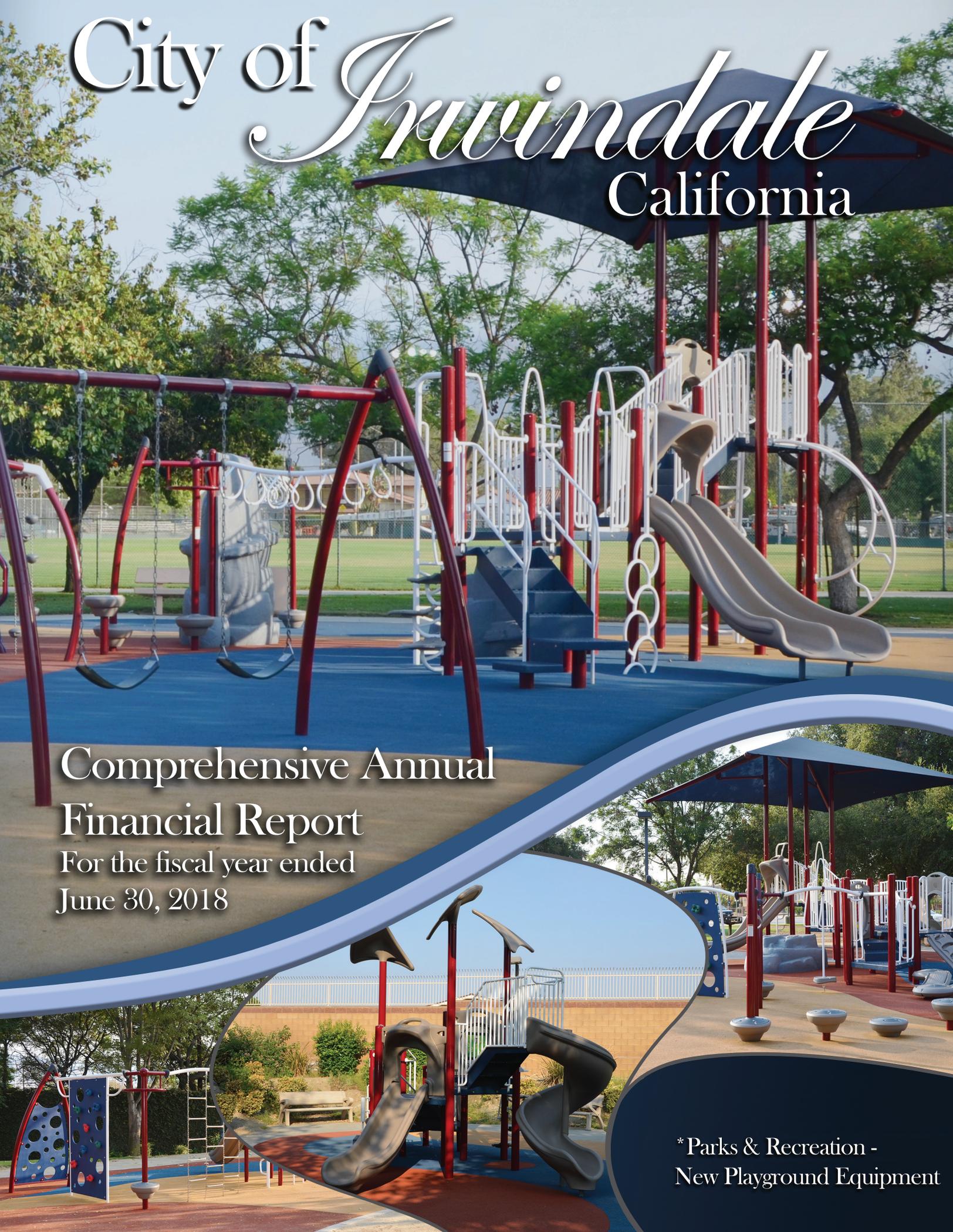


City of *Fremont* California



Comprehensive Annual
Financial Report
For the fiscal year ended
June 30, 2018

* Parks & Recreation -
New Playground Equipment

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

CITY OF IRWINDALE

CALIFORNIA



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

(At Date of Issuance)

William K. Tam, City Manager

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

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CITY OF IRWINDALE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2018

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December 28, 2018

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, 2018. The City annually issues a report on its financial position and activity, audited by an independent firm of certified public accountants. The City's Finance Department prepared this report in accordance with generally accepted accounting principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB) and other sources. This CAFR conforms to GASB Statement 34 financial reporting standards, providing the reader a dual-perspective financial report, GASB 54 which requires fund balance reporting and governmental fund type definitions, and GASB 68 which requires additional detailed financial information on the City's pension liabilities. The CAFR this year also includes the implementation of GASB 75, which replaced GASB 45, and requires additional detailed information on the City's other post-employment benefit liabilities. 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 and disclosures rests with the City. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse, and to compile sufficient reliable information for the presentation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. Also, all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Lance Soll & Lunghard, LLP, Certified Public Accountants, have issued an unmodified opinion on the City of Irwindale's financial statement for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The City of Irwindale was incorporated in 1957 and is located in the center of the San Gabriel Valley which is just 20 miles east from downtown Los Angeles. The City is located at the confluence of the 605 and 210 freeways, providing an enviable location which attracts many large, well known and successful businesses. The City of Irwindale currently occupies a land area of about 9.5 square miles and serves a population of about 30,000 during the business day and approximately 1,450 that reside in the City.



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

The City of Irwindale operates under the Council-Manager form of government with a five-member council, elected at large by the city residents. The City Council acts as the legislative body of the City. City Council members appoint the City Manager and City Attorney. City Council members serve four-year terms with elections staggered every two years. The Mayor and Mayor Pro-Tem are chosen by the Council to serve as the presiding officers. 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 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, and recreation programs); parks; general and administrative services. The City is financially accountable for the successor agency to the former redevelopment agency, a housing authority, and a 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, and division. Department heads may transfer resources within a department as needed and available, and the City Manager has authority to transfer resources within an individual fund. Supplemental appropriations and transfers between funds require approval from the governing body.

REPORTING ENTITY

The California Supreme Court upheld Assembly Bill 1X 26 that provided for the dissolution of all redevelopment agencies in the State of California as of February 1, 2012. This action impacted the reporting entity of the City of Irwindale that previously reported a redevelopment agency

within the reporting entity of the City as a blended component unit. On January 11, 2012, the City Council elected the City to become the Successor Agency to the former Irwindale Community Redevelopment Agency in accordance with Assembly Bill 1X 26. Additional information on the dissolution is included in Note 12 of the Notes to the Financial Statements.

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

ECONOMIC CONDITION AND OUTLOOK

Economic conditions both at the national and state levels have reflected a positive outlook in the past recent years. California has the advantage of a large and growing population. This increasing population ensures a stable, underlying demand for housing and consumer goods, at least during non-recessionary times. It is anticipated that this demand will continue to sustain residential construction and retail sales tax revenues for continued improved conditions for consumers and the economic outlook.

The City's local economy has also benefitted from the stabilized economy in recent years, as evidenced by the steady increases in the City's tax revenues over prior years. The City's main tax revenues come from sales taxes, mining taxes and utility users' taxes. Sales taxes are primarily derived from the City's commercial and industrial business sectors, as the City does not have a large retail base. The commercial and industrial sectors are projected to remain stable. The City's mining operators have also projected increased activity in recent years, resulting in increased mining tax revenues.

Economic development projects that have been completed, or are in progress, have also contributed to the City's increasing revenue base. These projects include the commencement of mining operations at the Olive Pit, and the development of several new industrial park developments located on previous Successor Agency properties, and the development of a large new Kaiser Permanente Medical Facility.

LONG-TERM FINANCIAL PLANNING

The City has adopted a fund balance policy in compliance with Governmental Accounting Standards Board Statement No. 54. The assigned and unassigned fund balances in the General Fund total approximately \$30.1 million, which equates to 152% of the General Fund operating expenditure budget adopted for the next fiscal year. These reserves are assigned, or set aside, for several purposes, including post-retirement benefits, compensated absences, continuing appropriations, and economic contingencies.

The City is continuing its concerted efforts in economic development. The City's Economic Strategic Plan update will be completed in FY 2018-19, and will outline the City's best course of long-term economic strategies to create a sustainable stream of new revenues, while maximizing and leveraging development opportunities. The City has not entered into, nor currently plans to enter into, any tax abatement agreements as part of its economic development strategies.

Some of the priority near-term and long-term development opportunities include:

- A Materials Recovery Facility/Transfer Station on a 17-acre site;
- Industrial Flex development: Arrow Highway Property;
- Industrial/housing development of the Manning Pit;
- Retail/commercial/industrial development of the Vulcan Pit;
- Retail/commercial/industrial development of the North Kincaid Pit;

CONSTRUCTION IN PROGRESS (CIP)

The City of Irwindale continues to complete infrastructure projects to improve services to residents and visitors to Irwindale. Funding for CIP is primarily from sources other than the General Fund. Project funding sources typically include the Special Mining Fund, State Gas Tax, Proposition C, Measure R, Measure M, Community Development Block Grants, and Federal/State grants or developer contributions.

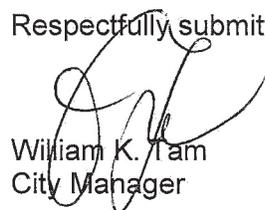
During FY 2017-18, the City of Irwindale spent approximately \$2.5 million in infrastructure and capital improvements. The projects completed include the Olive Pit Block Wall, Storm Drain Improvements, Cypress Street Traffic Improvements, and the FY 2016-17 Resurfacing Project. A total of \$6.9 million has been appropriated for capital projects in prior years for approved multi-year projects that are currently underway or in the design stage. Additionally, another \$1.1 million in new capital project appropriations have been included in the FY 2018-19 adopted budget.

AWARDS AND ACKNOWLEDGEMENTS

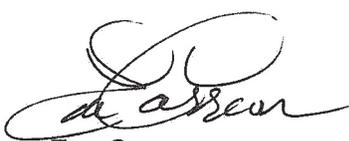
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Irwindale for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This was the eighth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles, applicable legal requirements, and implementation of the latest Governmental Accounting Standards Board (GASB) pronouncements. Management believes the CAFR of the current year continues to meet the program requirements.

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

Respectfully submitted,



William K. Tam
City Manager



Eva Carreon
Director of Finance/City Treasurer

CITY OF IRWINDALE
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2018

ELECTED OFFICIALS

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

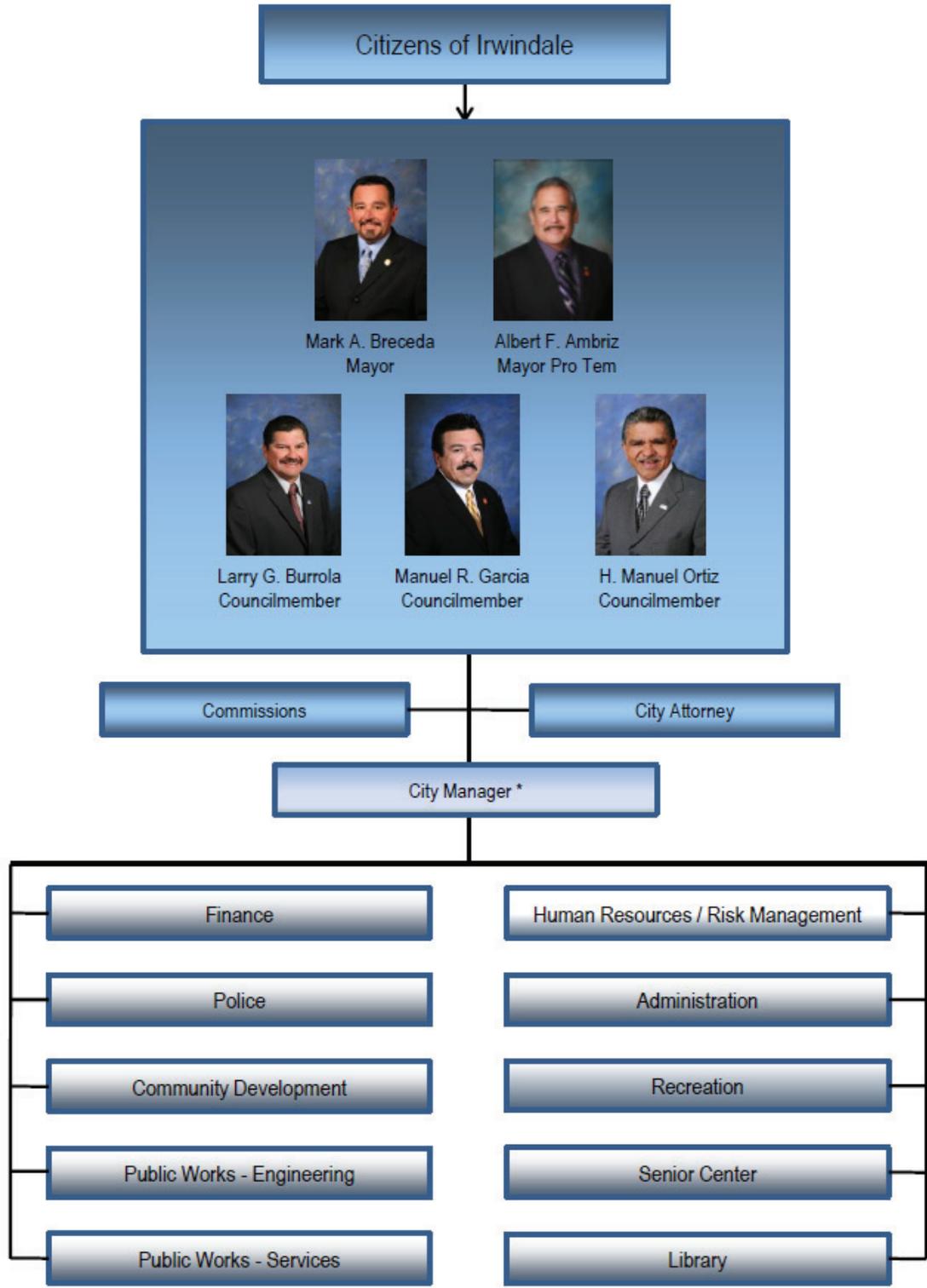
EXECUTIVE MANAGEMENT

City Manager	William K. Tam
Chief of Police	Ty Henshaw
City Engineer/Building Official	Arsanious Hanna
Director of Finance/City Treasurer	Eva Carreon
Chief Deputy City Clerk	Laura Nieto

CITY ATTORNEY

Fred Galante, Aleshire & Wynder, LLP

**CITY OF IRWINDALE
ORGANIZATION CHART
June 30, 2018**



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Irwindale
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Irwindale, California, (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Irwindale, California, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2018 the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the General Fund, Housing Authority, and Special Mining Tax special revenue funds, the schedule of proportionate share of the net pension liability, the schedule of plan contributions, the schedule of changes in net pension liability and related ratios, the schedule of investment returns, the schedule of changes in net OPEB liability and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Emphasis of Matter

The adoption of the Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* required retrospective application of previously reported net position and reclassification of certain accounts as of July 1, 2017 as described in Note 11 to the basic financial statements. In addition, Net OPEB Liability is reported in the Statement of Net Position in the amount of \$9,740,833 as of the measurement date. The City hired a qualified actuary to evaluate the Net OPEB Liability as of the measurement date as required by GASB Statement No. 75. The Net OPEB Liability is calculated by actuaries using estimates and actuarial techniques from actuarial valuation as of June 30, 2017. The actuary applied the Section 3.7.7(c)(4) of the ASOP No. 6, as revised, and determined age-adjusted rates are not necessary and therefore, the Implicit Rate Subsidy is not applicable in calculating the total projection of benefits payments. Our opinion is not modified with respect to this matter.

Other Information

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



CPAs AND ADVISORS

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea California
December 28, 2018

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MANAGEMENT DISCUSSION AND ANALYSIS

This section of the City of Irwindale's Comprehensive Annual Financial Report (CAFR) presents management's discussion and analysis of the City's performance during the fiscal year that ended June 30, 2018. This analysis should be read in conjunction with the Transmittal Letter at the front of this report and the accompanying financial statements.

FINANCIAL HIGHLIGHTS

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

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the fiscal year by \$134.6 million.
- The City's total net position decreased by \$4.1 million. This decrease is primarily due to the newly implemented GASB 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", which required the City's OPEB liability to be included in the financial report. The City's OPEB Liability listed is \$9.7 million.
- The City's non-current liabilities include \$2.9 million of outstanding debt, \$23.1 million in pension liabilities, and \$9.7 million in OPEB liabilities.
- The City's governmental funds reported a combined fund balance of \$91.2 million.

Short-Term Financial Resource (Fund) Focus - The financial resources focus measures inflows of current spendable assets. The resulting net difference between current financial assets and 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 \$91.2 million, which represents a decrease of \$6.2 million from the previous year. Approximately \$30.1 million are fund balances assigned for specific purposes and may be modified as deemed appropriate. The purposes for which these fund balances have been assigned include economic contingency, retirement benefits, compensated absences and continuing appropriations. As fund balances continue to recover in coming years, additional purposes to be assigned will include capital projects, capital assets and infrastructure replacement.
- The General Fund reported a total fund balance of \$39 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

Government-wide financial statements. The Government-wide Financial Statements are intended to provide a "Big Picture" view of the City as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the City's assets (including non-spendable assets like streets and roads) and liabilities (including long-term liabilities that

may be paid over many years). All of the current year revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

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

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

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

The City utilizes two categories of funds:

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

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

The City of Irwindale maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the

Housing Authority, and the Special Mining Tax Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Fiduciary Funds – The City utilizes Fiduciary Funds to account for assets held by the City in a trustee capacity, or as an agent for other governmental entities, private organizations, or individuals. All of the City’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City’s Government-wide Financial Statements because the City cannot use these assets to finance its operations. Upon dissolution of the Irwindale Community Redevelopment Agency effective February 1, 2012, the remaining balances of the agency’s assets and obligations were transferred to a private purpose trust fund which accounts for all the financial transactions of the Successor Agency to the former Irwindale Community Redevelopment Agency.

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

Supplementary Information – In addition to the required elements of the Basic Financial Statements, we have also included a Supplementary Information section, which includes budgetary and combining schedules that provide additional details about the City’s non-major Governmental Funds and Fiduciary Funds. The supplementary information also includes additional pension liability information pursuant to the implementation of GASB 68--Accounting and Financial Reporting for Pensions, as well as the implementation of GASB 75--Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The net position serves over time as a useful indicator of a government’s financial position. The City’s net position for the year ended June 30, 2018, as shown in the following table, were \$134.6 million.

City of Irwindale Net Position at June 30, 2018 and 2017 (in Thousands)

	Governmental Activities	
	2018	2017
Current and other assets	\$ 111,293	\$ 113,325
Capital assets	52,693	51,659
Total assets	<u>163,986</u>	<u>164,984</u>
Deferred Outflows of Resources	<u>14,471</u>	<u>4,758</u>
Long-term debt outstanding	2,859	22,224
Pension & OPEB liabilities	32,815	-
Other liabilities	6,215	6,451
Total liabilities	<u>41,889</u>	<u>28,675</u>
Deferred Inflows of Resources	<u>1,992</u>	<u>2,435</u>
Net Position:		
Net investment in capital assets	51,120	49,601
Restricted	52,235	57,817
Unrestricted	31,221	31,214
Total net position	<u>\$ 134,576</u>	<u>\$ 138,632</u>

Net Investment in Capital Assets – This component represents 38% of Net Position and represents the amount of funds required to acquire the City’s capital assets, less any related debt used for such acquisition that is still outstanding. The City uses these capital assets to provide services to citizens. The capital assets of the City are not sources of income for repayment of debt as most assets are not revenue generating, and generally are not liquidated to repay debt. Therefore, debt service payments are funded from other sources available to the City.

