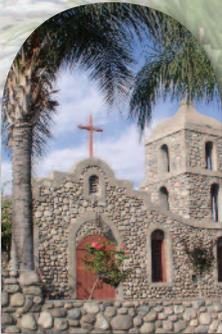


City of Irwindale, California



Comprehensive Annual Financial Report For the fiscal year ended June 30, 2010



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

CITY OF IRWINDALE

CALIFORNIA



H. Manuel Ortiz, Mayor
David "Chico" Fuentes, Mayor Pro Tem
Mark Breceda, Councilmember
Larry Burrola, Councilmember
Manuel G. Garcia, Councilmember

(At Date of Issuance)

Sol Benudiz, Interim City Manager

**PREPARED BY THE CITY OF IRWINDALE FINANCE DEPARTMENT
Laura M. Nomura, Director of Finance / Treasurer**

CITY OF IRWINDALE

JUNE 30, 2010

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November 18, 2010

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, 2010. The City annually issues a report on its financial position and activity, audited by an independent firm of certified public accountants. The City's Finance Department prepared this report in accordance with generally accepted accounting principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB) and other sources. This CAFR also conforms to GASB Statement 34 financial reporting standards, providing the reader a dual-perspective financial report. The report contains a citywide view of all governmental activities, as well as a focus on the financial position and operating results of the City's major funds.

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

Lance Soll & Lunghard, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Irwindale's financial statement for the year ended June 30, 2010. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

The City of Irwindale currently occupies a land area of about 9.5 square miles and serves a population of about 25,000 during the business day and approximately 1,800 that reside in the City.



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

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

The City provides a full range of services, including police protection; construction and maintenance of highways, streets and other infrastructure; community development; community services (such as a senior center, library, recreation programs, etc.); parks; general and administrative services. The City is financially accountable for a redevelopment agency, 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

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

LOCAL ECONOMY

The FY 2010-11 economic outlook remains extremely uncertain, especially with respect to California and local governments across the State. The recession has proven to be deeper and far more pervasive than initially believed. And while many leading indicators are now pointing to an upward turn at the National level, California continues to lag behind much of the rest of the country. With a Statewide budget deficit of approximately \$25 billion and growing, local governments are all concerned about possible additional “raids” from the State to help solve their huge deficit. Most recently Proposition 22 was passed in the November 2nd election, which would remove the risk of the State raiding certain monies from local government.

The City’s discretionary revenue – revenues that the City Council may allocate to services – include sales tax, utility users’ tax, and mining tax, have seen dramatic decreases. Assumptions have been made that the worst is behind us, but the discretionary revenues will show no significant growth due to the lagging building/construction, as well as, the commercial/industrial sectors which are the main tax generators in the City. The City has built up strong economic contingency reserves over the years to help through the current recession and has reduced operating expenditures over the past two years to minimize the City’s budget deficit and use of reserves.

LONG-TERM FINANCIAL PLANNING

The unreserved fund balance in the general fund equals approximately 113% of general fund expenditures. These reserves are designated or set aside for many reasons including infrastructure and other capital replacement, employee benefit obligations (i.e. retirement programs), capital projects and economic contingencies.

The City is moving forward with important projects that will generate general fund revenues in the future:

- Negotiations with a refuse removal and recycling service company to build a materials recycling facility within the City limits;
- Contracted with a community development consulting firm to assist the City in developing and implementing a business plan for the City’s redevelopment agency which is set to expire in 2017;
- Recent groundbreaking of a \$40 million, 655,000 square foot, state of the art facility for Huy Fong Foods, Inc., currently the largest building under construction in the City and Los Angeles County;
- Permitting underway for \$2 million in tenant improvements and occupancy for a 72,000 square foot manufacturing facility for Louis Vuitton U.S. Manufacturing, Inc.

- Groundbreaking was held for a Gold Line Light Rail Station to be situated in the City of Irwindale which will support the commute for our residents and commercial and industrial businesses located within the City.

During fiscal year 2009-10, the City prepared a 5-year financial plan. Two scenarios were presented with best and worst case scenarios depending on implementation of projects to generate new revenue sources, as well as, planned cost-reduction measures. The financial plan was presented to the City Council in conjunction with budget workshops to assist in budget planning. This plan will be updated as needed throughout the year to reflect changes in the City's economic environment.

CONSTRUCTION IN PROGRESS (CIP)

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

During FY 2009-10, Irwindale spent \$3.6 million in infrastructure improvements. Completed projects include the Arrow Highway and Live Oak Avenue rehabilitation projects; Olive Street drainage improvements and the Martin Road sewer project. For FY 2010-11, the City is budgeted to complete an additional \$10.7 million in capital projects which includes a \$2 million major freeway off ramp improvement project, as well as, other bridge, street, sidewalk and drainage improvement projects.

CASH MANAGEMENT POLICIES & PRACTICES

Cash temporarily idle during the year is invested in obligations of the U.S. Treasury, Local Agency Investment Fund (LAIF), certificates of deposit or other securities in accordance with the City's investment policy. Investment income within the financial statements includes fair value assessments at June 30, 2010. Decreases in fair value during the current year, however, do not necessarily represent trends that will continue, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity. Additional information on the City's investment portfolio can be found in note 3 of the notes to the financial statements.

RISK MANAGEMENT

The City is self-insured in both workers' compensation and general liability as a member of the California Joint Powers Insurance Authority (CJPIA). Other insurances, including environmental liability, property, earthquake and flood, and crime insurance are covered by a third party insurance carrier through CJPIA. Additional information on the City of Irwindale's risk management program can be found in note 10 of the notes to the financial statements.

PENSION AND OTHER POST EMPLOYMENT BENEFITS

The City of Irwindale has contracted with the California Public Employees Retirement System (CalPERS) to provide retirement, disability & death and survivor benefits for all eligible full and

part-time employees. The pension benefit obligation varies from year to year and is computed as part of an actuarial valuation.

In addition, the City established the PARS Retirement Enhancement Plan for its employees to supplement the PERS retirement benefits. For this plan as well, the pension benefit obligation varies from year to year and is computed as part of an actuarial valuation.

The City also provides post-retirement health benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 53 retired employees receiving these benefits. During the fiscal year ended June 30, 2009, the City implemented GASB Statement Number 45 relative to other post-employment benefits (OPEB) and began funding the annual required contribution that if paid on an ongoing basis will cover the annual normal cost and the amortization of the unfunded actuarial liabilities over a thirty year period.

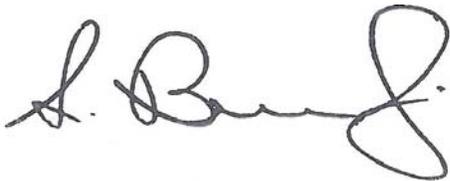
Additional information on the City's pension arrangements and post employment benefits can be found in notes 7 through 9 of the notes to the financial statements.

ACKNOWLEDGEMENTS

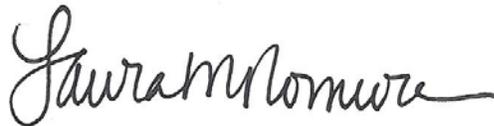
The preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Department staff. We would also like to express our appreciation to all departments within the City who provided assistance and support.

Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Sol Benudiz
Interim City Manager



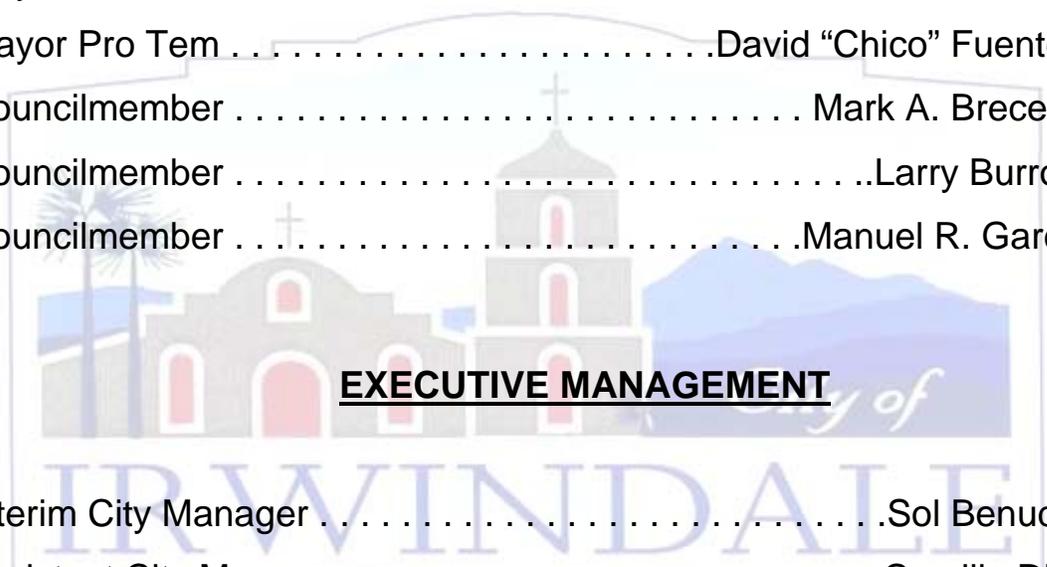
Laura M. Nomura
Director of Finance/Treasurer

CITY OF IRWINDALE
LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2010

ELECTED OFFICIALS

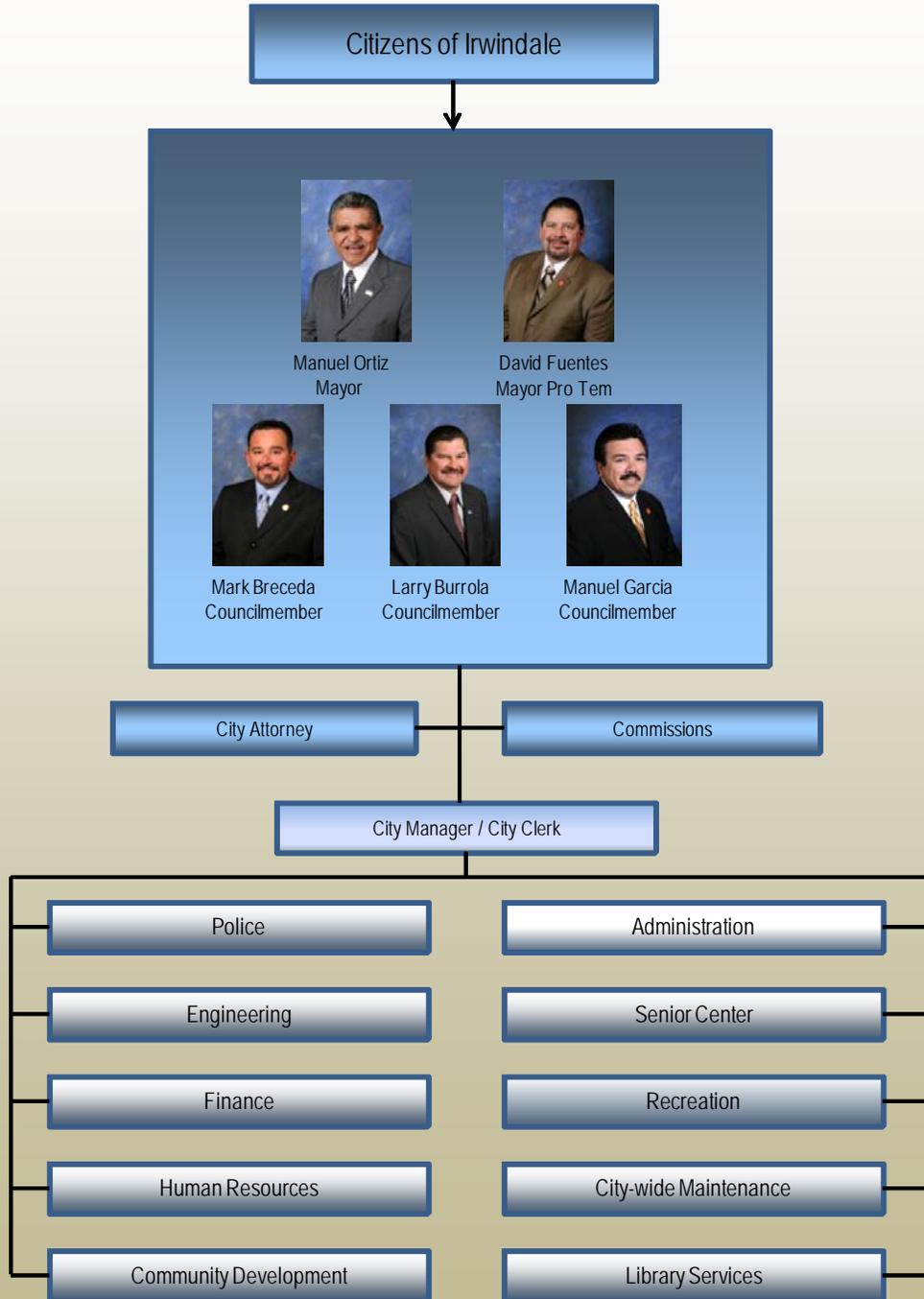
Mayor H. Manuel Ortiz
Mayor Pro TemDavid “Chico” Fuentes
Councilmember Mark A. Breceda
CouncilmemberLarry Burrola
CouncilmemberManuel R. Garcia



EXECUTIVE MANAGEMENT

Interim City ManagerSol Benudiz
Assistant City ManagerCamille Diaz
Interim Chief of Police Wayne Hiltz
Director of Finance/Treasurer Laura Nomura
Director of Planning & Community Development Ray Hamada
Director of Public Works/City Engineer Kwok Tam
Deputy City ClerkLinda Kimbro
Human Resources ManagerSharmeen Bhojani

CITY OF IRWINDALE ORGANIZATION CHART June 30, 2010



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CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- Donald L. Parker, CPA
- Michael K. Chu, CPA
- David E. Hale, CPA, CFP
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Irwindale, California (the City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Irwindale's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Irwindale as of June 30, 2010, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund and the Special Mining Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2010, on our consideration of the City of Irwindale's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements, and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we express no opinion on them.

Lance, Solt & Lunghard, LLP

November 18, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the City of Irwindale's Comprehensive Annual Report (CAFR) presents management's discussion and analysis of the City's performance during the fiscal year that ended June 30, 2010. This analysis should be read in conjunction with the Transmittal Letter at the front of this report and the accompanying financial statements.

FINANCIAL HIGHLIGHTS

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

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$128.4 million.
- The City's total net assets decreased by \$5 million as a result of a beginning balance restatement to net assets.
- The City's total debt decreased by \$4 million during the current fiscal year.
- The City's non-current liabilities include \$95 million of outstanding debt, which was used to finance the acquisition of capital assets, and to fund capital improvements, economic development and housing projects. Capital assets, net of depreciation represent \$66.3 million of the \$234 million in total assets. A significant portion of the capital assets have been funded through the use of Redevelopment Agency bond financing. Depreciation of these assets has occurred at a faster rate than the payoff of the principal on the related debt. Likewise, a significant portion of the bond proceeds financed economic development and housing projects, which are not capitalized. This results in the \$44.5 million negative balance in unrestricted net assets. Over time, these negative amounts will be eliminated as the principal on the bonded debt is paid off.

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

- At the close of the current fiscal year, the City's Governmental Funds reported a combined ending fund balance of \$140.9 million, a decrease of \$3.8 million. Approximately \$67.7 million is unreserved fund balance available for spending at the City's discretion. This unreserved fund balance has been designated towards economic contingency, debt service, future capital projects, housing, capital replacement and other special purposes.
- The General Fund reported a decrease of \$1.9 million in fund balance after a net transfer of \$682,916 to other funds.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was approximately \$20.5 million. The unreserved fund balance has been designated approximately \$8.9 million towards economic contingencies, \$5.9 million for infrastructure and other capital asset replacement, \$4.4 million for employee and retiree benefits obligations and \$500,000 for capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

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

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

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

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

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

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

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

The City utilizes two categories of funds:

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

Net assets serve over time as a useful indicator of a government's financial position. The City's net assets for the year ended June 30, 2010, as shown in Table 1, were \$128.4 million.

