,980,480</u>	<u>\$ 2,306,352</u>

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

As of the start of the measurement period, July 1, 2015, the net pension liability was \$2,554,035. For the measurement period ending June 30, 2015, the City of Irwindale incurred a pension expense of \$426,445 for the Plan. As of the measurement date, June 30, 2016, the net pension liability is \$2,980,480.

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

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 8: Retirement Enhancement Plan (Continued)

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

	Deferred Outflows of Resources
Net difference between projected and actual earnings	<u>\$ 633,448</u>

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

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

Year Ended June 30,	Deferred Outflows of Resources
2017	\$ 174,057
2018	174,057
2019	174,055
2020	111,279

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 \$973,762 for fiscal year ended June 30, 2016, 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016
Note 9: Other Post-Employment Employee Benefits (Continued)

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 ended June 30, 2016, the City paid \$824,075 for retiree benefits and contributed \$149,687 to CERBT to fund future benefits.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution (ARC)	\$ 973,762
Interest on net pension obligation	(1,182)
Adjustment to ARC	<u>1,832</u>
Annual OPEB cost	974,412
Contribution made	<u>973,762</u>
Decrease in net OPEB asset	(650)
Net OPEB asset - July 1, 2015	<u>33,890</u>
Net OPEB asset - June 30, 2016	<u><u>\$ 33,240</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 2015-2016 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)
6/30/2014	\$ 1,104,359	\$ 1,103,595	99.9%	\$ 34,266
6/30/2015	1,104,306	1,103,930	100.0%	33,890
6/30/2016	974,412	973,762	99.9%	33,240

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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

Actuarial Valuation Date	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Percent of Covered Payroll
6/30/2011	\$ 1,670,513	\$ 11,471,570	14.6%	\$ 6,176,705	185.72%
6/30/2013	2,473,584	11,823,003	20.9%	5,550,316	213.01%
6/30/2015	3,488,039	12,186,773	28.6%	5,917,382	205.95%

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 13, 2016, used the Entry Age Normal actuarial cost method, a discount rate of 7% which is the long-term expected rate of return on the City's investment fund, an annual general inflation rate of 2.75%, an annual aggregate payroll increase of 2.75%, 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 81 active participants and 75 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 116 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

b. Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years are closed, on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim development, can result in adjustments of either refunds or additional deposits required. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

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

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

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

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 10: Risk Management (Continued)

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, 2014 through July 1, 2017. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of 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. 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.

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 the fiscal year ended June 30, 2016.

The CJPIA has published its own financial report for the year ended June 30, 2016, which can be obtained from California Joint Powers Insurance Authority, 8081 Moody Street, La Palma, California, 90623.

Note 11: Net Position Restatement

There were restatements in the governmental activities for the City as noted below.

<i>Government-wide</i>	Governmental Activities
Net position as previously reported, June 30, 2015	\$ 130,887,844
Increase accumulated depreciation for capital assets	(60,143)
Recognize unamortized deferred charge on refunding for 2013 refunding bonds	82,904
Restatement of Net Position	<u>22,761</u>
Net position, as restated, July 1, 2015	<u>\$ 130,910,605</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 12: 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 provided 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. 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.

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.

a. Cash and Investments

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

Cash and investments pooled with the City	\$ 13,730,930
Cash and investments with fiscal agent	<u>3,364,688</u>
Total cash and investments	<u><u>\$ 17,095,618</u></u>

b. Land Held for Resale

These requirements include: 1) completion of a long range property management plan (LRPMP) to be approved by the State Department of Finance and 2) remittance by the successor agency of all monies due in accordance with AB 1484. The Long-Range Property Management Plan was approved by the State of California Department of Finance on August 8, 2014. The Successor Agency currently has 16 properties that are held for resale in the value of \$19,251,793. The Successor Agency is legally obligated to meet certain requirements before disposition of the former RDA properties.

c. Capital Assets

An analysis of capital assets as of June 30, 2016, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,513,870	\$ -	\$ -	\$ 1,513,870
Total Capital Assets	<u>\$ 1,513,870</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,513,870</u>

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 12: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

d. Long-Term Debt

Long-term liability activity for the year ended June 30, 2016, was as follows:

	Outstanding June 30, 2015	Additions	Deletions	Outstanding June 30, 2016	Due Within One Year
Tax Allocation Bonds:					
2005 Tax Allocation Housing Parity Bonds	\$ 15,095,000	\$ -	\$ 910,000	\$ 14,185,000	\$ 955,000
2006 Tax Allocation Refunding Parity Bonds	30,755,000	-	2,000,000	28,755,000	2,105,000
2006 Subordinate Lien Tax Allocation Refunding Bonds	13,165,000	-	820,000	12,345,000	860,000
2014 Tax Allocation Refunding Parity Bonds	7,200,000	-	520,000	6,680,000	535,000
2014 Taxable Housing Tax Allocation Refunding Parity Bonds	2,700,000	-	215,000	2,485,000	220,000
Totals	\$ 68,915,000	\$ -	\$ 4,465,000	64,450,000	\$ 4,675,000
			Unamortized bond premium	1,734,252	
			Unamortized bond discount	(10,879)	
				\$ 66,173,373	

Tax Allocation Bonds

A description of individual issues of bonds outstanding at June 30, 2016, follows:

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 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 as of June 30, 2016, is \$14,185,000.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 12: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

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

Year Ending June 30,	2005 Taxable Housing Parity TAB	
	Principal	Interest
2017	\$ 955,000	\$ 745,951
2018	1,010,000	694,609
2019	1,060,000	639,476
2020	1,115,000	580,751
2021	1,180,000	518,786
2022-2026	6,915,000	1,532,745
2027	1,950,000	53,918
Totals	<u>\$ 14,185,000</u>	<u>\$ 4,766,236</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 as of June 30, 2016 was \$28,755,000.

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

Year Ending June 30,	2006 Tax Allocation Refunding Parity Bonds	
	Principal	Interest
2017	\$ 2,105,000	\$ 1,559,741
2018	2,215,000	1,447,785
2019	2,335,000	1,329,923
2020	2,465,000	1,205,760
2021	2,590,000	1,074,773
2022 - 2026	15,290,000	3,044,678
2027	1,755,000	51,334
Totals	<u>\$ 28,755,000</u>	<u>\$ 9,713,994</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 12: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

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 as of June 30, 2016, was \$12,345,000.

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

Year Ending June 30,	2006 Subordinate Lien Tax Allocation Refunding Bonds	
	Principal	Interest
2017	\$ 860,000	\$ 633,725
2018	900,000	589,725
2019	950,000	543,475
2020	995,000	494,850
2021	1,045,000	443,850
2022 - 2026	7,595,000	1,282,875
Totals	<u>\$ 12,345,000</u>	<u>\$ 3,988,500</u>

2014 Tax Allocation Refunding Parity Bonds

In April 2014, the Successor Agency issued the City Industrial Development Project 2014 Tax Allocation Refunding Parity Bonds in the amount of \$7,910,000 for the purpose of refunding, on a current basis, the former redevelopment agency's previously issued \$14,175,000 City Industrial Development Project 2002 Tax Allocation Senior Parity Bonds. The 2002 Tax Allocation Senior Parity Bonds were payable and secured solely from non-housing tax revenues. Interest on the bonds is payable semi-annually on January 15 and July 15, commencing July 15, 2014. The bonds carry various interest rates from 2.0% to 5.0%. Principal maturities begin July 15, 2014, and continue through 2025. The outstanding balance as of June 30, 2016, was \$6,680,000.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 12: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

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

Year Ending June 30,	2014 Tax Allocation Refunding Parity Bonds	
	Principal	Interest
2017	\$ 535,000	\$ 286,050
2018	560,000	261,350
2019	585,000	232,725
2020	615,000	202,725
2021	645,000	171,225
2022 - 2026	3,740,000	356,150
Totals	<u>\$ 6,680,000</u>	<u>\$ 1,510,225</u>

2014 Taxable Housing Tax Allocation Refunding Parity Bonds

In April 2014, the Successor Agency issued the City Industrial Development Project 2014 Taxable Housing Tax Allocation Refunding Parity Bonds in the amount of \$2,915,000 for the purpose of refunding, on a current basis, the former redevelopment agency's previously issued \$17,445,000 City Industrial Development Project 2005 Taxable Housing Tax Allocation Parity Bonds. The 2002 Tax Allocation Senior Parity Bonds were payable and secured solely from housing tax revenues to be derived from the project area. Interest on the bonds is payable semi-annually on January 15 and July 15, commencing July 15, 2014. The bonds carry various interest rates from 2.0% to 5.0%. Principal maturities begin July 15, 2014, and continue through 2025. The outstanding balance as of June 30, 2016, was \$2,485,000.

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

Year Ending June 30,	2014 Taxable Housing Tax Allocation Refunding Parity	
	Principal	Interest
2017	\$ 220,000	\$ 87,194
2018	220,000	83,619
2019	230,000	78,544
2020	235,000	72,144
2021	240,000	64,419
2022 - 2026	1,340,000	161,722
Totals	<u>\$ 2,485,000</u>	<u>\$ 547,642</u>

Note 12: 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 \$84,976,597 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 \$8,036,419 and the debt service obligation on the bonds was \$7,995,187.

e. Insurance

The Successor Agency is covered under the City of Irwindale's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 10.

f. Contributions to the City

The City of Irwindale approved a contribution of two land for resale properties to be transferred to the Irwindale Housing Authority of the City on November 11, 2015. The market value of these two properties is \$496,326.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF IRWINDALE

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2016	2015
Miscellaneous		
Proportion of the Net Pension Liability	0.39375%	0.38943%
Proportionate Share of the Net Pension Liability	\$ 13,214,444	\$ 11,714,519
Covered-Employee Payroll	\$ 5,527,962	\$ 5,712,185
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	239.05%	205.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.89%	81.15%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administration expense) to 7.65 percent.