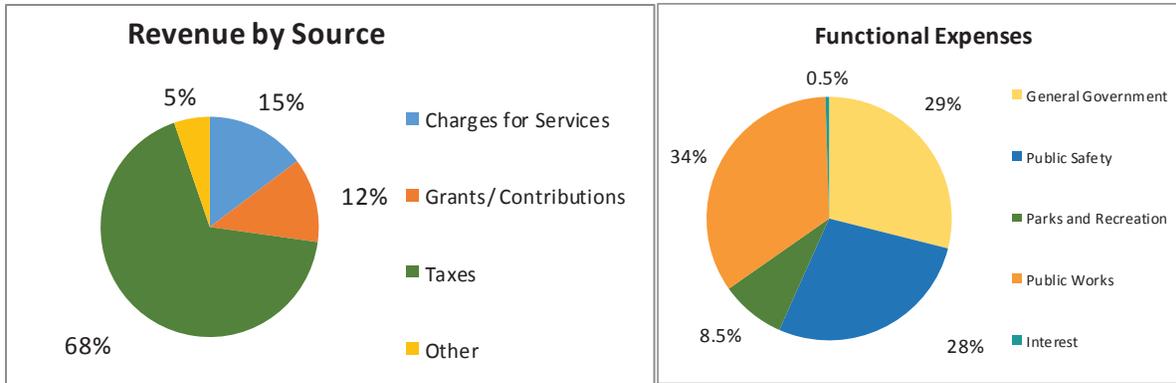
Restricted Assets – An additional portion of the City’s net position, \$52.2 million, represents resources that are subject to external restrictions on how they may be used, which include capital projects, debt service, grants, etc.

Overall the City’s net position decreased \$4.1 million during the current fiscal year. This decrease is primarily due to the newly implemented GASB 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”, which requires the City’s OPEB liability to be included in the financial report.

Statement of Activities - The following is a condensed Statement of Activities for the fiscal years ended June 30, 2018 and 2017.

City of Irwindale – Statement of Activities
(Changes in Net Position) as of June 30, 2018 and 2017 (in Thousands)

	2018	2017
Revenues		
Program revenues:		
Charges for services	\$ 4,499	\$ 2,188
Operating contributions and grants	473	837
Capital contributions and grants	3,291	5
Total program revenues	8,263	3,030
General revenues:		
Taxes:		
Property taxes	2,258	1,925
Mining/Processing taxes	7,089	6,292
Sales taxes	4,220	3,938
Franchise taxes	1,410	1,348
Business License taxes	1,237	1,235
Utility Users' Tax	3,873	3,601
Other taxes	414	426
Motor vehicle in lieu	139	130
Use of money and property	599	600
Other	869	8,651
Special Item-Gain on Sale of Land	0	4,573
Total general revenues	22,108	32,719
Total revenues	30,371	35,749
Expenses		
General government	7,288	13,737
Public safety	7,104	6,360
Parks and recreation	2,147	2,776
Public works	8,616	8,458
Interest on long-term debt	122	127
Total expenses	25,277	31,458
Change in net position	\$ 5,094	\$ 4,291
Net position at beginning of year	138,632	134,341
Restatement of Net Position	(9,150)	0
Net position at end of year	\$ 134,576	\$ 138,632



Governmental Activities – The City reported program revenues of \$8.3 million and general revenues of \$22.1 million.

Program Revenues show an increase of \$5.2 million over the prior year, however \$3 million of this increase is due to a reclassification of revenue previously categorized as Other Revenue, rather than an actual increase. Therefore, \$3 million in revenue is now properly categorized as Capital Contributions and Grants. The City did experience greater than normal building activity, and therefore realized an actual increase in program revenue of \$1.2 million (40%) related to building activity revenues. During FY 2017-18, a new Kaiser Permanente Medical Facility was developed in the City which accounted for the majority of this building revenue.

Excluding changes due to the reclassification of revenue categories mentioned in the Program Revenues, and the prior year’s one-time extraordinary items, General Revenues actually increased approximately \$2 million (10%) over prior year general revenues. This increase is due to overall higher revenues in all major tax revenue categories as a result of the improved economy.

The total decrease in expenses from the prior year was \$6.2 million. This decrease is primarily attributed to a one-time extraordinary legal settlement payment of \$5.5 million made in FY 2016-17.

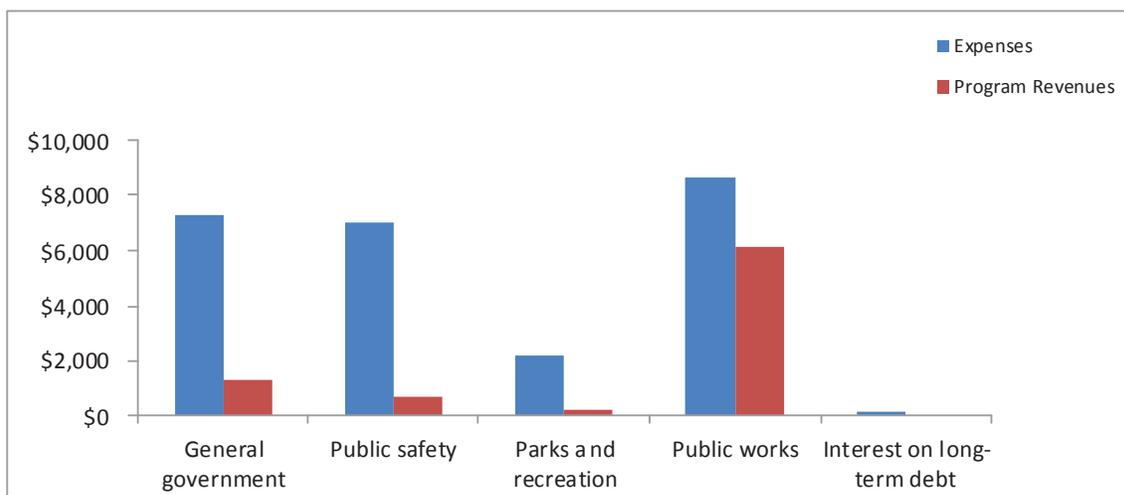
Each programs’ net cost (total cost less revenues generated by the activities) is presented in the table below. The net cost shows the extent to which the City’s general taxes support each of the City’s programs.

**City of Irwindale
Governmental Activities as of June 30, 2018 and 2017
(in Thousands)**

	Program Expenses		Program Revenues		Net Cost of Services	
	2018	2017	2018	2017	2018	2017
General government	\$ 7,288	\$ 13,737	\$ 1,270	\$ 102	\$ (6,018)	\$ (13,635)
Public safety	7,104	6,360	682	645	(6,422)	(5,715)
Parks and recreation	2,147	2,776	198	552	(1,949)	(2,224)
Public works	8,616	8,458	6,113	1,731	(2,503)	(6,727)
Interest on long-term debt	122	127	-	-	(122)	(127)
Totals	\$ 25,277	\$ 31,458	\$ 8,263	\$ 3,030	\$ (17,014)	\$ (28,428)

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, 2018
(in thousands)



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of the end of the current fiscal year, the City of Irwindale's governmental funds reported combined ending fund balances of \$91.2 million. Of this balance, 10% is nonspendable for prepaid costs, land held for resale, notes and loans, and advances to other funds; 57% is legally restricted to fund functions and programs such as low and moderate housing projects, public safety, community services, public works and debt service; 33% is assigned to continuing appropriations for capital projects, compensated absences, post retirement benefits and economic contingency. These designations have been made to provide resources for the City's future needs and liabilities.

The General Fund ended the year with a \$39 million fund balance, which reflects a net decrease of \$820,700 from the prior fiscal year. The General Fund reflects a decrease because, although the City realized higher tax and building related revenues, this higher revenue was offset by an extraordinary large payment of \$5.5 million (of a total \$7 million payment) made to pay down the City's California Public Employee Retirement System (CalPERS) Unfunded Actuarial Liability.

Assigned fund balances are established for specific intended purposes and can be modified as deemed appropriate. As a measure of the general fund's liquidity, it may be useful to compare the assigned fund balance to both the total fund balance and total general fund expenditures. The assigned fund balance totals \$30.1 million, which represents 77% of the total general fund balance of \$39 million and 123% of total FY 2017-18 general fund expenditures totaling \$24.5 million. These fund balance amounts represent continued efforts by the City of Irwindale to remain fiscally conservative and ensure that the City maintains adequate reserves to cover economic contingencies, future employee obligations, and future capital improvement and infrastructure needs.

The Special Mining Fund ended the fiscal year with \$19.5 million in its fund balance, a net decrease of \$1.5 million from prior year. The decrease is due to an extraordinary large payment of \$1.5 million (of a total \$7 million payment) made to pay down the City's California Public Employee Retirement System (CalPERS) Unfunded Actuarial Liability. This payment represents the Special Mining Fund's allocation of this liability.

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Irwindale that previously reported a redevelopment agency within the reporting entity of the City as a blended component unit. Upon dissolution of the Irwindale Community Redevelopment Agency effective February 1, 2012, the remaining balances of the assets and obligations were transferred to a private purpose trust fund, which accounts for all the financial transactions of the Successor Agency to the former Irwindale Community Redevelopment Agency. Additional information on the Successor Agency is included in Note 12 of the Notes to the Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original appropriations for the General Fund included total revenue estimates of \$25.1 million and total expenditure appropriations of \$19.5 million. At year end, the revised revenue estimates reflected a total of \$25.8 million and the expenditure appropriations totaled \$28.6 million. The changes to the General Fund budget are summarized below:

Changes to Original Budget:

Resources (Inflows)—

- Revenue estimates reflect an overall increase of \$748,000 to the original revenue budget.
- This increase is comprised of revenue estimate adjustments of \$580,000 made during the annual mid-year review as a result of sales tax and business license tax revenue tracking higher than originally estimated.
- The remaining \$168,000 increase consists of carried forward grant revenue estimates related to continuing capital projects.

Appropriations (Outflows)—

- Expenditure appropriations reflect an overall increase of \$9.1 million to the original budget.
- The majority of this increase is attributed to a \$5.5 million additional appropriation approved by the City Council to make a lump sum payment towards the City's California Public Employee Retirement System (CalPERS) Unfunded Actuarial Liability balance.
- The City also finalized labor negotiations and a comprehensive classification and compensation study which required an additional appropriation of \$800,000 to fulfill all contracts with the City's employee associations.
- Another \$1.6 million is attributed to appropriations carried forward for the City's multi-year capital improvement program.
- Additional appropriations totaling approximately \$1.2 million were also approved by the City Council throughout the fiscal year for various capital expenditures, which included new playground equipment for all City parks, a new Electronic Content Management System, Council Chamber improvements and Pool Facility Improvements.

Variances with Final Budget:

Resources (Inflows)—

- The General Fund revenue final budget totaling \$25.8, includes a one-time sale of property revenue estimate of \$4.3 million. Excluding this one-time item, the net revenue final budget is \$21.5 million. This sale did not take place in FY 2017-18 after all.
- Actual General Fund revenues totaled \$24.3 million, and this resulted in a positive variance of \$2.8 million. This positive variance is primarily due to all major tax revenues coming in higher than estimated by \$1.4 million. Another \$1.2 million in higher revenue is attributed to increased building related revenue primarily due to the development of a new Kaiser Permanente Medical Facility.

Appropriations (Outflows)—

- The General Fund expenditure final budget totaled \$28.6 million.
- Actual expenditures totaled \$25.1 million, resulting in a positive variance \$3.5 million in expenditures coming in under budget.
- This variance is partially attributed to concerted efforts by the City in controlling costs to minimize the general fund operating costs wherever possible. Additionally, the City's insurance costs came in under budget by approximately \$500,000.
- Approximately \$2.2 million of this variance attributed to deferred capital projects and purchases, which were budgeted, but either not started or finished in FY 2017-18. The budgets for these capital projects and purchases will be carried forward to Fiscal Year 2018-19 for project continuation and completion.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2018-19, the City had \$52.7 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 approximately \$1 million from last year.

City of Irwindale
Capital Assets as of June 30, 2018 and 2017
(Net of Depreciation, in Thousands)

	Government Activities	
	2018	2017
Land	\$ 3,112	\$ 2,959
Buildings and Improvements	1,715	1,842
Furniture and Equipment	994	1,030
Infrastructure	40,721	41,072
Construction in progress	6,151	4,756
Totals	<u>\$ 52,693</u>	<u>\$ 51,659</u>

The overall increase is due to an overall increase in Construction in Progress of \$2.6 million, less accumulated depreciation of \$1.8 million for Infrastructure assets. Additional detail on Capital Assets can be found in Note 5 of the Notes to the Financial Statements.

Long-Term Debt

At the end of the current fiscal year, the City of Irwindale had total outstanding debt of \$2.9 million for outstanding indebtedness and accrued employee benefits.

City of Irwindale Outstanding Debt as of June 30, 2018 and 2017 (in Thousands)

	<u>2018</u>	<u>2017</u>
2013 Lease Revenue Bonds	\$ 1,621	\$ 2,117
Accrued Employee Benefits	1,238	1,086
Claim Settlement	<u>-</u>	<u>366</u>
Totals	<u>\$ 2,859</u>	<u>\$ 3,569</u>

The total Outstanding Debt decreased by \$710,000. This decrease is due to the final payoff of the outstanding claim settlement from the prior year and the scheduled debt service payment for the 2013 Lease Revenue Bonds. Additional detail on the City's long-term debt can be found in Note 6 of the Notes to the Financial Statements.

FACTORS EFFECTING NEXT YEAR'S BUDGET

The City's Fiscal Year 2018-19 Adopted Budget includes projected operating General Fund revenues of \$20.4 million. Over the past couple of fiscal years, the City has benefitted from the economic recovery by realizing a slow and steady increase in tax revenues, primarily in Sales Taxes, Mining Taxes and Utility User's Taxes. The FY 2018-19 revenue estimates are projected to remain at these stabilized levels.

This budget also includes an operating General Fund expenditure budget of \$19.8 million, which reflects an increase of \$1.3 million over the FY 2017-18 adopted operating expenditure budget of \$18.5 million. This increase is primarily attributed to increased personnel costs. During FY 2017-18, the City finalized labor negotiations with all three of its employee bargaining units. The new Memorandum of Understanding (MOU) agreements included not only salary adjustments based on a comprehensive compensation study, but also a 2% cost of living adjustment for all employee groups. Additionally, this budget includes increases for employer pension rates which increased for all CalPERS pension plans, as well as increase in all health insurances.

The rising rate of pension costs and Unfunded Actuarial Liability (UAL) is one of the most concerning challenges facing all cities throughout California. As listed in the Statement of Net Position included in this financial report, City's current net pension liability is \$23 million. This amount consists of the CalPERS net liability of approximately \$21 million, and the PARS Retirement Enhancement Program net liability of approximately \$2 million. Also listed is the OPEB net liability required by the new GASB 75, listed at \$9.7 million. These pension and post retirement net liabilities have been increasing at a very rapid pace, and are projected to create extreme challenges for the City's financial future. Therefore, on June 27, 2018, the City Council approved a CalPERS Unfunded Actuarial Liability 3-Year Pay Down Plan. This pay down plan consists of making three annual payments of \$7,000,000 to eliminate the City's UAL after three years. The first of three \$7 million payments was made on June 28, 2018.

It should be noted that the \$21 million CalPERS UAL amount included as part of the \$23 million pension liability in the Statement of Net Position, is based on CalPERS's actuarial valuation reports as of June 30, 2017. This amount does not reflect the \$7 million payment toward this pension liability made during FY 2017-18. Therefore, the net pension liability as of June 30, 2018 is actually \$14 million. Another \$7 million payment will be made in FY 2018-19, and the third \$7 million payment will be made in FY 2019-20.

The City of Irwindale is fortunate to have maintained healthy General Fund Balance reserves, which currently includes assigned and unassigned fund balances totaling \$30.1 million as of June 30, 2018. Per the City's adopted Fund Balance Policy, an Economic Contingency Reserve is required to be maintained at \$5 million, and the remaining \$25.0 million General Fund reserves are assigned for other functions, such as pension and post-retirement benefits, compensated absences and continuing appropriations.

The City's strong General Fund reserves provide the City Council and City Staff the time and opportunity to work strategically to address any current and future financial challenges. This has enabled the City Council to avoid making drastic cuts that would have devastating consequences for its residents and employees, such as cuts in programs and services or forced lay-offs.

Although the City has adopted a balanced budget for FY 2018-19, the City will continue to focus on cost reduction measures and revenue enhancement strategies wherever possible to offset future budget challenges. In FY 2018-19, the City adopted Development Impact Fees, as well as updated its Schedule of Fees and Charges to assure it will collect the appropriate General Fund revenues to cover the cost of providing services to the public.

Additionally, the City will continue to place concentrated efforts on economic development projects aimed at generating on-going revenue increases for the City. As part of this effort, the City will update its Economic Strategic Plan and finalize a Long Term Financial Plan during FY 2018-19.

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 (626) 430-2200, and at the City of Irwindale, 5050 North Irwindale Avenue, Irwindale, California, 91706.

CITY OF IRWINDALE

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
Assets:	
Cash and investments	\$ 70,538,690
Receivables:	
Accounts	1,528,597
Taxes	3,323,067
Notes and loans	14,867,540
Accrued interest	163,492
Prepaid costs	65,986
Due from other governments	17,652
Advances to Agency Fund	150,575
Land held for resale	20,636,557
Restricted assets:	
Cash with fiscal agent	730
Capital assets not being depreciated	9,263,451
Capital assets, net of depreciation	<u>43,429,980</u>
Total Assets	<u>163,986,317</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	47,375
Deferred pension related items	13,552,883
Deferred OPEB related items	<u>870,790</u>
Total Deferred Outflows of Resources	<u>14,471,048</u>
Liabilities:	
Accounts payable	1,933,432
Accrued liabilities	395,002
Accrued interest	15,295
Unearned revenue	2,042,715
Deposits payable	1,828,319
Noncurrent liabilities:	
Due within one year	1,087,077
Due in more than one year	1,772,077
Net pension liability	23,073,791
Net OPEB liability	<u>9,740,833</u>
Total Liabilities	<u>41,888,541</u>
Deferred Inflows of Resources:	
Deferred pension related items	<u>1,992,231</u>
Total Deferred Inflows of Resources	<u>1,992,231</u>
Net Position:	
Net investment in capital assets	51,120,018
Restricted for:	
Housing activities	22,052,482
Public safety	400,881
Capital projects	29,781,088
Debt service	730
Unrestricted	<u>31,221,394</u>
Total Net Position	<u>\$ 134,576,593</u>

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CITY OF IRWINDALE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position Primary Government	
	Expenses	Charges for Services	Operating Contributions and Grants		Capital Contributions and Grants
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	\$ 7,288,404	\$ 994,225	\$ 83,004	\$ 192,875	\$ (6,018,300)
Public safety	7,104,410	517,901	163,828	-	(6,422,681)
Parks and recreation	2,147,371	135,159	62,800	-	(1,949,412)
Public works	8,615,524	2,851,874	163,688	3,097,918	(2,502,044)
Interest on long-term debt	121,752	-	-	-	(121,752)
Total Governmental Activities	25,277,461	4,499,159	473,320	3,290,793	(17,014,189)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					2,257,962
Mining/processing taxes					7,088,995
Sales taxes					4,220,157
Franchise taxes					1,410,694
Business licenses taxes					1,236,833
Utility users tax					3,873,263
Other taxes					413,519
Motor vehicle in lieu - unrestricted					138,747
Use of money and property					599,074
Other					869,325
Total General Revenues					22,108,569
Change in Net Position					5,094,380
Net Position at Beginning of Year, as Originally Reported					138,632,487
Restatement of Net Position					(9,150,274)
Net Position at Beginning of Year, as Restated					129,482,213
Net Position at End of Year					\$ 134,576,593