City of Irwindale
Net Assets at June 30, 2010 and 2009
(in Thousands)

	Governmental Activities	
	2010	2009
Current and other assets	\$ 167,852	\$ 179,352
Capital assets	66,345	64,245
Total assets	<u>234,197</u>	<u>243,597</u>
Long-term debt outstanding	97,928	101,970
Other liabilities	7,870	8,223
Total liabilities	<u>105,798</u>	<u>110,193</u>
Net assets:		
Invested in capital assets, net of debt	60,704	58,229
Restricted	112,222	113,653
Unrestricted	<u>(44,527)</u>	<u>(38,478)</u>
Total net assets	<u>\$ 128,399</u>	<u>\$ 133,404</u>

Invested in Capital Assets – This component represents 47 percent of Net Assets and represents the amount of funds required to acquire the City’s capital assets, less any related debt used for such acquisition that is still outstanding. The City uses these capital assets to provide services to citizens. The capital assets of the City are not sources of income for repayment of debt as most assets are not revenue generating and generally are not liquidated to repay debt. Therefore, debt service payments are funded from other sources available to the City.

Restricted Assets – An additional portion of the City’s net assets, \$112.2 million, represents resources that are subject to external restrictions on how they may be used which include capital projects, debt service, grants, etc.

Unrestricted Assets – A significant portion of the bond proceeds financed economic development and housing projects, which are not capitalized. This results in the \$44.5 million negative amount in unrestricted net assets.

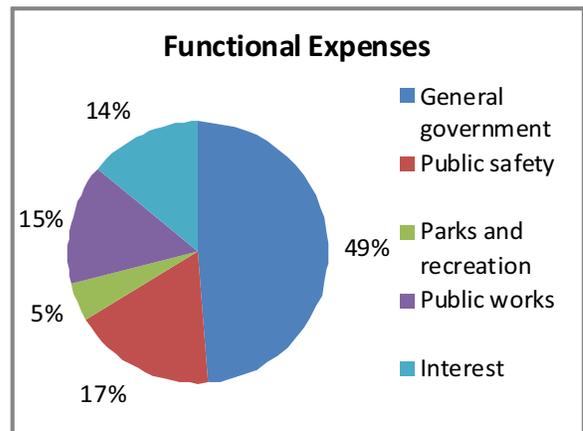
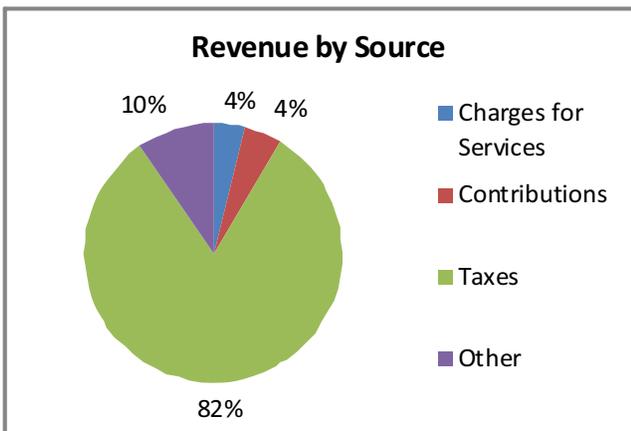
Overall the City’s net assets decreased \$5 million during the current fiscal year mainly due to a restatement made to beginning net assets relating to a reclassification of a transaction between the City of Irwindale and the Irwindale Community Redevelopment Agency recorded in prior years. The transaction was previously recorded as a Notes Receivable offset by Deferred Revenue which was previously recognized as revenue in the government-wide financial statements.

Statement of Activities

The following is a condensed Statement of Activities for the fiscal year ended June 30, 2010 and 2009.

**City of Irwindale – Statement of Activities
(Changes in Net Assets) as of June 30, 2010 and 2009
(in Thousands)**

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Revenues		
Program revenues:		
Charges for services	\$ 1,739	\$ 1,352
Operating contributions and grants	1,323	1,052
Capital contributions and grants	586	-
Total program revenues	<u>3,648</u>	<u>2,404</u>
General revenues:		
Taxes:		
Property taxes	21,049	18,719
Mining/Processing taxes	3,642	3,642
Sales taxes	3,920	4,541
Franchise taxes	944	982
Business License taxes	674	1,088
Utility Users' Tax	3,172	3,789
Other taxes	435	467
Motor vehicle in lieu	122	113
Use of money and property	2,773	4,278
Other	1,175	2,091
Gain on Sale of Property	-	205
Total general revenues	<u>37,906</u>	<u>39,915</u>
Total revenues	<u>41,554</u>	<u>42,319</u>
Expenses		
General government	19,855	13,413
Public safety	7,137	8,075
Public works	5,978	5,580
Parks and recreation	1,872	2,226
Interest on long-term debt	5,702	5,676
Total expenses	<u>40,544</u>	<u>34,970</u>
Change in net assets	1,010	7,349
Net assets at beginning of year, as restated	133,404	125,784
Restatement of net assets	<u>(6,015)</u>	<u>271</u>
Net assets at end of year	<u>\$ 128,399</u>	<u>\$ 133,404</u>



Governmental Activities – The City’s activities increased net assets by \$1 million, which offset the \$6 million restatement to beginning net assets to reflect the overall \$5 million decrease in net assets.

The City reported program revenues of \$3.6 million and general revenues of \$38 million. Expenses for all Governmental Activities for the year totaled \$40.5 million. Therefore, as a result of operations, the City’s net assets from Governmental Activities increased by \$1 million in comparison with the prior year.

Program revenues increased \$1.2 million (52%) from the prior year. The reason for the increase in program revenues is mainly due to increased building activity and obtaining American Reinvestment and Recovery Act funding for street improvements and police equipment.

General revenues decreased \$2 million (5%) from the prior year primarily due to a decline in sales tax revenues, business license taxes and interest income from the continuing recession.

The total net increase between years in expenses is \$5.6 million (16%). As outlined in Note 12 to the Financial Statements, the State of California adopted legislation requiring a shift of monies to be deposited into the County Supplemental Educational Revenue Augmentation Fund (SERAF). Cities would be required to use redevelopment funds to make the SERAF payment which for the City was equal to \$5.9 million paid in May 2010. Reduction of program expenses in the public safety and parks and recreation reflect the efforts by the City to reduce operating costs by early retirements, freezing open positions and deferring costs where possible.

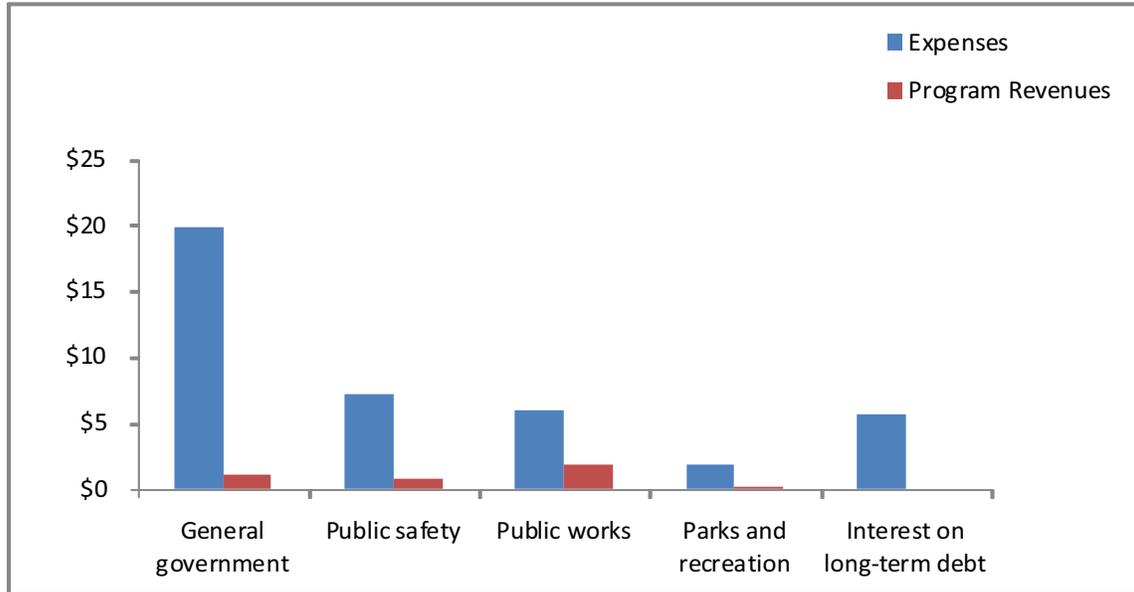
Each programs’ net cost (total cost less revenues generated by the activities) is presented in the table below. The net cost shows the extent to which the City’s general taxes support each of the City’s programs.

**City of Irwindale
Governmental Activities as of June 30, 2010 and 2009
(in Thousands)**

	Program Expenses		Program Revenues		Net Cost of Services	
	2010	2009	2010	2009	2010	2009
General government	\$ 19,855	\$ 13,413	\$ 1,084	\$ 571	\$ (18,771)	\$ (12,842)
Public safety	7,137	8,075	665	901	(6,472)	(7,174)
Public works	5,978	2,226	1,786	156	(4,192)	(2,070)
Parks and recreation	1,872	5,580	113	776	(1,759)	(4,804)
Interest on long-term debt	5,702	5,676	-	-	(5,702)	(5,676)
Totals	\$ 40,544	\$ 34,970	\$ 3,648	\$ 2,404	\$ (36,896)	\$ (32,566)

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, 2010
(in millions)



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Irwindale uses fund accounting to highlight available financial resources and 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Fund Balance – As of the end of the current fiscal year, the City's Governmental Funds reported combined fund balances of \$141 million, a decrease of \$3.8 million from the prior year. The General Fund represents \$27.4 million or 19.4% of the combined fund balances of the Governmental Funds.

Reserved Fund Balance – The City has \$73.3 million in fund balance that is reserved. This reservation of fund balance is to indicate that it is not available to finance new activities, because it has already been committed: 1) to fulfill contractual obligations and purchase orders (\$.6 million), 2) reserved for land held for resale (\$59.9 million), 3) reserved for loans (\$12.6 million), and 4) for a variety of other restrictions that make these resources unavailable for spending (\$114,000).

Unreserved Fund Balance – The remaining \$67.7 million is classified as unreserved fund balance, which is available for spending at the City's discretion.

The General Fund ended the year with a \$27.4 million fund balance, a net decrease of \$1.96M from the prior fiscal year. As a measure of the general fund's liquidity, it may be useful to compare both the total fund balance and the unreserved fund balance of \$20.5 million to total general fund expenditures of \$18.2 million. The unreserved fund balance represents 75% of the total fund balance while the unreserved fund balance represents 113% of total general fund expenditures. These balances represent the results of the efforts of the City of Irwindale to remain fiscally conservative and ensure that the City maintains adequate reserves to cover economic contingencies (such as the current drop in revenues due to the recession), future employee obligations, capital improvement and infrastructure needs.

The Special Mining Tax Special Revenue fund ended the fiscal year with \$14.4 million in fund balance, a net decrease of \$143,000 from prior year. The net decrease is mainly due to a significant decrease in interest earnings offset by operating cost reductions.

The Redevelopment Agency's Capital Projects Fund ended the fiscal year with \$87.6 million in fund balance, an increase of \$1 million as compared to the prior year. The increase was primarily due to less projects being completed during the fiscal year ended June 30, 2010 which resulted in a net surplus for the year.

The Redevelopment Agency's Debt Service Fund ended the fiscal year with \$1.4 million in fund balance, a decrease of \$3.3 million from the prior year. This decrease was mainly due to the SERAF payment made (\$5.9 million) to the State as discussed previously offset by higher tax increment received for the fiscal year (\$2.1 million).

GENERAL FUND BUDGETARY HIGHLIGHTS

The final appropriations for the General Fund at year-end were \$1.8 million more than the original budget and total actual expenditures were \$2.0 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)—

- A net reduction of \$750,000 in tax revenues was due to an estimated reduction in sales and mining taxes due to the economy of \$1,050,000 offset by a revised property tax estimate increasing taxes by \$300,000.
- A decrease of \$300,000 in use of money and property was due to the significant drop in the City's yields on investments.

Appropriations (Outflows)—

- An increase of \$1.9 million in General Government includes funding \$558,000 for the annual required contribution for retiree health benefits and \$1.3 million for payoff of the City's aggregate retrospective balances for workers' compensation and liability insurance programs.

Variances with Final Budget:

Resources (Inflows)—

- The negative variance between budgeted and actual Taxes was approximately \$484,000. This was primarily due to an unexpected decrease in utility user's tax from the mining and construction industry suffering from the recession.
- The negative variance between budgeted and actual for Intergovernmental was approximately \$222,000 which was due primarily to not receiving a reimbursement based grant due to the project not being complete by year end. The project will be completed in FY 2010-11.
- The positive variance between budgeted and actual Charges for Services was approximately \$357,000 and was due to better than planned results from permitting fees on construction activity within the City.

Appropriations (Outflows)—

- The variance between budgeted and actual for the General Fund was \$2 million and was due primarily to a concerted effort by the City to control costs after the mid-year estimates were reported that projected a \$3.1 million budget deficit. Savings were accomplished through early retirements, freezing open positions, postponing capital projects and other consulting services, minimizing travel costs and other operating costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2010, the City had \$66 million invested in a broad range of capital assets, including land, buildings, infrastructure, and equipment. This amount represents a net increase (including additions and deductions) of \$2.1 million, over last year.

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

	Government Activities	
	2010	2009
Land	\$ 14,587	\$ 14,587
Buildings and Improvements	2,224	2,331
Furniture and Equipment	608	853
Infrastructure	43,123	29,296
Construction in progress	5,804	17,178
	<u>\$ 66,346</u>	<u>\$ 64,245</u>

The net increase in capital assets was due to \$3.6 million of capital projects during the year offset by \$1.5 million in depreciation of capital assets. The capital projects included \$1.7 million in storm drain improvements and \$1.4 million of street improvements. Additional information can be found in Note 4 of the Notes to the Financial Statements.

Long-term Debt

At the end of the current fiscal year, the City of Irwindale had total bonded debt outstanding for the Irwindale Community Redevelopment Agency and the Public Financing Authority and accrued employee benefits and capital leases payable of \$97.9 million.

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

	Government Activities	
	2010	2009
Tax Allocation Bonds	\$ 89,735	\$ 93,120
Certificates of Participation	5,625	6,015
Accrued Employee Benefits	1,055	1,264
Capital leases payable	16	20
Unamortized original issue discount	1,497	1,550
	<u>\$ 97,928</u>	<u>\$ 101,969</u>

During the fiscal year, the City debt decreased by \$4 million mainly due to principal payments on outstanding debt. Based on various positive factors, in February 2010 the City's bond ratings were all increased by Standard and Poor. The City's Tax Allocation Bonds increased rates ranging from BBB through A- to BBB+ through A. The Certificate of Participation rating increased from A to A+.

Additional information on the City's long-term debt can be found in Note 5 of the Notes to the Financial Statements.

FACTORS EFFECTING NEXT YEAR'S BUDGET

The economy is at the forefront of management's consideration in leading and providing services for the residents of the City of Irwindale. The economic downturn has caused financial hardship on all levels of government, and the City of Irwindale is no exception. City management continues to closely monitor economic indicators and make adjustments as needed. The management team continuously takes the necessary steps required to address the needs of its residents for the short-term and the long-term, focusing on needed infrastructure improvements, community services including recreation and activities for all ages, business and economic development and planning for long-term growth in conjunction with the City Council.

The City's Fiscal Year 2010-11 Budget includes projected General Fund revenues of \$17.2 million. Overall, General Fund revenues are estimated to be about 1.1% lower than projected FY 2009-10 revenues; which also represents a 20% decline since the peak which was FY 2007/08.

General Fund revenues include a one-time reimbursement of \$500,000 from one of the major mining companies for the City to improve infrastructure in the future, such as streets. This \$500,000 will be placed in the infrastructure General Fund reserves. Also included in revenues is a \$630,000 State grant to fund a regional traffic control system.

This budget also includes projected General Fund expenditures of \$19.9 million, which incorporates all the salary savings and cost increases as mentioned above. Overall General Fund expenditures increased a net of 1.2% from FY 2009-10.

Included in expenditures are one-time capital outlays totaling \$752,000 of which \$630,000 will fund the traffic control system funded by a State grant noted above, as well as other miscellaneous small infrastructure improvements and equipment purchases that will need to be replaced to continue day-to-day operations.