(1) Historical information is required only for measurement for which GASB Statement No. 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

CITY OF IRWINDALE

**SCHEDULE OF PLAN CONTRIBUTIONS
 COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,355,459	\$ 1,123,645
Contribution in Relation to the Actuarially Determined Contribution	<u>(1,355,459)</u>	<u>(1,123,645)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 6,272,268	\$ 5,527,962
Contributions as a Percentage of Covered-Employee Payroll	21.61%	20.33%

(1) Historical information is required only for measurement for which GASB Statement No. 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

Note to Schedule:

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers	Entry age normal
Amortization method	Level Percent of Payroll, closed 20 years
Assets valuation method	Market value
Inflation	2.75%
	3.30% - 14.20% depending on age, service and type of employment
Salary Increases	
Investment rate of return	7.5% net of pension plan investment and administrative expense, including inflation
Retirement age	55 years
Mortality	RP-2000 Heath Annuitant Mortality Table

CITY OF IRWINDALE

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

MEASUREMENT PERIOD	2016	2015
TOTAL PENSION LIABILITY		
Service Cost	\$ 224,310	\$ 217,777
Interest on Total Pension Liability	684,249	660,087
Benefit Payments	(578,327)	(546,713)
Net Change in Total Pension Liability	330,232	331,151
Total Pension Liability - Beginning	9,182,948	8,851,797
Total Pension Liability - Ending (a)	\$ 9,513,180	\$ 9,182,948
PLAN FIDUCIARY NET POSITION		
Benefit Payments	\$ (578,327)	\$ (546,713)
Employer Contributions	524,910	469,394
Member Contributions	30,941	32,711
Net Investment Income	(60,544)	172,592
Administrative Expenses	(13,193)	(14,360)
Net Change in Fiduciary Net Position	(96,213)	113,624
Plan Fiduciary Net Position - Beginning	6,628,913	6,515,289
Plan Fiduciary Net Position - Ending (b)	\$ 6,532,700	\$ 6,628,913
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 2,980,480	\$ 2,554,035
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.67%	72.19%
Covered-Employee Payroll	\$ 3,330,780	\$ 3,300,942
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	89.48%	77.37%

(1) Historical information is required only for measurement for which GASB Statement No. 68 is applicable. Fiscal Year 2015 was the first year of implementation, additional years will be added as they become available in the future.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There were no significant changes.

Changes of Assumptions: There were no changes in assumptions.

CITY OF IRWINDALE

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

	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 484,020	\$ 469,394
Contribution in Relation to the Actuarially Determined Contribution	(524,910)	(469,394)
Contribution Deficiency (Excess)	<u>\$ (40,890)</u>	<u>\$ -</u>
Actual Contributions as a Percentage of Actuarial Determined Contributions	108.45%	100.00%
Covered-Employee Payroll (3) (4)	\$ 3,330,780	\$ 3,300,942
Contributions as a Percentage of Covered-Employee Payroll (3)	15.76%	14.22%

(1) Historical information is required only for measurement for which GASB Statement No. 68 is applicable. Fiscal Year 2015 was the first year of implementation, additional years will be added as they become available in the future.

Note to Schedule:

Valuation Date:	June 30, 2014
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	17 years
Assets valuation method	None
Inflation	2.75%
Salary Increases	Varies by entry age and service
Investment rate of return	7.50%
Retirement age	Retirement rates of 20% per year for ages 55-69 and 100% at ages 70 and up
Mortality	Consistent with non-industrial rates used to value the Miscellaneous CalPERS Pension Plans

CITY OF IRWINDALE

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

	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	-0.92%	2.66%

(1) Historical information is required only for measurement for which GASB Statement No. 68 is applicable. Fiscal Year 2015 was the first year of implementation, additional years will be added as they become available in the future.

CITY OF IRWINDALE

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

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 25,910,476	\$ 25,910,476	\$ 25,910,476	\$ -
Resources (Inflows):				
Taxes	13,894,000	14,184,000	15,363,207	1,179,207
Licenses and permits	1,206,000	706,000	554,101	(151,899)
Intergovernmental	154,100	281,667	152,061	(129,606)
Charges for services	1,778,200	978,200	526,145	(452,055)
Use of money and property	545,000	545,000	640,090	95,090
Fines and forfeitures	322,000	322,000	193,467	(128,533)
Contributions	4,000	4,000	59,702	55,702
Miscellaneous	616,700	704,450	311,809	(392,641)
Contributions from Successor Agency	-	3,054,000	2,554,786	(499,214)
Transfers in	-	1,855,873	2,694,685	838,812
Amounts Available for Appropriations	44,430,476	48,545,666	48,960,529	414,863
Charges to Appropriations (Outflow):				
General government	7,005,618	6,710,265	6,322,764	387,501
Public safety	5,654,296	5,804,797	5,589,866	214,931
Parks and recreation	1,961,905	1,993,392	1,774,628	218,764
Public works	3,658,046	3,841,363	3,405,580	435,783
Capital outlay	586,000	3,007,240	457,499	2,549,741
Debt service:				
Interest and fiscal charges	-	-	27,556	(27,556)
Transfers out	564,000	564,000	563,998	2
Total Charges to Appropriations	19,429,865	21,921,057	18,141,891	3,779,166
Budgetary Fund Balance, June 30	\$ 25,000,611	\$ 26,624,609	\$ 30,818,638	\$ (3,364,303)

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 HOUSING AUTHORITY
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 32,627,339	\$ 32,627,339	\$ 32,627,339	\$ -
Resources (Inflows):				
Use of money and property	15,500	15,500	124,429	108,929
Contributions	-	-	496,326	496,326
Amounts Available for Appropriations	32,642,839	32,642,839	33,248,094	605,255
Charges to Appropriations (Outflow):				
General government	3,428,335	9,207,974	1,241,477	7,966,497
Parks and recreation	100	100	-	100
Loss on sale of land held for resale	-	-	1,836,636	(1,836,636)
Total Charges to Appropriations	3,428,435	9,208,074	3,078,113	6,129,961
Budgetary Fund Balance, June 30	\$ 29,214,404	\$ 23,434,765	\$ 30,169,981	\$ 6,735,216

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
SPECIAL MINING TAX
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 17,775,164	\$ 17,775,164	\$ 17,775,164	\$ -
Resources (Inflows):				
Taxes	3,200,000	3,200,000	3,693,225	493,225
Intergovernmental	-	-	264,933	264,933
Use of money and property	75,000	75,000	250,226	175,226
Miscellaneous	-	-	431	431
Amounts Available for Appropriations	21,050,164	21,050,164	21,983,979	933,815
Charges to Appropriations (Outflow):				
General government	235,034	242,802	419,396	(176,594)
Public works	1,518,856	1,561,598	1,159,939	401,659
Capital outlay	1,601,400	4,342,762	279,708	4,063,054
Transfers out	670,978	670,978	650,326	20,652
Total Charges to Appropriations	4,026,268	6,818,140	2,509,369	4,308,771
Budgetary Fund Balance, June 30	\$ 17,023,896	\$ 14,232,024	\$ 19,474,610	\$ 5,242,586

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
RECLAMATION
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$8,725,325	\$ 8,725,325	\$ 8,725,325	\$ -
Resources (Inflows):				
Use of money and property	50,000	50,000	126,762	76,762
Miscellaneous	-	-	2,500,000	2,500,000
Transfers in	642,717	642,717	650,326	7,609
Amounts Available for Appropriations	9,418,042	9,418,042	12,002,413	2,584,371
Charges to Appropriations (Outflow):				
General government	10,000	10,000	13,744	(3,744)
Public works	18,261	464,491	63,405	401,086
Capital outlay	-	418,000	-	418,000
Transfers out	-	458,897	1,777,605	(1,318,708)
Total Charges to Appropriations	28,261	1,351,388	1,854,754	(503,366)
Budgetary Fund Balance, June 30	\$9,389,781	\$ 8,066,654	\$ 10,147,659	\$ 2,081,005

CITY OF IRWINDALE

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

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.

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.

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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:

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 – 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 the Community Development Grant (CDBG) received by the U.S. Department of Housing and Urban Development, Office of Community Planning and Development. This grant provides for the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.

Citizen's Options for Public Safety (COPS) – 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.

Irwindale Joint Powers Authority – This fund accounts for debt service payments issued by the City of Irwindale.