CITY OF IRWINDALE

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Housing Authority</u>	<u>Special Mining Tax</u>
Assets:			
Pooled cash and investments	\$ 35,052,840	\$ 6,335,149	\$ 18,426,039
Receivables:			
Accounts	1,300,273	-	55,816
Taxes	2,215,179	-	1,104,872
Notes and loans	7,205	12,799,729	2,060,606
Accrued interest	69,064	37,003	36,300
Prepaid costs	65,986	-	-
Due from other governments	17,652	-	-
Advances to Agency Fund	150,575	-	-
Due from other funds	35,043	-	-
Advances to other funds	-	3,837,790	-
Land held for resale	8,646,065	11,990,492	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
Total Assets	<u>\$ 47,559,882</u>	<u>\$ 35,000,163</u>	<u>\$ 21,683,633</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 1,081,784	\$ 30,762	\$ 610,904
Accrued liabilities	366,742	-	26,329
Unearned revenues	1,204,404	-	838,311
Deposits payable	1,127,844	-	700,475
Due to other funds	-	-	-
Advances from other funds	3,837,790	-	-
Total Liabilities	<u>7,618,564</u>	<u>30,762</u>	<u>2,176,019</u>
Deferred Inflows of Resources:			
Unavailable revenues	959,291	12,916,919	-
Total Deferred Inflows of Resources	<u>959,291</u>	<u>12,916,919</u>	<u>-</u>
Fund Balances:			
Nonspendable:			
Prepaid costs	65,986	-	-
Land held for resale	8,646,065	-	-
Notes and loans	7,205	-	-
Advances to Agency Fund	150,575	-	-
Restricted for:			
Housing activities	-	22,052,482	-
Public safety - police activities	-	-	-
Public works	-	-	19,507,614
Debt service	-	-	-
Assigned to:			
Continuing appropriations	490,100	-	-
Compensated absences liability	1,238,400	-	-
Post Retirement Benefits	23,300,000	-	-
Economic contingency	5,083,696	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>38,982,027</u>	<u>22,052,482</u>	<u>19,507,614</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 47,559,882</u>	<u>\$ 35,000,163</u>	<u>\$ 21,683,633</u>

CITY OF IRWINDALE

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Other Governmental Funds	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 10,724,662	\$ 70,538,690
Receivables:		
Accounts	172,508	1,528,597
Taxes	3,016	3,323,067
Notes and loans	-	14,867,540
Accrued interest	21,125	163,492
Prepaid costs	-	65,986
Due from other governments	-	17,652
Advances to Agency Fund	-	150,575
Due from other funds	-	35,043
Advances to other funds	-	3,837,790
Land held for resale	-	20,636,557
Restricted assets:		
Cash and investments with fiscal agents	730	730
Total Assets	\$ 10,922,041	\$ 115,165,719
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 209,982	\$ 1,933,432
Accrued liabilities	1,931	395,002
Unearned revenues	-	2,042,715
Deposits payable	-	1,828,319
Due to other funds	35,043	35,043
Advances from other funds	-	3,837,790
Total Liabilities	246,956	10,072,301
Deferred Inflows of Resources:		
Unavailable revenues	26,479	13,902,689
Total Deferred Inflows of Resources	26,479	13,902,689
Fund Balances:		
Nonspendable:		
Prepaid costs	-	65,986
Land held for resale	-	8,646,065
Notes and loans	-	7,205
Advances to Agency Fund	-	150,575
Restricted for:		
Housing activities	-	22,052,482
Public safety - police activities	400,881	400,881
Public works	10,273,474	29,781,088
Debt service	730	730
Assigned to:		
Continuing appropriations	-	490,100
Compensated absences liability	-	1,238,400
Post Retirement Benefits	-	23,300,000
Economic contingency	-	5,083,696
Unassigned	(26,479)	(26,479)
Total Fund Balances	10,648,606	91,190,729
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,922,041	\$ 115,165,719

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CITY OF IRWINDALE

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Fund balances of governmental funds		\$ 91,190,729
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		
Capital Assets	\$ 85,538,390	
Accumulated Depreciation	<u>(32,844,959)</u>	52,693,431
Governmental funds report all OPEB contributions as expenditures, however, the OPEB liability has a measurement date of June 30, 2017, and contributions made subsequent to the measurement date are reclassified as deferred OPEB contributions.		
		870,790
Deferred outflows of resources relate to:		
Contributions made after the measurement date - PERS	8,730,162	
Changes in assumptions	3,256,767	
Difference due to expected and actual experiences - PERS	124,490	
Net difference between projected and actual earnings on plan investments	723,447	
Miscellaneous adjustment due to differences in proportions - PERS	249,671	
PARS changes of assumptions	393,039	
PARS net difference between projected and actual earnings	<u>75,307</u>	13,552,883
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Lease Revenue Refunding Bonds	(1,620,788)	
Unamortized loss on defeasance	47,375	
Compensated Absences	<u>(1,238,366)</u>	(2,811,779)
Governmental funds report all pension contributions as expenditures, however, in the statement of net position, the excess of the plan proportionate share of the total pension liability over the proportionate share of the plan fiduciary net position is reported as a net pension liability.		
California Public Employees' Retirement Plan (PERS)	(20,359,966)	
PARS net pension liability	<u>(2,713,825)</u>	(23,073,791)
Governmental funds report all OPEB contributions as expenditures, however, in the statement of net position, the excess of the total OPEB liability over the plan fiduciary net position is reported as a net OPEB liability.		
		(9,740,833)
Deferred inflows of resources relate to:		
Changes in assumptions	(249,093)	
Difference between expected and actual experiences	(218,769)	
Difference in proportionate share of contribution	(391,506)	
Adjustment due to differences in proportions	(835,764)	
PARS differences between expected and actual experiences	<u>(297,099)</u>	(1,992,231)
Accrued interest payable for the current portion of interest due on the Lease Revenue Refunding Bonds has not been reported in the governmental funds.		
		(15,295)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		
		<u>13,902,689</u>
Net Position of Governmental Activities		<u>\$ 134,576,593</u>

CITY OF IRWINDALE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Housing Authority</u>	<u>Special Mining Tax</u>
Revenues:			
Taxes	\$ 16,430,486	\$ -	\$ 3,897,851
Licenses and permits	1,715,887	-	-
Intergovernmental	44,766	-	16,628
Charges for services	1,517,298	-	-
Use of money and property	432,215	117,790	30,853
Fines and forfeitures	305,749	-	-
Contributions	37,550	-	-
Miscellaneous	2,051,993	-	24,177
Total Revenues	22,535,944	117,790	3,969,509
Expenditures:			
Current:			
General government	7,837,010	4,927,011	92,387
Public safety	9,875,375	-	-
Parks and recreation	1,862,459	-	-
Public works	3,633,137	-	3,840,773
Capital outlay	1,260,806	1,175	782,277
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	49,676	-	-
Total Expenditures	24,518,463	4,928,186	4,715,437
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,982,519)	(4,810,396)	(745,928)
Other Financing Sources (Uses):			
Transfers in	1,723,000	-	-
Transfers out	(561,181)	-	(722,428)
Total Other Financing Sources (Uses)	1,161,819	-	(722,428)
Net Change in Fund Balances	(820,700)	(4,810,396)	(1,468,356)
Fund Balances, Beginning of Year	39,802,727	26,862,878	20,975,970
Fund Balances, End of Year	\$ 38,982,027	\$ 22,052,482	\$ 19,507,614

CITY OF IRWINDALE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 269,032	\$ 20,597,369
Licenses and permits	-	1,715,887
Intergovernmental	502,557	563,951
Charges for services	-	1,517,298
Use of money and property	18,503	599,361
Fines and forfeitures	-	305,749
Contributions	-	37,550
Miscellaneous	2,931,547	5,007,717
Total Revenues	3,721,639	30,344,882
Expenditures:		
Current:		
General government	2,463	12,858,871
Public safety	39,887	9,915,262
Parks and recreation	-	1,862,459
Public works	944,225	8,418,135
Capital outlay	883,161	2,927,419
Debt service:		
Principal retirement	480,000	480,000
Interest and fiscal charges	81,400	131,076
Total Expenditures	2,431,136	36,593,222
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,290,503	(6,248,340)
Other Financing Sources (Uses):		
Transfers in	1,283,609	3,006,609
Transfers out	(1,723,000)	(3,006,609)
Total Other Financing Sources (Uses)	(439,391)	-
Net Change in Fund Balances	851,112	(6,248,340)
Fund Balances, Beginning of Year	9,797,494	97,439,069
Fund Balances, End of Year	\$ 10,648,606	\$ 91,190,729

CITY OF IRWINDALE

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Net change in fund balances - total governmental funds \$ (6,248,340)

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

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

Capital outlay	\$ 2,910,001	
Transfer from Successor Agency	192,875	
Depreciation	<u>(2,068,799)</u>	1,034,077

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

2013 Lease Revenue Refunding Bonds	480,000	
2013 Lease Revenue Refunding Bonds Deferred Charge amortization	(11,843)	
2013 Lease Revenue Refunding Bonds Premium amortization	16,446	
Claim settlement	<u>366,400</u>	851,003

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 4,721

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. (152,859)

Governmental funds report all contributions in relation to the actuarially determined contribution for OPEB as expenditures, however in the statement of activities only the annual OPEB cost is an expense. 221,072

Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

California Public Employees' Retirement Plan (PERS)	6,252,430	
PARS Retirement Enhancement Plan	<u>8,810</u>	6,261,240

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 3,123,466

Change in Net Position of Governmental Activities \$ 5,094,380

CITY OF IRWINDALE

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2018

	<u>Agency Funds</u>	<u>Private- Purpose Trust Fund Successor Agency of the Former ICRA</u>
Assets:		
Pooled cash and investments	\$ 1,349,820	\$ 16,815,825
Receivables:		
Accounts	40,509	-
Taxes	27,125	-
Accrued interest	1,750	84,681
Land held for resale	-	10,393,354
Restricted assets:		
Cash and investments with fiscal agents	873,307	3,401,206
Total Assets	<u>\$ 2,292,511</u>	<u>30,695,066</u>
Deferred Outflows of Resources:		
Deferred charge on refunding		648,797
Total Deferred Outflows of Resources		<u>648,797</u>
Liabilities:		
Accounts payable	\$ 4,130	28,302
Accrued interest	-	1,097,006
Deposits payable	2,120,154	-
Due to City of Irwindale	17,652	-
Advances from City of Irwindale	150,575	-
Long-term liabilities:		
Due in one year	-	5,160,000
Due in more than one year	-	51,084,477
Total Liabilities	<u>\$ 2,292,511</u>	<u>57,369,785</u>
Net Position:		
Held in trust for other purposes		(26,025,922)
Total Net Position		<u>\$ (26,025,922)</u>

CITY OF IRWINDALE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2018

	<u>Private- Purpose Trust Fund Successor Agency of the Former ICRA</u>
Additions:	
Contributions:	
Taxes	\$ 5,286,629
Interest and change in fair value of investments	<u>628,678</u>
Total Additions	<u>5,915,307</u>
Deductions:	
Administrative expenses	145,026
Contractual services	129,057
Interest expense	2,864,748
Contributions to other governments	192,875
Loss on sale of assets	<u>741,193</u>
Total Deductions	<u>4,072,899</u>
Changes in Net Position	1,842,408
Net Position - Beginning of the Year	<u>(27,868,330)</u>
Net Position - End of the Year	<u>\$ (26,025,922)</u>

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

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

The inclusion of an organization within the scope of the reporting entity of the City of Irwindale is based on the provisions of GASB Statement No. 14 (as amended by GASB Statements No. 39, 61 and 80). The blended component units discussed below, although legally separate entities, are in substance part of the government operation and so data from these component units has been combined herein. The following criteria were used in the determination of the blended component units:

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

Blended Component Units

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

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

The Irwindale Reclamation Authority was established on August 17, 2004, under a Joint Power Agreement between the City of Irwindale and the former Irwindale Redevelopment Agency. The Authority is organized to receive and reassign the operating rights from each of the mining companies under SMARA for certain quarries located in the City of Irwindale for the purpose of complying with the California Surface Mining and Reclamation Act of 1975 (SMARA) and implementing State Mining and Geology Board Reclamation Regulations (SMGB Regulations).

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

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

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

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

b. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

The City reports the following major governmental funds:

- The General Fund accounts for all unrestricted resources except those required to be accounted for in another fund.
- The Housing Authority Fund accounts for the transactions of the Irwindale Housing Authority which was established for the development of low and moderate income housing in the City. The fund reports restricted resources and assets transferred from the former Irwindale Community Redevelopment Agency Low and Moderate Income Housing Fund after the passage of AB 1X 26. Revenues include bond proceeds held by the Irwindale Successor Agency that will be transferred for use into this fund for affordable housing activities.
- The Special Mining Tax Fund accounts for the excavation and processing taxes received from the various mining companies in the City.

Additionally, the City reports the following fund types:

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

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

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

1. Cash and Investments

Investments are reported at fair value, which is the quoted market price at June 30, 2018. The City's policy is generally to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and Payables

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

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, Prepaid Items and Land Held for Resale

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the purchases method in both government-wide and fund financial statements.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

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

4. Capital Assets

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

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

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

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

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

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. One is deferred charge on refunding reported in the Government-Wide Statement of Net Position and the Statement of Fiduciary Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other items are deferred pension related items and deferred OPEB related items reported on the Government-wide Statement of Net Position.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

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

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

Gains and losses related to changes in total pension or OPEB liability and their related fiduciary net position are recognized in pension or OPEB expense, respectively, systematically over time. Amounts are first recognized in pension or OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pension or OPEB and are to be recognized in future pension and OPEB expense, respectively.

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

Net difference between projected and actual earning on pension or OPEB plan investments	5 years	All plans
All other amounts are amortized over the expected average remaining service lifetime (EARSL) of the respective plan. As of June 30, 2017, EARLS were:	0 years	OPEB plan
	3.8 years	Pension Misc. – Cost Sharing Plan
	3.8 years	Pension Safety – Cost Sharing Plan
	5.0 years	Retirement Enhancement Plan

6. Net Position Flow Assumption

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

7. Fund Balance Flow Assumptions

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

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

8. Compensated Absences

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

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

9. Claims and Judgments

Only the short-term liability, if any, is reflected as a current liability in the applicable governmental fund. The short-term liability, which will be liquidated with expendable available financial resources, is the amount of settlement reached, but unpaid, related to claims and judgments entered. As of June 30, 2018, there were no material long-term claims and judgments against the City and no liability was reported.

10. Long-Term Obligations

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

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

11. Pensions

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

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For the pension plan administered under the California Public Employee's Retirement System (CalPERS), the following timeframes are used:

Valuation Date:	June 30, 2016
Measurement Date:	June 30, 2017
Measurement Period:	July 1, 2016 to June 30, 2017

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2018

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

12. Other Postemployment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by the California Employers' Retiree Benefit Trust Program (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

13. Fund Equity

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

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

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

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

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager is authorized to assign amounts to a specific purpose, which was established by the governing body in a resolution. City Council adopted Resolution 2011-33-2519 on June 22, 2011 to establish a general fund economic contingency reserve at a minimum of \$5,000,000.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

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

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

14. 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.

15. Effect of New Accounting Standards

During the fiscal year ended June 30, 2018, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 75 – Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. This Statement improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. This Statement replaces GASB No. 45 and GASB No. 57.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. Deficit Fund Balances or Net Position

At June 30, 2018, the State Grants Fund had a deficit fund balance of \$26,479 and the Successor Agency of the Former RDA had a deficit net position amount of \$26,025,922.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2018, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 70,539,420
Fiduciary funds	<u>22,440,158</u>
Total Cash and Investments	<u><u>\$ 92,979,578</u></u>

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

Deposits

As of June 30, 2018, the carrying amount of the City's deposits was \$5,255,426 and the bank balance was \$5,518,359. The \$262,933 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

CITY OF IRWINDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

Note 3: Cash and Investments (Continued)

Investments

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

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

Investments Authorized by Debt Agreements

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

Investments in State Investment Pool

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

GASB Statement No. 31

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Note 3: Cash and Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits investments in medium-term notes (MTN's) to those rated "AA" or higher by Standard and Poor's (S&P) or by Moody's. As of June 30, 2018, 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, 2018, 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, 2018, 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, 2018, 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, 2018, the City has invested \$12,803,760 (15%) in Federal Farm Credit Bank, \$12,522,704 (14%) in Federal National Mortgage Assoc. and \$17,554,270 (20%) in Federal Home Loan Mortgage Corp.

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

Interest Rate Risk

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

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Note 3: Cash and Investments (Continued)

As of June 30, 2018, 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:					
Local Agency Investment Fund (LAIF)	\$ 29,951,912	\$ -	\$ -	\$ -	\$ 29,951,912
Certificates of Deposit	1,677,696	5,454,223	1,866,528	1,617,816	10,616,263
Federal Agency Securities	-	19,602,074	23,278,660	-	42,880,734
Investments with fiscal agents:					
Money Market Mutual Fund	4,275,243	-	-	-	4,275,243
	<u>\$ 35,904,851</u>	<u>\$ 25,056,297</u>	<u>\$ 25,145,188</u>	<u>\$ 1,617,816</u>	<u>87,724,152</u>

Fair Value Measurement and Application

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active markets; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2018:

Investment Type	Totals	Investments not Measured at Fair Value	Level		
			1	2	3
Certificates of deposit	\$ 10,616,263	\$ 10,616,263	\$ -	\$ -	\$ -
Federal Government Agency	42,880,734	-	-	42,880,734	-
Local Agency Investment Fund (LAIF)	29,951,912	-	-	29,951,912	-
Investments with Fiscal Agent:					
Money Market Funds	4,275,243	-	-	4,275,243	-
Total Investments	<u>\$ 87,724,152</u>	<u>\$ 10,616,263</u>	<u>\$ -</u>	<u>\$ 77,107,889</u>	<u>\$ -</u>

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Note 4: Interfund Receivable, Payable and Transfer

The composition of interfund balances as of June 30, 2018, is as follows:

a. Due To/From Other Funds

Due To Other Funds	Due From Other Funds	
	General Fund	
Nonmajor governmental funds	\$	35,043
	\$	35,043

The above amounts resulted from temporary reclassifications made at June 30, 2018, to cover cash shortfalls.

b. Advances To/From Other Funds

On January 9, 2013, the City of Irwindale entered into an agreement with the Irwindale Housing Authority (“Authority”) to purchase property known as the Olive Pit for a total of \$4,134,000. As a result, a promissory note between the City and the Housing Authority was issued in the amount of \$4,134,000 with principal payments due every April 9th over ten years in equal annual installments of \$413,400. Interest is accrued at 3% of the annual payment, if the payment is not made. The outstanding balance as of June 30, 2018, was \$3,837,790.

c. Interfund Transfers

Transfers In	Transfers Out			Total
	General Fund	Special Mining Tax	Nonmajor Governmental Funds	
General Fund	\$ -	\$ -	\$ 1,723,000	\$ 1,723,000
Nonmajor Governmental Funds	561,181	722,428	-	1,283,609
Total	\$ 561,181	\$ 722,428	\$ 1,723,000	\$ 3,006,609

The Special Mining Tax fund transferred \$722,428 to the Reclamation fund for annual mining contributions pursuant to a settlement agreement. The General Fund transferred \$561,181 to the Irwindale Joint Powers Authority for the principal and interest payments for the 2013 Lease Revenue Refunding Bonds. The Reclamation Fund transferred royalty receipts in the amount of \$1,723,000 to the General Fund as the Reclamation Fund was created for tracking such royalty receipts.

CITY OF IRWINDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

Note 5: Capital Assets

Capital assets activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Adjustments	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated:							
Land	\$ 2,959,371	\$ (40,026)	\$ 2,919,345	\$ 192,875	\$ -	\$ -	\$ 3,112,220
Construction-in-progress	4,756,298	40,026	4,796,324	2,605,889	-	(1,250,982)	6,151,231
Total Capital Assets, Not Being Depreciated	7,715,669	-	7,715,669	2,798,764	-	(1,250,982)	9,263,451
Capital assets, being depreciated:							
Buildings and improvements	4,934,672	-	4,934,672	-	-	-	4,934,672
Furniture, fixtures and equipment	4,504,619	-	4,504,619	304,112	(261,481)	-	4,547,250
Infrastructure	65,542,035	-	65,542,035	-	-	1,250,982	66,793,017
Total Capital Assets, Being Depreciated	74,981,326	-	74,981,326	304,112	(261,481)	1,250,982	76,274,939
Less accumulated depreciation:							
Buildings and improvements	3,092,700	-	3,092,700	126,755	-	-	3,219,455
Furniture, fixtures and equipment	3,474,767	-	3,474,767	339,541	(261,481)	-	3,552,827
Infrastructure	24,470,174	-	24,470,174	1,602,503	-	-	26,072,677
Total Accumulated Depreciation	31,037,641	-	31,037,641	2,068,799	(261,481)	-	32,844,959
Total Capital Assets, Being Depreciated, Net	43,943,685	-	43,943,685	(1,764,687)	-	1,250,982	43,429,980
Governmental Activities Capital Assets, Net	\$ 51,659,354	\$ -	\$ 51,659,354	\$ 1,034,077	\$ -	\$ -	\$ 52,693,431

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

Governmental Activities:	
General government	\$ 58,997
Public safety	251,038
Parks and recreation	232,351
Public works	1,526,413
Total Depreciation Expense	<u>\$ 2,068,799</u>

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Note 6: Long-Term Debt

The following is a schedule of changes in governmental activities long-term debt for fiscal year ended June 30, 2018.