The fiscal year budget for FY 2010-11 results in a \$3.1 million operating deficit which will need to be funded by reserves. Short and long-term strategies to reduce the planned deficit were approved by the City Council which included ongoing negotiations with bargaining units. The City has just concluded negotiations with all (that possibly could reduce the deficit by approximately \$800,000 in addition to long-term savings from an early retirement program and "tiering" of benefits); research combining services with other municipalities; contracting services where possible; and concentrated effort on redevelopment and economic development.

Even under the best of circumstances, elimination of the deficit in the General Fund will be a multi-year effort which will include cost reductions and economic development activities. Fortunately the City has built up reserves with an Economic Contingency Reserve equal to 43% of current year appropriations, roughly \$8.7 million and a total unreserved fund balance of \$20.4 million to cushion the City through these tough economic times.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

CITY OF IRWINDALE

STATEMENT OF NET ASSETS
 JUNE 30, 2010

	Governmental Activities
Assets:	
Cash and investments	\$ 75,066,878
Receivables:	
Accounts	2,059,405
Taxes	3,094,901
Notes and loans	15,067,092
Accrued interest	253,911
Prepaid costs	86,804
Due from other governments	148,798
Deferred charges	4,458,220
Prepaid pension costs	794,108
Prepaid other post employment benefits	37,004
Land held for resale	59,923,737
Restricted assets:	
Cash with fiscal agent	6,861,136
Capital assets not being depreciated	20,391,187
Capital assets, net of depreciation	45,954,398
	<hr/>
Total Assets	234,197,579
	<hr/>
Liabilities:	
Accounts payable	3,690,425
Accrued liabilities	558,426
Accrued interest	1,847,013
Unearned revenue	1,026,375
Deposits payable	747,703
Noncurrent liabilities:	
Due within one year	4,680,930
Due in more than one year	93,247,563
	<hr/>
Total Liabilities	105,798,435
	<hr/>
Net Assets:	
Invested in capital assets, net of related debt	60,704,534
Restricted for:	
Public safety	255,199
Community development projects	24,349,398
Capital projects	87,617,164
Unrestricted	(44,527,151)
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Total Net Assets	\$ 128,399,144
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CITY OF IRWINDALE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Functions/Programs	Program Revenues				Net
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	(Expenses)
					Revenues and Changes in Net Assets
Primary Government:	Primary Government				Governmental
Governmental Activities:	Governmental Activities				Activities
General government	\$ 19,854,727	\$ -	\$ 1,083,834	\$ -	\$ (18,770,893)
Public safety	7,137,519	528,525	136,579	-	(6,472,415)
Parks and recreation	1,872,053	112,600	950	-	(1,758,503)
Public works	5,977,716	1,097,721	102,193	586,548	(4,191,254)
Interest on long-term debt	5,702,436	-	-	-	(5,702,436)
Total Governmental Activities	40,544,451	1,738,846	1,323,556	586,548	(36,895,501)
Total Primary Government	\$ 40,544,451	\$ 1,738,846	\$ 1,323,556	\$ 586,548	(36,895,501)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					21,048,420
Mining/processing taxes					3,641,752
Sales taxes					3,919,905
Franchise taxes					943,735
Business licenses taxes					674,410
Utility users tax					3,171,532
Other taxes					435,179
Intergovernmental, unrestricted:					
Motor vehicle in lieu					122,041
Use of money and property					2,773,276
Other					1,175,407
Total General Revenues					37,905,657
Change in Net Assets					1,010,156
Net Assets at Beginning of Year					133,403,988
Restatement of Net Assets					(6,015,000)
Net Assets at End of Year					\$ 128,399,144

CITY OF IRWINDALE

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>
		<u>Special Mining Tax</u>	<u>Redevelopment Agency Capital Projects</u>
Assets:			
Cash and investments	\$ 22,089,406	\$ 14,023,750	\$ 27,236,024
Receivables:			
Accounts	757,641	1,227,391	14,547
Taxes	1,218,284	-	375,139
Notes and loans	23,001	-	15,044,091
Accrued interest	79,967	56,702	94,505
Prepaid costs	86,804	-	-
Due from other governments	140,374	-	-
Due from other funds	32,288	-	1,262,359
Advances to other funds	6,639,235	-	5,988,407
Land held for resale	-	-	57,212,600
Restricted assets:			
Cash and investments with fiscal agents	-	-	2
Total Assets	<u>\$ 31,067,000</u>	<u>\$ 15,307,843</u>	<u>\$ 107,227,674</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 1,610,056	\$ 217,302	\$ 527,333
Accrued liabilities	499,263	42,480	-
Deferred revenues	496,339	-	15,039,651
Unearned revenues	609,192	407,604	-
Deposits payable	468,354	209,745	68,397
Due to other funds	8,000	-	975,129
Advances from other funds	-	-	3,000,000
Total Liabilities	<u>3,691,204</u>	<u>877,131</u>	<u>19,610,510</u>
Fund Balances:			
Reserved:			
Reserved for encumbrances	106,654	473,276	48,629
Reserved for notes and loans	23,001	-	4,440
Reserved for prepaid costs	86,804	-	-
Reserved for land held for resale	-	-	57,212,600
Reserved for advances to other funds	6,639,235	-	5,988,407
Unreserved:			
Unreserved, reported in nonmajor:			
Special revenue funds	-	-	-
Designated for capital assets replacement	5,900,000	-	-
Designated for PERS stabilization	800,000	-	-
Designated for compensated absences	1,100,000	-	-
Designated for post retirement benefits	3,250,000	-	-
Designated for capital improvement projects	500,000	13,957,436	24,363,088
Designated for debt service	-	-	-
Designated for economic contingency	8,970,102	-	-
Total Fund Balances	<u>27,375,796</u>	<u>14,430,712</u>	<u>87,617,164</u>
Total Liabilities and Fund Balances	<u>\$ 31,067,000</u>	<u>\$ 15,307,843</u>	<u>\$ 107,227,674</u>

CITY OF IRWINDALE

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

	Debt Service Fund		
	Redevelopment Agency Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and investments	\$ 4,255,499	\$ 7,462,199	\$ 75,066,878
Receivables:			
Accounts	-	59,826	2,059,405
Taxes	1,501,478	-	3,094,901
Notes and loans	-	-	15,067,092
Accrued interest	-	22,737	253,911
Prepaid costs	-	-	86,804
Due from other governments	-	8,424	148,798
Due from other funds	973,484	-	2,268,131
Advances to other funds	-	-	12,627,642
Land held for resale	-	2,711,137	59,923,737
Restricted assets:			
Cash and investments with fiscal agents	6,861,134	-	6,861,136
Total Assets	\$ 13,591,595	\$ 10,264,323	\$ 177,458,435
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 1,286,869	\$ 48,865	\$ 3,690,425
Accrued liabilities	-	16,683	558,426
Deferred revenues	-	21,612	15,557,602
Unearned revenues	-	9,579	1,026,375
Deposits payable	-	1,207	747,703
Due to other funds	1,254,359	30,643	2,268,131
Advances from other funds	9,627,642	-	12,627,642
Total Liabilities	12,168,870	128,589	36,476,304
Fund Balances:			
Reserved:			
Reserved for encumbrances	-	7,086	635,645
Reserved for notes and loans	-	-	27,441
Reserved for prepaid costs	-	-	86,804
Reserved for land held for resale	-	2,711,137	59,923,737
Reserved for advances to other funds	-	-	12,627,642
Unreserved:			
Unreserved, reported in nonmajor:			
Special revenue funds	-	7,417,511	7,417,511
Designated for capital assets replacement	-	-	5,900,000
Designated for PERS stabilization	-	-	800,000
Designated for compensated absences	-	-	1,100,000
Designated for post retirement benefits	-	-	3,250,000
Designated for capital improvement projects	-	-	38,820,524
Designated for debt service	1,422,725	-	1,422,725
Designated for economic contingency	-	-	8,970,102
Total Fund Balances	1,422,725	10,135,734	140,982,131
Total Liabilities and Fund Balances	\$ 13,591,595	\$ 10,264,323	\$ 177,458,435

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CITY OF IRWINDALE

**GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010**

Fund balances of governmental funds	\$ 140,982,131
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	66,345,585
Prepaid pension costs and prepaid other post employment benefits relate to the prepayment of the funded obligations, which are recorded as an expenditure in the governmental funds statements when made, but these payments are amortized over their respective actuarial amortization period in the government-wide statements.	831,112
Long-term debt and compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds:	
Bonds payable	(96,872,888)
Compensated absences	(1,055,605)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.	(1,847,013)
Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the statement of net assets.	4,458,220
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.	<u>15,557,602</u>
Net assets of governmental activities	<u><u>\$ 128,399,144</u></u>

CITY OF IRWINDALE

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010**

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>
		<u>Special Mining Tax</u>	<u>Redevelopment Agency Capital Projects</u>
Revenues:			
Taxes	\$ 11,015,463	\$ 2,002,323	\$ 4,105,234
Licenses and permits	412,419	-	-
Intergovernmental	209,360	586,548	-
Charges for services	923,939	-	-
Use of money and property	1,026,599	266,563	1,355,494
Fines and forfeitures	396,870	-	-
Contributions	950	-	-
Miscellaneous	2,966,054	31,585	28,164
Total Revenues	<u>16,951,654</u>	<u>2,887,019</u>	<u>5,488,892</u>
Expenditures:			
Current:			
General government	7,182,825	269,933	1,400,919
Public safety	5,774,567	-	1,039,437
Parks and recreation	1,652,324	-	-
Public works	3,487,426	1,061,546	1,179
Capital outlay	108,990	1,069,628	2,462,930
Debt service:			
Principal retirement	4,425	-	810,000
Interest and fiscal charges	947	-	1,587,109
Total Expenditures	<u>18,211,504</u>	<u>2,401,107</u>	<u>7,301,574</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,259,850)</u>	<u>485,912</u>	<u>(1,812,682)</u>
Other Financing Sources (Uses):			
Transfers in	38,379	22,400	2,765,179
Transfers out	(682,916)	(651,717)	-
Total Other Financing Sources (Uses)	<u>(644,537)</u>	<u>(629,317)</u>	<u>2,765,179</u>
Net Change in Fund Balances	(1,904,387)	(143,405)	952,497
Fund Balances:			
Beginning of year	29,280,183	14,574,117	86,664,667
End of Year	<u>\$ 27,375,796</u>	<u>\$ 14,430,712</u>	<u>\$ 87,617,164</u>

CITY OF IRWINDALE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>Redevelopment Agency Debt Service</u>		
Revenues:			
Taxes	\$ 16,442,604	\$ 339,062	\$ 33,904,686
Licenses and permits	-	-	412,419
Intergovernmental	-	217,199	1,013,107
Charges for services	-	-	923,939
Use of money and property	19,039	107,421	2,775,116
Fines and forfeitures	-	-	396,870
Contributions	-	-	950
Miscellaneous	-	-	3,025,803
	<u>16,461,643</u>	<u>663,682</u>	<u>42,452,890</u>
Total Revenues			
Expenditures:			
Current:			
General government	10,948,340	50,374	19,852,391
Public safety	-	101,430	6,915,434
Parks and recreation	-	-	1,652,324
Public works	-	461,007	5,011,158
Capital outlay	-	26,978	3,668,526
Debt service:			
Principal retirement	2,965,000	-	3,779,425
Interest and fiscal charges	3,842,768	-	5,430,824
	<u>17,756,108</u>	<u>639,789</u>	<u>46,310,082</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,294,465)</u>	<u>23,893</u>	<u>(3,857,192)</u>
Other Financing Sources (Uses):			
Transfers in	682,916	651,717	4,160,591
Transfers out	<u>(2,765,179)</u>	<u>(60,779)</u>	<u>(4,160,591)</u>
Total Other Financing Sources (Uses)	<u>(2,082,263)</u>	<u>590,938</u>	<u>-</u>
Net Change in Fund Balances	(3,376,728)	614,831	(3,857,192)
Fund Balances:			
Beginning of year	<u>4,799,453</u>	<u>9,520,903</u>	<u>144,839,323</u>
End of Year	<u>\$ 1,422,725</u>	<u>\$ 10,135,734</u>	<u>\$ 140,982,131</u>

CITY OF IRWINDALE

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2010**

Net change in fund balances - total governmental funds \$ (3,857,192)

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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 2,101,379

Prepaid pension costs and prepaid other post employment benefits relate to the prepayment of the funded obligations, which are recorded as an expenditure in the governmental funds statements when made, but these payments are amortized over their respective actuarial amortization period in the government-wide statement. (52,071)

The issuance of long-term debt provides current financial resource to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 3,449,171

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 58,642

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. 208,510

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

Taxes	(69,753)
Intergovernmental	(3,295)
Use of money and property	(1,840)
Deferred loans	(823,395)
	<u>(823,395)</u>

Change in net assets of governmental activities \$ 1,010,156

CITY OF IRVINDALE

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 29,280,183	\$ 29,280,183	\$ 29,280,183	\$ -
Resources (Inflows):				
Taxes	12,250,300	11,500,300	11,015,463	(484,837)
Licenses and permits	390,000	390,000	412,419	22,419
Intergovernmental	432,100	432,100	209,360	(222,740)
Charges for services	567,012	567,012	923,939	356,927
Use of money and property	1,260,000	960,000	1,026,599	66,599
Fines and forfeitures	405,000	405,000	396,870	(8,130)
Contributions	-	-	950	950
Miscellaneous	3,045,536	3,045,536	2,966,054	(79,482)
Transfers in	44,000	44,000	38,379	(5,621)
Amounts Available for Appropriation	47,674,131	46,624,131	46,270,216	(353,915)
Charges to Appropriation (Outflow):				
General government	5,573,934	7,425,508	7,182,825	242,683
Public safety	6,283,595	6,293,711	5,774,567	519,144
Parks and recreation	2,006,735	1,979,435	1,652,324	327,111
Public works	3,974,235	3,985,765	3,487,426	498,339
Capital outlay	600,007	620,277	108,990	511,287
Debt service:				
Principal retirement	4,425	4,425	4,425	-
Interest and fiscal charges	947	947	947	-
Transfers out	673,100	673,100	682,916	(9,816)
Total Charges to Appropriations	19,116,978	20,983,168	18,894,420	2,088,748
Budgetary Fund Balance, June 30	\$ 28,557,153	\$ 25,640,963	\$ 27,375,796	\$ 1,734,833

CITY OF IRWINDALE

**BUDGETARY COMPARISON STATEMENT
SPECIAL MINING TAX
YEAR ENDED JUNE 30, 2010**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 14,574,117	\$ 14,574,117	\$ 14,574,117	\$ -
Resources (Inflows):				
Taxes	2,424,350	1,931,350	2,002,323	70,973
Intergovernmental	500,000	500,000	586,548	86,548
Use of money and property	500,000	442,000	266,563	(175,437)
Miscellaneous	135,000	135,000	31,585	(103,415)
Transfers in	-	-	22,400	22,400
Amounts Available for Appropriation	18,133,467	17,582,467	17,483,536	(98,931)
Charges to Appropriation (Outflow):				
General government	381,516	381,516	269,933	111,583
Public works	1,219,221	1,292,008	1,061,546	230,462
Capital outlay	2,725,000	3,143,803	1,069,628	2,074,175
Transfers out	642,717	642,717	651,717	(9,000)
Total Charges to Appropriations	4,968,454	5,460,044	3,052,824	2,407,220
Budgetary Fund Balance, June 30	\$ 13,165,013	\$ 12,122,423	\$ 14,430,712	\$ 2,308,289

CITY OF IRWINDALE

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	<u>Agency Funds</u>
Assets:	
Cash and investments	\$ 1,839,408
Receivables:	
Accrued interest	5,510
Restricted assets:	
Cash with fiscal agent	<u>1,236,500</u>
Total Assets	<u>\$ 3,081,418</u>
Liabilities:	
Accounts payable	\$ 2,235
Deposits payable	<u>3,079,183</u>
Total Liabilities	<u>\$ 3,081,418</u>

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

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

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

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

Blended Component Units

The Irwindale Community Redevelopment Agency was established on January 24, 1975, pursuant to the State of California Health and Safety Code, Section 33000. Its purpose is to prepare and carry out plans for the improvement, rehabilitation and development of blighted areas within the territorial limits of the City of Irwindale.

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

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

purpose of complying with the California Surface Mining and Reclamation Act of 1975 (SMARA) and implementing State Mining and Geology Board Reclamation Regulations (SMGB Regulations).