CITY OF IRWINDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds			
	AB939	Asset Forfeiture	State Gas Tax	Air Quality Improvement
Assets:				
Pooled cash and investments	\$ 527,259	\$ 142,769	\$ 110,575	\$ 1,332
Receivables:				
Accounts	23,120	-	-	504
Accrued interest	662	298	138	3
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 551,041	\$ 143,067	\$ 110,713	\$ 1,839
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 3,009	\$ 1,000	\$ -	\$ -
Accrued liabilities	2,529	2,765	-	-
Due to other funds	-	-	-	-
Total Liabilities	5,538	3,765	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Public safety - police activities	-	139,302	-	-
Public works	545,503	-	110,713	1,839
Unassigned	-	-	-	-
Total Fund Balances	545,503	139,302	110,713	1,839
Total Liabilities and Fund Balances	\$ 551,041	\$ 143,067	\$ 110,713	\$ 1,839

CITY OF IRWINDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Proposition A	Proposition C	Measure R	Federal Grants
Assets:				
Pooled cash and investments	\$ 38,911	\$ 19,382	\$ 39,700	\$ -
Receivables:				
Accounts	-	-	-	6,130
Accrued interest	49	43	47	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 38,960</u>	<u>\$ 19,425</u>	<u>\$ 39,747</u>	<u>\$ 6,130</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,800	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	5,936
Total Liabilities	<u>2,800</u>	<u>-</u>	<u>-</u>	<u>5,936</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	4,752
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,752</u>
Fund Balances:				
Restricted for:				
Public safety - police activities	-	-	-	-
Public works	36,160	19,425	39,747	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,558)</u>
Total Fund Balances	<u>36,160</u>	<u>19,425</u>	<u>39,747</u>	<u>(4,558)</u>
Total Liabilities and Fund Balances	<u>\$ 38,960</u>	<u>\$ 19,425</u>	<u>\$ 39,747</u>	<u>\$ 6,130</u>

CITY OF IRWINDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds			
	Community Development Block Grant	COPS	Asset Forfeiture - State	Irwindale Joint Powers Authority
Assets:				
Pooled cash and investments	\$ -	\$ 154,698	\$ 30,144	\$ -
Receivables:				
Accounts	-	-	-	-
Accrued interest	-	283	44	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 154,981	\$ 30,188	\$ -
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	2,959	-	-
Due to other funds	-	-	-	305
Total Liabilities	-	2,959	-	305
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Public safety - police activities	-	152,022	30,188	-
Public works	-	-	-	-
Unassigned	-	-	-	(305)
Total Fund Balances	-	152,022	30,188	(305)
Total Liabilities and Fund Balances	\$ -	\$ 154,981	\$ 30,188	\$ -

CITY OF IRWINDALE

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	<u>Total Governmental Funds</u>
Assets:	
Pooled cash and investments	\$ 1,064,770
Receivables:	
Accounts	29,754
Accrued interest	1,567
Restricted assets:	
Cash and investments with fiscal agents	-
Total Assets	<u>\$ 1,096,091</u>
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	\$ 6,809
Accrued liabilities	8,253
Due to other funds	6,241
Total Liabilities	<u>21,303</u>
Deferred Inflows of Resources:	
Unavailable revenues	4,752
Total Deferred Inflows of Resources	<u>4,752</u>
Fund Balances:	
Restricted for:	
Public safety - police activities	321,512
Public works	753,387
Unassigned	(4,863)
Total Fund Balances	<u>1,070,036</u>
Total Liabilities and Fund Balances	<u>\$ 1,096,091</u>

CITY OF IRWINDALE

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

	Special Revenue Funds			
	AB939	Asset Forfeiture	State Gas Tax	Air Quality Improvement
Revenues:				
Taxes	\$ 247,745	\$ -	\$ -	\$ -
Intergovernmental	-	15,570	37,256	1,741
Use of money and property	5,559	2,507	1,161	25
Total Revenues	253,304	18,077	38,417	1,766
Expenditures:				
Current:				
General government	-	-	1,850	-
Public safety	-	30,331	-	-
Parks and recreation	-	-	-	-
Public works	95,300	-	-	-
Capital outlay	-	111,177	-	1,750
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	95,300	141,508	1,850	1,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	158,004	(123,431)	36,567	16
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	158,004	(123,431)	36,567	16
Fund Balances, Beginning of Year	387,499	262,733	74,146	1,823
Fund Balances, End of Year	\$ 545,503	\$ 139,302	\$ 110,713	\$ 1,839

CITY OF IRWINDALE

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

(CONTINUED)

	Special Revenue Funds			
	Proposition A	Proposition C	Measure R	Federal Grants
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	26,461	21,976	16,472	9,131
Use of money and property	415	362	393	-
Total Revenues	26,876	22,338	16,865	9,131
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	1,552
Parks and recreation	-	-	-	7,332
Public works	16,800	-	-	-
Capital outlay	-	21,958	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	16,800	21,958	-	8,884
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,076	380	16,865	247
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	10,076	380	16,865	247
Fund Balances, Beginning of Year	26,084	19,045	22,882	(4,805)
Fund Balances, End of Year	\$ 36,160	\$ 19,425	\$ 39,747	\$ (4,558)

CITY OF IRWINDALE

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

	Special Revenue Funds			
	Community Development Block Grant	COPS	Asset Forfeiture - State	Irwindale Joint Powers Authority
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	25,752	114,618	-	-
Use of money and property	-	2,379	371	813
Total Revenues	25,752	116,997	371	813
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	80,864	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	25,752	90,072	-	-
Debt service:				
Principal retirement	-	-	-	455,000
Interest and fiscal charges	-	-	-	109,000
Total Expenditures	25,752	170,936	-	564,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(53,939)	371	(563,187)
Other Financing Sources (Uses):				
Transfers in	-	-	-	563,998
Transfers out	-	-	-	(917,080)
Total Other Financing Sources (Uses)	-	-	-	(353,082)
Net Change in Fund Balances	-	(53,939)	371	(916,269)
Fund Balances, Beginning of Year	-	205,961	29,817	915,964
Fund Balances, End of Year	\$ -	\$ 152,022	\$ 30,188	\$ (305)

CITY OF IRWINDALE

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

	Total Nonmajor Governmental Funds
Revenues:	
Taxes	\$ 247,745
Intergovernmental	268,977
Use of money and property	13,985
	<hr/>
Total Revenues	530,707
	<hr/>
Expenditures:	
Current:	
General government	1,850
Public safety	112,747
Parks and recreation	7,332
Public works	112,100
Capital outlay	250,709
Debt service:	
Principal retirement	455,000
Interest and fiscal charges	109,000
	<hr/>
Total Expenditures	1,048,738
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(518,031)
	<hr/>
Other Financing Sources (Uses):	
Transfers in	563,998
Transfers out	(917,080)
	<hr/>
Total Other Financing Sources (Uses)	(353,082)
	<hr/>
Net Change in Fund Balances	(871,113)
	<hr/>
Fund Balances, Beginning of Year	1,941,149
	<hr/>
Fund Balances, End of Year	\$ 1,070,036
	<hr/> <hr/>

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 AB939
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 387,499	\$ 387,499	\$ 387,499	\$ -
Resources (Inflows):				
Taxes	190,000	190,000	247,745	57,745
Use of money and property	400	400	5,559	5,159
Amounts Available for Appropriations	577,899	577,899	640,803	62,904
Charges to Appropriations (Outflow):				
Public works	129,053	129,053	95,300	33,753
Total Charges to Appropriations	129,053	129,053	95,300	33,753
Budgetary Fund Balance, June 30	\$ 448,846	\$ 448,846	\$ 545,503	\$ 96,657

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 ASSET FORFEITURE
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 262,733	\$ 262,733	\$ 262,733	\$ -
Resources (Inflows):				
Intergovernmental	-	84,428	15,570	(68,858)
Use of money and property	-	3,896	2,507	(1,389)
Amounts Available for Appropriations	262,733	351,057	280,810	(70,247)
Charges to Appropriations (Outflow):				
Public safety	-	116,396	30,331	86,065
Capital outlay	-	147,597	111,177	36,420
Total Charges to Appropriations	-	263,993	141,508	122,485
Budgetary Fund Balance, June 30	\$ 262,733	\$ 87,064	\$ 139,302	\$ 52,238

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 STATE GAS TAX
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 74,146	\$ 74,146	\$ 74,146	\$ -
Resources (Inflows):				
Intergovernmental	48,802	48,802	37,256	(11,546)
Use of money and property	50	50	1,161	1,111
Amounts Available for Appropriations	122,998	122,998	112,563	(10,435)
Charges to Appropriations (Outflow):				
General government	2,000	2,000	1,850	150
Capital outlay	46,000	117,352	-	117,352
Total Charges to Appropriations	48,000	119,352	1,850	117,502
Budgetary Fund Balance, June 30	\$ 74,998	\$ 3,646	\$ 110,713	\$ 107,067

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY IMPROVEMENT
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,823	\$ 1,823	\$ 1,823	\$ -
Resources (Inflows):				
Intergovernmental	1,700	1,700	1,741	41
Use of money and property	-	-	25	25
Amounts Available for Appropriations	3,523	3,523	3,589	66
Charges to Appropriations (Outflow):				
Capital outlay	1,700	3,400	1,750	1,650
Total Charges to Appropriations	1,700	3,400	1,750	1,650
Budgetary Fund Balance, June 30	\$ 1,823	\$ 123	\$ 1,839	\$ 1,716

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION A
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 26,084	\$ 26,084	\$ 26,084	\$ -
Resources (Inflows):				
Intergovernmental	26,473	26,473	26,461	(12)
Use of money and property	-	-	415	415
Amounts Available for Appropriations	52,557	52,557	52,960	403
Charges to Appropriations (Outflow):				
Public works	26,473	26,473	16,800	9,673
Total Charges to Appropriations	26,473	26,473	16,800	9,673
Budgetary Fund Balance, June 30	\$ 26,084	\$ 26,084	\$ 36,160	\$ 10,076

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 19,045	\$ 19,045	\$ 19,045	\$ -
Resources (Inflows):				
Intergovernmental	21,958	21,958	21,976	18
Use of money and property	-	-	362	362
Amounts Available for Appropriations	41,003	41,003	41,383	380
Charges to Appropriations (Outflow):				
Capital outlay	21,958	21,958	21,958	-
Total Charges to Appropriations	21,958	21,958	21,958	-
Budgetary Fund Balance, June 30	\$ 19,045	\$ 19,045	\$ 19,425	\$ 380

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 MEASURE R
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 22,882	\$ 22,882	\$ 22,882	\$ -
Resources (Inflows):				
Intergovernmental	16,469	16,469	16,472	3
Use of money and property	-	-	393	393
Amounts Available for Appropriations	39,351	39,351	39,747	396
Charges to Appropriations (Outflow):				
Capital outlay	16,469	16,469	-	16,469
Total Charges to Appropriations	16,469	16,469	-	16,469
Budgetary Fund Balance, June 30	\$ 22,882	\$ 22,882	\$ 39,747	\$ 16,865