	Outstanding July 1, 2017	Additions	Deletions	Outstanding June 30, 2018	Due Within One Year
Lease Revenue Bonds:					
2013 Lease Revenue Refunding Bonds	\$ 2,035,000	\$ -	\$ 480,000	\$ 1,555,000	\$ 495,000
Accrued Employee Benefits	1,085,507	671,852	518,993	1,238,366	592,077
Claim Settlement	366,400	-	366,400	-	-
Total	<u>\$ 3,486,907</u>	<u>\$ 671,852</u>	<u>\$ 1,365,393</u>	2,793,366	<u>\$ 1,087,077</u>
			Unamortized Bond Premium	65,788	
				<u>\$ 2,859,154</u>	

a. Lease Revenue Refunding Bonds

2013 Lease Revenue Refunding Bonds

On July 2, 2013, the City of Irwindale Joint Powers Authority issued \$3,870,000 in Lease Revenue Refunding Bonds with interest rates ranging from 2.0% to 4.0%. Interest on the bonds is payable semi-annually on April 1 and October 1 of each year commencing October 1, 2014. Principal maturities begin July 2, 2014, and continue annually through April 1, 2021. The bonds were issued for the purpose of refunding the outstanding Certificates of Participation known and designated as the \$8,820,000 City of Irwindale, California, Issue of 2001. As of June 30, 2018, the outstanding balance on the 2013 Lease Revenue Refunding Bonds is \$1,555,000.

The annual requirements to amortize the outstanding indebtedness as of June 30, 2018, including interest, are as follows:

Year Ending June 30,	2013 Lease Revenue Refunding Bonds	
	Principal	Interest
2019	\$ 495,000	\$ 62,200
2020	520,000	42,400
2021	540,000	21,600
Totals	<u>\$ 1,555,000</u>	<u>\$ 126,200</u>

b. Compensated Absences

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

c. Claim Settlement

The City settled to pay the City of Baldwin Park a total of \$732,800 related to the Olive Pit Mining project. The settlement was accrued for the fiscal year ended June 30, 2016. There will be two half payments to be paid by June 30, 2018. As of June 30, 2018, the settlement has been paid in full.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

Note 6: Long-Term Debt (Continued)

d. Other Special Obligations

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

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

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

	Amount Outstanding at June 30, 2018
City of Irwindale Sewer Assessment District (Live Oak Avenue) Limited Obligation Improvement Bonds	\$ 75,000
City of Irwindale Community Facilities District No. 1 2010 Special Tax Refunding Bonds	2,720,000

IV. OTHER DISCLOSURES

Note 7: City Employees Retirement Plan - Pension Plans

California Public Employees' Retirement Plan (PERS)

1. General Information about the Pension Plans

Plan Descriptions

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

CITY OF IRWINDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

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

Benefits Provided

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

Below is a summary of the plan provisions and benefits in effect at June 30, 2018, for which the City of Irwindale has contracted:

Major Benefit Options	Miscellaneous *		Miscellaneous	Miscellaneous	Safety *	Safety Tier II *	Safety PEPRA
	Prior to January 1, 2011	After January 1, 2011 and before January 1, 2013	PEPRA	On or after January 1, 2013	Prior to January 1, 2011	After January 1, 2011 and before January 1, 2013	On or after January 1, 2013
Hire Date							
Benefit Provision							
Benefit Formula	2.0% @ 55	2.0% @ 55	2.0% @ 62	3.0% @ 50	3.0% @ 50	2.7% @ 57	
Social Security	no	no	no	no	no	no	
Full/Modified	full	full	full	full	full	full	
Benefit vesting schedule	5 yrs service	5 yrs service	5 yrs service	5 yrs service	5 yrs service	5 yrs service	
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life	
Retirement age	minimum 50	minimum 50	minimum 50	minimum 50	minimum 50	minimum 50	
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.426% to 2.418%	1.0% to 2.5	3%	3%	1.426% to 2.0%	
Required employer contribution rates	9.599%	9.096%	6.908%	21.418%	20.310%	12.729%	
Required employee contribution rates	6.896%	6.896%	6.500%	8.988%	8.988%	12.250%	

* Closed to new entrants

Employees Covered

At June 30, 2018, the following employees were covered by the benefit terms of the Plans:

Description	Number of Members					
	Miscellaneous	Miscellaneous Tier II	Miscellaneous PEPRA	Safety	Safety Tier II	Safety PEPRA
Active members	46	5	3	18	4	3
Transferred members	13	0	1	2	0	0
Terminated members	9	0	0	4	0	0
Retired members and beneficiaries	59	2	0	41	1	0
Total	127	7	4	65	5	3

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

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

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The Plan's actuarially determined rate is based on the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018, the contributions that were recognized as a reduction to the net pension liability were \$610,791 and \$895,256 for the Miscellaneous Plan and Safety Plan, respectively.

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

As of June 30, 2018, the City of Irwindale reported net pension liabilities for its proportionate shares of the net pension liability of \$9,666,931 and \$10,693,035 for the Miscellaneous Plan and Safety Plan, respectively.

The City of Irwindale's net pension liability for the Plan is measured as its proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2016 and 2017, was as follows:

Proportions as a percentage of the CalPERS risk pool:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2016	0.23653%	0.17987%
Proportion - June 30, 2017	0.24523%	0.17896%
Change - Increase (Decrease)	3.67818%	-0.50592%

For the year ended June 30, 2018, the City of Irwindale recognized pension expense of \$1,001,715 and \$1,476,017 for the Miscellaneous and Safety Plans, respectively.

CITY OF IRWINDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

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

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,116,032	\$ -	\$ 4,614,130	\$ -	\$ 8,730,162	\$ -
Changes in assumptions	1,643,438	(125,314)	1,613,329	(123,779)	3,256,767	(249,093)
Differences between expected and actual experiences	13,245	(189,764)	111,245	(29,005)	124,490	(218,769)
Net differences between projected and actual earnings on pension plan	371,678	-	351,769	-	723,447	-
Differences in proportionate share of contribution	-	(733,559)	-	(102,205)	-	(835,764)
Adjustment due to differences in proportion	114,522	(357,403)	135,149	(34,103)	249,671	(391,506)
Total	<u>\$ 6,258,915</u>	<u>\$(1,406,040)</u>	<u>\$ 6,825,622</u>	<u>\$ (289,092)</u>	<u>\$ 13,084,537</u>	<u>\$(1,695,132)</u>

Amounts of \$4,116,032 and \$4,614,130 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30	Miscellaneous	Safety	Total
	Deferred Outflows/ (Inflows) of Resources	Deferred Outflows/ (Inflows) of Resources	Deferred Outflows/ (Inflows) of Resources
2018	\$ (227,978)	\$ 461,755	\$ 233,777
2019	743,505	1,043,707	1,787,212
2020	441,989	622,771	1,064,760
2021	(220,673)	(205,833)	(426,506)
	<u>\$ 736,843</u>	<u>\$ 1,922,400</u>	<u>\$ 2,659,243</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

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

Actuarial Assumptions

The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial methods and assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table *	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

All other actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS' website at www.calpers.ca.gov under Forms and Publications.

Change of Assumptions

In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**
Note 7: City Employees Retirement Plan - Pension Plans (Continued)

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

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10 (1)</u>	<u>Real Return Years 11+ (2)</u>
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
	<u>100.00%</u>		

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

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

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

The following presents the City's proportionate share of the net pension liability/ (asset) of the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.15 percent) or 1% point higher (8.15 percent) than the current rate:

<u>Plan's Net Pension Liability/(Assets)</u>	<u>Discount Rate - 1% (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>Discount Rate +1% (8.15%)</u>
Miscellaneous	\$ 15,084,173	\$ 9,666,931	\$ 5,180,274
Safety	16,022,806	10,693,035	6,336,213
Total	<u>\$ 31,106,979</u>	<u>\$ 20,359,966</u>	<u>\$ 11,516,487</u>

Pension Plan Fiduciary Net Position

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Note 8: Retirement Enhancement Plan

PARS - Public Agency Retirement System

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

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined by an independent pension actuary using information furnished by the City and by PARS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2018 (the measurement date), the employer's contribution rate is 17.12% percent of annual payroll, and no contributions were made by the employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2018

Note 8: Retirement Enhancement Plan (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2017 and the June 30, 2018 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	6.75%
Inflation	2.75%
Salary Increases	Graded rates based on years of service, 3.50% after 30 years of service.
Investment Rate of Return	6.75%
Cost of Living Adjustments	2.00%
Mortality	Pre-Retirement: CalPERS Miscellaneous Non-Industrial Rates Post-Retirement: CalPERS 1997-2011 Healthy Retiree Tables (sex-distinct) projected using Scale AA and base year of 2008
Maximum Benefits and Salary	Salary limits under ICR 401(a)(17)
Beneficiaries	80% of participants are assumed to have an eligible spouse or domestic partner, with males to be three years older than females

Discount Rate

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The table below reflects long-term expected real rate of return by asset class. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per actuarial investment consulting practice as of June 30, 2018.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Note 8: Retirement Enhancement Plan (Continued)

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Cash	BAML 3-Mon Tbill	2.92%	0.31%	0.31%
US Core Fixed Income	Barclays Aggregate	35.90%	2.14%	2.02%
US Equity Market	Russell 3000	45.60%	4.59%	3.32%
Foreign Developed Equity	MSCI EAFE NR	9.87%	5.52%	3.91%
Emerging Market Equities	MSCI EM NR	4.00%	7.82%	4.59%
US REITs	FTSE NAREIT Equity REIT	1.71	5.04%	3.27%
Assumed Inflation - Mean			2.32%	2.30%
Assumed Inflation - Standard Deviation			1.85%	1.85%
Portfolio Real Mean Return			3.81%	3.29%
Portfolio Nominal Mean Return			6.13%	5.66%
Portfolio Standard Deviation				10.16%
Long-Term Expected Rate of Return				6.75%

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

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Note 8: Retirement Enhancement Plan (Continued)

Pension Plan Fiduciary Net Position

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

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance as of June 30, 2017	\$ 9,169,799	\$ 6,664,064	\$ 2,505,735
Changes for the year:			
Service Cost	200,039	-	200,039
Interest on Total Pension Liability	654,683	-	654,683
Effect of Economic/Demographic Gains or Losses	-	-	-
Effect of Assumptions Changes or Inputs	408,409	-	408,409
Benefit Payments	(691,543)	(691,543)	-
Employer Contributions	-	546,242	(546,242)
Member Contributions	-	38,549	(38,549)
Net Investment Income	-	522,018	(522,018)
Administrative Expenses	-	(51,768)	51,768
Balance as of June 30, 2018	\$ 9,741,387	\$ 7,027,562	\$ 2,713,825

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

The following presents the net pension liability of the City of Irwindale, calculated using the discount rate of 6.75%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	Discount Rate - 1% (5.75%)	Current Discount Rate (6.75%)	Discount Rate + 1% (7.75%)
Total Pension Liability	\$ 10,602,599	\$ 9,741,387	\$ 8,938,653
Fiduciary Net Position	7,027,562	7,027,562	7,027,562
Net Pension Liability	\$ 3,575,037	\$ 2,713,825	\$ 1,911,091

As of the start of the measurement period, July 1, 2017, the net pension liability was \$2,505,735. For the measurement period ending June 30, 2018, the City of Irwindale incurred a pension expense of \$537,432 for the Plan. As of the measurement date, June 30, 2018, the net pension liability is \$2,713,825.

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

CITY OF IRWINDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

Note 8: Retirement Enhancement Plan (Continued)

As of June 30, 2018, the City of Irwindale has deferred outflows and deferred outflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (297,099)
Changes of assumptions	393,039	-
Net difference between projected and actual earnings	75,307	-
Total	<u>\$ 468,346</u>	<u>\$ (297,099)</u>

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

Year Ended June 30,	Deferred Outflows of Resources
2019	\$ 146,988
2020	84,212
2021	(51,050)
2022	(8,903)
	<u>\$ 171,247</u>

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), an agent multiple-employer plan, to fund future benefits. The City provides medical insurance for its retired employees according to the Personnel Rules and Regulations. The authority to do so is included in the Memorandum of Understanding between the City and each of its employee groups and ultimately passed by Council action.

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

Contributions

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 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 the measurement date ended June 30, 2017, the City's cash contributions were \$1,000,540 in total payments, which were recognized as a reduction to the OPEB liability.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

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

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active	85
Inactive employees or beneficiaries currently receiving benefits	79
Inactive employees entitled to, but not yet receiving benefits	<u>0</u>
Total	<u><u>164</u></u>

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2017 and to develop the total OPEB liability at the beginning of the measurement period on June 30, 2016, the results of the June 30, 2017 valuation were rolled back, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	7.00%
Inflation	2.75%
Salary Increases	2.75% per year
Investment Rate of Return	7.00%, net of expenses
Mortality Rate	2014 CalPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover	According to the CalPERS 2009 Turnover rate tables
Healthcare Trend Rate	4% per year

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The expected investment return was offset by investment expenses of 25 basis points. The assumed asset allocation and assumed rate of return for each asset class are summarized in the following table:

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Assumed Gross Return</u>
U.S. Large Cap	43.00%	7.80%
U.S. Small Cap	23.00%	7.80%
Long-term Corporate Bonds	12.00%	5.30%
Long-term Government Bonds	6.00%	4.50%
Treasury Inflation Protected Securities	5.00%	7.80%
U.S. Real Estate	8.00%	7.80%
Commodities	3.00%	7.80%
Total	<u><u>100.00%</u></u>	

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

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

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Increase(Decrease)		
	Total OPEB Liability/(Assets)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Assets) (c) = (a) - (b)
Balance at June 30, 2017 (valuation date 6/30/2017)	\$ 13,820,591	\$ 3,728,936	\$ 10,091,655
Changes recognized over the measurement period:			
Service Cost	260,556	-	260,556
Interest	945,602	-	945,602
Contributions - employer	-	1,150,227	(1,150,227)
Net investment income	-	408,831	(408,831)
Benefit Payments	(877,377)	(877,377)	-
Administrative expense	-	(2,078)	2,078
Net Changes	328,781	679,603	(350,822)
Balance at June 30, 2018 (measurement date 06/30/2017)	\$ 14,149,372	\$ 4,408,539	\$ 9,740,833

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

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB Liability	\$ 11,434,962	\$ 9,740,833	\$ 8,330,648

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease (3.00%)	Current Healthcare Cost Trend Rates (4.00%)	1% Increase (5.00%)
Net OPEB Liability	\$ 8,315,012	\$ 9,740,833	\$ 11,399,332

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

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

OPEB Plan Fiduciary Net Position

CalPERS issues a separate Comprehensive Annual Financial Report. Copies of the annual financial report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, California, 95814.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$649,718. As of fiscal year ended June 30, 2018, the City reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 870,790	\$ -
Total	\$ 870,790	\$ -

Amounts of \$870,790 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB in the year ended June 30, 2019.

Note 10: Risk Management

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

The City of Irwindale is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 116 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

b. Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Liability

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Note 10: Risk Management (Continued)

as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

Primary Workers' Compensation Program

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

For 2017-18 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

c. Purchased Insurance

Pollution Legal Liability Insurance

The City of Irwindale participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Irwindale. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has an aggregate limit of \$50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year policy term.

Property Insurance

The City of Irwindale participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Irwindale property is currently insured according to a schedule of covered property submitted by the City of Irwindale to the Authority. City of Irwindale property currently has all-risk property insurance protection in the amount of \$44,494,048. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

CITY OF IRWINDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

Note 10: Risk Management (Continued)

Crime Insurance

The City of Irwindale purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

d. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2017-18.

Note 11: Net Position Restatement

Beginning net position was restated by \$(9,150,274) for the implementation of GASB Statement No. 75 – *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*.

Note 12: Successor Agency Trust For Assets of Former Redevelopment Agency

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

The Bill provided that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 11, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-08-2547. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

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

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

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

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

a. Cash and Investments

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

Cash and investments pooled with the City	\$ 16,815,825
Cash and investments with fiscal agent	<u>3,401,206</u>
Total cash and investments	<u>\$ 20,217,031</u>

b. Land Held for Resale

These requirements include: 1) completion of a long range property management plan (LRPMP) to be approved by the State Department of Finance and 2) remittance by the successor agency of all monies due in accordance with AB 1484. The Long-Range Property Management Plan was approved by the State of California Department of Finance on August 8, 2014. The Successor Agency currently has 8 properties that are held for resale in the value of \$10,393,354. The Successor Agency is legally obligated to meet certain requirements before disposition of the former RDA properties.

c. Long-Term Debt

Long-term liability activity for the year ended June 30, 2018, was as follows:

	Outstanding June 30, 2017	Additions	Deletions	Outstanding June 30, 2018	Due Within One Year
Tax Allocation Bonds:					
2005 Tax Allocation Housing Parity Bonds	\$ 13,230,000	\$ -	\$ 1,010,000	\$ 12,220,000	\$ 1,060,000
2006 Tax Allocation Refunding Parity Bonds	26,650,000	-	2,215,000	24,435,000	2,335,000
2006 Subordinate Lien Tax Allocation Refunding Bonds	11,485,000	-	900,000	10,585,000	950,000
2014 Tax Allocation Refunding Parity Bonds	6,145,000	-	560,000	5,585,000	585,000
2014 Taxable Housing Tax Allocation Refunding Parity Bonds	2,265,000	-	220,000	2,045,000	230,000
Totals	<u>\$ 59,775,000</u>	<u>\$ -</u>	<u>\$ 4,905,000</u>	54,870,000	<u>\$ 5,160,000</u>
				Unamortized bond premium 1,383,064	
				Unamortized bond discount (8,587)	
				<u>\$ 56,244,477</u>	

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

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

Tax Allocation Bonds

A description of individual issues of bonds outstanding at June 30, 2018, follows:

2005 Taxable Housing Tax Allocation Parity Bonds

On August 2, 2005, the former redevelopment agency issued \$17,445,000 of Taxable Housing Tax Allocation Parity Bonds to refinance the outstanding balance of the 1998 Tax Allocation Housing Refunding Bonds and to finance low and moderate income housing activities of the former redevelopment agency. The 2005 Taxable Housing Tax Allocation Parity Bonds were payable on a parity with certain obligations of the former redevelopment agency solely from certain Housing Set-Aside Revenues of the former redevelopment agency. The bonds consist of \$5,225,000 serial bonds maturing from August 2006 through August 2017 bearing annual interest ranging from 4.32% to 5.25%, \$5,900,000 term bonds due August 1, 2022, bearing annual interest at 5.4%, and \$6,320,000 term bonds due August 1, 2026, bearing annual interest at 5.53%. Interest on the bonds is payable beginning February 1, 2006, and semi-annually thereafter on August 1 and February 1. The outstanding balance as of June 30, 2018, is \$12,220,000.

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

Year Ending June 30,	2005 Taxable Housing Tax Allocation Parity Bonds	
	Principal	Interest
2019	\$ 1,060,000	\$ 639,476
2020	1,115,000	580,751
2021	1,180,000	518,786
2022	1,240,000	453,446
2023	1,305,000	384,731
2024-2027	<u>6,320,000</u>	<u>748,486</u>
Totals	<u>\$ 12,220,000</u>	<u>\$ 3,325,676</u>

2006 Tax Allocation Refunding Parity Bonds

In July 2006, the former redevelopment agency issued the City Industrial Development Project 2006 Tax Allocation Refunding Parity Bonds in the amount of \$44,035,000 for the purpose of refunding, on a current basis, the Agency's 1996 Senior Lien Tax Allocation Bonds. The 2006 Tax Allocation Refunding Parity Bonds were payable on a parity with certain obligations of the former redevelopment agency solely from certain tax increment revenues allocated to the former redevelopment agency as further discussed in each official statement of the issue. The bonds consist of \$18,465,000 serial bonds maturing from January 15, 2007 through July 15, 2017, bearing annual interest ranging from 4.25% to 5.25%, and term bonds ranging from \$2,275,000 to \$3,510,000 due July 15, 2018 through 2026, respectively, and bearing annual interest at 5.25% and 5.85%, respectively. Interest on the bonds is payable semi-annually on January 15 and July 15. The outstanding balance as of June 30, 2018 was \$24,435,000.