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

b. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of gas tax which has an availability period of 210 days. 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. Agency funds are reported on the accrual basis of accounting.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

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

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 Special Mining Tax Fund accounts for the excavation and processing taxes received from the various mining companies in the City.
- The Irwindale Community Redevelopment Agency Capital Projects Fund accounts for the financial resources segregated for the acquisition and construction of major capital facilities within the Irwindale Project Area.
- The Irwindale Community Redevelopment Agency Debt Service Fund accounts for the accumulation of resources for the payment of interest and principal on the long-term debt of the Agency.

Additionally, the City reports the following fund types:

- Agency Funds accounts for assets held by the City in a purely custodial capacity. Agency Funds involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

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, Liabilities and Net Assets or Equity

1. Investments

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

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

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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

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

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

3. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The fund balances in the governmental fund types have been reserved for amounts equal to the prepaid items in the fund level statements since these amounts are not available for appropriation.

4. Capital Assets

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

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

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

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

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

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

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

5. Compensated Absences

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

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

6. Claims and Judgments

Only the short-term liability, if any, is reflected as a current liability in the applicable governmental fund. The short-term liability, which will be liquidated with expendable available financial resources, is the amount of settlement reached, but unpaid, related to claims and judgments entered. At June 30, 2010, there were no material long-term claims and judgments against the City and no liability was reported.

7. Long-Term Obligations

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

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

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

9. Functional Classifications

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

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

e. Reconciliation of Government-Wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of assets:

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term debt and compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds." The detail of the (\$96,872,888) difference is as follows:

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

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

Long-term debt:	
Tax allocation bonds	\$ (89,735,000)
Certificates of participation	(5,625,000)
Capital leases	(16,051)
Unamortized bond discount	281,641
Unamortized bond premium	<u>(1,778,478)</u>
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	<u>\$ (96,872,888)</u>

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The detail of this \$2,101,379 difference is as follows:

Capital outlay	\$ 3,653,792
Depreciation expense	<u>(1,552,413)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,101,379</u>

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resource to governmental funds, while repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items." The detail of this \$3,449,171 difference is as follows:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

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

Principal repayments:	
2001 refunding certificates of participation	\$ 390,000
2002 tax allocation senior parity bonds	500,000
2003 tax allocation housing parity bonds	650,000
2005 taxable housing tax allocation parity bonds	160,000
2006 tax allocation refunding parity bonds	1,455,000
2006 subordinate lien tax allocation refunding bonds	620,000
Capital leases payable	4,425
Bond discounts and premiums amortization	53,446
Bond defeasance loss amortization	(58,524)
Cost of issuance amortization	<u>(325,176)</u>
Net adjustment to decrease net changes in fund balance of total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 3,449,171</u>

II. STEWARDSHIP**Note 2: Stewardship, Compliance and Accountability****a. Budgetary Data**

General Budget Policies

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public meetings are conducted prior to its adoption by the Council. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Supplemental appropriations, where required during the period, are also approved by the Council. Intradepartmental budget changes are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the departmental 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. Encumbrances outstanding at year-end are reported as a reservation of fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts-in-process at year-end are completed. They do not constitute expenditures or estimated liabilities.

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.

CITY OF IRWINDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010**

Note 2: Stewardship, Compliance and Accountability (Continued)

b. Excess of expenditures over appropriations

Excess of expenditures over appropriations in individual funds are as follows:

	<u>Expenditure</u>	<u>Appropriation</u>	<u>Excess</u>
Major Governmental Funds:			
Redevelopment Agency Debt Service Funds:			
General government	\$ 10,948,340	\$ 10,006,613	\$ 941,727
Nonmajor Governmental Funds:			
Special Revenue Funds:			
State Gas Tax:			
General government	1,995	1,200	795
AB 939:			
General government	10,830	5,000	5,830
Public Works	431,577	400,523	31,054

c. Deficit Fund Balance

The Federal Grants fund has a deficit fund balance of (\$38,151) at June 30, 2010 which will be eliminated with future grant revenue.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2010, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 81,928,014
Fiduciary funds	<u>3,075,908</u>
Total Cash and Investments	<u><u>\$ 85,003,922</u></u>

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

Deposits

At June 30, 2010, the carrying amount of the City's deposits was \$2,597,727 and the bank balance was \$2,771,716. The \$173,989 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 Agency

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 3: Cash and Investments (Continued)

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
- Negotiable Certificates of Deposit which are fully insured by the Federal Deposit Insurance Corporation (FDIC)
- Repurchase/Reverse Repurchase Agreements
- Medium Term Notes
- Money market mutual funds
- Funds held under the terms of a Trust Indenture or other contract or agreement
- Collateralized bank deposits with a perfected security interest

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 3: Cash and Investments (Continued)

GASB Statement No. 31

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

Credit Risk

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, 2010, the City had no investments in medium-term notes. In addition, the City's investments in Federal Agency investments were rated "AAA" by Moody's and S&P. All securities were investment grade and legal under State law. Investments in U.S. treasuries are not considered to have credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2010, the City's investments in external investment pools and money market mutual funds are unrated.

Custodial Credit Risk

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

As of June 30, 2010, 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, 2010, 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, 2010, the City has invested \$10,621,983 (13%) in Federal Home Loan Bank, \$19,611,870 (24%) in Federal National Mortgage Association.

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

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 3: Cash and Investments (Continued)

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that at least two-thirds of the City's portfolio shall mature in three years or less. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2010, 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	\$ 37,463,160	\$ -	\$ -	\$ -	\$ 37,463,160
Certificate of Deposit	300,000	-	2,574,221	203,376	3,077,597
Money Market Fund	280,473	-	-	-	280,473
Federal Agency Securities:	4,037,520	-	14,543,120	14,703,313	33,283,953
Corporate Bonds	-	-	203,376	-	203,376
Investments with fiscal agents					
Money Market Mutual Fund	6,958,636	-	-	-	6,958,636
Investment Agreement	-	-	-	1,139,000	1,139,000
	<u>\$ 49,039,789</u>	<u>\$ -</u>	<u>\$ 17,320,717</u>	<u>\$ 16,045,689</u>	<u>\$ 82,406,195</u>

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 14,586,987	\$ -	\$ -	\$ -	\$ 14,586,987
Construction-in-progress	17,177,529	3,560,011	-	(14,933,340)	5,804,200
Total Capital Assets, Not Being Depreciated	31,764,516	3,560,011	-	(14,933,340)	20,391,187
Capital assets, being depreciated:					
Buildings and improvements	5,335,098	-	-	-	5,335,098
Furniture, fixtures and equipment	4,002,816	93,781	(250,652)	-	3,845,945
Infrastructure	42,052,836	-	-	14,933,340	56,986,176
Total Capital Assets, Being Depreciated	51,390,750	93,781	(250,652)	14,933,340	66,167,219
Less accumulated depreciation:					
Buildings and improvements	3,004,207	106,592	-	-	3,110,799
Furniture, fixtures and equipment	3,149,501	339,466	(250,652)	-	3,238,315
Infrastructure	12,757,352	1,106,355	-	-	13,863,707
Total Accumulated Depreciation	18,911,060	1,552,413	(250,652)	-	20,212,821
Total Capital Assets, Being Depreciated, Net	32,479,690	(1,458,632)	-	14,933,340	45,954,398
Governmental Activities Capital Assets, Net	\$ 64,244,206	\$ 2,101,379	\$ -	\$ -	\$ 66,345,585

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

Governmental Activities:	
General government	\$ 63,347
Public safety	287,470
Parks and recreation	213,253
Public works	988,343
Total Depreciation Expense	\$ 1,552,413

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 5: Long-Term Debt

The following is a schedule of changes in governmental activities long-term debt for fiscal year ended June 30, 2010.

	<u>Outstanding June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding June 30, 2010</u>	<u>Due Within One Year</u>
Tax Allocation Bonds:					
2002 Tax Allocation Senior Parity Bonds	\$ 11,815,000	\$ -	\$ 500,000	\$ 11,315,000	\$ 515,000
2003 Tax Allocation Housing Parity Bonds	6,270,000	-	650,000	5,620,000	680,000
2005 Tax Allocation Housing Parity Bonds	16,840,000	-	160,000	16,680,000	165,000
2006 Tax Allocation Refunding Parity Bonds	40,850,000	-	1,455,000	39,395,000	1,565,000
2006 Subordinate Lien Tax Allocation Refunding Bonds	17,345,000	-	620,000	16,725,000	655,000
Certificates of Participation:					
2001 Refunding Certificates of Participation	6,015,000	-	390,000	5,625,000	405,000
Accrued Employee Benefits	1,264,115	619,309	827,819	1,055,605	691,273
Capital Lease Payable	<u>20,476</u>	<u>-</u>	<u>4,425</u>	<u>16,051</u>	<u>4,657</u>
Total	<u>\$ 100,419,591</u>	<u>\$ 619,309</u>	<u>\$ 4,607,244</u>	96,431,656	<u>\$ 4,680,930</u>
				Plus: Unamortized net original issue (discount) or premium	<u>1,496,837</u>
				Net Long-Term Debt	<u>\$ 97,928,493</u>

a. Tax Allocation Bonds

A description of individual issues of bonds outstanding at June 30, 2010 (excluding defeased bonds) follows:

2002 Tax Allocation Senior Parity Bonds

On January 6, 2003, the Agency issued \$14,175,000 of City Industrial Development Project Tax Allocation Senior Parity Bonds. The bonds were issued to provide funds for certain redevelopment activities of the Agency. Interest on the bonds is payable semi-annually on January 15 and July 15, commencing July 15, 2003. The bonds carry various interest rates from 1.25% to 5.00%. Principal maturities begin July 15, 2004, and continue through 2025. The outstanding balance at June 30, 2010, was \$11,315,000.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 5: Long-Term Debt (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest, are as follows:

	2002 Tax Allocation Senior Parity Bonds	
	Principal	Interest
2010-2011	\$ 515,000	\$ 501,003
2011-2012	530,000	483,488
2012-2013	550,000	464,038
2013-2014	570,000	442,748
2014-2015	590,000	419,833
2015-2020	3,355,000	1,683,830
2020-2025	4,230,000	788,311
2025-2030	975,000	24,375
Totals	<u>\$ 11,315,000</u>	<u>\$ 4,807,626</u>

2003 Taxable Housing Tax Allocation Parity Bonds

In December 2003, the Agency issued \$9,345,000 of Taxable Housing Tax Allocation Housing Bonds to advance refund the outstanding balance of the 1995 Tax Allocation Housing Bonds and to acquire property for future development for low and moderate income housing. The 2003 Taxable Housing Tax Allocation Parity Bonds are payable on a parity with certain obligations of the Agency solely from certain housing set-aside revenues of the Agency. The bonds consist of \$7,760,000 serial bonds maturing from August 2004 through August 2019, bearing annual interest ranging from 2.00% to 6.00% and \$1,585,000 term bonds due August 1, 2025, bearing annual interest at 6.25%. Interest on the bonds is payable semi annually on August 1 and February 1. The outstanding balance at June 30, 2010, was \$5,620,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest, are as follows:

	2003 Taxable Housing Tax Allocation Parity Bonds	
	Principal	Interest
2010-2011	\$ 680,000	\$ 294,550
2011-2012	710,000	260,650
2012-2013	740,000	223,938
2013-2014	780,000	184,500
2014-2015	165,000	159,694
2015-2020	960,000	645,113
2020-2025	1,280,000	304,688
2025-2030	305,000	9,531
Totals	<u>\$ 5,620,000</u>	<u>\$ 2,082,664</u>

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 5: Long-Term Debt (Continued)

2005 Taxable Housing Tax Allocation Parity Bonds

On August 2, 2005, the Irwindale Community 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 Agency. The 2005 Taxable Housing Tax Allocation Parity Bonds are payable on a parity with certain obligations of the Irwindale Community Redevelopment Agency solely from certain Housing Set-Aside Revenues of the Agency. The bonds consist of \$5,225,000 serial bonds maturing from August 2006 through August 2017 bearing annual interest ranging from 4.32% to 5.25%, \$5,900,000 term bonds due August 1, 2022, bearing annual interest at 5.4%, and \$6,320,000 term bonds due August 1, 2026, bearing annual interest at 5.53%. Interest on the bonds is payable beginning February 1, 2006, and semi-annually thereafter on August 1 and February 1. The outstanding balance at June 30, 2010, was \$16,680,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest, are as follows:

	<u>2005 Taxable Housing Parity TAB</u>	
	<u>Principal</u>	<u>Interest</u>
2010-2011	\$ 165,000	\$ 894,145
2011-2012	175,000	885,851
2012-2013	190,000	876,679
2013-2014	195,000	866,909
2014-2015	860,000	839,791
2015-2020	5,050,000	3,455,000
2020-2025	6,560,000	1,901,253
2025-2030	<u>3,485,000</u>	<u>204,195</u>
Totals	<u>\$ 16,680,000</u>	<u>\$ 9,923,823</u>

2006 Tax Allocation Refunding Parity Bonds

In July 2006, the Irwindale Community 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 are payable on a parity with certain obligations of the Irwindale Community Redevelopment Agency solely from certain tax increment revenues allocated to the Agency as further discussed in each official statement of the issue. The bonds consist of \$18,465,000 serial bonds maturing from January 15, 2007 through July 15, 2017, bearing annual interest ranging from 4.25% to 5.25%, and term bonds ranging from \$2,275,000 to \$3,510,000 due July 15, 2018 through 2026, respectively, and bearing annual interest at 5.25% and 5.85%, respectively. Interest on the bonds is payable semi-annually on January 15 and July 15. The outstanding balance at June 30, 2010, was \$39,395,000.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 5: Long-Term Debt (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest, are as follows:

	2006 Tax Allocation Refunding Parity Bonds	
	Principal	Interest
2010-2011	\$ 1,565,000	\$ 2,097,205
2011-2012	1,645,000	2,022,491
2012-2013	1,725,000	1,943,523
2013-2014	1,810,000	1,857,323
2014-2015	1,895,000	1,765,698
2015-2020	9,855,000	7,270,425
2020-2025	14,075,000	4,059,521
2025-2030	6,825,000	404,966
Totals	<u>\$ 39,395,000</u>	<u>\$ 21,421,152</u>

2006 Subordinate Lien Tax Allocation Refunding Bonds

In October 2006, the Irwindale Community 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 Agency's 1996 Subordinate Lien Tax Allocation Bond. The 2006 Subordinate Lien Tax Allocation Refunding Bonds are payable on a subordinate basis to certain obligations of the Irwindale Community Redevelopment Agency solely from certain tax increment revenues allocated to the Agency as further discussed in each official statement for the issue. The bonds consist of \$18,505,000 serial bonds ranging from \$565,000 to \$1,475,000 maturing from December 1, 2007 through June 1, 2026, bearing annual interest ranging from 4.50% to 5.50%, due December 1, 2007 through 2026, respectively. Interest on the bonds is payable annually on December 1. The outstanding balance at June 30, 2010, was \$16,725,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest, are as follows:

	2006 Subordinate Lien Tax Allocation Refunding Bonds	
	Principal	Interest
2010-2011	\$ 655,000	\$ 849,288
2011-2012	675,000	819,363
2012-2013	710,000	788,200
2013-2014	745,000	753,600
2014-2015	775,000	715,600
2015-2020	4,525,000	2,937,500
2020-2025	5,805,000	1,608,200
2025-2030	2,835,000	118,525
Totals	<u>\$ 16,725,000</u>	<u>\$ 8,590,276</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 5: Long-Term Debt (Continued)

The Agency has pledged, as security for bonds it has issued, either directly or through the Financing Authority, a portion of the tax increment revenue (including Low and Moderate Income Housing set-aside) that it receives. These bonds were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. The Agency has committed to appropriate each year, from these resources amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$136,560,541 with annual debt service requirements as indicated below. For the current year, the total tax increment revenue, net of pass through payments, recognized by the Agency was \$16,077,924 and the debt service obligation on the bonds was \$8,171,842.

b. Certificates of Participation2001 Refunding Certificates of Participation

On August 1, 2001, the City of Irwindale issued \$8,820,000 in Certificates of Participation with interest rates ranging from 2.65% to 5.00%. Interest on the certificates is payable semi-annually on April 1 and October 1 of each year commencing October 1, 2001. Principal maturities begin April 1, 2001, and continue annually through April 1, 2018. The certificates were issued for the purpose of currently refunding, on August 1, 2001, certain outstanding Certificates of Participation known and designated as the \$4,075,000 City of Irwindale, California, Issue of 1997. During October 2001, the remaining 1997 Certificates were currently refunded. The 1997 Certificates of Participation were issued for the advance refunding of certain outstanding Certificates of Participation known and designated as the \$4,125,000 City of Irwindale, California, Issue of 1989. The 1989 Certificates were issued to crossover advance refunding of certain outstanding Certificates of Participation known and designed as the \$5,630,000 City of Irwindale, California, Certificates of Participation Issue of 1985. The 1985 Certificates financed certain structures and improvements in the City. At June 30, 2010, the outstanding balance on the 2001 Refunding Certificates of Participation was \$5,625,000.