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 FEDERAL GRANTS
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (4,805)	\$ (4,805)	\$ (4,805)	\$ -
Resources (Inflows):				
Intergovernmental	-	40,000	9,131	(30,869)
Amounts Available for Appropriations	(4,805)	35,195	4,326	(30,869)
Charges to Appropriations (Outflow):				
Public safety	-	-	1,552	(1,552)
Parks and recreation	-	40,000	7,332	32,668
Total Charges to Appropriations	-	40,000	8,884	31,116
Budgetary Fund Balance, June 30	\$ (4,805)	\$ (4,805)	\$ (4,558)	\$ 247

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	28,698	28,698	25,752	(2,946)
Amounts Available for Appropriations	28,698	28,698	25,752	(2,946)
Charges to Appropriation (Outflow):				
Capital outlay	28,698	28,698	25,752	2,946
Total Charges to Appropriations	28,698	28,698	25,752	2,946
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 COPS
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 205,961	\$ 205,961	\$ 205,961	\$ -
Resources (Inflows):				
Intergovernmental	-	114,618	114,618	-
Use of money and property	-	1,327	2,379	1,052
Amounts Available for Appropriations	205,961	321,906	322,958	1,052
Charges to Appropriations (Outflow):				
Public safety	-	112,310	80,864	31,446
Capital outlay	-	208,269	90,072	118,197
Total Charges to Appropriations	-	320,579	170,936	149,643
Budgetary Fund Balance, June 30	\$ 205,961	\$ 1,327	\$ 152,022	\$ 150,695

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
 ASSET FORFEITURE - STATE
 YEAR ENDED JUNE 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 29,817	\$ 29,817	\$ 29,817	\$ -
Resources (Inflows):				
Intergovernmental	-	19,449	-	(19,449)
Use of money and property	-	102	371	269
Amounts Available for Appropriations	29,817	49,368	30,188	(19,180)
Charges to Appropriations (Outflow):				
Public safety	-	29,610	-	29,610
Total Charges to Appropriations	-	29,610	-	29,610
Budgetary Fund Balance, June 30	\$ 29,817	\$ 19,758	\$ 30,188	\$ 10,430

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 IRWINDALE JOINT POWERS AUTHORITY
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 915,964	\$ 915,964	\$ 915,964	\$ -
Resources (Inflows):				
Use of money and property	-	-	813	813
Transfers in	564,000	564,000	563,998	(2)
Amounts Available for Appropriations	1,479,964	1,479,964	1,480,775	811
Charges to Appropriations (Outflow):				
Debt service:				
Principal retirement	455,000	455,000	455,000	-
Interest and fiscal charges	109,000	109,000	109,000	-
Transfers out	-	-	917,080	(917,080)
Total Charges to Appropriations	564,000	564,000	1,481,080	(917,080)
Budgetary Fund Balance, June 30	\$ 915,964	\$ 915,964	\$ (305)	\$ (916,269)

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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, 2016

	Agency	CFD #1	Live Oak Assessment District	Street Lighting District
Assets:				
Pooled cash and investments	\$ 42,323	\$ 964,884	\$ 72,987	\$ 33,413
Receivables:				
Accounts	-	-	-	-
Taxes	-	1,427	-	-
Accrued interest	-	982	48	53
Prepaid costs	790	-	-	-
Cash and investments with fiscal agents	-	769,181	97,583	-
Total Assets	\$ 43,113	\$ 1,736,474	\$ 170,618	\$ 33,466
Liabilities:				
Accounts payable	\$ 6,397	\$ 1,877	\$ 942	\$ 129
Deposits payable	36,716	1,734,597	169,676	33,337
Due to City of Irwindale	-	-	-	-
Total Liabilities	\$ 43,113	\$ 1,736,474	\$ 170,618	\$ 33,466

CITY OF IRWINDALE

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2016

	Sewer Maintenance District	Totals
Assets:		
Pooled cash and investments	\$ 86,870	\$ 1,200,477
Receivables:		
Accounts	215,945	215,945
Taxes	-	1,427
Accrued interest	202	1,285
Prepaid costs	-	790
Cash and investments with fiscal agents	-	866,764
Total Assets	\$ 303,017	\$ 2,286,688
Liabilities:		
Accounts payable	\$ 1,866	\$ 11,211
Deposits payable	-	1,974,326
Due to City of Irwindale	301,151	301,151
Total Liabilities	\$ 303,017	\$ 2,286,688

CITY OF IRWINDALE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2016

	<u>Balance 7/1/2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2016</u>
<u>Agency</u>				
Assets:				
Pooled cash and investments	\$ 61,681	\$ 62,243	\$ 81,601	\$ 42,323
Prepaid costs	-	790	-	790
Total Assets	<u>\$ 61,681</u>	<u>\$ 63,033</u>	<u>\$ 81,601</u>	<u>\$ 43,113</u>
Liabilities:				
Accounts payable	\$ 6,309	\$ 62,187	\$ 62,099	\$ 6,397
Deposits payable	55,372	1,668	20,324	36,716
Total Liabilities	<u>\$ 61,681</u>	<u>\$ 63,855</u>	<u>\$ 82,423</u>	<u>\$ 43,113</u>
<u>CFD #1</u>				
Assets:				
Pooled cash and investments	\$ 938,007	\$ 1,028,872	\$ 1,001,995	\$ 964,884
Receivables:				
Taxes	-	1,427	-	1,427
Accrued interest	945	982	945	982
Restricted assets:				
Cash and investments with fiscal agents	768,535	646	-	769,181
Total Assets	<u>\$ 1,707,487</u>	<u>\$ 1,031,927</u>	<u>\$ 1,002,940</u>	<u>\$ 1,736,474</u>
Liabilities:				
Accounts payable	\$ -	\$ 11,530	\$ 9,653	\$ 1,877
Deposits payable	1,707,487	78,953	51,843	1,734,597
Total Liabilities	<u>\$ 1,707,487</u>	<u>\$ 90,483</u>	<u>\$ 61,496</u>	<u>\$ 1,736,474</u>
<u>Live Oak Assessment District</u>				
Assets:				
Pooled cash and investments	\$ 77,118	\$ 97,680	\$ 101,811	\$ 72,987
Receivables:				
Taxes	324	-	324	-
Accrued interest	46	48	46	48
Restricted assets:				
Cash and investments with fiscal agents	97,505	81	3	97,583
Total Assets	<u>\$ 174,993</u>	<u>\$ 97,809</u>	<u>\$ 102,184</u>	<u>\$ 170,618</u>
Liabilities:				
Accounts payable	\$ -	\$ 9,031	\$ 8,089	\$ 942
Deposits payable	174,993	31,833	37,150	169,676
Total Liabilities	<u>\$ 174,993</u>	<u>\$ 40,864</u>	<u>\$ 45,239</u>	<u>\$ 170,618</u>

CITY OF IRWINDALE

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2016**

	<u>Balance 7/1/2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2016</u>
<u>Street Lighting District</u>				
Assets:				
Pooled cash and investments	\$ 33,054	\$ 13,475	\$ 13,116	\$ 33,413
Receivables:				
Accrued interest	52	53	52	53
Total Assets	<u>\$ 33,106</u>	<u>\$ 13,528</u>	<u>\$ 13,168</u>	<u>\$ 33,466</u>
Liabilities:				
Accounts payable	\$ 138	\$ 2,143	\$ 2,152	\$ 129
Deposits payable	32,968	459	90	33,337
Total Liabilities	<u>\$ 33,106</u>	<u>\$ 2,602</u>	<u>\$ 2,242</u>	<u>\$ 33,466</u>
<u>Sewer Maintenance District</u>				
Assets:				
Pooled cash and investments	\$ 217,916	\$ 211,865	\$ 342,911	\$ 86,870
Receivables:				
Accounts	199,957	15,988	-	215,945
Accrued interest	1,228	202	1,228	202
Total Assets	<u>\$ 419,101</u>	<u>\$ 228,055</u>	<u>\$ 344,139</u>	<u>\$ 303,017</u>
Liabilities:				
Accounts payable	\$ 44,101	\$ 118,844	\$ 161,079	\$ 1,866
Deposits payable	-	1,215,852	1,215,852	-
Due to City of Irwindale	375,000	76,151	150,000	301,151
Total Liabilities	<u>\$ 419,101</u>	<u>\$ 1,410,847</u>	<u>\$ 1,526,931</u>	<u>\$ 303,017</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 1,327,776	\$ 1,414,135	\$ 1,541,434	\$ 1,200,477
Receivables:				
Accounts	199,957	15,988	-	215,945
Taxes	324	1,427	324	1,427
Accrued interest	2,271	1,285	2,271	1,285
Prepaid costs	-	790	-	790
Restricted assets:				
Cash and investments with fiscal agents	866,040	727	3	866,764
Total Assets	<u>\$ 2,396,368</u>	<u>\$ 1,434,352</u>	<u>\$ 1,544,032</u>	<u>\$ 2,286,688</u>
Liabilities:				
Accounts payable	\$ 50,548	\$ 203,735	\$ 243,072	\$ 11,211
Deposits payable	1,970,820	1,328,765	1,325,259	1,974,326
Due to City of Irwindale	375,000	76,151	150,000	301,151
Total Liabilities	<u>\$ 2,396,368</u>	<u>\$ 1,608,651</u>	<u>\$ 1,718,331</u>	<u>\$ 2,286,688</u>

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Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.</i>	104-107
Revenue Capacity <i>These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.</i>	108-117
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.</i>	118-121
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.</i>	122-123
Operating Information <i>These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.</i>	124-126