CITY OF IRWINDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

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

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2018, including interest, are as follows:

Year Ending June 30,	2006 Tax Allocation Refunding Parity Bonds	
	Principal	Interest
2019	\$ 2,335,000	\$ 1,329,923
2020	2,465,000	1,205,760
2021	2,590,000	1,074,773
2022	2,730,000	936,960
2023	2,880,000	785,498
2024-2027	11,435,000	1,373,554
Totals	<u>\$ 24,435,000</u>	<u>\$ 6,706,468</u>

2006 Subordinate Lien Tax Allocation Refunding Bonds

In October 2006, the former redevelopment agency issued the City Industrial Development Project 2006 Subordinate Lien Tax Allocation Refunding Bonds in the amount of \$18,505,000 for the purpose of refunding, on a current basis, the former redevelopment agency's 1996 Subordinate Lien Tax Allocation Bond. The 2006 Subordinate Lien Tax Allocation Refunding Bonds were payable on a subordinate basis to certain obligations of the former redevelopment agency solely from certain tax increment revenues allocated to the former redevelopment agency as further discussed in each official statement for the issue. The bonds consist of \$18,505,000 serial bonds ranging from \$565,000 to \$1,475,000 maturing from December 1, 2007 through June 1, 2026, bearing annual interest ranging from 4.50% to 5.50%, due December 1, 2007 through 2026, respectively. Interest on the bonds is payable annually on December 1. The outstanding balance as of June 30, 2018, was \$10,585,000.

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

Year Ending June 30,	2006 Subordinate Lien Tax Allocation Refunding Bonds	
	Principal	Interest
2019	\$ 950,000	\$ 543,475
2020	995,000	494,850
2021	1,045,000	443,850
2022	1,100,000	387,475
2023	1,155,000	325,463
2024-2027	5,340,000	569,938
Totals	<u>\$ 10,585,000</u>	<u>\$ 2,765,051</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

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

2014 Tax Allocation Refunding Parity Bonds

In April 2014, the Successor Agency issued the City Industrial Development Project 2014 Tax Allocation Refunding Parity Bonds in the amount of \$7,910,000 for the purpose of refunding, on a current basis, the former redevelopment agency's previously issued \$14,175,000 City Industrial Development Project 2002 Tax Allocation Senior Parity Bonds. The 2002 Tax Allocation Senior Parity Bonds were payable and secured solely from non-housing tax revenues. Interest on the bonds is payable semi-annually on January 15 and July 15, commencing July 15, 2014. The bonds carry various interest rates from 2.0% to 5.0%. Principal maturities begin July 15, 2014, and continue through 2025. The outstanding balance as of June 30, 2018, was \$5,585,000.

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

Year Ending June 30,	2014 Tax Allocation Refunding Parity Bonds	
	Principal	Interest
2019	\$ 585,000	\$ 232,725
2020	615,000	202,725
2021	645,000	171,225
2022	680,000	138,100
2023	715,000	103,225
2024-2026	2,345,000	114,825
Totals	<u>\$ 5,585,000</u>	<u>\$ 962,825</u>

2014 Taxable Housing Tax Allocation Refunding Parity Bonds

In April 2014, the Successor Agency issued the City Industrial Development Project 2014 Taxable Housing Tax Allocation Refunding Parity Bonds in the amount of \$2,915,000 for the purpose of refunding, on a current basis, the former redevelopment agency's previously issued \$17,445,000 City Industrial Development Project 2005 Taxable Housing Tax Allocation Parity Bonds. The 2002 Tax Allocation Senior Parity Bonds were payable and secured solely from housing tax revenues to be derived from the project area. Interest on the bonds is payable semi-annually on January 15 and July 15, commencing July 15, 2014. The bonds carry various interest rates from 2.0% to 5.0%. Principal maturities begin July 15, 2014, and continue through 2025. The outstanding balance as of June 30, 2018, was \$2,045,000.

CITY OF IRWINDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

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

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

Year Ending June 30,	2014 Tax Allocation Housing Tax Allocations Refunding Parity	
	Principal	Interest
2019	\$ 230,000	\$ 78,544
2020	235,000	72,144
2021	240,000	64,419
2022	245,000	55,319
2023	260,000	44,894
2024-2026	835,000	61,509
Totals	<u>\$ 2,045,000</u>	<u>\$ 376,829</u>

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$69,006,849 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency \$5,286,629 and the debt service obligation on the bonds was \$7,982,087.

Bond Rating Change

On January 17, 2018, Moody's Investors Service ("Moody's") downgraded its insurance financial strength rating on National Public Finance Guarantee Corporation from 'A3' to 'Baa2'. As a result of the foregoing, Moody's downgraded its Insured Rating on the 2005 Taxable Housing Tax Allocation Parity Bonds from 'A3' to 'Baa2'.

d. Insurance

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

CITY OF IRWINDALE

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.24523%	0.23653%	0.21859%	0.22610%
Proportionate Share of the Net Pension Liability	\$ 9,666,931	\$ 8,216,929	\$ 5,996,900	\$ 5,588,070
Covered Payroll	\$ 3,946,594	\$ 3,660,664	\$ 3,567,161	\$ 3,363,343
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	244.94%	224.47%	168.11%	166.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.39%	75.87%	79.89%	81.15%

Notes to Schedule:

Benefit Changes: No changes in benefits.

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

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

CITY OF IRWINDALE

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 719,281	\$ 610,791	\$ 541,695	\$ 421,414
Contribution in Relation to the Actuarially Determined Contribution	(4,116,032)	(610,791)	(541,695)	(421,414)
Contribution Deficiency (Excess)	<u>\$ (3,396,751)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 4,292,439	\$ 3,946,594	\$ 3,660,664	\$ 3,567,161
Contributions as a Percentage of Covered Payroll	95.89%	15.48%	14.80%	11.81%

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

Note to Schedule:

Valuation Date:	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry age normal
Amortization method	Level Percent of Payroll, closed 20 years
Assets valuation method	Market value
Inflation	2.75%
Salary Increases	Varies by entry age and service
Payroll Growth	3.00%
Investment rate of return	7.5% net of pension plan investment and administrative expense, including inflation
Retirement age	55 years
Mortality	Post-retirement mortality rates include 20 years of projected on-going mortality improvement using Scale BB published by the Society of Actuaries.

CITY OF IRWINDALE

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.17896%	0.17987%	0.17516%	0.16333%
Proportionate Share of the Net Pension Liability	\$ 10,693,035	\$ 9,315,683	\$ 7,217,544	\$ 6,126,449
Covered Payroll	\$ 2,676,103	\$ 2,616,364	\$ 2,350,221	\$ 2,186,973
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	399.57%	356.05%	307.10%	280.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.74%	72.69%	77.27%	78.83%

Notes to Schedule:

Benefit Changes: No changes in benefits.

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

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

CITY OF IRWINDALE

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,010,881	\$ 895,256	\$ 813,764	\$ 702,231
Contribution in Relation to the Actuarially Determined Contribution	(4,614,130)	(895,256)	(813,764)	(702,231)
Contribution Deficiency (Excess)	<u>\$ (3,603,249)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,782,130	\$ 2,676,103	\$ 2,616,364	\$ 2,350,221
Contributions as a Percentage of Covered Payroll	165.85%	33.45%	31.10%	29.88%

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

Note to Schedule:

Valuation Date:	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry age normal
Amortization method	Level Percent of Payroll, closed 20 years
Assets valuation method	Market value
Inflation	2.75%
Salary Increases	Varies by entry age and service
Payroll Growth	3.00%
Investment rate of return	7.5% net of pension plan investment and administrative expense, including inflation
Retirement age	55 years
Mortality	Post-retirement mortality rates include 20 years of projected on-going mortality improvement using Scale BB published by the Society of Actuaries.

CITY OF IRWINDALE

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

MEASUREMENT PERIOD	2018	2017	2016	2015
TOTAL PENSION LIABILITY				
Service Cost	\$ 200,039	\$ 194,213	\$ 224,310	\$ 217,777
Interest on Total Pension Liability	654,683	673,221	684,249	660,087
Effect of Economic/Demographics Gains or Losses	-	(544,681)	-	-
Effect of Assumptions Changes or Inputs	408,409	192,042	-	-
Benefit Payments	(691,543)	(858,176)	(578,327)	(546,713)
Net Change in Total Pension Liability	571,588	(343,381)	330,232	331,151
Total Pension Liability - Beginning	9,169,799	9,513,180	9,182,948	8,851,797
Total Pension Liability - Ending (a)	\$ 9,741,387	\$ 9,169,799	\$ 9,513,180	\$ 9,182,948
PLAN FIDUCIARY NET POSITION				
Benefit Payments	\$ (691,543)	\$ (858,176)	\$ (578,327)	\$ (546,713)
Employer Contributions	546,242	248,061	524,910	469,394
Member Contributions	38,549	10,587	30,941	32,711
Net Investment Income	522,018	757,582	(60,544)	172,592
Administrative Expenses	(51,768)	(26,690)	(13,193)	(14,360)
Net Change in Fiduciary Net Position	363,498	131,364	(96,213)	113,624
Plan Fiduciary Net Position - Beginning	6,664,064	6,532,700	6,628,913	6,515,289
Plan Fiduciary Net Position - Ending (b)	\$ 7,027,562	\$ 6,664,064	\$ 6,532,700	\$ 6,628,913
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 2,713,825	\$ 2,505,735	\$ 2,980,480	\$ 2,554,035
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.14%	72.67%	68.67%	72.19%
Covered Payroll	\$ 3,039,766	\$ 2,951,229	\$ 2,865,271	\$ 3,300,942
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	89.28%	84.90%	104.02%	77.37%

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

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There were no significant changes.

Changes of Assumptions: The discount rate changed from 7.25 percent to 6.75 percent.

CITY OF IRWINDALE

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 517,055	\$ 428,931	\$ 484,020	\$ 469,394
Contribution in Relation to the Actuarially Determined Contribution	(546,242)	(248,061)	(524,910)	(469,394)
Contribution Deficiency (Excess)	<u>\$ (29,187)</u>	<u>\$ 180,870</u>	<u>\$ (40,890)</u>	<u>\$ -</u>
Actual Contributions as a Percentage of Actuarial Determined Contributions	105.64%	57.83%	108.45%	100.00%
Covered Payroll	\$ 3,039,766	\$ 2,951,229	\$ 2,865,271	\$ 3,300,942
Contributions as a Percentage of Covered Payroll	17.97%	8.41%	18.32%	14.22%

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

Note to Schedule:

Valuation Date:	June 30, 2016
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	15 years
Assets valuation method	None
Inflation	2.75%
Payroll growth	3.00%
Investment rate of return	7.25%
Retirement age	Retirement rates of 3.5% to 28.3% per year for ages 50-74 and 100% at ages 75 and up
Mortality	Consistent with non-industrial rates used to value the Miscellaneous CalPERS Pension Plans

CITY OF IRWINDALE

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	7.89%	12.33%	-0.92%	2.66%

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

CITY OF IRWINDALE

**SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2018
OPEB Liability	
Service cost	\$ 260,556
Interest on the total OPEB liability	945,602
Actual and expected experience difference	-
Changes in assumptions	-
Changes in benefit terms	-
Benefit payments	(877,377)
Net change in total OPEB liability	328,781
Total OPEB liability - beginning	13,820,591
Total OPEB liability - ending	14,149,372
Plan Fiduciary Net Position	
Contribution - employer	1,150,227
Net investment income	408,831
Benefit payments	(877,377)
Administrative expense	(2,078)
Net change in plan fiduciary net position	679,603
Plan fiduciary net position - beginning	3,728,936
Plan fiduciary net position - ending (b)	4,408,539
Total OPEB Liability/(Assets) - ending (a) - (b)	\$ 9,740,833
Plan fiduciary net position as a percentage of the total OPEB liability	31.16%
Covered-employee Payroll	\$ 6,545,334
Net OPEB liability as a percentage of Covered Payroll	216.17%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None

Changes in assumptions: None

CITY OF IRWINDALE

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

Budgetary Data

General Budget Policies

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

Encumbrances

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

Budget Basis of Accounting

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

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 39,802,727	\$ 39,802,727	\$ 39,802,727	\$ -
Resources (Inflows):				
Taxes	14,473,730	14,993,730	16,430,486	1,436,756
Licenses and permits	1,108,000	1,108,000	1,715,887	607,887
Intergovernmental	11,800	91,861	44,766	(47,095)
Charges for services	1,065,200	1,065,200	1,517,298	452,098
Use of money and property	597,500	597,500	432,215	(165,285)
Fines and forfeitures	257,000	257,000	305,749	48,749
Contributions	4,000	4,000	37,550	33,550
Miscellaneous	1,518,480	1,666,230	2,051,993	385,763
Transfers in	1,723,000	1,723,000	1,723,000	-
Proceeds from sale of property	4,293,000	4,293,000	-	(4,293,000)
Amounts Available for Appropriations	64,854,437	65,602,248	64,061,671	(1,540,577)
Charges to Appropriations (Outflow):				
General government	5,967,622	8,483,709	7,837,010	646,699
Public safety	6,122,380	10,219,419	9,875,375	344,044
Parks and recreation	2,137,956	2,208,975	1,862,459	346,516
Public works	3,982,669	4,128,546	3,633,137	495,409
Capital outlay	743,433	2,996,022	1,260,806	1,735,216
Debt service:				
Interest and fiscal charges	-	-	49,676	(49,676)
Transfers out	561,400	561,400	561,181	219
Total Charges to Appropriations	19,515,460	28,598,071	25,079,644	3,518,427
Budgetary Fund Balance, June 30	\$ 45,338,977	\$ 37,004,177	\$ 38,982,027	\$ 1,977,850

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 HOUSING AUTHORITY
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 26,862,878	\$ 26,862,878	\$ 26,862,878	\$ -
Resources (Inflows):				
Use of money and property	68,000	64,000	117,790	53,790
Amounts Available for Appropriations	26,930,878	26,926,878	26,980,668	53,790
Charges to Appropriations (Outflow):				
General government	4,222,924	10,747,986	4,927,011	5,820,975
Capital outlay	-	-	1,175	(1,175)
Total Charges to Appropriations	4,222,924	10,747,986	4,928,186	5,819,800
Budgetary Fund Balance, June 30	\$ 22,707,954	\$ 16,178,892	\$ 22,052,482	\$ 5,873,590

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
SPECIAL MINING TAX
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 20,975,970	\$ 20,975,970	\$ 20,975,970	\$ -
Resources (Inflows):				
Taxes	3,200,000	3,200,000	3,897,851	697,851
Intergovernmental	290,000	290,000	16,628	(273,372)
Use of money and property	200,000	200,000	30,853	(169,147)
Miscellaneous	-	-	24,177	24,177
Amounts Available for Appropriations	24,665,970	24,665,970	24,945,479	279,509
Charges to Appropriations (Outflow):				
General government	65,000	125,000	92,387	32,613
Public works	2,663,880	4,249,444	3,840,773	408,671
Capital outlay	1,509,500	6,123,708	782,277	5,341,431
Transfers out	761,000	761,000	722,428	38,572
Total Charges to Appropriations	4,999,380	11,259,152	5,437,865	5,821,287
Budgetary Fund Balance, June 30	\$ 19,666,590	\$ 13,406,818	\$ 19,507,614	\$ 6,100,796

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Nonmajor Governmental Funds

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

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

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

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

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

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

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

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

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

TDA Article 3 – This fund accounts for funds received under SB821 regarding State Bikeway monies for the development of facilities for the exclusive use of bicycles and pedestrians.

Federal Grants – This fund accounts for tracking various federally funded grants received, either directly from the United States government, or as pass-through funds.

State Grants – This fund accounts for grants received from the State of California Metro Division and the State of California Department of Transportation. These grants provide for the construction of accessible public transportation.

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

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

Irwindale Joint Powers Authority – This fund accounts for all financial activities of the Irwindale Joint Powers Authority (IJPA) which was established on April 24, 2013. The IJPA provides assistance to the City of Irwindale and the Irwindale Housing Authority in their long term financing undertakings, including financing of public capital improvements to be owned by either entity.

Measure M – This fund accounts for the City's share of the half cent sales tax approved by Los Angeles County voters, effective November 9, 2016. Measure M is to improve transportation and ease traffic congestion consistent with the Measure M Ordinance #16-01.

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CITY OF IRWINDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>Special Revenue Funds</u>			
	<u>Reclamation</u>	<u>AB939</u>	<u>Asset Forfeiture</u>	<u>State Gas Tax</u>
Assets:				
Pooled cash and investments	\$ 9,294,519	\$ 700,373	\$ 59,685	\$ 172,140
Receivables:				
Accounts	110,996	26,406	-	-
Taxes	-	-	-	3,016
Accrued interest	18,523	1,301	207	297
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 9,424,038</u>	<u>\$ 728,080</u>	<u>\$ 59,892</u>	<u>\$ 175,453</u>
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 143,696	\$ 3,386	\$ 152	\$ 2,463
Accrued liabilities	-	1,931	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>143,696</u>	<u>5,317</u>	<u>152</u>	<u>2,463</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Public safety - police activities	-	-	59,740	-
Public works	9,280,342	722,763	-	172,990
Debt service	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>9,280,342</u>	<u>722,763</u>	<u>59,740</u>	<u>172,990</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,424,038</u>	<u>\$ 728,080</u>	<u>\$ 59,892</u>	<u>\$ 175,453</u>

CITY OF IRWINDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

(CONTINUED)

	<u>Special Revenue Funds</u>			
	<u>Air Quality Improvement</u>	<u>Proposition A</u>	<u>Proposition C</u>	<u>Measure R</u>
Assets:				
Pooled cash and investments	\$ -	\$ 58,400	\$ 27,337	\$ 56,465
Receivables:				
Accounts	468	-	-	-
Taxes	-	-	-	-
Accrued interest	-	101	25	93
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 468</u>	<u>\$ 58,501</u>	<u>\$ 27,362</u>	<u>\$ 56,558</u>
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 2,800	\$ 27,300	\$ 15,015
Accrued liabilities	-	-	-	-
Due to other funds	405	-	-	-
Total Liabilities	<u>405</u>	<u>2,800</u>	<u>27,300</u>	<u>15,015</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Public safety - police activities	-	-	-	-
Public works	63	55,701	62	41,543
Debt service	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>63</u>	<u>55,701</u>	<u>62</u>	<u>41,543</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 468</u>	<u>\$ 58,501</u>	<u>\$ 27,362</u>	<u>\$ 56,558</u>

CITY OF IRWINDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			
	TDA Article 3	Federal Grants	State Grants	COPS
Assets:				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ 310,326
Receivables:				
Accounts	-	-	34,638	-
Taxes	-	-	-	-
Accrued interest	-	-	-	508
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ -	\$ 34,638	\$ 310,834
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	34,638	-
Total Liabilities	-	-	34,638	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	26,479	-
Total Deferred Inflows of Resources	-	-	26,479	-
Fund Balances:				
Restricted for:				
Public safety - police activities	-	-	-	310,834
Public works	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	(26,479)	-
Total Fund Balances	-	-	(26,479)	310,834
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ 34,638	\$ 310,834

CITY OF IRWINDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			Total Governmental Funds
	Asset Forfeiture - State	Irwindale Joint Powers Authority	Measure M	
Assets:				
Pooled cash and investments	\$ 30,249	\$ -	\$ 15,168	\$ 10,724,662
Receivables:				
Accounts	-	-	-	172,508
Taxes	-	-	-	3,016
Accrued interest	58	-	12	21,125
Restricted assets:				
Cash and investments with fiscal agents	-	730	-	730
Total Assets	\$ 30,307	\$ 730	\$ 15,180	\$ 10,922,041
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 15,170	\$ 209,982
Accrued liabilities	-	-	-	1,931
Due to other funds	-	-	-	35,043
Total Liabilities	-	-	15,170	246,956
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	26,479
Total Deferred Inflows of Resources	-	-	-	26,479
Fund Balances:				
Restricted for:				
Public safety - police activities	30,307	-	-	400,881
Public works	-	-	10	10,273,474
Debt service	-	730	-	730
Unassigned	-	-	-	(26,479)
Total Fund Balances	30,307	730	10	10,648,606
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 30,307	\$ 730	\$ 15,180	\$ 10,922,041