The annual requirements to amortize the outstanding indebtedness as of June 30, 2010, including interest, are as follows:

	2001 Refunding Certificates of Participation	
	Principal	Interest
2010-2011	\$ 405,000	\$ 267,435
2011-2012	420,000	250,830
2012-2013	440,000	232,980
2013-2014	460,000	213,180
2014-2015	480,000	192,020
2015-2020	2,780,000	587,930
2020-2025	640,000	32,000
Totals	<u>\$ 5,625,000</u>	<u>\$ 1,776,375</u>

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 5: Long-Term Debt (Continued)

c. Capital Leases

In September 2008, the City entered into a capital lease agreement to acquire a copier. For accounting purposes, the lease qualifies as capital leases and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2010, the outstanding balance on the lease was \$16,051. The following is a schedule by years of future minimum lease payments:

Year Ending June 30,	Total
2011	\$ 5,372
2012	5,372
2013	5,372
2014	1,343
Total payments	17,459
Less amount representing interest	1,408
Outstanding Principal	<u>\$ 16,051</u>

d. 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.

e. Other Special Obligations

On April 9, 1998, the City of Irwindale Community Facilities District No. 1 issued \$11,390,000 in Special Tax Refunding Bonds with interest rates varying from 4.25% to 6.00% to advance refund \$10,000,000 of outstanding 1991 Special Tax Revenue Bonds, which are considered to be defeased.

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.

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

	Amount Outstanding at June 30, 2010
City of Irwindale Community Facility District No. 1 1998 Special Tax Refunding Bonds	\$ 8,625,000
City of Irwindale Sewer Assessment District (Live Oak Avenue) Limited Obligation Improvement Bonds	570,000

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 6: Interfund Receivable, Payable and Transfer

The composition of interfund balances as of June 30, 2010, is as follows:

a. Due To/From Other Funds

Funds	Due To Other Funds				Total
	General Fund	Redevelopment Agency		Nonmajor Governmental Funds	
		Capital Projects Fund	Debt Service Fund		
Due From Other Funds:					
General Fund	\$ -	\$ 1,645	\$ -	\$ 30,643	\$ 32,288
Redevelopment Agency Capital Projects	8,000	-	1,254,359	-	1,262,359
Redevelopment Agency Debt Service	-	973,484	-	-	973,484
Total	\$ 8,000	\$ 975,129	\$ 1,254,359	\$ 30,643	\$ 2,268,131

The due to General fund of \$32,288 from various nonmajor funds was to cover temporary deficit cash balances at June 30, 2010.

The due to various Redevelopment Agency Debt Service funds of \$973,484 from the Redevelopment Agency Capital Projects funds was to cover temporary deficit cash balances at June 30, 2010.

The due to the Redevelopment Agency Capital Projects funds of \$8,000 from the General Fund was due back to the Agency due to a miscalculation of the interest on the \$3,000,000 advance from the City.

The Industrial Project Area's Low and Moderate Housing Fund loaned \$1,171,298 to the Industrial Project Fund for operating expenditures and \$83,061 to the Parque Del Norte and the Nora Fraijo Tax Increment Funds to reflect the amount of the 20% set-aside that was deferred.

b. Advances To/From Other Funds

Funds	Advances From Other Funds:		
	Irwindale Community Redevelopment Agency		Total
	Capital Project Fund	Debt Service Fund	
Advances To Other Funds:			
General Fund	\$ 3,000,000	\$ 3,639,235	\$ 6,639,235
Redevelopment Agency Capital Projects	-	5,988,407	5,988,407
Total	\$ 3,000,000	\$ 9,627,642	\$ 12,627,642

During the current and previous fiscal years, the City of Irwindale had made loans to the Agency. These loans bear interest at rates from 0% to 12% per year. As of June 30, 2010, the loan balance was \$6,639,235.

During the current year the Redevelopment Agency Capital Projects funds loaned to the Redevelopment Agency Debt Service funds \$5,988,407 for the payment of the Supplemental Educational Revenue Augmentation Fund.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 6: Interfund Receivable, Payable and Transfer (Continued)

c. Interfund Transfers

Funds	Transfers out:				Total
	General Fund	Special Mining Tax	Redevelopment Agency Debt Service Fund	Nonmajor Governmental Funds	
Transfers in:					
General Fund	\$ -	\$ -	\$ -	\$ 38,379	\$ 38,379
Special Mining Tax	-	-	-	22,400	22,400
Redevelopment Agency Capital Projects	-	-	2,765,179	-	2,765,179
Redevelopment Agency Debt Service	682,916	-	-	-	682,916
Nonmajor Governmental Funds	-	651,717	-	-	651,717
Total	<u>\$ 682,916</u>	<u>\$ 651,717</u>	<u>\$ 2,765,179</u>	<u>\$ 60,779</u>	<u>\$ 4,160,591</u>

The Special Mining Tax fund transferred \$651,717 to the Reclamation fund pursuant to a settlement agreement.

The General Fund transferred \$682,916 to the Irwindale Community Redevelopment Agency Debt Service fund for the lease on municipal facilities related to the 2001 refunding Certificates of Participation.

The Irwindale Community Redevelopment Agency Debt Service fund transferred \$2,760,845 to the Irwindale Community Redevelopment Agency Capital Project fund to transfer the 1996 Subordinate Lien Bond fund and \$4,334 for the 20% low/mod set aside owed from the Parque Del Norte and the Nora Fraijo Tax Increment funds.

The transfer to the General Fund of \$38,379 and to the Special Mining Tax fund of \$22,400 from various nonmajor funds was for street maintenance and various projects.

IV. OTHER DISCLOSURES

Note 7: Retirement Plan

Plan Description

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

Funding Policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 20.141% for safety employees and 8.643% for non-safety employees of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 7: Retirement Plan (Continued)

Annual Pension Cost

During fiscal year 2009-2010, the City contributed its annual required contribution of \$1,471,284. In addition, during fiscal year 2008-2009 the City paid off its side fund owed to PERS. The City annual pension cost and change in net pension asset for fiscal year ending June 30, 2010, were as follows:

Annual required contribution	\$ 1,471,284
Interest on net pension asset	65,533
Adjustment to annual required contribution	<u>(117,014)</u>
Annual pension cost	1,419,803
Contributions made	<u>1,471,284</u>
Increase (decrease) in net pension asset	(51,481)
Net pension asset beginning of year	<u>845,589</u>
Net pension asset end of year	<u><u>\$ 794,108</u></u>

The summary of principal assumptions and methods used to determine the annual required contribution is shown below:

Valuation Date	June 30, 2009
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	18 Years as of Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	7.75% (net of administrative expenses)
Projected Salary Increases	3.55% to 14.45% depending on Age, Service, and type of employment
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%.

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

Three-Year Trend Information for PERS (Amounts in Thousands)			
Fiscal Years Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
6/30/2008	\$ 1,518	100%	\$ -
6/30/2009	2,472	152%	846
6/30/2010	1,471	160%	794

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 7: Retirement Plan (Continued)

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

Note 8: Retirement Enhancement Plan

Plan Description

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

Funding Policy

The City is required to contribute at an actuarially determined rate; the current rate is 10.33% of the annual covered payroll. The required contribution was based on the July 1, 2009, actuarial valuation, using the entry age normal actuarial cost method. The actuarial assumptions included (a) a pre-retirement investment return of 7.50% and a post-retirement investment rate of return of 6.00%, (b) an inflation rate of 3.00%, (c) projected annual payroll increases of 3.25% to 12.65% based on year of service, and (d) a cost-of-living adjustment of 2% per year.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 8: Retirement Enhancement Plan (Continued)

Annual Pension Cost

For fiscal year ending June 30, 2010, the City's annual required contribution and actual contribution was \$448,044. The following table provides 3 years of historical information of the Annual Pension Cost:

Trend Information for PARS
(Amounts in Thousands)

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 434	100 %	\$ -
6/30/2009	449	100 %	-
6/30/2010	448	100 %	-

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

Actuarial Valuation Date	Actuarial Liability (AAL) Entry Age	Actuarial Value of Assets	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/04	\$ 3,224	\$ 2,940	\$ 284	91.2%	\$ 3,076	9.2%
6/30/06	4,894	4,212	683	86.1%	3,622	18.9%
6/30/08	5,461	4,535	926	83.1%	4,373	21.2%

Actuarial Valuation is performed every other year.

Note 9: Other Post-Employment Employee Benefits

Plan Description

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

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 rate of 16.89% is based on the annual required contribution (ARC) of \$1,074,419 for fiscal year 2009-2010, 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.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

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 2009-2010, the City paid \$499,325 for retiree benefits and contributed \$575,094 to CERBT to fund future benefits.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution (ARC)	\$ 1,074,419
Interest on net pension obligation	(1,786)
Adjustment to ARC	<u>2,376</u>
Annual OPEB cost	1,075,009
Contribution made	<u>1,074,419</u>
Decrease in net OPEB asset	(590)
Net OPEB asset - July 1, 2009	<u>37,594</u>
Net OPEB asset - June 30, 2010	<u><u>\$ 37,004</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 2009-2010 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
6/30/2008	n/a	n/a	n/a	n/a
6/30/2009	\$ 1,043,125	\$ 1,080,719	103.6%	\$ 37,594
6/30/2010	1,075,009	1,074,419	99.9%	37,004

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The plan was implemented in fiscal year 2008-2009 and an actuarial valuation was performed during that year. Subsequent actuarial valuation will be performed every two years.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

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

Actuarial Valuation Date	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll	Interest Rate	Salary Scale
8/1/2008	\$ -	\$ 11,221,220	0.00%	\$ 6,176,705	181.67%	7.75%	3.00%

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 August 1, 2008, used the Entry Age Normal actuarial cost method, a discount rate of 7.75% which is the long-term expected rate of return on the City's investment fund, an annual general inflation rate of 3.00%, and an annual aggregate payroll increase of 3.00%. The unfunded accrued actuarial liability (UAAL) is being amortized over a fixed 30-year period as a level percentage of projected payroll beginning with the 2009-10, fiscal year. As of the actuarial valuation date, the City had 91 active participants and 53 recipients.

Note 10: Risk Management

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

The City of Irwindale is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other 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 9-member Executive Committee.

b. Self-Insurance Programs of the Authority

General Liability

Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$30,000 of each occurrence is charged directly to the member's primary deposit; (2) costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000; (3) losses from \$750,000 to \$5,000,000 and the associated loss development reserves are pooled based on payroll; (4a) costs of covered claims from \$5,000,000 to \$10,000,000 are paid under reinsurance policies and are subject to a \$2,500,00 annual aggregate deductible; (4b) costs of covered claims from \$10,000,000 to \$50,000,000 are covered through

Note 10: Risk Management (Continued)

excess insurance policies; (4c) costs of covered claims for subsidence losses are paid by excess insurance with a sub-limit of \$25,000,000 per occurrence per member. This \$25,000,000 subsidence sub-limit is composed of \$10,000,000 in reinsurance and \$15,000,000 in excess insurance. The excess insurance layer has a \$15,000,000 annual aggregate. The costs associated with 4a, 4b, and 4c are estimated using actuarial models and pre-funded as part of the primary and retrospective deposits. The overall policy limit for each member including all layers of coverage is \$50,000,000 per occurrence.

Workers' Compensation

The City of Irwindale also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$50,000 of each loss is charged directly to the member's primary deposit; (2) losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000; (3) losses from \$100,000 to \$2,000,000 and the loss development reserves associated with those losses are pooled based on payroll; (4) losses from \$2,000,000 up to statutory limits are paid under an excess insurance policy. Protection is provided per statutory liability under California Workers' Compensation law. Employer's liability losses are pooled among members to \$2,000,000, coverage from \$2,000,000 to \$4,000,000 is purchased as part of an excess insurance policy, and losses from \$4,000,000 to \$10,000,000 are pooled among members.

c. Purchased Insurance

Environmental Liability Insurance

The City of Irwindale participates in the pollution legal liability and remediation legal liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by City of Irwindale. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50,000,000 for the 3-year period from July 1, 2008 through July 1, 2011. Each member of the Authority has a \$10,000,000 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. The City of Irwindale property is currently insured according to a schedule of covered property submitted by the City of Irwindale to the Authority. The City currently has all-risk property insurance protection in the amount of \$34,674,260. 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 retroactive adjustments.

Note 10: Risk Management (Continued)

Earthquake and Flood Insurance

The City of Irwindale purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Irwindale property currently has earthquake protection in the amount of \$22,547,357. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive 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 arranged by the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

Special Event Tenant User Liability Insurance

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

d. Adequacy of Protection

During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

The CJPIA has published its own financial report for the year ended June 30, 2010, which can be obtained from California Joint Powers Insurance Authority, 8081 Moody Street, La Palma, California, 90623.

Note 11: Net Assets Restatement

Beginning net assets were restated by (\$6,015,000) due to a reclassification of a transaction between the City of Irwindale and the Irwindale Community Redevelopment Agency recorded in prior years. The transaction was previously recorded as a Notes Receivable offset by Deferred Revenue which was previously recognized as revenue in the government-wide financial statements.

Note 12: Transactions with the State of California

a. Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 12: Transactions with the State of California (Continued)

this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City of Irwindale was \$150,411.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

b. Delay of State Gas Tax Payments

In March 2010, the State Legislature passed legislation delaying a variety of State payments to local agencies in response to anticipated State cash flow problems in fiscal year 2010-2011. AB5 8x contains provisions to delay a portion (approximately 60%) of the payments of State Gas Tax monies for the first nine months of 2010-2011 (July 2010 through March 2011) to be paid no later than April 28, 2011.

c. SERAF Shift for fiscal year 2009-2010 and 2010-2011

On July 23, 2009, the State adopted legislation, requiring a shift of monies during fiscal years 2009-2010 and 2010-2011 to be deposited into the County "Supplemental" Educational Revenue Augmentation Fund (SERAF). These monies were to be distributed to meet the State's Prop 98 obligations to schools. The California Redevelopment Association (CRA) and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid; however, in May 2010 the Sacramento Superior Court upheld the legislation. This decision is in the process of being appealed by CRA and its member agencies.

The payment of the SERAF was due on May 10, 2010, for fiscal year 2009-2010 and it was made in the amount of \$5,988,407. The legislation allowed this payment to be made from any available monies present in any project area(s). Subsequent legislation was passed which even allowed the funding for this payment to be borrowed from the Low and Moderate Income Housing Fund with appropriate findings from its legislative body. Any amounts borrowed from Low and Moderate Income Housing (including any suspended set-aside amounts) are to be repaid by June 30, 2015. If those amounts are not repaid, by that date, then the set-aside percentage to Low and Moderate Income Housing will increase from 20% to 25% for the remainder of the life of the Agency.

To accomplish the payment, the Agency borrowed \$5,988,407 from the Irwindale Community Redevelopment Agency Capital Projects Fund (after adopting appropriate findings of necessity). In the accompanying financial statements, the amount paid to the County has been reported in the general government expenditure of the Redevelopment Agency Debt

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 12: Transactions with the State of California (Continued)

Service Fund. Borrowings and/or suspended set-aside amounts relating to the Irwindale Community Redevelopment Agency Capital Projects Fund have been reflected as inter-fund advances between the accounting funds of the Agency.

It is estimated that the Agency's share of the SERAF shift for fiscal year 2010-2011 will amount to approximately \$1,232,907 and this amount will be payable in May 2011 if the appeal is not successful.

Note 13: Subsequent Events

a. Community Facilities District No. 1 2010 Special Tax Refunding Bonds

On July 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.

b. Sale of Land

On November 5, 2009, the Irwindale Community Redevelopment Agency entered into a Disposition and Development Agreement to sell a property located within the Redevelopment Project Area for \$15,046,000 to Huy Fong Irwindale, LLC (Developer). The Developer made a down payment to the Agency in the amount of \$677,070. The Agency agreed to loan the Developer \$14,368,930 for a term of ten years bearing annual interest at a rate of 4.5%. Escrow closed on the sale in September 2010.