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 42,814,561	\$ 47,560,687	\$ 58,229,206	\$ 60,704,534	\$ 52,415,011	\$ 54,163,083	\$ 49,061,789	\$ 49,624,207	\$ 50,299,501	\$ 49,794,671
Restricted	104,564,305	118,259,967	113,653,485	112,221,761	115,639,163	84,591,464	89,708,274	59,274,997	50,523,767	60,867,149
Unrestricted	(44,068,315)	(40,036,895)	(38,478,703)	(44,527,151)	(41,762,064)	37,421,055	33,485,053	33,115,512	30,064,576	23,747,719
Total governmental activities net position	\$ 103,310,551	\$ 125,783,759	\$ 133,403,988	\$ 128,399,144	\$ 126,292,110	\$ 176,175,602	\$ 172,255,116	\$ 142,014,716	\$ 130,887,844	\$ 134,409,539

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 12,008,823	\$ 11,547,438	\$ 13,412,919	\$ 19,854,727	\$ 15,295,872	\$ 11,618,188	\$ 7,675,365	\$ 7,460,530	\$ 7,629,859	\$ 8,761,277
Public safety	18,619,724	8,063,566	8,074,775	7,137,519	5,713,485	5,947,245	5,797,927	5,666,135	5,718,022	5,837,909
Community development	-	-	-	-	-	-	-	945,542	901,634	-
Public works	5,425,969	5,623,566	5,580,673	5,977,716	6,308,680	5,743,162	1,835,292	5,858,995	6,251,299	6,268,933
Parks and recreation	2,262,166	2,519,073	2,225,792	1,872,053	1,851,457	1,846,848	5,392,703	1,859,710	1,853,463	1,879,106
Interest on long-term debt	5,481,674	5,755,469	5,676,260	5,702,436	5,427,530	2,657,051	297,961	376,489	142,709	145,043
Total primary government expenses	\$ 43,798,356	\$ 33,509,112	\$ 34,970,419	\$ 40,544,451	\$ 34,597,024	\$ 27,812,494	\$ 20,999,248	\$ 22,167,401	\$ 22,496,986	\$ 22,892,268
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 5,365	\$ 65,162	\$ -	\$ -	\$ -	\$ 502	\$ 442	\$ 12	\$ -	\$ 400
Public safety	631,617	568,437	567,589	528,525	529,939	497,442	409,754	301,789	241,960	219,112
Public works	964,154	1,210,761	688,504	1,097,721	1,562,668	523,323	499,829	1,104,906	1,004,298	780,947
Parks and recreation	96,338	125,620	96,079	112,600	121,570	117,481	116,836	102,531	113,399	121,177
Operating grants and contributions	12,656,434	608,949	1,052,056	1,323,556	1,469,968	887,048	615,256	1,504,715	800,651	1,010,005
Capital grants and contributions	-	400,000	-	586,548	41,852	34,169	227,058	75,051	196,263	290,685
Total primary government revenues	\$ 14,353,910	\$ 2,978,929	\$ 2,404,228	\$ 3,648,950	\$ 3,725,997	\$ 2,059,965	\$ 1,869,175	\$ 3,089,004	\$ 2,356,571	\$ 2,422,326
Net Revenues (Expense)										
Total primary government net expense	\$ (29,444,446)	\$ (30,530,183)	\$ (32,566,191)	\$ (36,895,501)	\$ (30,871,027)	\$ (25,752,529)	\$ (19,130,073)	\$ (19,076,397)	\$ (20,140,415)	\$ (20,469,942)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property	\$ 17,102,425	\$ 15,751,809	\$ 18,718,793	\$ 21,048,420	\$ 18,421,025	\$ 9,022,938	\$ 3,621,003	\$ 1,296,288	\$ 1,994,517	\$ 2,166,117
Mining/processing	7,328,634	5,710,900	3,641,541	3,641,752	4,256,883	4,457,993	5,001,084	5,726,528	6,446,449	6,717,324
Sales	5,272,506	5,270,560	4,541,326	3,919,905	4,207,592	3,394,807	3,757,466	4,246,191	3,882,558	3,691,820
Utility Users	4,518,768	3,938,351	3,789,366	3,171,532	3,593,910	3,134,265	3,289,837	3,658,588	4,018,841	3,755,043
Franchise	991,247	916,917	982,119	943,735	910,274	1,114,846	1,068,712	1,210,925	1,332,218	1,330,527
Business licenses	674,678	1,300,093	1,088,467	674,410	971,720	1,118,699	1,084,552	1,047,405	983,323	1,151,728
Other	33,407	504,001	466,760	435,179	441,742	310,334	267,682	331,731	376,131	345,301
Motor vehicle in lieu	7,745	107,343	113,485	122,041	121,549	111,598	113,675	121,712	124,842	127,443
Use of money and property	5,301,935	5,729,773	4,277,620	2,773,276	1,847,903	2,725,901	1,330,941	623,267	1,013,123	1,155,492
Gain on sale of assets	-	11,795,420	205,437	-	4,844,874	-	514,453	-	-	718,150
Other	79,308	1,728,496	2,090,634	1,175,407	1,122,602	411,368	1,135,156	728,407	275,362	2,809,931
Extraordinary gain/(loss) on dissolution of redevelopment agency*	-	-	-	-	-	50,571,909	(5,974,974)	(30,153,045)	5,785,449	-
Total primary government	\$ 41,310,653	\$ 52,753,663	\$ 39,915,548	\$ 37,905,657	\$ 40,740,074	\$ 76,374,658	\$ 15,209,587	\$ (11,162,003)	\$ 26,232,813	\$ 23,968,876
Change in Net Position										
Total primary government	\$ 11,866,207	\$ 22,223,480	\$ 7,349,357	\$ 1,010,156	\$ 9,869,047	\$ 50,622,129	\$ (3,920,486)	\$ (30,240,400)	\$ 6,092,398	\$ 3,498,934

* 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, 2016
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011*	2012	2013	2014	2015	2016
General fund										
Reserved	\$ 9,155,651	\$ 8,251,506	\$ 6,772,885	\$ 6,855,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	18,429,294	21,296,916	22,507,298	20,520,102	-	-	-	-	-	-
General fund										
Nonspendable	-	-	-	-	\$ 42,441,980	\$ 30,191,045	\$ 34,346,793	\$ 4,188,578	\$ 11,013,366	\$ 12,142,153
Restricted	-	-	-	-	-	25,176,638	2,464,622	-	-	-
Assigned	-	-	-	-	24,279,691	17,677,821	17,677,821	17,057,727	14,897,110	18,676,485
Total general fund	27,584,945	29,548,422	29,280,183	27,375,796	66,721,671	55,367,683	54,489,236	21,246,305	25,910,476	30,818,638
All other governmental funds										
Reserved	43,073,376	64,370,186	57,441,039	66,445,575	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	25,901,989	28,339,516	20,917,965	21,374,947	-	-	-	-	-	-
Debt service funds	16,074,932	6,296,728	4,534,733	1,422,725	-	-	-	-	-	-
Capital projects funds	21,487,133	21,212,138	32,665,403	24,363,088	-	-	-	-	-	-
Nonspendable	-	-	-	-	24,227,822	29,122,352	17,162,644	14,590,361	13,401,152	-
Restricted:										
Continuing Operations	-	-	-	-	25,084,449	3,400,709	16,151,287	18,095,879	19,226,187	-
Public safety	-	-	-	-	272,231	347,622	439,857	785,583	498,511	321,512
Public works	-	-	-	-	20,671,666	21,567,736	23,336,819	24,887,273	27,031,968	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Housing activities	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	7,742,159	-	-	915,900	915,964	30,375,656
Unassigned	-	-	-	-	(47,862)	-	-	-	(4,805)	(4,863)
Total all other governmental funds	\$ 106,537,440	\$ 120,218,568	\$ 115,559,140	\$ 113,606,335	\$ 77,950,465	\$ 54,438,419	\$ 57,090,607	\$ 59,274,996	\$ 61,068,977	\$ 60,862,286