CITY OF IRWINDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Reclamation	AB939	Asset Forfeiture	State Gas Tax
Revenues:				
Taxes	\$ -	\$ 269,032	\$ -	\$ -
Intergovernmental	-	-	27,513	43,708
Use of money and property	15,744	1,107	176	252
Miscellaneous	2,931,547	-	-	-
Total Revenues	2,947,291	270,139	27,689	43,960
Expenditures:				
Current:				
General government	-	-	-	2,463
Public safety	-	-	3,143	-
Public works	663,640	206,246	-	5,323
Capital outlay	764,848	-	57,432	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,428,488	206,246	60,575	7,786
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,518,803	63,893	(32,886)	36,174
Other Financing Sources (Uses):				
Transfers in	722,428	-	-	-
Transfers out	(1,723,000)	-	-	-
Total Other Financing Sources (Uses)	(1,000,572)	-	-	-
Net Change in Fund Balances	518,231	63,893	(32,886)	36,174
Fund Balances, Beginning of Year	8,762,111	658,870	92,626	136,816
Fund Balances, End of Year	\$ 9,280,342	\$ 722,763	\$ 59,740	\$ 172,990

CITY OF IRWINDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	Air Quality Improvement	Proposition A	Proposition C	Measure R
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,640	26,394	21,853	16,398
Use of money and property	-	86	22	80
Miscellaneous	-	-	-	-
Total Revenues	1,640	26,480	21,875	16,478
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	17,118	-	-
Capital outlay	1,700	-	22,600	15,015
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,700	17,118	22,600	15,015
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60)	9,362	(725)	1,463
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(60)	9,362	(725)	1,463
Fund Balances, Beginning of Year	123	46,339	787	40,080
Fund Balances, End of Year	\$ 63	\$ 55,701	\$ 62	\$ 41,543

CITY OF IRWINDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	TDA Article 3	Federal Grants	State Grants	COPS
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	10,000	46,218	154,557	139,416
Use of money and property	-	-	-	432
Miscellaneous	-	-	-	-
Total Revenues	10,000	46,218	154,557	139,848
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	36,744
Public works	-	-	51,898	-
Capital outlay	5,000	-	-	1,706
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	5,000	-	51,898	38,450
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,000	46,218	102,659	101,398
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	5,000	46,218	102,659	101,398
Fund Balances, Beginning of Year	(5,000)	(46,218)	(129,138)	209,436
Fund Balances, End of Year	\$ -	\$ -	\$ (26,479)	\$ 310,834

CITY OF IRWINDALE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Asset Forfeiture - State	Irwindale Joint Powers Authority	Measure M	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 269,032
Intergovernmental	-	-	14,860	502,557
Use of money and property	49	545	10	18,503
Miscellaneous	-	-	-	2,931,547
Total Revenues	49	545	14,870	3,721,639
Expenditures:				
Current:				
General government	-	-	-	2,463
Public safety	-	-	-	39,887
Public works	-	-	-	944,225
Capital outlay	-	-	14,860	883,161
Debt service:				
Principal retirement	-	480,000	-	480,000
Interest and fiscal charges	-	81,400	-	81,400
Total Expenditures	-	561,400	14,860	2,431,136
Excess (Deficiency) of Revenues Over (Under) Expenditures	49	(560,855)	10	1,290,503
Other Financing Sources (Uses):				
Transfers in	-	561,181	-	1,283,609
Transfers out	-	-	-	(1,723,000)
Total Other Financing Sources (Uses)	-	561,181	-	(439,391)
Net Change in Fund Balances	49	326	10	851,112
Fund Balances, Beginning of Year	30,258	404	-	9,797,494
Fund Balances, End of Year	\$ 30,307	\$ 730	\$ 10	\$ 10,648,606

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
RECLAMATION
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,762,111	\$ 8,762,111	\$ 8,762,111	\$ -
Resources (Inflows):				
Use of money and property	90,000	90,000	15,744	(74,256)
Miscellaneous	3,250,000	3,250,000	2,931,547	(318,453)
Transfers in	760,980	760,980	722,428	(38,552)
Amounts Available for Appropriations	12,863,091	12,863,091	12,431,830	(431,261)
Charges to Appropriations (Outflow):				
Public works	764,906	790,621	663,640	126,981
Capital outlay	319,500	772,948	764,848	8,100
Transfers out	1,723,000	1,723,000	1,723,000	-
Total Charges to Appropriations	2,807,406	3,286,569	3,151,488	135,081
Budgetary Fund Balance, June 30	\$ 10,055,685	\$ 9,576,522	\$ 9,280,342	\$ (296,180)

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 AB939
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 658,870	\$ 658,870	\$ 658,870	\$ -
Resources (Inflows):				
Taxes	190,000	190,000	269,032	79,032
Use of money and property	4,000	4,000	1,107	(2,893)
Amounts Available for Appropriations	852,870	852,870	929,009	76,139
Charges to Appropriations (Outflow):				
Public works	139,580	216,530	206,246	10,284
Total Charges to Appropriations	139,580	216,530	206,246	10,284
Budgetary Fund Balance, June 30	\$ 713,290	\$ 636,340	\$ 722,763	\$ 86,423

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 ASSET FORFEITURE
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 92,626	\$ 92,626	\$ 92,626	\$ -
Resources (Inflows):				
Intergovernmental	-	35,850	27,513	(8,337)
Use of money and property	-	262	176	(86)
Amounts Available for Appropriations	92,626	128,738	120,315	(8,423)
Charges to Appropriations (Outflow):				
Public safety	-	19,807	3,143	16,664
Capital outlay	-	101,592	57,432	44,160
Total Charges to Appropriations	-	121,399	60,575	60,824
Budgetary Fund Balance, June 30	\$ 92,626	\$ 7,339	\$ 59,740	\$ 52,401

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 STATE GAS TAX
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 136,816	\$ 136,816	\$ 136,816	\$ -
Resources (Inflows):				
Intergovernmental	48,810	48,810	43,708	(5,102)
Use of money and property	50	50	252	202
Amounts Available for Appropriations	185,676	185,676	180,776	(4,900)
Charges to Appropriations (Outflow):				
General government	2,400	2,400	2,463	(63)
Public works	-	5,323	5,323	-
Capital outlay	30,000	150,629	-	150,629
Total Charges to Appropriations	32,400	158,352	7,786	150,566
Budgetary Fund Balance, June 30	\$ 153,276	\$ 27,324	\$ 172,990	\$ 145,666

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 123	\$ 123	\$ 123	\$ -
Resources (Inflows):				
Intergovernmental	1,700	1,700	1,640	(60)
Amounts Available for Appropriations	1,823	1,823	1,763	(60)
Charges to Appropriations (Outflow):				
Capital outlay	1,700	1,700	1,700	-
Total Charges to Appropriations	1,700	1,700	1,700	-
Budgetary Fund Balance, June 30	\$ 123	\$ 123	\$ 63	\$ (60)

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION A
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 46,339	\$ 46,339	\$ 46,339	\$ -
Resources (Inflows):				
Intergovernmental	26,250	26,250	26,394	144
Use of money and property	300	300	86	(214)
Amounts Available for Appropriations	72,889	72,889	72,819	(70)
Charges to Appropriations (Outflow):				
Public works	16,800	17,622	17,118	504
Capital outlay	40,000	39,178	-	39,178
Total Charges to Appropriations	56,800	56,800	17,118	39,682
Budgetary Fund Balance, June 30	\$ 16,089	\$ 16,089	\$ 55,701	\$ 39,612

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 787	\$ 787	\$ 787	\$ -
Resources (Inflows):				
Intergovernmental	21,780	21,780	21,853	73
Use of money and property	400	400	22	(378)
Amounts Available for Appropriations	45,147	22,967	22,662	(305)
Charges to Appropriations (Outflow):				
Capital outlay	30,000	30,000	22,600	7,400
Total Charges to Appropriations	30,000	30,000	22,600	7,400
Budgetary Fund Balance, June 30	\$ 15,147	\$ (7,033)	\$ 62	\$ 7,095

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 MEASURE R
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 40,080	\$ 40,080	\$ 40,080	\$ -
Resources (Inflows):				
Intergovernmental	16,330	16,330	16,398	68
Use of money and property	300	300	80	(220)
Amounts Available for Appropriations	56,710	56,710	56,558	(152)
Charges to Appropriations (Outflow):				
Capital outlay	16,500	16,500	15,015	1,485
Total Charges to Appropriations	16,500	16,500	15,015	1,485
Budgetary Fund Balance, June 30	\$ 40,210	\$ 40,210	\$ 41,543	\$ 1,333

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
TDA ARTICLE 3
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ -
Resources (Inflows):				
Intergovernmental	5,000	5,000	10,000	5,000
Amounts Available for Appropriations	-	-	5,000	5,000
Charges to Appropriation (Outflow):				
Capital outlay	5,000	5,000	5,000	-
Total Charges to Appropriations	5,000	5,000	5,000	-
Budgetary Fund Balance, June 30	\$ (5,000)	\$ (5,000)	\$ -	\$ 5,000

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 FEDERAL GRANTS
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (46,218)	\$ (46,218)	\$ (46,218)	\$ -
Resources (Inflows):				
Intergovernmental	-	169,819	46,218	(123,601)
Amounts Available for Appropriations	(46,218)	123,601	-	(123,601)
Charges to Appropriations (Outflow):				
Capital outlay	-	169,819	-	169,819
Total Charges to Appropriations	-	169,819	-	169,819
Budgetary Fund Balance, June 30	\$ (46,218)	\$ (46,218)	\$ -	\$ 46,218

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 STATE GRANTS
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (129,138)	\$ (129,138)	\$ (129,138)	\$ -
Resources (Inflows):				
Intergovernmental	-	605,379	154,557	(450,822)
Amounts Available for Appropriations	(129,138)	476,241	25,419	(450,822)
Charges to Appropriation (Outflow):				
Public works	-	476,096	51,898	424,198
Total Charges to Appropriations	-	476,096	51,898	424,198
Budgetary Fund Balance, June 30	\$ (129,138)	\$ 145	\$ (26,479)	\$ (26,624)

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 COPS
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 209,436	\$ 209,436	\$ 209,436	\$ -
Resources (Inflows):				
Intergovernmental	-	129,859	139,416	9,557
Use of money and property	-	398	432	34
Amounts Available for Appropriations	209,436	339,693	349,284	9,591
Charges to Appropriations (Outflow):				
Public safety	-	132,328	36,744	95,584
Capital outlay	-	206,967	1,706	205,261
Total Charges to Appropriations	-	339,295	38,450	300,845
Budgetary Fund Balance, June 30	\$ 209,436	\$ 398	\$ 310,834	\$ 310,436

CITY OF IRWINDALE

**BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE - STATE
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 30,258	\$ 30,258	\$ 30,258	\$ -
Resources (Inflows):				
Use of money and property	-	69	49	(20)
Amounts Available for Appropriations	30,258	30,327	30,307	(20)
Charges to Appropriations (Outflow):				
Public safety	-	30,050	-	30,050
Total Charges to Appropriations	-	30,050	-	30,050
Budgetary Fund Balance, June 30	\$ 30,258	\$ 277	\$ 30,307	\$ 30,030

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 IRWINDALE JOINT POWERS AUTHORITY
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 404	\$ 404	\$ 404	\$ -
Resources (Inflows):				
Use of money and property	-	-	545	545
Transfers in	561,400	561,400	561,181	(219)
Amounts Available for Appropriations	561,804	561,804	562,130	326
Charges to Appropriations (Outflow):				
Debt service:				
Principal retirement	480,000	480,000	480,000	-
Interest and fiscal charges	81,400	81,400	81,400	-
Total Charges to Appropriations	561,400	561,400	561,400	-
Budgetary Fund Balance, June 30	\$ 404	\$ 404	\$ 730	\$ 326

CITY OF IRWINDALE

BUDGETARY COMPARISON SCHEDULE
 MEASURE M
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	16,670	16,670	14,860	(1,810)
Use of money and property	-	-	10	10
Amounts Available for Appropriations	16,670	16,670	14,870	(1,800)
Charges to Appropriation (Outflow):				
Capital outlay	16,670	16,670	14,860	1,810
Total Charges to Appropriations	16,670	16,670	14,860	1,810
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ 10	\$ 10

Agency Funds

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

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

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

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

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

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

CITY OF IRWINDALE

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2018

	<u>Agency</u>	<u>CFD #1</u>	<u>Live Oak Assessment District</u>	<u>Street Lighting District</u>
Assets:				
Pooled cash and investments	\$ 95,241	\$ 1,119,808	\$ -	\$ 36,186
Receivables:				
Accounts	-	-	-	-
Taxes	-	10,004	984	1,489
Accrued interest	-	1,467	-	67
Cash and investments with fiscal agents	-	774,826	98,481	-
Total Assets	\$ 95,241	\$ 1,906,105	\$ 99,465	\$ 37,742
Liabilities:				
Accounts payable	\$ 697	\$ -	\$ -	\$ 50
Deposits payable	94,544	1,906,105	81,813	37,692
Due to City of Irwindale	-	-	17,652	-
Advances from City of Irwindale	-	-	-	-
Total Liabilities	\$ 95,241	\$ 1,906,105	\$ 99,465	\$ 37,742

CITY OF IRWINDALE

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2018

	Sewer Maintenance District	Totals
Assets:		
Pooled cash and investments	\$ 98,585	\$ 1,349,820
Receivables:		
Accounts	40,509	40,509
Taxes	14,648	27,125
Accrued interest	216	1,750
Cash and investments with fiscal agents	-	873,307
Total Assets	\$ 153,958	\$ 2,292,511
Liabilities:		
Accounts payable	\$ 3,383	\$ 4,130
Deposits payable	-	2,120,154
Due to City of Irwindale	-	17,652
Advances from City of Irwindale	150,575	150,575
Total Liabilities	\$ 153,958	\$ 2,292,511

CITY OF IRWINDALE

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>Agency</u>				
Assets:				
Pooled cash and investments	\$ 90,064	\$ 52,063	\$ 46,886	\$ 95,241
Total Assets	<u>\$ 90,064</u>	<u>\$ 52,063</u>	<u>\$ 46,886</u>	<u>\$ 95,241</u>
Liabilities:				
Accounts payable	\$ 2,100	\$ 45,996	\$ 47,399	\$ 697
Deposits payable	87,964	46,558	39,978	94,544
Total Liabilities	<u>\$ 90,064</u>	<u>\$ 92,554</u>	<u>\$ 87,377</u>	<u>\$ 95,241</u>
<u>CFD #1</u>				
Assets:				
Pooled cash and investments	\$ 1,068,329	\$ 1,087,986	\$ 1,036,507	\$ 1,119,808
Receivables:				
Taxes	9,765	10,004	9,765	10,004
Accrued interest	1,027	1,467	1,027	1,467
Restricted assets:				
Cash and investments with fiscal agents	771,683	8,854	5,711	774,826
Total Assets	<u>\$ 1,850,804</u>	<u>\$ 1,108,311</u>	<u>\$ 1,053,010</u>	<u>\$ 1,906,105</u>
Liabilities:				
Accounts payable	\$ 10	\$ 10,953	\$ 10,963	\$ -
Deposits payable	1,850,794	1,105,817	1,050,506	1,906,105
Total Liabilities	<u>\$ 1,850,804</u>	<u>\$ 1,116,770</u>	<u>\$ 1,061,469</u>	<u>\$ 1,906,105</u>
<u>Live Oak Assessment District</u>				
Assets:				
Pooled cash and investments	\$ 64,193	\$ 26,015	\$ 90,208	\$ -
Receivables:				
Taxes	428	984	428	984
Accrued interest	37	-	37	-
Restricted assets:				
Cash and investments with fiscal agents	97,963	1,384	866	98,481
Total Assets	<u>\$ 162,621</u>	<u>\$ 28,383</u>	<u>\$ 91,539</u>	<u>\$ 99,465</u>
Liabilities:				
Deposits payable	\$ 162,621	\$ 10,695	\$ 91,503	\$ 81,813
Due to other governments	-	17,652	-	17,652
Total Liabilities	<u>\$ 162,621</u>	<u>\$ 28,347</u>	<u>\$ 91,503</u>	<u>\$ 99,465</u>

CITY OF IRWINDALE

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>Street Lighting District</u>				
Assets:				
Pooled cash and investments	\$ 34,170	\$ 12,462	\$ 10,446	\$ 36,186
Receivables:				
Taxes	417	1,489	417	1,489
Accrued interest	52	67	52	67
Total Assets	\$ 34,639	\$ 14,018	\$ 10,915	\$ 37,742
Liabilities:				
Accounts payable	\$ 123	\$ 1,755	\$ 1,828	\$ 50
Deposits payable	34,516	13,898	10,722	37,692
Total Liabilities	\$ 34,639	\$ 15,653	\$ 12,550	\$ 37,742
<u>Sewer Maintenance District</u>				
Assets:				
Pooled cash and investments	\$ 96,956	\$ 122,119	\$ 120,490	\$ 98,585
Receivables:				
Accounts	129,208	40,509	129,208	40,509
Taxes	4,069	14,648	4,069	14,648
Accrued interest	155	216	155	216
Total Assets	\$ 230,388	\$ 177,492	\$ 253,922	\$ 153,958
Liabilities:				
Accounts payable	\$ 4,525	\$ 25,647	\$ 26,789	\$ 3,383
Advances from City of Irwindale	225,863	575	75,863	150,575
Total Liabilities	\$ 230,388	\$ 26,222	\$ 102,652	\$ 153,958
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 1,353,712	\$ 1,300,645	\$ 1,304,537	\$ 1,349,820
Receivables:				
Accounts	129,208	40,509	129,208	40,509
Taxes	14,679	27,125	14,679	27,125
Accrued interest	1,271	1,750	1,271	1,750
Restricted assets:				
Cash and investments with fiscal agents	869,646	10,238	6,577	873,307
Total Assets	\$ 2,368,516	\$ 1,380,267	\$ 1,456,272	\$ 2,292,511
Liabilities:				
Accounts payable	\$ 6,758	\$ 84,351	\$ 86,979	\$ 4,130
Deposits payable	2,135,895	1,257,776	61,395	2,120,154
Due to City of Irwindale	-	17,652	-	17,652
Advances from City of Irwindale	225,863	575	75,863	150,575
Total Liabilities	\$ 2,368,516	\$ 1,360,354	\$ 224,237	\$ 2,292,511

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Statistical Section

The Statistical Section 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.

Financial Trends

These schedules contain trend information to help the reader understand how the City of Irwindale's financial position has changed over time.

- Table 1: Net Position by Component – Last Ten Fiscal Years
- Table 2: Changes in Net Position – Last Ten Fiscal Years
- Table 3: Fund Balances of Governmental Funds – Last Ten Fiscal Years
- Table 4: Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City of Irwindale's ability to generate revenues.

- Table 5: Governmental Activities Tax Revenues By Source – Last Ten Fiscal Years
- Table 6: Mining Tax Revenues – Last Ten Fiscal Years
- Table 7: Mining Tax Rates – Last Ten Fiscal Years
- Table 8: Principal Mining Taxpayers – Current Year and Nine Years Ago
- Table 9: Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years
- Table 10: Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years
- Table 11: Principal Property Taxpayers – Current Year and Nine Years Ago
- Table 12: Property Tax Levies and Collections – Last Ten Fiscal Years
- Table 13: Taxable Sales by Category – Last Ten Fiscal Years
- Table 14: Top 25 Sales Tax Producers – Current Year and Nine Years Ago

Debt Capacity

These schedules present information to help the reader assess City of Irwindale's levels of outstanding debt and the City's ability to issue additional debt in the future.