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:

Housing Authority Fund – This fund accounts for the transactions of the Irwindale Housing Authority which was established to for the development of low and moderate income housing in the City.

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

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

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.

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.

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 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.

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

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.

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

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.

CITY OF IRWINDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue Funds			
	<u>Housing Authority</u>	<u>State Gas Tax</u>	<u>COPS</u>	<u>Federal Grants</u>
Assets:				
Cash and investments	\$ 1,698,028	\$ -	\$ 152,486	\$ -
Receivables:				
Accounts	73	3,793	-	21,612
Accrued interest	1,689	27	497	-
Due from other governments	-	-	8,424	-
Land held for resale	2,711,137	-	-	-
Total Assets	<u>\$ 4,410,927</u>	<u>\$ 3,820</u>	<u>\$ 161,407</u>	<u>\$ 21,612</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 3,713	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	21,612
Unearned revenues	-	-	-	9,579
Deposits payable	-	-	-	-
Due to other funds	-	1,645	-	28,572
Total Liabilities	<u>3,713</u>	<u>1,645</u>	<u>-</u>	<u>59,763</u>
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	5,513	1,573
Reserved for land held for resale	2,711,137	-	-	-
Unreserved:				
Undesignated	1,696,077	2,175	155,894	(39,724)
Total Fund Balances	<u>4,407,214</u>	<u>2,175</u>	<u>161,407</u>	<u>(38,151)</u>
Total Liabilities and Fund Balances	<u>\$ 4,410,927</u>	<u>\$ 3,820</u>	<u>\$ 161,407</u>	<u>\$ 21,612</u>

CITY OF IRWINDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	Proposition A	Air Quality Improvement	Proposition C	Asset Forfeiture
Assets:				
Cash and investments	\$ 1,756	\$ -	\$ 14,300	\$ 95,026
Receivables:				
Accounts	-	525	-	-
Accrued interest	-	-	212	334
Due from other governments	-	-	-	-
Land held for resale	-	-	-	-
Total Assets	\$ 1,756	\$ 525	\$ 14,512	\$ 95,360
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,663	\$ -	\$ -	\$ 1,568
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	426	-	-
Total Liabilities	1,663	426	-	1,568
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	-
Reserved for land held for resale	-	-	-	-
Unreserved:				
Undesignated	93	99	14,512	93,792
Total Fund Balances	93	99	14,512	93,792
Total Liabilities and Fund Balances	\$ 1,756	\$ 525	\$ 14,512	\$ 95,360

CITY OF IRWINDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>Special Revenue Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>AB 939</u>	<u>Reclamation</u>	<u>Mearsure R</u>	
Assets:				
Cash and investments	\$ 346,133	\$ 5,152,343	\$ 2,127	\$ 7,462,199
Receivables:				
Accounts	33,823	-	-	59,826
Accrued interest	1,694	18,268	16	22,737
Due from other governments	-	-	-	8,424
Land held for resale	-	-	-	2,711,137
Total Assets	<u>\$ 381,650</u>	<u>\$ 5,170,611</u>	<u>\$ 2,143</u>	<u>\$ 10,264,323</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 41,921	\$ -	\$ -	\$ 48,865
Accrued liabilities	16,683	-	-	16,683
Deferred revenues	-	-	-	21,612
Unearned revenues	-	-	-	9,579
Deposits payable	1,207	-	-	1,207
Due to other funds	-	-	-	30,643
Total Liabilities	<u>59,811</u>	<u>-</u>	<u>-</u>	<u>128,589</u>
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	7,086
Reserved for land held for resale	-	-	-	2,711,137
Unreserved:				
Undesignated	321,839	5,170,611	2,143	7,417,511
Total Fund Balances	<u>321,839</u>	<u>5,170,611</u>	<u>2,143</u>	<u>10,135,734</u>
Total Liabilities and Fund Balances	<u>\$ 381,650</u>	<u>\$ 5,170,611</u>	<u>\$ 2,143</u>	<u>\$ 10,264,323</u>

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CITY OF IRWINDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	<u>Special Revenue Funds</u>			
	<u>Housing Authority</u>	<u>State Gas Tax</u>	<u>COPS</u>	<u>Federal Grants</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	33,269	124,907	-
Use of money and property	8,609	128	2,490	-
Total Revenues	8,609	33,397	127,397	-
Expenditures:				
Current:				
General government	28,549	1,995	-	-
Public safety	-	-	52,438	38,405
Public works	-	-	-	-
Capital outlay	-	-	-	21,612
Total Expenditures	28,549	1,995	52,438	60,017
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,940)	31,402	74,959	(60,017)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(29,500)	-	-
Total Other Financing Sources (Uses)	-	(29,500)	-	-
Net Change in Fund Balances	(19,940)	1,902	74,959	(60,017)
Fund Balances, Beginning of Year	4,427,154	273	86,448	21,866
Fund Balances, End of Year	\$ 4,407,214	\$ 2,175	\$ 161,407	\$ (38,151)

CITY OF IRWINDALE

COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	Proposition A	Air Quality Improvement	Proposition C	Asset Forfeiture
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	21,934	1,955	18,195	5,991
Use of money and property	-	-	998	1,280
Total Revenues	21,934	1,955	19,193	7,271
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	10,587
Public works	21,930	1,900	5,600	-
Capital outlay	-	-	-	5,366
Total Expenditures	21,930	1,900	5,600	15,953
Excess (Deficiency) of Revenues Over (Under) Expenditures	4	55	13,593	(8,682)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(22,400)	-
Total Other Financing Sources (Uses)	-	-	(22,400)	-
Net Change in Fund Balances	4	55	(8,807)	(8,682)
Fund Balances, Beginning of Year	89	44	23,319	102,474
Fund Balances, End of Year	\$ 93	\$ 99	\$ 14,512	\$ 93,792

CITY OF IRWINDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	Special Revenue Funds			Total Nonmajor Governmental Funds
	AB 939	Reclamation	Mearsure R	
Revenues:				
Taxes	\$ 339,062	\$ -	\$ -	\$ 339,062
Intergovernmental	-	-	10,948	217,199
Use of money and property	7,965	85,877	74	107,421
Total Revenues	347,027	85,877	11,022	663,682
Expenditures:				
Current:				
General government	10,830	9,000	-	50,374
Public safety	-	-	-	101,430
Public works	431,577	-	-	461,007
Capital outlay	-	-	-	26,978
Total Expenditures	442,407	9,000	-	639,789
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,380)	76,877	11,022	23,893
Other Financing Sources (Uses):				
Transfers in	-	651,717	-	651,717
Transfers out	-	-	(8,879)	(60,779)
Total Other Financing Sources (Uses)	-	651,717	(8,879)	590,938
Net Change in Fund Balances	(95,380)	728,594	2,143	614,831
Fund Balances, Beginning of Year	417,219	4,442,017	-	9,520,903
Fund Balances, End of Year	\$ 321,839	\$ 5,170,611	\$ 2,143	\$ 10,135,734

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,427,154	\$ 4,427,154	\$ 4,427,154	\$ -
Resources (Inflows):				
Use of money and property	25,000	25,000	8,609	(16,391)
Amounts Available for Appropriation	4,452,154	4,452,154	4,435,763	(16,391)
Charges to Appropriation (Outflow):				
General government	51,000	51,000	28,549	22,451
Capital outlay	750,000	1,050,000	-	1,050,000
Total Charges to Appropriations	801,000	1,101,000	28,549	1,072,451
Budgetary Fund Balance, June 30	\$ 3,651,154	\$ 3,351,154	\$ 4,407,214	\$ 1,056,060

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 STATE GAS TAX
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 273	\$ 273	\$ 273	\$ -
Resources (Inflows):				
Intergovernmental	34,300	34,300	33,269	(1,031)
Use of money and property	250	250	128	(122)
Amounts Available for Appropriation	34,823	34,823	33,670	(1,153)
Charges to Appropriation (Outflow):				
General government	1,200	1,200	1,995	(795)
Transfers out	33,350	33,350	29,500	3,850
Total Charges to Appropriations	34,550	34,550	31,495	3,055
Budgetary Fund Balance, June 30	\$ 273	\$ 273	\$ 2,175	\$ 1,902

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 COPS
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 86,448	\$ 86,448	\$ 86,448	\$ -
Resources (Inflows):				
Intergovernmental	-	-	124,907	124,907
Use of money and property	-	-	2,490	2,490
Amounts Available for Appropriation	86,448	86,448	213,845	127,397
Charges to Appropriation (Outflow):				
Public safety	-	186,448	52,438	134,010
Total Charges to Appropriations	-	186,448	52,438	134,010
Budgetary Fund Balance, June 30	\$ 86,448	\$ (100,000)	\$ 161,407	\$ 261,407

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 FEDERAL GRANTS
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 21,866	\$ 21,866	\$ 21,866	\$ -
Amounts Available for Appropriation	21,866	21,866	21,866	-
Charges to Appropriation (Outflow):				
Public safety	-	154,187	38,405	115,782
Capital outlay	-	23,112	21,612	1,500
Total Charges to Appropriations	-	177,299	60,017	117,282
Budgetary Fund Balance, June 30	\$ 21,866	\$ (155,433)	\$ (38,151)	\$ 117,282

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION A
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 89	\$ 89	\$ 89	\$ -
Resources (Inflows):				
Intergovernmental	27,490	27,490	21,934	(5,556)
Amounts Available for Appropriation	27,579	27,579	22,023	(5,556)
Charges to Appropriation (Outflow):				
Public works	27,490	27,490	21,930	5,560
Total Charges to Appropriations	27,490	27,490	21,930	5,560
Budgetary Fund Balance, June 30	\$ 89	\$ 89	\$ 93	\$ 4

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY IMPROVEMENT
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 44	\$ 44	\$ 44	\$ -
Resources (Inflows):				
Intergovernmental	2,000	2,000	1,955	(45)
Amounts Available for Appropriation	2,044	2,044	1,999	(45)
Charges to Appropriation (Outflow):				
Public works	2,000	2,000	1,900	100
Total Charges to Appropriations	2,000	2,000	1,900	100
Budgetary Fund Balance, June 30	\$ 44	\$ 44	\$ 99	\$ 55

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION C
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 23,319	\$ 23,319	\$ 23,319	\$ -
Resources (Inflows):				
Intergovernmental	22,439	22,439	18,195	(4,244)
Use of money and property	2,000	2,000	998	(1,002)
Amounts Available for Appropriation	47,758	47,758	42,512	(5,246)
Charges to Appropriation (Outflow):				
Public works	7,000	7,000	5,600	1,400
Capital outlay	17,439	17,439	-	17,439
Transfers out	-	-	22,400	(22,400)
Total Charges to Appropriations	24,439	24,439	28,000	(3,561)
Budgetary Fund Balance, June 30	\$ 23,319	\$ 23,319	\$ 14,512	\$ (8,807)

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 ASSET FORFEITURE
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 102,474	\$ 102,474	\$ 102,474	\$ -
Resources (Inflows):				
Intergovernmental	-	-	5,991	5,991
Use of money and property	-	-	1,280	1,280
Amounts Available for Appropriation	102,474	102,474	109,745	7,271
Charges to Appropriation (Outflow):				
Public safety	-	31,121	10,587	20,534
Capital outlay	-	70,739	5,366	65,373
Total Charges to Appropriations	-	101,860	15,953	85,907
Budgetary Fund Balance, June 30	\$ 102,474	\$ 614	\$ 93,792	\$ 93,178

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
AB 939
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 417,219	\$ 417,219	\$ 417,219	\$ -
Resources (Inflows):				
Taxes	325,000	325,000	339,062	14,062
Use of money and property	18,000	18,000	7,965	(10,035)
Amounts Available for Appropriation	760,219	760,219	764,246	4,027
Charges to Appropriation (Outflow):				
General government	5,000	5,000	10,830	(5,830)
Public works	400,523	400,523	431,577	(31,054)
Total Charges to Appropriations	405,523	405,523	442,407	(36,884)
Budgetary Fund Balance, June 30	\$ 354,696	\$ 354,696	\$ 321,839	\$ (32,857)

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 RECLAMATION
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,442,017	\$ 4,442,017	\$ 4,442,017	\$ -
Resources (Inflows):				
Use of money and property	150,000	150,000	85,877	(64,123)
Transfers in	-	-	651,717	651,717
Amounts Available for Appropriation	4,592,017	4,592,017	5,179,611	587,594
Charges to Appropriation (Outflow):				
General government	29,000	29,000	9,000	20,000
Total Charges to Appropriations	29,000	29,000	9,000	20,000
Budgetary Fund Balance, June 30	\$ 4,563,017	\$ 4,563,017	\$ 5,170,611	\$ 607,594

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
IRWINDALE COMMUNITY REDEVELOPMENT AGENCY CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2010**

	<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	\$ 86,664,667	\$ 86,664,667	\$ 86,664,667	\$ -
Resources (Inflows):				
Taxes	3,600,000	3,600,000	4,105,234	505,234
Use of money and property	1,500,000	1,291,500	1,355,494	63,994
Miscellaneous	1,505,800	1,505,800	28,164	(1,477,636)
Transfers in	-	-	2,765,179	2,765,179
Amounts Available for Appropriation	<u>93,270,467</u>	<u>93,061,967</u>	<u>94,918,738</u>	<u>1,856,771</u>
Charges to Appropriation (Outflow):				
General government	3,095,950	7,289,850	1,400,919	5,888,931
Public safety	2,376,400	2,064,155	1,039,437	1,024,718
Public works	1,235,000	1,237,190	1,179	1,236,011
Capital outlay	2,668,400	7,636,035	2,462,930	5,173,105
Debt service:				
Principal retirement	2,070,550	2,070,550	810,000	1,260,550
Interest and fiscal charges	1,227,109	1,587,109	1,587,109	-
Transfers out	2,787,109	2,787,109	-	2,787,109
Total Charges to Appropriations	<u>15,460,518</u>	<u>24,671,998</u>	<u>7,301,574</u>	<u>17,370,424</u>
Budgetary Fund Balance, June 30	<u>\$ 77,809,949</u>	<u>\$ 68,389,969</u>	<u>\$ 87,617,164</u>	<u>\$ 19,227,195</u>

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
IRWINDALE COMMUNITY REDEVELOPMENT AGENCY DEBT SERVICE
YEAR ENDED JUNE 30, 2010**

	<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	\$ 4,799,453	\$ 4,799,453	\$ 4,799,453	\$ -
Resources (Inflows):				
Taxes	14,529,100	14,529,100	16,442,604	1,913,504
Use of money and property	-	-	19,039	19,039
Transfers in	-	-	682,916	682,916
Amounts Available for Appropriation	19,328,553	19,328,553	21,944,012	2,615,459
Charges to Appropriation (Outflow):				
General government	4,731,606	10,006,613	10,948,340	(941,727)
Debt service:				
Principal retirement	4,325,444	4,325,444	2,965,000	1,360,444
Interest and fiscal charges	3,799,733	3,559,733	3,842,768	(283,035)
Transfers out	6,140,533	6,140,533	2,765,179	3,375,354
Total Charges to Appropriations	18,997,316	24,032,323	20,521,287	3,511,036
Budgetary Fund Balance, June 30	\$ 331,237	\$ (4,703,770)	\$ 1,422,725	\$ 6,126,495

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:

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

Recreation Trust Fund – This fund accounts for deposits held as security for the rental of City facilities by residents or other external parties.