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

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$ 35,161,982	\$ 33,472,527	\$ 33,185,335	\$ 33,904,686	\$ 32,787,793	\$ 22,994,591	\$ 17,717,330	\$ 17,208,830	\$ 19,479,493	\$ 19,304,177
Licenses and permits	1,316,064	673,240	354,936	412,419	989,453	283,398	247,039	530,137	576,658	554,101
Intergovernmental	1,940,270	560,723	1,216,649	1,013,107	634,658	870,432	1,088,969	870,432	815,984	685,971
Charges for services	649,076	806,291	585,241	923,939	842,152	470,000	447,475	753,446	570,149	526,145
Use of money and property	5,301,935	5,734,077	4,275,780	2,775,116	382,572	2,725,901	1,330,941	623,267	1,013,123	1,165,492
Fines and forfeitures	407,012	419,100	410,968	396,870	1,847,903	365,350	332,347	225,655	212,850	193,467
Contributions	-	-	-	950	4,547	2,000	8,600	-	208,041	556,028
Miscellaneous	123,089	2,822,137	3,859,481	3,025,803	3,057,217	1,714,792	1,143,637	734,104	278,003	2,812,240
Total revenues	\$ 44,899,428	\$ 44,488,095	\$ 43,888,410	\$ 42,452,890	\$ 40,546,295	\$ 29,430,380	\$ 22,316,338	\$ 20,957,601	\$ 23,154,301	\$ 25,787,621
Expenditures:										
General government	\$ 11,905,172	\$ 11,403,642	\$ 13,353,100	\$ 19,852,391	\$ 15,281,394	\$ 11,009,364	\$ 6,891,893	\$ 7,368,913	\$ 7,459,738	\$ 7,999,231
Public safety	18,296,950	7,811,497	8,792,926	6,915,434	5,449,255	5,792,040	5,589,075	5,472,221	5,552,325	5,702,613
Parks and recreation	2,136,059	4,371,390	2,131,443	1,652,324	5,136,018	1,662,490	1,653,370	1,661,622	1,661,770	1,781,960
Public works	3,595,906	2,410,170	4,319,916	5,011,158	1,651,410	4,407,686	4,159,516	4,345,647	4,793,164	4,741,024
Capital outlay	2,460,634	5,763,547	11,755,692	3,668,526	1,735,299	1,449,905	927,084	1,772,245	2,429,246	987,916
Debt Service:										
Debt issuance costs	3,459,022	-	-	-	-	-	-	-	-	-
Refunding escrow	-	-	-	-	-	-	-	-	-	-
Principal	65,431,923	3,407,473	3,563,274	3,779,425	3,989,657	3,739,902	445,159	4,835,000	440,000	455,000
Interest and fiscal charges	5,219,474	5,471,191	5,399,785	5,430,824	5,162,080	4,246,611	235,979	409,021	145,356	136,556
Total expenditures	\$ 112,505,140	\$ 40,638,910	\$ 49,316,136	\$ 46,310,082	\$ 38,405,113	\$ 32,307,998	\$ 19,882,076	\$ 25,864,669	\$ 22,481,599	\$ 21,804,300
Excess of revenues over (under) expenditures	\$ (67,605,712)	\$ 3,849,185	\$ (5,427,726)	\$ (3,857,192)	\$ 2,141,182	\$ (2,877,618)	\$ 2,434,262	\$ (4,907,068)	\$ 672,702	\$ 3,983,321
Other financing sources (uses):										
Transfers in	5,225,638	4,634,545	11,683,810	4,160,591	45,678,056	10,041,173	642,717	3,963,307	1,200,515	3,909,009
Transfers out	(5,225,638)	(4,634,545)	(11,683,810)	(4,160,591)	(45,678,056)	(10,041,173)	(642,717)	(3,963,307)	(1,200,515)	(3,909,009)
Capital leases	-	-	23,750	-	-	-	-	-	-	-
Gain (loss) on sale of land held	-	11,795,420	205,437	-	4,844,874	-	514,453	-	-	718,150
Bonds issued	62,540,000	-	-	-	-	-	-	3,870,000	-	-
Bond premium	2,209,522	-	-	-	-	-	-	131,572	-	-
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Payment to refunding escrow	-	-	-	-	-	-	-	-	-	-
Contributions to Successor Agency	-	-	-	-	-	-	-	-	-	-
Contributions to Successor Agency	-	-	-	-	-	(545,416)	-	-	-	-
Total other financing sources (uses)	64,749,522	11,795,420	229,187	(3,857,192)	2,141,182	(2,877,618)	2,434,262	(4,907,068)	672,702	3,983,321
Extraordinary Gain/(Loss) *	-	-	-	-	-	(31,443,000)	(1,174,974)	(30,153,045)	5,785,449	-
Net change in fund balances before restatements	\$ (2,856,190)	\$ 15,644,605	\$ (5,198,539)	\$ (3,857,192)	\$ 6,986,056	\$ (34,866,034)	\$ 1,773,741	\$ (31,058,541)	\$ 6,458,151	\$ 4,701,471
Restatement of fund balances	4,515,160	-	270,872	-	(3,296,051)	-	-	-	-	-
Net change in fund balances, after restatement	\$ 1,658,970	\$ 15,644,605	\$ (4,927,667)	\$ (3,857,192)	\$ 3,690,005	\$ (34,866,034)	\$ 1,773,741	\$ (31,058,541)	\$ 6,458,151	\$ 4,701,471
Debt service as a percentage of noncapital expenditures **	6.84%	25.46%	23.86%	21.60%	24.96%	25.88%	3.59%	21.77%	2.92%	2.84%

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

* Per State Assembly Bill 1X26, redevelopment agencies in California were dissolved as of February 1, 2012. The assets and financial activities of the former Inwindale Community Redevelopment Agency are now reported as a fiduciary fund in the financial statements of the City of Inwindale which serves as the Successor Agency to the Inwindale Community Redevelopment Agency, which has resulted in these Extraordinary Gains/(Loss) amounts.

** The amount of capital outlay used to calculate the ratio of total debt service expenditures to noncapital expenditures is based on the capital outlay amount in the government-wide statement, Reconciliation of the Statement of Revenues, Expenditures, and Changes to Fund Balances of Governmental Funds to the Statement of Activities

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

Fiscal Year Ended June 30	Property Tax	Mining Tax	Sales Tax	Utility Users Tax	Other Tax	Total Taxes
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
2014	1,296,288	5,726,528	4,246,191	3,658,588	2,590,061	17,517,656
2015	1,994,517	6,446,449	3,882,558	4,018,841	2,691,672	19,034,037
2016	2,166,117	6,717,324	3,691,820	3,755,043	2,827,556	19,157,860

* 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 the first full year of without tax increment revenues. This amount includes property taxes, as well as taxes received by the County as residual revenue from the Successor Agency.

Table 6
City of Irwindale
Mining Tax Revenues
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year Ended June 30	Excavation Tax	Processing Tax	Special Mining Excavation Tax	Special Mining Processing Tax	Total Mining Taxes
2006	2,304,559	1,152,060	2,816,419	1,408,045	7,681,083
2007	2,214,721	1,084,626	2,709,903	1,319,384	7,328,634
2008	1,727,645	844,034	2,111,085	1,028,136	5,710,900
2009	1,101,495	603,209	1,202,692	734,145	3,641,541
2010	1,062,363	577,066	1,297,980	704,343	3,641,752
2011	1,250,181	665,572	1,527,355	813,775	4,256,883
2012	1,327,094	679,849	1,621,328	829,722	4,457,993
2013	1,491,796	759,545	1,822,951	926,792	5,001,084
2014	1,698,843	879,048	2,076,325	1,072,312	5,726,528
2015	1,917,157	984,895	2,343,051	1,201,346	6,446,449
2016	1,982,039	1,042,060	2,422,446	1,270,779	6,717,324

Source: City of Irwindale Finance Department

**Table 7
City of Irwindale
Mining Tax Rates
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Excavation Tax Rate (per ton)	Processing Tax Rate (per ton)	Special Mining Excavation Tax Rate (per ton)	Special Mining Processing Tax Rate (per ton)
2006	0.2277	0.1138	0.2783	0.1389
2007	0.2357	0.1178	0.2880	0.1438
2008	0.2430	0.1215	0.2969	0.1483
2009	0.2430	0.1215	0.2969	0.1483
2010	0.2476	0.1238	0.3025	0.1511
2011	0.2558	0.1279	0.3125	0.1561
2012	0.2596	0.1298	0.3172	0.1584
2013	0.2619	0.1310	0.3201	0.1598
2014	0.2656	0.1328	0.3246	0.1620
2015	0.2669	0.1335	0.3262	0.1628
2016	0.2770	0.1362	0.3327	0.1661

Source: City of Irwindale Finance Department

Table 8
City of Irwindale
Principal Mining Taxpayers
Ten Year Comparison
June 30, 2016

Mining Operator	2016			2007		
	Mining Taxes	Rank	Percentage of Total Mining Tax Revenue	Mining Taxes	Rank	Percentage of Total Mining Tax Revenue
Vulcan Durbin/Reliance	3,207,758	1	47.8%	4,257,472	1	59.0%
Hanson Aggregates	2,393,440	2	35.7%	1,653,632	2	22.9%
United Rock	915,875	3	13.6%	893,389	3	12.4%
Peck Road Gravel Pit	51,637	4	0.8%	332,349	4	4.6%
All American Asphalt	82,340	5	1.2%	68,890	5	1.0%
Holliday Rock	59,252	6	0.9%	13,390	6	0.2%
Totals	<u>6,710,301</u>		<u>100.00%</u>	<u>7,219,122</u>		<u>100.00%</u>

Source: City of Irwindale Finance Department

Table 9
City of Irwindale
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Residential	38,320,708	41,736,795	45,838,375	44,637,217	45,110,136	46,217,368	47,150,265	48,487,088	51,209,692	53,803,730
Commercial	145,795,732	152,387,665	167,402,041	173,943,816	171,734,153	156,088,581	154,295,529	165,743,037	174,522,114	179,619,293
Industrial	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	1,383,353,215	1,428,571,157	1,454,273,793
Government Owned	446,921	455,859	464,975	474,273	473,148	476,710	486,243	496,011	498,217	508,170
Institutional	142,106	144,947	147,845	150,801	150,442	151,574	154,604	157,695	158,410	161,574
Miscellaneous	5,056,048	5,219,860	5,606,829	7,741,017	7,585,554	7,445,786	7,399,309	7,354,853	7,804,466	7,806,464
Recreational	10,438,861	10,647,636	10,860,587	11,077,797	11,051,541	11,134,758	11,357,451	11,584,598	11,637,190	22,969,948
Vacant	45,714,577	49,233,056	45,661,181	45,408,486	44,713,577	44,946,595	61,389,175	53,746,555	63,402,720	69,052,434
SBE Nonunitary	9,058,945	8,279,624	8,279,624	8,279,624	8,555,358	8,555,358	8,555,358	7,427,946	7,427,946	7,071,026
Cross Reference	112,334,361	100,279,578	96,708,569	110,739,581	88,675,287	98,587,226	104,765,839	101,727,504	87,844,101	86,806,996
Unsecured	326,549,332	338,680,012	366,248,086	362,612,436	319,707,493	326,709,346	335,799,957	350,202,859	352,575,992	351,397,594
Exempt	(46,808,746)	(46,352,157)	(56,270,216)	(49,768,577)	(49,906,700)	(44,332,373)	(43,322,431)	(43,339,793)	(43,339,793)	(44,205,503)
TOTALS	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	2,130,281,361	2,185,652,005	2,233,471,022
Total Direct Rate	0.93073%	0.92616%	0.92690%	0.93193%	0.92974%	0.92704%	0.92472%	0.11961%	0.11935%	0.11913%