- Table 15: Ratios of Outstanding Debt by Type – Last Ten Fiscal Years
- Table 16: Bonded Debt Pledged Revenue Coverage Successor Agency Tax Allocation Bonds – Last Ten Fiscal Years
- Table 17: Direct and Overlapping Debt
- Table 18: Legal Debt Margin Information – Last Ten Fiscal Years

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment in which the City of Irwindale operates, and to help make comparisons over time and among other governments.

- Table 19: Demographic and Economic Statistics – Last Ten Fiscal Years
- Table 20: Principal Employers – Current Year and Nine Years Ago

Operating Information

These schedules contain information about the City of Irwindale's operations and resources to help the reader understand how the City's financial information relates to the services and activities it provides.

- Table 21: Full-Time and Part-Time City Employees by Function – Last Ten Fiscal Years
- Table 22: Operating Indicators by Function – Last Ten Fiscal Years
- Table 23: Capital Asset Statistics by Function – Last Ten Fiscal Years

Sources: *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for each relevant year.*

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 58,229,206	\$ 60,704,534	\$ 52,415,011	\$ 54,163,083	\$ 49,061,789	\$ 49,624,207	\$ 50,299,501	\$ 49,794,671	\$ 49,601,338	\$ 51,120,018
Restricted	113,653,485	112,221,761	115,639,163	84,591,464	89,708,274	59,274,997	50,523,767	60,867,149	57,816,698	52,235,181
Unrestricted	(38,478,703)	(44,527,151)	(41,762,064)	37,421,055	33,485,053	33,115,512	30,064,576	23,747,719	31,214,451	31,221,394
Total governmental activities net position	\$ 133,403,988	\$ 128,399,144	\$ 126,292,110	\$ 176,175,602	\$ 172,255,116	\$ 142,014,716	\$ 130,887,844	\$ 134,409,539	\$ 138,632,487	\$ 134,576,593

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 13,412,919	\$ 19,854,727	\$ 15,295,872	\$ 11,618,188	\$ 7,675,365	\$ 7,460,530	\$ 7,629,859	\$ 8,761,277	\$ 13,737,232	\$ 7,288,404
Public safety	8,074,775	7,137,519	5,713,485	5,947,245	5,797,927	5,686,135	5,718,022	5,837,909	6,360,040	7,104,410
Public works	5,580,673	5,977,716	6,308,680	5,743,162	5,392,703	6,804,537	7,152,933	6,268,933	8,457,410	8,615,524
Parks and recreation	2,225,792	1,872,053	1,851,457	1,846,848	1,835,292	1,859,710	1,853,463	1,879,106	2,775,633	2,147,371
Interest on long-term debt	5,676,260	5,702,436	5,427,530	2,657,051	297,961	376,489	142,709	145,043	127,274	121,752
Total primary government expenses	\$ 34,970,419	\$ 40,544,451	\$ 34,597,024	\$ 27,812,494	\$ 20,999,248	\$ 22,167,401	\$ 22,496,986	\$ 22,892,268	\$ 31,457,589	\$ 25,277,461
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 567,589	\$ 528,525	\$ 529,939	\$ 497,442	\$ 409,754	\$ 301,789	\$ 241,960	\$ 219,112	\$ 427,686	\$ 517,901
Public works	688,504	1,097,721	1,562,668	523,323	499,829	1,104,906	1,004,298	780,947	1,627,920	2,851,874
Parks and recreation	96,079	112,600	121,570	117,481	116,836	102,531	113,399	121,177	132,209	135,159
Operating grants and contributions	1,052,056	1,323,556	1,469,968	887,048	615,256	1,504,715	800,651	1,010,005	836,673	473,320
Capital grants and contributions		586,548	41,852	34,169	227,058	75,051	196,263	290,685	4,897	3,290,793
Total primary government revenues	\$ 2,404,228	\$ 3,648,950	\$ 3,725,997	\$ 2,059,965	\$ 1,869,175	\$ 3,089,004	\$ 2,356,571	\$ 2,422,326	\$ 3,029,385	\$ 8,263,272
Net Revenues (Expense)										
Total primary government net expense	\$ (32,566,191)	\$ (36,895,501)	\$ (30,871,027)	\$ (25,752,529)	\$ (19,130,073)	\$ (19,078,397)	\$ (20,140,415)	\$ (20,469,942)	\$ (28,428,204)	\$ (17,014,189)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes	\$ 18,718,793	\$ 21,048,420	\$ 18,421,025	\$ 9,022,938	\$ 3,621,003	\$ 1,296,288	\$ 1,994,517	\$ 2,166,117	\$ 1,925,140	\$ 2,257,962
Property	3,641,541	3,641,752	4,256,863	4,457,993	5,001,084	5,726,528	6,446,449	6,717,324	6,291,651	7,088,995
Mining/processing	4,541,326	3,919,905	4,207,592	3,394,807	3,757,466	4,246,191	3,882,558	3,691,820	3,937,691	4,220,157
Sales	3,789,366	3,171,532	3,593,910	3,134,265	3,289,837	3,658,588	4,018,841	3,755,043	3,601,434	3,873,263
Utility Users	982,119	943,735	910,274	1,114,846	1,068,712	1,210,925	1,332,218	1,330,527	1,348,162	1,410,694
Franchise	1,088,467	674,410	971,720	1,118,699	1,084,552	1,047,405	983,323	1,151,728	1,234,886	1,236,833
Business licenses	466,760	435,179	441,742	310,334	267,682	331,731	376,131	345,301	426,282	413,519
Other	113,485	122,041	121,549	111,598	113,675	121,712	124,842	127,443	129,810	138,747
Motor vehicle in lieu	4,277,620	2,773,276	1,847,903	2,725,901	1,330,941	623,267	1,013,123	1,155,492	600,339	599,074
Use of money and property	205,437	-	4,844,874	-	514,453	-	-	718,150	4,572,836	-
Gain on sale of assets	2,090,634	1,175,407	1,122,602	411,368	1,135,156	728,407	275,362	2,809,931	8,651,269	869,325
Other										
Extraordinary gain/(loss) on dissolution of redevelopment agency *				50,571,909	(5,974,974)	(30,153,045)	5,785,449			
Total primary government	\$ 39,915,548	\$ 37,905,657	\$ 40,740,074	\$ 76,374,658	\$ 15,209,587	\$ (11,162,003)	\$ 26,232,813	\$ 23,968,876	\$ 32,719,500	\$ 22,108,569
Change in Net Position										
Total primary government	\$ 7,349,357	\$ 1,010,156	\$ 9,869,047	\$ 50,622,129	\$ (3,920,486)	\$ (30,240,400)	\$ 6,092,398	\$ 3,498,934	\$ 4,291,296	\$ 5,094,380

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

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

	2009	2010	2011*	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	\$ 6,772,885	\$ 6,855,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	22,507,298	20,520,102	-	-	-	-	-	-	-	-
General fund	-	-	\$ 42,441,980	\$ 30,191,045	\$ 34,346,793	\$ 4,188,578	\$ 11,013,366	\$ 12,142,153	\$ 9,181,943	\$ 8,869,831
Nonspendable	-	-	-	-	2,464,622	-	-	-	-	-
Restricted	-	-	24,279,691	25,176,638	17,677,821	17,057,727	14,897,110	18,676,485	30,620,784	30,112,196
Assigned	-	-	66,721,671	55,367,883	54,489,236	21,246,305	25,910,476	30,818,638	39,802,727	38,982,027
Total general fund	29,280,183	27,375,796	66,721,671	55,367,883	54,489,236	21,246,305	25,910,476	30,818,638	39,802,727	38,982,027
All other governmental funds										
Reserved	57,441,039	66,445,575	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	20,917,965	21,374,947	-	-	-	-	-	-	-	-
Debt service funds	4,534,733	1,422,725	-	-	-	-	-	-	-	-
Capital projects funds	32,865,403	24,363,088	-	-	-	-	-	-	-	-
Nonspendable	-	-	24,227,822	29,122,352	17,162,644	14,590,361	13,401,152	-	-	-
Restricted:										
Continuing Operations	-	-	25,084,449	3,400,709	16,151,287	18,095,879	19,226,187	-	-	-
Public safety	-	-	272,231	347,622	439,857	785,583	498,511	321,512	332,320	400,881
Public works	-	-	20,671,666	21,567,736	23,336,819	24,887,273	27,031,968	-	-	29,781,088
Capital projects funds	-	-	-	-	-	-	-	30,375,656	30,621,096	-
Housing activities	-	-	-	-	-	-	-	30,169,981	26,862,878	22,052,482
Debt service	-	-	7,742,159	-	-	915,900	915,964	-	404	730
Unassigned	-	-	(47,862)	-	-	-	(4,805)	(4,863)	(180,356)	(26,479)
Total all other governmental funds	\$ 115,559,140	\$ 113,606,335	\$ 77,950,465	\$ 54,438,419	\$ 57,090,607	\$ 59,274,996	\$ 61,068,977	\$ 60,862,286	\$ 57,636,342	\$ 52,208,702

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

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	\$ 33,185,335	\$ 33,904,686	\$ 32,787,793	\$ 22,994,591	\$ 17,717,330	\$ 17,209,830	\$ 19,479,493	\$ 19,304,177	\$ 18,654,064	\$ 20,597,369
Licenses and permits	354,936	412,419	989,453	283,388	247,039	530,137	576,658	554,101	938,966	1,715,887
Intergovernmental	2,126,649	1,013,107	634,658	854,348	1,088,969	870,432	815,984	885,971	474,772	563,951
Charges for services	585,241	923,939	842,152	470,000	447,475	753,446	570,149	526,145	1,504,357	1,517,298
Use of money and property	4,275,780	2,775,116	382,572	2,725,901	1,330,941	623,267	1,013,123	1,155,492	599,476	599,361
Fines and forfeitures	410,988	398,870	1,847,903	385,350	332,347	225,655	212,850	193,467	243,812	305,749
Contributions	-	950	4,547	2,000	8,600	10,730	208,041	556,028	41,079	37,950
Miscellaneous	3,859,481	3,025,803	3,057,217	1,714,792	1,143,637	734,104	278,003	2,812,240	8,672,122	5,007,717
Total revenues	\$ 43,888,410	\$ 42,452,890	\$ 40,546,295	\$ 29,430,380	\$ 22,316,338	\$ 20,957,601	\$ 23,154,301	\$ 25,787,621	\$ 31,128,648	\$ 30,344,882
Expenditures:										
General government	\$ 13,353,100	\$ 19,852,391	\$ 15,281,394	\$ 11,009,364	\$ 6,891,893	\$ 7,388,913	\$ 7,459,738	\$ 7,999,231	\$ 13,525,715	\$ 12,858,871
Public safety	8,792,926	6,915,434	5,449,255	5,792,040	5,569,075	5,472,221	5,552,325	5,702,613	5,780,504	9,915,262
Parks and recreation	2,131,443	1,652,324	5,136,018	1,662,490	1,653,770	1,661,622	1,661,770	1,781,960	1,862,459	1,862,459
Public works	4,319,916	5,011,158	1,651,410	4,407,686	4,159,516	4,345,647	4,793,164	4,741,024	6,610,493	8,418,135
Capital outlay	11,795,692	3,668,526	1,735,299	1,449,905	927,084	1,772,245	2,429,246	987,916	1,490,419	2,927,419
Debt Service:										
Principal	3,563,274	3,779,425	3,989,657	3,739,902	445,159	4,835,000	440,000	455,000	465,000	480,000
Interest and fiscal charges	5,399,785	5,430,824	5,162,080	4,246,611	235,979	409,021	145,356	136,556	135,308	131,076
Total expenditures	\$ 49,316,136	\$ 46,310,082	\$ 38,405,113	\$ 32,307,988	\$ 19,882,076	\$ 25,864,669	\$ 22,481,599	\$ 21,804,300	\$ 29,943,339	\$ 36,593,222
Excess of revenues over (under) expenditures	\$ (5,427,726)	\$ (3,857,192)	\$ 2,141,182	\$ (2,877,618)	\$ 2,434,262	\$ (4,907,068)	\$ 672,702	\$ 3,983,321	\$ 1,185,309	\$ (6,248,340)
Other financing sources (uses):										
Transfers in	11,683,810	4,160,591	45,678,056	10,041,173	642,717	3,963,307	1,200,515	3,909,009	5,391,719	3,006,609
Transfers out	(11,683,810)	(4,160,591)	(45,678,056)	(10,041,173)	(642,717)	(3,963,307)	(1,200,515)	(3,909,009)	(5,391,719)	(3,006,609)
Capital leases	23,750	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of land held	205,437	-	4,844,874	-	514,453	-	-	718,150	4,572,836	-
Bonds issued	-	-	-	-	-	3,870,000	-	-	-	-
Bond premium	-	-	-	-	-	131,572	-	-	-	-
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Payment to refunding escrow	-	-	-	-	-	-	-	-	-	-
Contributions to Successor Agency	-	-	-	(545,416)	-	-	-	-	-	-
Total other financing sources (uses)	229,187	-	4,844,874	(545,416)	514,453	4,001,572	-	718,150	4,572,836	-
Extraordinary Gain/(Loss) *	-	-	-	(31,443,000)	(1,174,974)	(30,153,045)	5,785,449	-	-	-
Net change in fund balances before restatements	\$ (5,198,639)	\$ (3,857,192)	\$ 6,986,056	\$ (34,866,034)	\$ 1,773,741	\$ (31,058,541)	\$ 6,458,151	\$ 4,701,471	\$ 5,758,145	\$ (6,248,340)
Restatement of fund balances	270,872	-	(3,296,051)	-	-	-	-	-	-	-
Net change in fund balances after restatement	\$ (4,927,667)	\$ (3,857,192)	\$ 3,690,005	\$ (34,866,034)	\$ 1,773,741	\$ (31,058,541)	\$ 6,458,151	\$ 4,701,471	\$ 5,758,145	\$ (6,248,340)
Debt service as a percentage of noncapital expenditures **	23.86%	21.60%	24.96%	25.88%	3.59%	21.77%	2.92%	2.84%	2.11%	1.82%

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

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

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

Fiscal Year Ended June 30	Property Tax	Mining Tax	Sales Tax	Utility Users Tax	Other Tax	Total Taxes
2009	18,718,793	3,641,541	4,541,326	3,789,366	2,537,346	33,228,372
2010	21,048,420	3,641,752	3,919,905	3,171,532	2,053,324	33,834,933
2011	18,421,025	4,256,883	4,207,592	3,593,910	2,323,736	32,803,146
2012 *	9,022,938	4,457,993	3,394,807	3,134,265	2,543,879	22,553,882
2013 *	3,621,003	5,001,084	3,757,466	3,289,837	2,420,946	18,090,336
2014	1,296,288	5,726,528	4,246,191	3,658,588	2,590,061	17,517,656
2015	1,994,517	6,446,449	3,882,558	4,018,841	2,691,672	19,034,037
2016	2,166,117	6,717,324	3,691,820	3,755,043	2,827,556	19,157,860
2017	1,926,393	6,291,651	3,937,691	3,601,434	3,009,330	18,766,499
2018	2,257,962	7,088,995	4,220,157	3,873,263	3,061,046	20,501,423

* Per State Assembly Bill AB 1X26, redevelopment agencies in California were dissolved as of February 1, 2012. After this dissolution date, the assets and financial activities of the former Irwindale Community Redevelopment Agency are reported as a fiduciary fund in the financial statements of the City of Irwindale which serves as the Successor Agency to the Irwindale Community Redevelopment Agency. Fiscal Year 2012 reflects a partial year of where tax increment revenues were not received due to the redevelopment agency dissolution. Fiscal Year 2013 reflects the first full year without tax increment revenues. This amount includes property taxes, as well as taxes received by the County as residual revenue from the Successor Agency.

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

Fiscal Year Ended June 30	Excavation Tax	Processing Tax	Special Mining Excavation Tax	Special Mining Processing Tax	Total Mining Taxes
2009	1,101,495	603,209	1,202,692	734,145	3,641,541
2010	1,062,363	577,066	1,297,980	704,343	3,641,752
2011	1,250,181	665,572	1,527,355	813,775	4,256,883
2012	1,327,094	679,849	1,621,328	829,722	4,457,993
2013	1,491,796	759,545	1,822,951	926,792	5,001,084
2014	1,698,843	879,048	2,076,325	1,072,312	5,726,528
2015	1,917,157	984,895	2,343,051	1,201,346	6,446,449
2016	1,982,039	1,042,060	2,422,446	1,270,779	6,717,324
2017	1,857,818	979,163	2,260,579	1,194,091	6,291,651
2018	2,091,731	1,099,413	2,557,242	1,340,609	7,088,995

Source: City of Irwindale Finance Department

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

Fiscal Year Ended June 30	Excavation Tax Rate (per ton)	Processing Tax Rate (per ton)	Special Mining Excavation Tax Rate (per ton)	Special Mining Processing Tax Rate (per ton)
2009	0.2430	0.1215	0.2969	0.1483
2010	0.2476	0.1238	0.3025	0.1511
2011	0.2558	0.1279	0.3125	0.1561
2012	0.2596	0.1298	0.3172	0.1584
2013	0.2619	0.1310	0.3201	0.1598
2014	0.2656	0.1328	0.3246	0.1620
2015	0.2669	0.1335	0.3262	0.1628
2016	0.2770	0.1362	0.3327	0.1661
2017	0.2795	0.1399	0.3417	0.1706
2018	0.2907	0.1455	0.3554	0.1774

Source: City of Irwindale Finance Department

Table 8
City of Irwindale
Principal Mining Taxpayers
Current Year and Nine Years Ago
June 30, 2018

Mining Operator	2018			2009		
	Mining Taxes	Rank	Percentage of Total Mining Tax Revenue	Mining Taxes	Rank	Percentage of Total Mining Tax Revenue
Vulcan Durbin/Reliance	3,352,182	1	47.3%	1,800,469	1	57.6%
Hanson Aggregates	2,282,331	2	32.2%	504,195	3	16.1%
United Rock	1,247,650	3	17.6%	603,842	2	19.3%
All American Asphalt	81,488	4	1.1%	33,445	6	1.1%
Holliday Rock	65,034	5	0.9%	58,998	5	1.9%
Peck Road Gravel Pit	60,311	6	0.9%	123,355	4	3.9%
Totals	7,088,996		100.00%	3,124,304		100.00%

Source: City of Irwindale Finance Department

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

Category	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residential	45,838,375	44,637,217	45,110,136	46,217,368	47,150,265	48,487,088	51,209,692	53,803,730	55,306,155	59,483,148
Commercial	167,402,041	173,943,816	171,734,153	156,088,581	154,295,529	165,743,037	174,522,114	179,619,293	182,176,675	171,797,899
Industrial	1,149,521,380	1,295,789,426	1,305,649,188	1,251,478,474	1,256,350,532	1,383,353,215	1,428,571,157	1,454,273,793	1,480,939,609	1,615,507,741
Government Owned	464,975	474,273	473,148	476,710	486,243	496,011	498,217	508,170	515,919	526,237
Institutional	147,845	150,801	150,442	151,574	154,604	157,695	158,410	161,574	164,037	167,317
Miscellaneous	5,606,829	7,741,017	7,585,554	7,445,786	7,399,309	7,354,853	7,804,466	7,806,464	7,795,215	7,764,046
Recreational	10,860,587	11,077,797	11,051,541	11,134,758	11,357,451	11,584,598	11,637,190	22,969,948	23,320,239	26,356,643
Vacant	45,661,181	45,408,486	44,713,577	44,946,595	61,389,175	53,746,555	63,402,720	69,052,434	78,577,829	81,698,273
SBE Nonunitary	8,279,624	8,279,624	8,555,358	8,555,358	8,555,358	7,427,946	7,427,946	7,071,026	7,071,526	7,071,526
Cross Reference	96,708,569	110,739,581	88,675,287	98,587,226	104,765,839	101,727,504	87,844,101	86,806,996	88,007,252	129,623,585
Unsecured	366,248,086	362,612,436	319,707,493	326,709,346	335,799,957	350,202,859	352,575,992	351,397,594	352,596,600	332,009,850
Exempt	(56,270,216)	(49,768,577)	(49,906,700)	(44,332,373)	(43,322,431)	(43,339,793)	(43,339,793)	(44,205,503)	(43,526,869)	(40,168,105)
TOTALS	1,896,739,492	2,060,854,474	2,003,405,877	1,951,791,776	1,987,704,262	2,130,281,361	2,185,652,005	2,233,471,022	2,276,471,056	2,391,838,160
Total Direct Rate	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%

Source: HdL Coren & Cone Reports

Notes: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to actual market value of taxable property and is subject to the limitations described above.