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

CITY OF IRWINDALE

COMBINING BALANCE SHEET
 ALL AGENCY FUNDS
 JUNE 30, 2010

	<u>Agency</u>	<u>Recreation Trust</u>	<u>CFD #1</u>	<u>Live Oak Assessment District</u>
Assets:				
Cash and investments	\$ 14,059	\$ 16,531	\$ 1,044,930	\$ 34,254
Receivables:				
Accrued interest	-	-	2,955	-
Restricted assets:				
Cash with fiscal agent	-	-	1,139,000	97,500
Total Assets	<u>\$ 14,059</u>	<u>\$ 16,531</u>	<u>\$ 2,186,885</u>	<u>\$ 131,754</u>
Liabilities:				
Accounts payable	\$ 825	\$ -	\$ 35	\$ 10
Deposits payable	13,234	16,531	2,186,850	131,744
Total Liabilities	<u>\$ 14,059</u>	<u>\$ 16,531</u>	<u>\$ 2,186,885</u>	<u>\$ 131,754</u>

CITY OF IRWINDALE

COMBINING BALANCE SHEET
 ALL AGENCY FUNDS
 JUNE 30, 2010

	<u>Street Lighting District</u>	<u>Sewer Maintenance District</u>	<u>Totals</u>
Assets:			
Cash and investments	\$ 29,891	\$ 699,743	\$ 1,839,408
Receivables:			
Accrued interest	97	2,458	5,510
Restricted assets:			
Cash with fiscal agent	-	-	1,236,500
Total Assets	<u>\$ 29,988</u>	<u>\$ 702,201</u>	<u>\$ 3,081,418</u>
Liabilities:			
Accounts payable	\$ -	\$ 1,365	\$ 2,235
Deposits payable	29,988	700,836	3,079,183
Total Liabilities	<u>\$ 29,988</u>	<u>\$ 702,201</u>	<u>\$ 3,081,418</u>

CITY OF IRWINDALE

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2010**

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<u>Agency</u>				
Assets:				
Cash and investments	\$ 15,784	\$ 29,246	\$ 30,971	\$ 14,059
Total Assets	\$ 15,784	\$ 29,246	\$ 30,971	\$ 14,059
Liabilities:				
Accounts payable	\$ 870	\$ 30,701	\$ 30,746	\$ 825
Deposits payable	14,914	29,246	30,926	13,234
Total Liabilities	\$ 15,784	\$ 59,947	\$ 61,672	\$ 14,059
<u>Recreation Trust</u>				
Assets:				
Cash and investments	\$ 11,005	\$ 13,963	\$ 8,437	\$ 16,531
Total Assets	\$ 11,005	\$ 13,963	\$ 8,437	\$ 16,531
Liabilities:				
Accounts payable	\$ 20	\$ 6,850	\$ 6,870	\$ -
Deposits payable	10,985	13,963	8,417	16,531
Total Liabilities	\$ 11,005	\$ 20,813	\$ 15,287	\$ 16,531
<u>CFD #1</u>				
Assets:				
Cash and investments	\$ 936,820	\$ 1,019,459	\$ 911,349	\$ 1,044,930
Receivables:				
Accrued interest	4,250	2,955	4,250	2,955
Restricted assets:				
Cash with fiscal agent	1,139,000	-	-	1,139,000
Total Assets	\$ 2,080,070	\$ 1,022,414	\$ 915,599	\$ 2,186,885
Liabilities:				
Accounts payable	\$ -	\$ 9,217	\$ 9,182	\$ 35
Deposits payable	2,080,070	1,082,462	975,682	2,186,850
Total Liabilities	\$ 2,080,070	\$ 1,091,679	\$ 984,864	\$ 2,186,885
<u>Live Oak Assessment District</u>				
Assets:				
Cash and investments	\$ 38,042	\$ 111,256	\$ 115,044	\$ 34,254
Receivables:				
Accrued interest	52	-	52	-
Restricted assets:				
Cash with fiscal agent	84,720	97,500	84,720	97,500
Total Assets	\$ 122,814	\$ 208,756	\$ 199,816	\$ 131,754
Liabilities:				
Accounts payable	\$ -	\$ 5,935	\$ 5,925	\$ 10
Deposits payable	122,814	132,791	123,861	131,744
Total Liabilities	\$ 122,814	\$ 138,726	\$ 129,786	\$ 131,754

CITY OF IRWINDALE

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2010**

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<u>Street Lighting District</u>				
Assets:				
Cash and investments	\$ 26,221	\$ 9,444	\$ 5,774	\$ 29,891
Receivables:				
Accounts	44	-	44	-
Accrued interest	151	97	151	97
Total Assets	\$ 26,416	\$ 9,541	\$ 5,969	\$ 29,988
Liabilities:				
Accounts payable	\$ 1,500	\$ 2,734	\$ 4,234	\$ -
Deposits payable	24,916	9,349	4,277	29,988
Total Liabilities	\$ 26,416	\$ 12,083	\$ 8,511	\$ 29,988
<u>Sewer Maintenance District</u>				
Assets:				
Cash and investments	\$ 627,518	\$ 115,403	\$ 43,178	\$ 699,743
Receivables:				
Accounts	537	-	537	-
Accrued interest	3,582	2,458	3,582	2,458
Total Assets	\$ 631,637	\$ 117,861	\$ 47,297	\$ 702,201
Liabilities:				
Accounts payable	\$ 10,358	\$ 16,808	\$ 25,801	\$ 1,365
Deposits payable	621,279	112,053	32,496	700,836
Total Liabilities	\$ 631,637	\$ 128,861	\$ 58,297	\$ 702,201
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 1,655,390	\$ 1,298,771	\$ 1,114,753	\$ 1,839,408
Receivables:				
Accounts	581	-	581	-
Accrued interest	8,035	5,510	8,035	5,510
Restricted assets:				
Cash with fiscal agent	1,223,720	97,500	84,720	1,236,500
Total Assets	\$ 2,887,726	\$ 1,401,781	\$ 1,208,089	\$ 3,081,418
Liabilities:				
Accounts payable	\$ 12,748	\$ 72,245	\$ 82,758	\$ 2,235
Deposits payable	2,874,978	1,379,864	1,175,659	3,079,183
Total Liabilities	\$ 2,887,726	\$ 1,452,109	\$ 1,258,417	\$ 3,081,418

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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>	84 - 87
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>	88 - 92
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>	93 - 96
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>	97 - 101
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>	102 - 103

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

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

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

* Reflects data since the implementation of GASB 34.

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

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
General government	\$ 7,086,907	\$ 10,606,038	\$ 9,618,833	\$ 10,096,308	\$ 12,008,823	\$ 11,547,438	\$ 13,412,919	\$ 19,854,727
Public safety	6,203,971	5,835,709	7,313,871	10,317,450	18,619,724	8,063,566	8,074,775	7,137,519
Public Works	2,678,881	3,596,167	3,023,048	3,311,389	5,425,969	5,623,566	5,580,673	5,977,716
Parks and Recreation	1,509,108	1,949,082	1,866,982	2,886,369	2,262,166	2,519,073	2,225,792	1,872,053
Interest on long-term debt	6,042,658	7,342,928	6,296,110	5,320,746	5,481,674	5,755,469	5,676,260	5,702,436
Total primary government expenses	\$ 23,521,525	\$ 29,329,924	\$ 28,118,844	\$ 31,932,262	\$ 43,798,356	\$ 33,509,112	\$ 34,970,419	\$ 40,544,451
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 8,561	\$ 4,356	\$ 5,808	\$ 7,372	\$ 5,365	\$ 65,162	\$ -	\$ -
Public safety	419,089	427,875	507,595	599,816	631,617	568,437	567,589	528,525
Public Works	923,944	483,803	898,633	1,190,418	964,154	1,210,761	688,504	1,097,721
Parks and Recreation	87,253	97,538	95,343	105,575	96,338	125,620	96,079	112,600
Operating grants and contributions	1,568,525	1,869,995	3,182,288	5,592,528	12,656,436	608,949	1,052,056	1,323,556
Capital grants and contributions	-	-	-	-	-	400,000	-	586,548
Total primary government revenues	\$ 3,007,372	\$ 2,883,567	\$ 4,689,667	\$ 7,495,709	\$ 14,353,910	\$ 2,978,929	\$ 2,404,228	\$ 3,648,950
Net Revenues (Expense)								
Total primary government net expense	\$ (20,514,153)	\$ (26,446,357)	\$ (23,429,177)	\$ (24,436,553)	\$ (29,444,446)	\$ (30,530,183)	\$ (32,566,191)	\$ (36,895,501)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property	\$ 9,924,907	\$ 14,858,896	\$ 12,780,666	\$ 12,981,637	\$ 17,102,425	\$ 15,751,809	\$ 18,718,793	\$ 21,048,420
Mining/processing	6,817,598	6,869,599	6,937,271	7,681,083	7,328,634	5,710,900	3,641,541	3,641,752
Sales	3,307,164	3,934,389	4,855,595	4,779,885	5,272,506	5,270,560	4,541,326	3,919,905
Utility Users	4,233,414	3,830,372	3,967,353	4,245,058	4,518,768	3,938,351	3,789,366	3,171,532
Franchise	779,312	746,851	822,143	871,268	991,247	916,917	982,119	943,735
Business licenses	508,443	687,343	719,143	776,361	674,678	1,300,093	1,088,467	674,410
Other	42	12,495	6,425	5,528	33,407	504,001	466,760	435,179
Motor vehicle in lieu	83,081	59,832	21,603	3,257	7,745	107,343	113,485	122,041
Use of money and property	3,979,549	2,228,302	3,471,873	3,627,387	5,301,935	5,729,773	4,277,620	2,773,276
Gain on sale of assets	-	-	-	25,845	-	11,795,420	205,437	-
Other	79,592	33,570	102,199	21,459	79,308	1,728,496	2,090,634	1,175,407
Total primary government	\$ 29,713,102	\$ 33,261,649	\$ 33,684,271	\$ 35,018,768	\$ 41,310,653	\$ 52,753,663	\$ 39,915,548	\$ 37,905,657
Change in Net Assets								
Total primary government	\$ 9,198,949	\$ 6,815,292	\$ 10,255,094	\$ 10,582,215	\$ 11,866,207	\$ 22,223,480	\$ 7,349,357	\$ 1,010,156

* Reflects data since the implementation of GASB 34.

Table 3
City of Irwindale
Fund Balances of Governmental Funds
Last Eight Fiscal Years *
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
General fund								
Reserved	\$ 12,818,899	\$ 14,041,434	\$ 14,410,631	\$ 16,550,127	\$ 9,155,651	\$ 8,251,506	\$ 6,772,885	\$ 6,855,694
Unreserved	10,959,604	10,931,499	11,855,778	10,122,592	18,429,294	21,296,916	22,507,298	20,520,102
Total general fund	23,778,503	24,972,933	26,266,409	26,672,719	27,584,945	29,548,422	29,280,183	27,375,796
All other governmental funds								
Reserved	22,656,566	32,030,272	40,824,606	52,004,977	43,073,376	64,370,186	57,441,039	66,445,575
Unreserved, reported in:								
Special revenue funds	14,208,745	16,796,203	18,355,843	21,000,573	25,901,999	28,339,516	20,917,965	21,374,947
Debt service funds	10,569,401	6,558,455	17,798,493	15,799,285	16,074,932	6,296,728	4,534,733	1,422,725
Capital projects funds	57,506,170	46,839,159	27,405,526	16,985,861	21,487,133	21,212,138	32,665,403	24,363,088
Total all other governmental funds	\$ 104,940,882	\$ 102,224,089	\$ 104,384,468	\$ 105,790,696	\$ 106,537,440	\$ 120,218,568	\$ 115,559,140	\$ 113,606,335

* Reflects data since the implementation of GASB 34.

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

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:								
Taxes	\$ 25,182,316	\$ 30,345,334	\$ 29,113,298	\$ 30,483,436	\$ 35,161,982	\$ 33,472,527	\$ 33,185,335	\$ 33,904,686
Licenses and permits	1,259,220	986,506	1,198,377	1,423,707	1,316,084	673,240	354,936	412,419
Intergovernmental	1,495,500	1,804,926	1,822,585	2,244,139	1,940,270	560,723	1,216,649	1,013,107
Charges for services	369,176	388,216	657,475	920,586	649,076	806,291	585,241	923,939
Fines and forfeitures	318,894	326,193	370,670	335,249	407,012	419,100	410,988	396,870
Cost reimbursements	-	-	-	-	-	-	-	-
Use of money and property	3,650,693	1,455,167	3,471,873	3,653,232	5,301,935	5,734,077	4,275,780	2,775,116
Contributions	-	-	-	-	-	-	-	950
Miscellaneous	115,819	65,739	133,746	54,040	123,089	2,822,137	3,859,481	3,025,803
Total revenues	\$ 32,391,618	\$ 35,372,081	\$ 36,768,024	\$ 39,114,389	\$ 44,899,428	\$ 44,488,095	\$ 43,888,410	\$ 42,452,890
Expenditures:								
General government	\$ 7,066,405	\$ 10,504,849	\$ 9,486,560	\$ 9,997,298	\$ 11,905,172	\$ 11,403,642	\$ 13,353,100	\$ 19,852,391
Public safety	6,181,287	6,362,744	7,081,086	11,775,501	18,296,950	7,811,497	8,792,926	6,915,434
Public works	2,600,124	3,334,122	3,337,143	3,196,168	3,595,906	2,410,170	4,319,916	5,011,158
Parks and recreation	1,473,032	1,879,686	1,872,221	1,970,076	2,136,059	4,371,390	2,131,443	1,652,324
Capital outlay	7,791,022	5,247,943	2,127,754	3,884,914	2,460,634	5,763,547	11,755,692	3,668,526
Debt Service:								
Debt issuance costs	-	416,913	-	690,789	3,459,022	-	-	-
Refunding escrow	-	128,095	-	1,426,443	-	-	-	-
Principal	2,054,071	2,153,138	3,079,260	3,021,899	65,431,923 A	3,407,473	3,563,274	3,779,425
Interest and fiscal charges	6,623,186	7,209,486	6,303,080	5,010,424	5,219,474	5,471,191	5,399,785	5,430,824
Total expenditures	\$ 33,789,127	\$ 37,236,976	\$ 33,287,104	\$ 40,973,512	\$ 112,505,140	\$ 40,638,910	\$ 49,316,136	\$ 46,310,082
Excess of revenues over (under) expenditures	\$ (1,397,509)	\$ (1,864,895)	\$ 3,480,920	\$ (1,859,123)	\$ (67,605,712)	\$ 3,849,185	\$ (5,427,726)	\$ (3,857,192)
Other financing sources (uses):								
Transfers in	1,313,873	7,436,185	3,698,580	3,153,568	5,225,638	4,634,545	11,683,810	4,160,591
Transfers out	(1,313,873)	(7,436,185)	(3,698,580)	(3,153,568)	(5,225,638)	(4,634,545)	(11,683,810)	(4,160,591)
Capital leases	-	-	-	-	-	-	23,750	-
Gain (loss) on sale of land held	31,951	-	-	-	-	11,795,420	205,437	-
Bonds issued	14,175,000	9,345,000	-	17,445,000	62,540,000	-	-	-
Bond premium	-	-	-	(261,675)	2,209,522	-	-	-
Discount on bonds issued	-	(29,116)	-	-	-	-	-	-
Payment to refunding escrow	-	(5,130,227)	-	(13,587,457)	-	-	-	-
Total other financing sources (uses)	14,206,951	4,185,657	-	3,595,868	64,749,522	11,795,420	229,187	-
Net change in fund balances before restatements	\$ 12,809,442	\$ 2,320,762	\$ 3,480,920	\$ 1,736,745	\$ (2,856,190)	\$ 15,644,605	\$ (5,198,539)	\$ (3,857,192)
Restatement of fund balances	(6,145,166)	(3,843,125)	(27,065)	75,793	4,515,160	-	270,872	-
Net change in fund balances after restatement	\$ 6,664,276	\$ (1,522,363)	\$ 3,453,855	\$ 1,812,538	\$ 1,668,970	\$ 15,644,605	\$ (4,927,667)	\$ (3,857,192)
Debt service as a percentage of noncapital expenditures	33.38%	29.27%	30.11%	21.66%	6.84% A	25.46%	23.86%	21.60%

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

* Reflects data since the implementation of GASB 34.

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

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

* Reflects data since the implementation of GASB 34.

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

Fiscal Year Ended June 30	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Tax Rate
2001	925,972,462	212,280,499	(20,902,776)	1,117,350,185	0.89221%
2002	1,019,387,413	220,301,483	(20,903,286)	1,218,785,610	0.91362%
2003	1,046,957,356	289,350,914	(23,051,862)	1,313,256,408	0.92254%
2004	1,153,169,200	318,584,343	(33,941,267)	1,437,812,276	0.92670%
2005	1,225,645,959	305,301,265	(34,492,381)	1,496,454,843	0.92821%
2006	1,324,692,463	321,508,922	(44,975,413)	1,601,225,972	0.91990%
2007	1,444,800,417	326,549,332	(46,808,746)	1,724,541,003	0.92919%
2008	1,470,473,902	338,680,012	(46,352,157)	1,762,801,757	0.92459%
2009	1,586,761,622	366,248,086	(56,270,216)	1,896,739,492	0.92542%
2010	1,748,010,615	362,612,436	(49,768,577)	2,060,854,474	0.93193%

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.