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 10
City of Irwindale
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended	Direct Rate	Overlapping Rates				Total Direct & Overlapping Rates
	General Levy	Los Angeles County	School Districts	Community College	Water District	
2007	1.00000	0.00071	0.57183	0.04355	0.00470	1.62079
2008	1.00000	0.00000	0.55590	0.04731	0.00450	1.60771
2009	1.00000	0.00000	0.58847	0.07093	0.00430	1.66370
2010	1.00000	0.00000	0.69200	0.07682	0.00430	1.77312
2011	1.00000	0.00000	0.72930	0.08591	0.00370	1.81891
2012	1.00000	0.00000	0.80303	0.08507	0.00370	1.89180
2013	1.00000	0.00000	0.79357	0.08298	0.00350	1.88005
2014	1.00000	0.00000	0.78442	0.07141	0.00350	1.85933
2015	1.00000	0.00000	0.81082	0.07277	0.00350	1.88709
2016	1.00000	0.00000	0.89519	0.06507	0.00350	1.96376

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 11
City of Irwindale
Principal Property Taxpayers
June 30, 2016

Property Owner	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Miller Brewing Company	\$ 400,464,709	1	17.89%	\$ 306,620,133	1	17.74%
Crow Family Holdings Industrial	104,307,898	2	4.66%	99,740,229	2	5.77%
Huy Fong Irwindale LLC	76,570,138	3	3.42%			0.00%
Metropolitan Life Insurance Company	55,424,669	4	2.48%	58,189,050	3	3.37%
LBA of CPT Industrial-CO III LLC	44,570,563	5	1.99%			0.00%
Davis Wire Corporation	41,367,910	6	1.85%			0.00%
Unitek Corporation	37,229,027	7	1.66%			0.00%
Hanson Aggregates West Inc.	36,280,774	8	1.62%	52,972,157	4	3.06%
Ready Pac Produce Inc.	35,056,713	9	1.57%	36,134,289	7	2.09%
Calmat Propertied Company	33,089,644	10	1.48%			0.00%
Reality Associates Fund				39,275,972	5	2.27%
United Rock Products Corporation				36,795,086	6	2.13%
Vulcan Materials				36,096,628	8	2.09%
Consolidated Rock Products				35,501,663	9	2.05%
Nellson Nutraceutical Inc				34,619,742	10	2.00%
Totals	\$ 864,362,045		38.61%	\$ 735,944,949		42.58%

Source: HdL Coren & Cone Reports

**Table 12
City of Inwindale
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		Percentage of Levy	
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%	302	202,762	99.6%	
2014	203,580	200,674	98.6%	1,269	201,943	99.2%	
2015	203,800	202,034	99.1%	N/A	202,034	99.1%	
2016	207,200	204,997	98.9%	N/A	204,997	98.9%	

NA - Information not available.

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

Table 13
City of Irwindale
Taxable Sales by Category
Last Ten Fiscal Years

	(in thousands of dollars)									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Apparel Stores	\$ 250	\$ 355	\$ 590	\$ 444	\$ 379	\$ 365	\$ 363	\$ 664	\$ 580	\$ 599
Food Stores	920	720	408	316	324	376	345	353	458	715
Eating and Drinking Places	17,079	18,121	17,895	16,932	17,244	17,682	17,783	18,006	18,860	20,889
Building Materials	28,147	28,229	20,625	15,884	11,918	12,426	11,692	10,995	9,844	11,268
Auto Dealers and Supplies	15,349	10,940	11,705	19,005	5,758	3,134	3,224	3,285	3,294	3,606
Service Stations	31,846	30,447	38,575	28,366	35,185	44,254	50,541	51,843	51,248	45,400
Other Retail Stores	35,783	35,325	33,197	27,017	25,562	32,566	20,349	15,128	15,440	14,266
All Other Outlets	418,341	395,799	369,402	292,595	304,942	267,267	270,907	279,913	301,534	303,365
Total	\$ 547,715	\$ 519,936	\$ 492,397	\$ 400,559	\$ 401,312	\$ 378,070	\$ 375,204	\$ 380,187	\$ 401,258	\$ 400,108

* 2016 data not available.

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

Note: Due to confidentiality requirements, the names of the ten largest revenue payers are not disclosed. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. HdL Companies reports run on an adjusted basis which means that they incorporate needed adjustments each year. Totals can also change as business types are more in line to their actual business activity.

Table 14
City of Irwindale
Top 25 Sales Tax Producers
June 30, 2016

2016		2007	
Business Name	Business Category	Business Name	Business Category
ACH Supply	Contractors	Ahem Rentals	Repair Shop/Equip. Rentals
Airgas USA	Drugs/Chemicals	Arco	Service Stations
Applied Industrial Tech	Heavy Industrial	Arco AM PM	Service Stations
Arco AM PM	Service Stations	Arco AM PM	Service Stations
Arco AM PM	Service Stations	Arco Gas Station	Service Stations
Bartley Optical Sales	Medical/Biotech	B & B Redi Mix Concrete	Contractors
Cal Blend Soils	Garden/Agricultural Supplies	Banks Power	Automotive Supply Stores
Chaparral Concrete	Contractors	Barron/Hallet Boats	Boats/Motorcycles
Charles P Crowley	Heavy Industrial	Chaparral Concrete	Contractors
Chem Arrow	Drugs/Chemicals	Decore Active Specialties	Contractors
Clark Pacific	Heavy Industrial	Grainger	Electrical Equipment
Decore Active Specialties	Contractors	Hanson Aggregates West	Contractors
Food Makers Bakery Equipment	Food Service Equip./Supplies	Iherb	Fulfillment Centers
Hanson Aggregates West	Contractors	Ingersoll Rand	Heavy Industrial
Holiday Rock Co	Contractors	JE DeWitt	Petroleum Prod/Equipment
Husky Injection Molding Sys	Heavy Industrial	L & L Building Material	Lumber/Building Materials
National Ready Mixed Concrete	Contractors	Matheson Tri Gas	Drugs/Chemicals
Patton Sales	Office Supplies/Furniture	Montgomery Hardware	Contractors
Rachel & Ben S Arco	Service Stations	National Ready Mixed Concrete	Contractors
Rivergrade Shell Station	Service Stations	Scholastic Book Fairs	Stationery/Book Stores
Russell Sigler	Contractors	Spragues Rock & Sand	Contractors
Spragues Rock & Sand	Contractors	Standard Concrete Products	Contractors
Unitek	Drugs/Chemicals	United Rock Products	Contractors
Vulcan Materials	Contractors	Unitek	Drugs/Chemicals
Western Emulsions	Contractors	Vulcan Materials	Contractors
Percent of Fiscal Year Total Paid by Top 25 Accounts	82.27%		66.02%

Source: HdL Coren & Cone Reports

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

Table 15
City of Irwindale
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Lease Revenue Bonds (1)	Capital Leases	Total Debt Primary Government	Total Debt As A Percentage of Taxable Assessed Value	Per Capita Personal Income	Ratio of Outstanding Debt
2007	6,750,000	2,473	6,752,473	0.39%	15,174	NM
2008	6,390,000	-	6,390,000	0.36%	15,581	NM
2009	6,015,000	20,476	6,035,476	0.32%	15,675	NM
2010	5,625,000	16,051	5,641,051	0.27%	15,380	NM
2011	5,220,000	11,394	5,231,394	0.26%	15,758	NM
2012	4,800,000	6,492	4,806,492	0.25%	19,040	NM
2013	4,360,000	1,333	4,361,333	0.22%	20,093	NM
2014	(2) 3,526,572	-	3,526,572	0.17%	19,212	NM
2015	3,070,126	-	3,070,126	0.14%	18,934	NM
2016	2,598,680	-	2,598,680	0.12%	19,594	NM

Source: City of Irwindale Note 6 to Financial Statements and Statistical Table 19

NM: Not Meaningful - As reflected in Table 19, the city's population is extraordinarily small; the majority of the City consists of Commercial and Industrial businesses. Therefore the Ratio of Outstanding Debt produces a result which is not meaningful or of value for analysis.

(1) Amounts presented are net of related premiums, discounts, and adjustments.

(2) On July 2, 2013, the City refinanced it's 2001 Certificate of Participation Bonds. As of fiscal year ended June 30, 2014, the City's outstanding debt reflects the 2013 Lease Revenue Bonds.

Table 16
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>
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)(4)
2014	5,182,005	8,205,079	0.63
2015	6,400,062	8,059,710	0.79
2016	8,036,419	7,995,186	1.01

Source: City of Irwindale

Note: Details regarding the Successor Agency's outstanding debt can be found in Note 12d 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.
- (4) As of FY 2012-13 and all fiscal years going forward, represents the Redevelopment Property Tax Trust Fund (RPTTF) distribution received as part of the Recognized Obligation Payment Schedule (ROPS) process. These revenues are approved by the State, and distributed by the County to pay for the Successor Agency financial obligations. However, the Successor Agency must first use its fund balance reserves and any

Table 17
City of Irwindale
Direct and Overlapping Debt
As of June 30, 2016

	<u>Percentage Applicable to City of Irwindale</u>	(1)	<u>Amount Applicable to City of Irwindale</u>
2015-16 Assessed Valuation (after deducting Incremental Value)			<u>\$ 174,928,356</u>
Direct Debt:			
2013 Lease Revenue Refunding Bond	100%		2,598,680 (2)
			<u>\$ 2,598,680</u>
Overlapping Debt:			
Metropolitan Water District	0.017%		\$ 7,649
El Monte School District	2.150%		2,536,712
El Monte Union High School District	1.121%		1,576,404
Citrus Community College District	5.349%		5,183,813
Mt San Antonio Community College District	0.970%		3,569,084
Rio Hondo Community College District	0.425%		674,998
Azusa Unified School District	15.988%		13,940,799
Baldwin Park Unified School District	6.240%		6,435,058
Covina Valley Unified School District	5.928%		8,498,206
Duarte Unified School District	9.987%		5,339,474
Monrovia Unified School District	0.731%		477,192
West Covina Unified School District	0.010%		2,568
Total Overlapping Debt			<u>\$ 48,241,957</u>
Total Direct and Overlapping Tax and Assessment Debt:			<u>\$ 50,840,637</u>

Ratio to Assessed Valuation:

Direct Debt %	1.49%
Overlapping Debt %	27.58%
Total Gross Debt %	29.06%

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

(2) Amount presented net of related premiums, discounts, and adjustments.