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

Fiscal Year Ended	Direct Rate	Overlapping Rates				Total Direct & Overlapping Rates
	General Levy	Los Angeles County	School Districts	Community College	Water District	
2009	1.00000	0.00000	0.58847	0.07093	0.00430	1.66370
2010	1.00000	0.00000	0.69200	0.07682	0.00430	1.77312
2011	1.00000	0.00000	0.72930	0.08591	0.00370	1.81891
2012	1.00000	0.00000	0.80303	0.08507	0.00370	1.89180
2013	1.00000	0.00000	0.79357	0.08298	0.00350	1.88005
2014	1.00000	0.00000	0.78442	0.07141	0.00350	1.85933
2015	1.00000	0.00000	0.81082	0.07277	0.00350	1.88709
2016	1.00000	0.00000	0.89519	0.06507	0.00350	1.96376
2017	1.00000	0.00000	0.84665	0.07614	0.00350	1.92629
2018	1.00000	0.00000	0.92805	0.07348	0.00350	2.00503

Source: HdL Coren & Cone Reports

Notes: In 1978, California voters passed Proposition 13 which sets the property tax rate at 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the various intergovernmental overlapping debt.

Table 11
City of Irwindale
Principal Property Taxpayers
Current Year and Nine Years Ago
June 30, 2018

Property Owner	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Millercoors Inc./Miller Brewing Company	\$ 418,031,726	1	18.67%	\$ 279,215,344	1	16.15%
Crow Family Holdings Industrial	108,016,546	2	4.82%	92,106,138	2	5.33%
BPP Pacific Indl Reit LA Reg	85,000,000	3	3.80%			
Vulcan Materials	79,782,661	4	3.56%			
Huy Fong Irwindale LLC	75,492,242	5	3.37%			
Rexford Industrial Realty LP	58,414,418	6	2.61%			
Metropolitan Life Insurance Company	57,395,285	7	2.56%	60,539,879	3	3.50%
Hanson Aggregates West Inc.	51,804,940	8	2.31%	38,827,171	5	2.25%
Davis Wire Corporation	46,149,389	9	2.06%	36,455,504	8	2.11%
ICON Owner Pool 1 LA Business Parks	38,104,274	10	1.70%			
Unitek Corporation				33,423,294	10	
Reality Associates Fund				40,862,711	4	2.36%
Ready Pac Produce Inc.				37,423,316	7	2.16%
Consolidated Rock Products				35,136,514	9	2.03%
California Community New Corp				38,167,973	6	2.21%
Totals	\$ 1,018,191,481		45.48%	\$ 692,157,844		38.11%

Source: HdL Coren & Cone Reports

Table 12
City of Inwindale
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	City Tax Levy	Collected within the Fiscal Year of the Levy			Collected In Subsequent Years	Total Collections	
		Amount Collected	Percentage of Levy	Amount		Percentage of Levy	
2009	200,091	195,067	97.5%	382	195,449	97.7%	
2010	200,610	197,760	98.6%	296	198,056	98.7%	
2011	203,934	202,982	99.5%	291	203,273	99.7%	
2012	201,838	200,222	99.2%	280	200,501	99.3%	
2013	203,082	202,147	99.5%	274	202,421	99.7%	
2014	203,572	202,460	99.5%	302	202,762	99.6%	
2015	203,580	200,674	98.6%	1,269	201,943	99.2%	
2016	203,800	202,034	99.1%	NA	202,034	99.1%	
2017	207,200	204,997	98.9%	NA	204,997	98.9%	
2018	212,230	209,975	98.9%	NA	209,975	98.9%	

NA - Information not available.

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Apparel Stores	590	444	379	365	363	664	580	599	483	733
Food Stores	408	316	324	376	345	353	458	715	591	353
Eating and Drinking Places	17,895	16,932	17,244	17,682	17,783	18,006	18,860	20,889	21,624	21,945
Building Materials	20,625	15,884	11,918	12,426	11,692	10,995	9,844	11,268	12,775	17,564
Auto Dealers and Supplies	11,705	19,005	5,758	3,134	3,224	3,285	3,294	3,606	6,311	7,788
Service Stations	38,575	28,366	35,185	44,254	50,541	51,843	51,248	45,400	38,906	42,478
Other Retail Stores	33,197	27,017	25,562	32,566	20,349	15,128	15,440	14,266	13,493	13,176
All Other Outlets	369,402	292,595	304,942	267,267	270,907	279,913	301,534	303,365	284,013	318,720
Total	\$ 492,397	\$ 400,559	\$ 401,312	\$ 378,070	\$ 375,204	\$ 380,187	\$ 401,258	\$ 400,108	\$ 378,196	\$ 422,757

* 2018 data not available.

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

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

Table 14
City of Inwindale
Top 25 Sales Tax Producers
Current Year and Nine Years Ago
June 30, 2018

2018		2009	
Business Name	Business Category	Business Name	Business Category
Airgas USA	Drugs/Chemicals	Ahem Rentals	Repair Shop/Equip. Rentals
Applied Industrial Tech	Heavy Industrial	Arco	Service Stations
Arco AM PM	Service Stations	Arco AM PM	Service Stations
Arco AM PM	Service Stations	Arco AM PM	Service Stations
Arco AM PM	Service Stations	Bartley Optical Sales	Medical/ Biotech
Bartley Optical Sales	Medical/Biotech	Chaparral Concrete	Contractors
Chaparral Concrete	Contractors	Chem Arrow	Drugs/Chemicals
Chem Arrow	Drugs/Chemicals	Decore Active Specialties	Contractors
Crowley Company	Heavy Industrial	Hanson Aggregates West	Contractors
Decore Active Specialties	Contractors	Holiday Rock Co	Contractors
Hanson Aggregates West	Contractors	Iherb	Fulfillment Centers
Holiday Rock Co	Contractors	L & L Building Material	Lumber/Building Materials
L & L Building Material	Building & Materials	Lovin Oven	Food Service Equip./Supplies
Lifetouch National School Studios	Portrait Studios	Matheson Tri Gas	Drugs/Chemicals
MCS Auto	Used Automotive Dealers	McDonalds	Quick-Service Restaurants
Miller Brewing Company	Food Service Equip./Supplies	Miller Brewing	Food Service Equip./Supplies
National Ready Mixed Concrete	Contractors	Miller Brewing Company	Food Service Equip./Supplies
New Flyer of America	Trailers/Auto Parts	National Ready Mixed Concrete	Contractors
Rivergrade Shell Station	Service Stations	Scholastic Book Fairs	Stationery/Book Stores
Sigler	Contractors	Spragues Rock & Sand	Contractors
Spragues Rock & Sand	Contractors	Standard Concrete Products	Contractors
United Rock Products	Contractors	United Rock Products	Contractors
Unitek	Drugs/Chemicals	Unitek	Drugs/Chemicals
Vulcan Materials	Contractors	Vulcan Materials	Contractors
Western Emulsions	Contractors	W W Grainger	Electrical Equipment
Percent of Fiscal Year Total			
Paid by Top 25 Accounts	70.43%		69.78%

Source: HdL Coren & Cone Reports

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

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

Fiscal Year	Lease Revenue Bonds (1)	Capital Leases	Total Debt Primary Government	Total Debt As A Percentage of Taxable Assessed Value	Per Capita Personal Income	Ratio of Outstanding Debt
2009	6,015,000	20,476	6,035,476	0.32%	15,675	NM
2010	5,625,000	16,051	5,641,051	0.27%	15,380	NM
2011	5,220,000	11,394	5,231,394	0.26%	15,758	NM
2012	4,800,000	6,492	4,806,492	0.25%	19,040	NM
2013	4,360,000	1,333	4,361,333	0.22%	20,093	NM
2014 (2)	3,526,572	-	3,526,572	0.17%	19,212	NM
2015	3,070,126	-	3,070,126	0.14%	18,934	NM
2016	2,598,680	-	2,598,680	0.12%	19,594	NM
2017	2,117,234	-	2,117,234	0.09%	18,219	NM
2018	1,620,788	-	1,620,788	0.07%	18,110	NM

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

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

(1) Amounts presented included related premiums, discounts, and adjustments.

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

Table 16
City of Irwindale
Bonded Debt Pledged Revenue Coverage
Successor Agency Tax Allocation Bonds
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Increment/ Allocation</u>	<u>Debt Service Principal and Interest</u>	<u>Coverage</u>
2009	17,889,505	8,779,474	2.04
2010	20,547,838	8,844,877	2.32
2011	17,759,769	8,888,625	2.00
2012	8,668,428	8,877,673	0.98 (1)
2013	8,613,441	8,211,378	1.05 (2)
2014	5,182,005	8,205,079	0.63
2015	6,400,062	8,059,710	0.79
2016	8,036,419	7,995,186	1.01
2017	6,313,666	7,987,661	0.79
2018	5,286,629	7,982,087	0.66

Source: City of Irwindale

Note: Details regarding the Successor Agency's outstanding debt can be found in Note 12c to the Financial Statements.

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

(2) As of February 1, 2012, the City serves as the Successor Agency to the former redevelopment agency, and funds for payment of debt obligations are allocated through a Recognized Obligation Payment Schedule (ROPS) process. The State must approve the ROPS prior to the County distributing property tax allocations.

Fiscal Year 2012-13 and all fiscal years afterward reflect Redevelopment Property Tax Trust Fund (RPTTF) revenue allocated to the Successor Agency through the ROPS process for payment of its debt obligations. RPTTF allocations are approved by the State and distributed by the County.

Table 17
City of Irwindale
Direct and Overlapping Debt
As of June 30, 2018

	Percentage Applicable to City of Irwindale	Amount Applicable to City of Irwindale
2017-18 Assessed Valuation (after deducting Incremental Value)		<u>\$ 183,699,070</u>
Direct Debt:		
2013 Lease Revenue Refunding Bond	100%	1,620,788 (2)
		<u>\$ 1,620,788</u>
Overlapping Debt:		
Metropolitan Water District	0.017%	\$ 4,711
El Monte School District	2.150%	2,171,640
El Monte Union High School District	1.121%	1,374,949
Citrus Community College District	5.349%	4,752,566
Mt San Antonio Community College District	0.970%	3,415,804
Rio Hondo Community College District	0.425%	566,075
Azusa Unified School District	15.988%	45,731,390
Baldwin Park Unified School District	6.240%	6,877,252
Covina Valley Unified School District	5.928%	10,896,868
Duarte Unified School District	9.987%	5,576,129
Monrovia Unified School District	0.731%	365,948
West Covina Unified School District	0.010%	8,950
Total Overlapping Debt		<u>\$ 81,742,282</u>
Total Direct and Overlapping Tax and Assessment Debt:		<u>\$ 83,363,070</u>

Ratio to Assessed Valuation:	
Direct Debt %	0.88%
Overlapping Debt %	44.50%
Total Gross Debt %	45.38%

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.
(2) Amount presented includes related premiums, discounts, and adjustments.

Source: Hdl Coren & Cone Reports

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed valuation	\$ 1,896,739,492	\$ 2,060,854,474	\$ 2,003,405,877	\$ 1,951,791,776	\$ 1,987,704,262	\$ 2,130,281,361	\$ 2,185,652,005	\$ 2,233,471,022	\$ 2,276,471,056	\$ 2,432,006,265
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	474,184,873	515,213,619	500,851,469	487,947,944	496,926,066	532,570,340	546,413,001	558,367,756	569,117,764	608,001,566
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	71,127,731	77,282,043	75,127,720	73,192,192	74,538,910	79,885,551	81,961,950	83,755,163	85,367,665	91,200,235
Less debt applicable to the limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 71,127,731	\$ 77,282,043	\$ 75,127,720	\$ 73,192,192	\$ 74,538,910	\$ 79,885,551	\$ 81,961,950	\$ 83,755,163	\$ 85,367,665	\$ 91,200,235
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 9 and Notes to Financial Statements.

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2008	1,711	26,819	15,675	7.7%
2009	1,720	26,453	15,380	12.0%
2010	1,717	27,056	15,758	13.1%
2011	1,416	26,961	19,040	12.7%
2012	1,454	29,215	20,093	9.7%
2013	1,466	28,165	19,212	7.9%
2014	1,467	27,776	18,934	10.8%
2015	1,415	27,727	19,594	8.8%
2016	1,423	25,926	18,219	6.9%
2017	1,450	26,261	18,110	6.9%

* 2018 data not available.

Source: HdL Coren & Cone Reports

Table 20
City of Irwindale
Principal Employers
Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Ready-Pac Produce Inc.	1,608 *	1	4.9%	1,300	2	5.2%
Southern California Edison	1,477 *	2	5.4%	2,200	1	8.8%
Decore-Ative Specialties Inc.	600	3	2.0%	365	8	1.5%
Biosense Webster	550	4	1.8%			
Miller Coors	525	5	1.8%	550	4	2.2%
Select Staffing	428	6	1.4%			
Haynes Building Services, LLC	405	7	1.4%			
Utility Tree Service	400	8	1.3%			
Mariposa Horticultural Enterprise	350	9	1.2%	360	9	1.4%
Best Overnight Express	300	10	0.01			
Charter Communications				650	3	2.6%
Nelson Nutraceutical				500	5	2.0%
Bloomfield/Lovin Oven				500	6	2.0%
California Community News				400	7	1.6%
Superior Communication				331	10	1.3%
Total	<u>6,643</u>		<u>22.1%</u>	<u>7,156</u>		<u>28.6%</u>
Estimated City Employment	<u>30,000</u>			<u>25,000</u>		

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

Total Estimated City Employment provided by Community Development Department.

* Includes contract employees

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	18.00	16.00	16.00	15.00	15.00	14.00	14.00	15.50	17.50	20.50
Police	47.00	45.00	45.00	45.00	46.00	47.00	47.00	47.50	47.50	47.50
Community Dvlp & Code Enforcement	7.00	7.00	7.00	6.00	6.00	6.00	6.00	7.50	7.50	9.50
Public Works	23.00	20.00	20.00	14.50	18.50	19.50	19.00	21.50	22.50	23.50
Library	4.50	4.50	4.50	4.50	4.50	4.50	4.50	8.00	8.00	8.00
Recreation	17.00	16.00	16.00	15.00	15.00	15.00	20.50	24.50	22.50	24.00
Senior Center	5.50	5.50	5.50	5.00	5.00	5.00	5.00	5.00	5.00	6.00
Total	122.00	114.00	114.00	105.00	110.00	111.00	116.00	129.50	130.50	139.00

Source: City of Irwindale, Finance Department, budget document

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

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police:										
Increase in traffic enforcement citations	3,857	3,102	4,587	3497	2,875	1,942	1259	1170	5570	4739
DUI arrests	178	203	185	216	143	33	47	40	16	17
Unlicensed drivers arrested or cited	519	442	491	495	376	207	233	132	357	207
Vandalism Arrests	20	9	14	12	13	10	6	2	6	7
Stolen Vehicles	76	43	17	39	39	40	24	22	21	44
Robberies	10	9	2	3	5	3	7	5	2	4
Burglaries	90	72	33	54	46	41	34	70	45	43
Calls for service	23,895	21,437	25,537	27,374	22,547	22,696	20,412	23,901	21,353	20,064
Recreation:										
Number of facility rentals	212	344	173	206	238	266	365	555	298	315
Number of recreation classes/programs	124	89	69	102	58	79	80	93	94	126
Number of special events	26	24	31	45	44	41	42	38	46	49
Number of field trips	44	35	43	52	51	45	43	45	49	52
Aquatic participants	14,355	9,447	9,215	8,931	6,016	9,846	9,253	12,227	14,075	14,186
Senior Center:										
Number of facility rentals	184	158	125	124	171	180	143	129	130	155
Number of classes/programs	78	73	73	85	85	85	85	699	1,793	2,300
Number of special events/activities	27	39	39	39	39	39	39	38	239	301
Number of field trips	20	20	26	26	26	26	26	24	28	34
Number of meals served-Nutrition program/breakfast	10,581	10,189	7,856	7,975	9,520	8,588	8,090	7,644	8,075	8,439
Library										
Adult & children programs	37	19	6	65	102	70	160	82	93	103
Adult & children storytimes	75	65	58	21	30	22	22	18	27	36
Library items added	1,624	2,802	1,826	3,525	3,180	2,201	2,590	2,146	2,460	2,493
Learning Center tutoring hours	322	328	307	310	312	306	308	308	320	320
Public Works										
Street resurfacing (miles)	4.95	0.95	0.71	1.164	0	1.224	0	0	5.13	1.8
Sidewalk repair/replacement (sq.ft.)	20,447	-	20,002	0	2,617	18,865	10,000	2,238	0	0
Encroachment Permits	-	80	89	69	96	92	105	96	139	114
Field Inspections	5 daily	5 daily	4/week	5 daily						
Transportation Permits	-	-	-	-	-	347	354	370	452	503
Building & Safety										
Permits issued	345	363	368	308	346	332	327	361	431	430
Film Permits Issued	8	13	5	14	10	21	11	9	17	22
Business Licenses issued	1,358	1,165	1,135	1,015	1,520	1,254	1,108	1,302	1,416	1,456
Finance										
Account Payable checks issued	4,017	4,653	3,544	3,625	2,922	3,146	3,078	2,833	3,098	2,793
Payroll checks issued	4,095	3,825	3,701	3,372	606	3,094	3,370	3,330	3,415	3,578
Journal Vouchers	2,390	2,322	2,430	2,471	2,223	2,173	2,281	2,361	2,425	2,320
Purchase orders processed	944	366	259	179	126	198	197	159	205	225
Cash & Investments at year-end (in millions)	96.3	85.0	76.6	80.0	76.1	74.4	72.1	75.4	89.9	83.5
Administration										
Constituent requests for information processed	88	87	76	43	73	67	37	51	49	57
Agenda Reports Submitted to Council	350	313	295	334	341	305	285	319	233	226
City Council Meeting Agendas Compiled	28	38	29	33	23	36	24	24	23	26
Resolutions (City Council)	77	86	61	49	53	48	67	63	70	80
Resolutions (ICRA)	14	15	12	2	-	-	-	-	-	-
Resolutions (SA)	-	-	-	5	5	6	5	9	8	8
Resolutions (Housing Authority)	11	3	5	3	5	7	3	6	5	5
Resolutions (Reclamation Authority)	2	1	1	1	1	1	3	3	1	4
Ordinances	8	10	11	10	11	7	14	9	13	10
Contracts	53	119	128	68	37	58	44	98	111	109
City Council Requests Resolved	7	22	20	60	85	115	80	95	105	150
Weekly Reports to City Council	49	50	49	48	47	45	45	42	45	48
Number of recruitment applications processed	126	124	184	104	282	126	191	79	178	254

Source: City of Irwindale, various City Departments

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	0	0	0	0	0	0	0	0	0	0
Patrol units	19	19	10	14	14	11	11	13	12	13
Motorcycles	3	3	3	2	2	2	2	3	1	1
Trailer	1	1	1	1	1	1	1	1	1	1
Undercover Vehicle	0	1	7	6	6	7	7	7	6	7
Command Vehicle	0	1	1	3	3	2	2	1	1	2
Public Works										
Streets/Highway (miles)	27.73	27.73	27.73	27.73	27.73	27.73	27.73	27.73	27.73	27.84
Streetlights	861	861	861	861	861	861	861	870	870	872
Traffic signals	41	41	41	41	41	42	42	43	43	43
Bridges	15	15	15	15	15	15	15	15	15	15
Culture and recreation										
Recreation										
Parks	3	3	3	3	3	3	3	3	3	3
Playground areas	4	4	4	4	4	4	4	4	4	4
Tennis courts	1	1	1	1	1	1	1	1	1	1
Softball & baseball diamonds	1	1	1	1	1	1	1	1	1	1
Basketball full courts	2	2	2	2	2	2	2	2	2	2
Basketball half courts	1	1	1	1	1	1	1	1	1	1
Skate Parks	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Senior Center										
Community Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Missions	1	1	1	1	1	1	1	1	1	1
Library										
Library buildings	1	1	1	1	1	1	1	1	1	1

Source: City of Irwindale, various City Departments