Source: Hdl Coren & Cone Reports

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

Fiscal Year Ended	Overlapping Rates					Total Tax Rates
	Basic Rate	Los Angeles County	School Districts	Community College	Water District	
2001	1.00000	0.00287	0.27104	0.00000	0.00880	1.28271
2002	1.00000	0.00220	0.33764	0.00000	0.00770	1.34754
2003	1.00000	0.00191	0.40006	0.01946	0.00670	1.42813
2004	1.00000	0.00146	0.44452	0.01525	0.00610	1.46733
2005	1.00000	0.00116	0.53102	0.06228	0.00580	1.60026
2006	1.00000	0.00085	0.50922	0.05687	0.00520	1.57214
2007	1.00000	0.00071	0.57112	0.04355	0.00470	1.62008
2008	1.00000	0.00000	0.55590	0.04731	0.00450	1.60771
2009	1.00000	0.00000	0.58847	0.07093	0.00430	1.66370
2010	1.00000	0.00000	0.69198	0.07682	0.00430	1.77310

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.

Source: Hdl Coren & Cone Reports

Table 8
City of Irwindale
Principal Property Taxpayers
June 30, 2010

Property Owner	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Miller Brewing Company	\$ 343,537,419	1	16.64%	225,711,870	1	20.14%
Crow Family Holdings Industril	95,760,003	2	4.64%			
Metropolitan Life Insurance Company	61,750,673	3	2.99%	84,806,689	2	7.57%
Hanson Aggregates West Inc.	45,282,696	4	2.19%			
Realty Associates Fund V LP	41,679,962	5	2.02%	33,764,268	3	3.01%
Ready Pac Produce Inc.	41,557,533	6	2.01%	22,885,322	6	2.04%
Unitek Corporation	40,029,057	7	1.94%	16,713,264	9	1.49%
Davis Wire Corporation	39,956,252	8	1.93%	23,531,775	5	2.10%
Consolidated Rock Products Company	38,084,085	9	1.84%	19,592,996	7	1.75%
California Community News Corporation	37,216,840	10	1.80%			
Vulcan Materials				29,927,675	4	2.67%
Calmat Properties				19,213,390	8	1.71%
Vision-Ease Lens Azusa Inc.				15,712,675	10	1.40%
Totals	\$ 784,854,520		38.01%	491,859,924		43.88%

Source: HDL., Coren and Cone

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

Fiscal Year Ended June 30	City Tax Levy	Redevelopment Tax Increment	Collected within the Fiscal Year of the Levy			Collection of Delinquent Taxes	Total Fiscal Year Collections	
			City Amount	Redevelopment Amount	Percentage of Levy		Amount	Percentage of Levy
2001	185,093	10,839,394	177,690	10,754,396	99.2%	122,168	11,054,254	100.3%
2002	186,038	11,743,684	178,596	11,270,493	96.0%	34,008	11,304,501	94.8%
2003	186,441	13,202,241	178,983	11,287,214	85.6%	18,845	11,306,059	84.4%
2004	188,657	14,799,697	181,110	14,488,569	97.9%	26,330	14,514,899	96.8%
2005	189,725	14,918,866	182,136	15,614,512	104.6%	23,594	15,638,106	103.5%
2006	191,403	15,311,833	132,581	15,618,265	101.6%	14,096	15,632,361	100.8%
2007	198,193	16,461,184	102,925	16,745,566	101.1%	13,345	16,758,911	100.6%
2008	200,091	17,077,772	582,841	14,992,198	90.1%	21,096	15,013,294	86.9%
2009	200,610	19,088,658	491,577	18,706,664	99.5%	42,387	18,749,051	97.2%
2010	203,934	19,791,859	351,483	20,547,838	104.5%	159	20,547,997	102.8%

NA - Information not available.

Source: Redevelopment remittance advices from LA County

Table 10
City of Irwindale
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Redevelopment Bonds		Housing Bonds		Certificates of Participation		Capital Leases		Total Primary Government		Percentage of Taxable Assessed Value		Per Capita
2001	69,985,000	20,495,000	2,005,000	106,072	92,591,072	8.29%	NM						
2002	68,775,000	20,100,000	8,400,000	70,812	97,345,812	7.99%	NM						
2003	81,660,000	19,685,000	8,090,000	63,692	109,498,692	8.34%	NM						
2004	80,285,000	23,805,000	7,770,000	45,555	111,905,555	7.78%	NM						
2005	78,375,000	22,985,000	7,440,000	26,295	108,826,295	7.27%	NM						
2006	76,380,000	25,505,000	7,100,000	9,396	108,994,396	6.81%	NM						
2007	74,720,000	24,630,000	6,750,000	2,473	106,102,473	6.15%	NM						
2008	72,420,000	23,885,000	6,390,000	-	102,695,000	5.83%	NM						
2009	70,010,000	23,110,000	6,015,000	20,476	99,155,476	5.23%	NM						
2010	67,435,000	22,300,000	5,625,000	16,051	95,376,051	4.63%	NM						

Source: City of Irwindale Note 5 to Financial Statements and Statistical Table 19.

NM - Not Meaningful, as noted in Table 14, the cities population is very small, most of the City is Commercial and Industrial businesses.

Table 11
City of Irwindale
Bonded Debt Pledged Revenue Coverage
Redevelopment Agency Tax Allocation Bonds
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Increment</u>	<u>Debt Service Principal and Interest</u>	<u>Coverage</u>
2001	10,757,147	8,170,025	1.32
2002	11,270,472	7,682,656	1.47
2003	11,287,213	10,243,491	1.10
2004	14,488,570	5,452,326	2.66
2005	15,614,612	6,693,289	2.33
2006	15,618,565	9,176,753	1.70
2007	16,745,566	10,191,522	1.64
2008	14,992,197	75,435,397	1.25 (1)
2009	17,889,505	8,729,608	2.05
2010	20,547,838	8,599,030	2.39

Source: City of Irwindale and Irwindale Community Redevelopment Financial Statements

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

(1) During FY 2006-2007, the 1996 Sr Lien Tax Allocation and 1996 Subordinate Tax Allocation Bonds were refunded and are included in the debt service total for 2007, however this is excluded from the coverage rate calculation.

Table 12
City of Irwindale
Direct and Overlapping Debt
As of June 30, 2010

	Percentage Applicable to City of Irwindale	Amount Applicable to City of Irwindale
2009-10 Assessed Valuation, Direct and Overlapping Bonded Debt		\$ 1,091,438,745
Direct Debt:		
2001 Refunding Certificate of Participation	100%	\$ 5,625,000
Overlapping Debt:		
Metropolitan Water District	0.020%	23,798
El Monte School District	2.294%	1,509,251
El Monte Union High School District	1.214%	1,579,289
Citrus Community College District	6.066%	5,024,075
Mt San Antonion Community College District	0.991%	1,771,808
Rio Hondo Community College District	0.463%	550,746
Azusa Unified School District	16.776%	4,171,886
Azusa Unified School District	16.883%	7,575,204
Baldwin Park Unified School District	6.687%	5,929,637
Covina Valley Unified School District	5.720%	5,773,346
Duarte Unified School District	11.681%	4,098,589
Monrovia Unified School District	0.985%	593,189
West Covina Unified School District	0.011%	3,644
Total Overlapping Debt		<u>38,604,462</u>
Total Direct and Overlapping Tax and Assessment Debt:		<u>\$ 44,229,462</u> (2)

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

(2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratio of Assessed Valuation:

Direct Debt %	3.34%
Overlapping Debt %	22.89%
Total Gross Debt %	26.23%

Source: Hdl Coren & Cone Reports

Table 13
City of Irwindale
Legal Debt Margin Information
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assessed valuation	\$ 1,117,350,185	\$ 1,218,785,610	\$ 1,313,256,408	\$ 1,437,812,276	\$ 1,496,454,843	\$ 1,601,225,972	\$ 1,724,541,003	\$ 1,762,801,757	\$ 1,896,739,492	\$ 2,060,854,474
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	279,337,546	304,696,403	328,314,102	359,453,069	374,113,711	400,306,493	431,135,251	440,700,439	474,184,873	515,213,619
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	41,900,632	45,704,460	49,247,115	53,917,960	56,117,057	60,045,974	64,670,288	66,105,066	71,127,731	77,282,043
Less debt applicable to the limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 41,900,632	\$ 45,704,460	\$ 49,247,115	\$ 53,917,960	\$ 56,117,057	\$ 60,045,974	\$ 64,670,288	\$ 66,105,066	\$ 71,127,731	\$ 77,282,043
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

Table 14
City of Irwindale
Demographic and Economic Statistics
Last Ten Fiscal Years*

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2000**	1,446	19,348	13,380	5.3%
2001	1,463	19,731	13,486	5.6%
2002	1,477	19,965	13,517	6.6%
2003	1,488	20,419	13,722	6.9%
2004	1,486	21,026	14,149	6.5%
2005	1,490	21,697	14,562	5.6%
2006	1,552	23,550	15,174	5.0%
2007	1,640	25,552	15,581	5.2%
2008	1,711	26,819	15,675	7.7%
2009	1,720	26,453	15,380	12.0%

* 2010 data not available.

** Decennial census data

Source: Hdl Coren & Cone Reports

Table 15
City of Irwindale
Principal Employers
Current Year

Employer	2010		
	Employees	Rank	Percentage of Total City Employment
Southern California Edison	2,100	1	8.4%
Ready Pac Produce	1,750 *	2	7.0%
MillerCoors	550	3	2.2%
Nelson Nutraceutical	475 *	4	1.9%
Mariposa Horticultural Enterprises	360	5	1.4%
Charter Communications	351	6	1.4%
Decore-Ative Specialties, Inc.	342	7	1.4%
California Community News, Inc.	301	8	1.2%
Superior Communications	300	9	1.2%
MIQ Logistics	200 *	10	0.8%
Total	6,729		26.9%
Estimated City Employment	20,000		

Note: Data for nine years ago is not available.

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

Estimated City Employment provided by Community Development Director.

* Includes contract employees

Table 16
City of Irwindale
Taxable Sales by Category
Last Ten Fiscal Years *

(in thousands of dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Apparel Stores	\$ 84	\$ 65	\$ 48	\$ 130	\$ 58	\$ 128	\$ 159	\$ 245	\$ 311	\$ 358
General Merchandise	-	-	-	-	-	77	130	1,340	1,285	451
Food Stores	690	841	(1,423)	1,153	1,445	1,920	1,542	1,790	2,841	11,789
Eating and Drinking Places	7,723	8,092	9,751	11,522	13,217	16,441	16,293	17,384	17,009	16,817
Building Materials	14,002	12,704	14,668	14,055	16,564	17,174	19,252	19,488	14,136	9,674
Auto Dealers and Supplies	5,842	3,016	2,976	4,759	5,640	4,512	14,622	10,238	10,945	6,484
Service Stations	12,939	14,359	15,616	17,159	23,234	28,055	31,599	30,447	38,581	28,289
Other Retail Stores	20,531	19,290	16,020	14,930	17,869	20,445	21,112	21,704	20,950	16,389
All Other Outlets	286,824	295,954	307,253	304,556	359,012	364,079	437,659	427,173	383,200	300,600
Total	\$ 348,635	\$ 354,321	\$ 364,909	\$ 368,264	\$ 437,039	\$ 452,831	\$ 542,368	\$ 529,809	\$ 489,258	\$ 390,851

* 2010 data not available.

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

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

Table 17
City of Irwindale
Top 25 Sales Tax Producers
June 30, 2010

2010		2001	
Business Name	Business Category	Business Name	Business Category
Ahern Rentals	Repair Shop/Hand Tools	Airgas West	Heavy Industrial Contractors
Airgas West	Heavy Industrial	All American Asphalt	Heavy Industrial
Arco	Service Stations	Applied Industrial Technologies	Service Stations
Arco AM PM Mini Mart	Service Stations	AM PM Mini Mart	Contractors
Arrowpetrol	Service Stations	B & B Redi Mix Concrete	Plumbing/Electrical Supplies
Bartley Optical Sales	Health/Medical	B & K Electric Wholesale	Boats/Motorcycles
Chaparral Concrete	Contractors	Barron/Hallet Boats	Contractors
Chem Arrow	Drugs/Chemicals	Decore Ative Specialties	Light Industrial/Printers
Decore Ative Specialties	Contractors	Digital System Technology	Electrical Equipment
Food Makers Bakery Equipment	Light Industrial/Printers	Grainger Industrial Supply	Contractors
Foothill Transit	Transportation/Rentals	Hanson Aggregates West	Heavy Industrial
Grainger Industrial Supply	Electrical Equipment	Ingersoll Rand	Service Stations
Hanson Aggregates West	Contractors	Kings Gas Market & Carwash	Farm Products/Equipment
Holiday Rock Co	Contractors	Miller Brewing	Light Industrial/Printers
Iherb	Farm Products/Equipment	National Offset Blanket	Drugs/Chemicals
L & L Building Materials	Contractors	Nion Neoco	Contractors
Matheson Tri Gas	Farm Products/Equipment	Robertsons Ready Mix	Office Supplies/Furniture
McDonalds	Petroleum Prod/Equipment	Select Copy Systems	Light Industrial/Printers
Miller Brewing	Restaurants No Alcohol	Sparkletts Drinking Water	Contractors
National Ready Mixed Concrete	Farm Products/Equipment	Spragues Rock & Sand	Contractors
Scholastic Book Fairs	Contractors	Standard Concrete Products	Contractors
Spragues Rock & Sand	Light Industrial/Printers	United Ready Mix	Contractors
United Rock Products	Contractors	United Rock Products	Contractors
Unitek	Drugs/Chemicals	Unitek	Drugs/Chemicals
Vulcan Materials	Contractors	Vulcan Materials	Contractors
Percent of Fiscal Year Total Paid by Top 25 Accounts	64.98%	Percent of Fiscal Year Total Paid by Top 25 Accounts	65.36%

Source: HdL Reports

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

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

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

Source: City of Irwindale, Finance Department, budget document

Reflects the number of positions authorized.

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

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

Function/Program	Fiscal Year		
	2008	2009	2010
Police:			
Increase in traffic enforcement citations	2801	3857	3102
DUI arrests	214	178	203
Unlicensed drivers arrested or cited	551	519	442
Vandalism Arrests	16	20	9
Stolen Vehicles	107	76	43
Robberis	11	10	9
Burglaries	102	90	72
Calls for service	25,453	23,895	21,437
Recreation:			
Number of facility rentals -	227	212	344
Number of recreation classes/programs	124	124	89
Number of special events	25	26	24
Number of field trips	40	44	35
Aquatic participants	15,782	14,355	9,447
Senior Center:			
Number of facility rentals	167	184	158
Number of classes/programs	61	78	73
Number of special events/activities	19	27	39
Number of field trips	17	20	20
Number of meals served-Nutrition program/breakfast	13,180	10,581	10,189
Library			
Adult & children programs	14	37	19
Adult & children storytimes	128	75	65
Library items added	2597	1624	2802
Learning Center tutoring hours	342	322	328
Public Works			
Street resurfacing (miles)	1.03	4.95	0.95
Sidewalk repair/replacement (sq.ft.)	-	20,447	-
Field Inspections	5 daily	5 daily	5 daily
Building & Safety			
Permits issued	455	345	363
Film Permits Issued	10	8	13
Finance			
Business Licenses issued	1,431	1,358	1,165
Account Payable checks issued	4,745	4,017	4,653
Payroll checks issued	3,962	4,095	3,825
Journal Vouchers	2,306	2,390	2,322
Purchase orders processed	1,081	944	366
Investment at year-end (in millions)	97.0	96.3	85.0
Administration			
Constituent requests for information processed	NA	88	87
Agenda Reports Submitted to Council	428	350	313
City Council Meeting Agendas Compiled	35	28	38
Resolutions (City Council)	84	77	86
Resolutions (CRA)	13	14	15
Resolutions (Housing Authority)	4	11	3
Resolutions (Reclamation Authority)	2	2	1
Ordinances	10	8	10
Contracts	NA	53	119
City Council Requests Resolved	7	7	22
Weekly Reports to City Council	49	49	50
Number of recruitment applications processed	387	126	124

Source: City of Irwindale, various departments

* Data available for years beginning FY 2007/08.

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

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

Source: City of Irwindale, various departments

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

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