Source: Hdl Coren & Cone Reports

Table 18
City of Irwindale
Legal Debt Margin Information
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed valuation	\$ 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	\$ 2,130,281,361	\$ 2,185,652,005	\$ 2,233,471,022
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	400,306,493	431,135,251	440,700,439	474,184,873	515,213,619	500,851,469	487,947,944	496,926,066	532,570,340	546,413,001	558,367,756
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	60,045,974	64,670,288	66,105,066	71,127,731	77,282,043	75,127,720	73,192,192	74,538,910	79,885,551	81,961,950	83,755,163
Less debt applicable to the limit	-	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 60,045,974	\$ 64,670,288	\$ 66,105,066	\$ 71,127,731	\$ 77,282,043	\$ 75,127,720	\$ 73,192,192	\$ 74,538,910	\$ 79,885,551	\$ 81,961,950	\$ 83,755,163
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%	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 9 and Notes to Financial Statements.

Table 19
City of Irwindale
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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	1,466	28,165	19,212	7.9%
2014	1,467	27,776	18,934	10.8%
2015	1,415	27,727	19,594	8.8%

* 2016 data not available.

Source: HdL Coren & Cone Reports

Table 20
City of Irwindale
Principal Employers
Current Year

Employer	2016			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Southern California Edison	2,528 *	1	10.1%	2,200	1	8.8%
Ready-Pac Produce Inc.	2,201 *	2	8.8%	1,300	2	5.2%
Miller Coors	540	3	2.2%	550	4	2.2%
Haynes Building Services, LLC	464	4	1.9%			
Select Staffing	402	5	1.6%			
Utility Tree Service	400	6	1.6%			
Biosense Webster	390	7	1.6%			
Mariposa Horticultural Enterprise	380	8	1.5%	360	9	1.4%
Decore-Ative Specialties Inc.	352	9	1.4%	365	8	1.5%
Charter Communications	351	10	1.4%	650	3	2.6%
Nelson Nutraceutical				500	5	2.0%
Bloomfield/Lovin Oven				500	6	2.0%
California Community News				400	7	1.6%
Superior Communication				331	10	1.3%
Total	<u>8,008</u>		<u>32.0%</u>	<u>7,156</u>		<u>28.6%</u>
Estimated City Employment	<u>25,000</u>			<u>25,000</u>		

Note: Data for ten years ago is not available; earliest data available is for 2009.

Source: HdL Business License System, Survey conducted by City.

Total Estimated City Employment provided by Community Development Department.

* Includes contract employees

Table 21
City of Irwindale
Full-time and Part-time City Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	16.00	19.00	18.00	16.00	16.00	15.00	15.00	15.50	14.00	14.00
Police	47.00	47.00	47.00	45.00	45.00	45.00	45.00	46.00	47.00	47.00
Community Dvlp & Code Enforcement	5.00	6.00	7.00	7.00	7.00	5.00	6.00	6.00	6.00	6.00
Public Works	23.00	23.00	23.00	20.00	20.00	14.50	14.50	17.50	18.50	18.50
Library	2.50	4.50	4.50	4.50	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	15.00	15.00	15.00
Senior Center	5.00	5.00	5.50	5.50	5.50	5.00	5.00	5.00	5.00	5.00
Total	115.50	121.50	122.00	114.00	114.00	105.00	105.00	109.50	110.00	110.00

Source: City of Irwindale, Finance Department, budget document

Note: Reflects the number of positions authorized per the City's annual Compensation Resolution.

Table 22
City of Irwindale
Operating Indicators by Function
Last Nine Fiscal Years *

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:									
Increase in traffic enforcement citations	2,801	3,857	3,102	4,587	3497	2,875	1,942	1259	1170
DUI arrests	214	178	203	185	216	143	33	47	40
Unlicensed drivers arrested or cited	551	519	442	491	495	376	207	233	132
Vandalism Arrests	16	20	9	14	12	13	10	6	2
Stolen Vehicles	107	76	43	17	39	39	40	24	22
Robberies	11	10	9	2	3	5	3	7	5
Burglaries	102	90	72	33	54	46	41	34	70
Calls for service	25,453	23,895	21,437	25,537	27,374	22,547	22,696	20,412	23,901
Recreation:									
Number of facility rentals	227	212	344	173	206	238	266	365	555
Number of recreation classes/programs	124	124	89	69	102	58	79	80	93
Number of special events	25	26	24	31	45	44	41	42	38
Number of field trips	40	44	35	43	52	51	45	43	45
Aquatic participants	15,782	14,355	9,447	9,215	8,931	6,016	9,846	9,253	12,227
Senior Center:									
Number of facility rentals	167	184	158	125	124	171	180	143	129
Number of classes/programs	61	78	73	73	85	85	85	85	699
Number of special events/activities	19	27	39	39	39	39	39	39	38
Number of field trips	17	20	20	26	26	26	26	26	24
Number of meals served-Nutrition program/breakfast	13,180	10,581	10,189	7,856	7,975	9,520	8,588	8,090	7,644
Library									
Adult & children programs	14	37	19	6	65	102	70	160	82
Adult & children storytimes	128	75	65	58	21	30	22	22	18
Library items added	2,597	1,624	2,802	1,826	3,525	3,180	2,201	2,590	2,146
Learning Center tutoring hours	342	322	328	307	310	312	306	308	308
Public Works									
Street resurfacing (miles)	1.03	4.95	0.95	0.71	1.164	0	1.224	0	0
Sidewalk repair/replacement (sq.ft.)	-	20,447	-	20,002	0	2,617	18,865	10,000	2,238
Encroachment Permits	-	-	80	89	69	96	92	105	96
Field Inspections	5 daily	5 daily	5 daily	4/week	4/week	4/week	4/week	4/week	4/week
Transportation Permits	-	-	-	-	-	-	347	354	370
Building & Safety									
Permits issued	455	345	363	368	308	346	332	327	361
Film Permits Issued	10	8	13	5	14	10	21	11	9
Business Licenses issued	1,431	1,358	1,165	1,135	1,015	1,520	1,254	1,108	1,302
Finance									
Account Payable checks issued	4,745	4,017	4,653	3,544	3,625	2,922	3,146	3,078	2,833
Payroll checks issued	3,962	4,095	3,825	3,701	3,372	606	3,094	3,370	3,330
Journal Vouchers	2,306	2,390	2,322	2,430	2,471	2,223	2,173	2,281	2,361
Purchase orders processed	1,081	944	366	259	179	126	198	197	159
Cash & Investments at year-end (in millions)	97.0	96.3	85.0	76.6	80.0	76.1	74.4	72.1	75.4
Administration									
Constituent requests for information processed	NA	88	87	76	43	73	67	37	51
Agenda Reports Submitted to Council	428	350	313	295	334	341	305	285	319
City Council Meeting Agendas Compiled	35	28	38	29	33	23	36	24	24
Resolutions (City Council)	84	77	86	61	49	53	48	67	63
Resolutions (ICRA)	13	14	15	12	2	-	-	-	-
Resolutions (SA)	-	-	-	-	5	5	6	5	9
Resolutions (Housing Authority)	4	11	3	5	3	5	7	3	6
Resolutions (Reclamation Authority)	2	2	1	1	1	1	1	3	3
Ordinances	10	8	10	11	10	11	7	14	9
Contracts	NA	53	119	128	68	37	58	44	98
City Council Requests Resolved	7	7	22	20	60	85	115	80	95
Weekly Reports to City Council	49	49	50	49	48	47	45	45	42
Number of recruitment applications processed	387	126	124	184	104	282	126	191	79

Source: City of Irwindale, various departments

* Data available for years beginning as of Fiscal Year 2007-2008, therefore only nine years are presented.

Table 23
City of Irwindale
Capital Asset Statistics by Function
Last Nine Fiscal Years *

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function									
Police									
Stations	1	1	1	1	1	1	1	1	1
Substations	0	0	0	0	0	0	0	0	0
Patrol units	19	19	19	10	14	14	11	11	13
Motorcycles	3	3	3	3	2	2	2	2	3
Trailer	1	1	1	1	1	1	1	1	1
Undercover Vehicle	0	0	1	7	6	6	7	7	7
Command Vehicle	0	0	1	1	3	3	2	2	1
Public Works									
Streets/Highway (miles)	27.73	27.73	27.73	27.73	27.73	27.73	27.73	27.73	27.73
Streetlights	861	861	861	861	861	861	861	861	870
Traffic signals	40	41	41	41	41	41	42	42	43
Bridges	15	15	15	15	15	15	15	15	15
Culture and recreation									
Recreation									
Parks	3	3	3	3	3	3	3	3	3
Playground areas	4	4	4	4	4	4	4	4	4
Tennis courts	1	1	1	1	1	1	1	1	1
Softball & baseball diamonds	1	1	1	1	1	1	1	1	1
Basketball full courts	2	2	2	2	2	2	2	2	2
Basketball half courts	1	1	1	1	1	1	1	1	1
Skate Parks	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1
Senior Center									
Community Centers	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1
Missions	1	1	1	1	1	1	1	1	1
Library									
Library buildings	1	1	1	1	1	1	1	1	1

Source: City of Irwindale, various departments

* Data available for years beginning as of Fiscal Year 2007-2008, therefore only nine years are presented.