



City of La Verne

California



Comprehensive Annual Financial Report

Year Ended June 30, 2015



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CITY OF LA VERNE, CALIFORNIA
Comprehensive Annual Financial Report
Year ended June 30, 2015

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Introductory Section

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CITY OF LA VERNE CITY HALL

3660 "D" Street, La Verne, California 91750-3599
www.ci.la-verne.ca.us

December 29, 2015

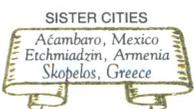
To the Mayor, Members of the City Council and Citizens of the City of La Verne:

It is the policy of the City of La Verne to annually produce a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial statements of the City of La Verne for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City 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 preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has 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, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by ROGERS, ANDERSON, MALODY & SCOTT, LLP, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2015, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The



General Administration 909/596-8726 • Water Customer Service 909/596-8744 • Parks & Community Services 909/596-8700
Public Works 909/596-8741 • Finance 909/596-8716 • Community Development 909/596-8706 • Building 909/596-8713
Police Department 909/596-1913 • Fire Department 909/596-5991 • General Fax 909/596-8737

standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit 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 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 La Verne is a general law city of the State of California and incorporated on August 20, 1906. It is located in the northeastern section of Los Angeles County and is approximately 28 miles east of the City of Los Angeles. The City currently occupies a land area of 9.1 square miles and serves a population of 32,228. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, when deemed appropriate by the City Council.

The City operates under the council-manager form of government. Policymaking and legislative authority are vested in a City Council consisting of the mayor and four other council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager, Police Chief and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected every two years. The mayor is elected to serve a two-year term.

The City provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets and other infrastructure; and recreational activities and cultural events. The City is financially accountable for a redevelopment agency and financing authority, both of which are reported separately within the City's financial statements. Additional information regarding all three of these legally separate entities can be found in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. Departments of the City are required to submit requests for appropriation to the City Manager by April of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review in June. The council holds public hearings on the proposed budget and generally adopts a final budget by June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Manager may make transfers of appropriations within and between departments. City Council approval is required for budget revisions that increase total City appropriations. Budget-to-actual

comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented as part of the required supplementary information in the accompanying financial statements. For governmental funds that have appropriated annual budgets, other than the general fund and major special revenue funds, this comparison is presented in the supplementary section of the accompanying financial statements.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy. The City currently enjoys a favorable economic environment and local indicators point to continued stability. The City is situated in the rapidly developing east San Gabriel Valley area that contains the cities of Pomona, Glendora, Claremont and San Dimas. La Verne's population is well educated, affluent and articulate. The concepts of neighborhood and town are alive and well in the City. A large number of quality private and public schools are located in the City including the prestigious University of La Verne. It is a town of extensive parks and recreational, programs, a popular community center, library, churches and retirement centers.

The region. La Verne's location has been an asset since it's founding nearly 100 years ago along the busy Santa Fe Railroad Line. Less than 30 minutes from Los Angeles and Orange Counties' civic centers, La Verne is served by the 10, 210 and 57 freeways. Major trucking centers and a commercial airport in Ontario are less than 20 minutes away. Brackett Airport, located in La Verne, provides private charter, corporate and recreational air service. The 210 freeway coupled with Foothill Boulevard (California Route 66) are the main east/west thoroughfares. Thousands of commuters travel daily through the City, providing extensive exposure for continued or expanded retail sales and other property development.

The City's Foothill Boulevard commercial corridor is expected to maintain its current 94 percent occupancy with a variety of stores, specialty shops and other retail businesses. Meanwhile, there continues to be a discernible trend toward stabilization in residential property values.

Long-term financial planning. In April of 1987, the City Council discussed the concept of developing long-range financial and management plans and strategies. This discussion occurred as a result of a number of financial crises that impacted the City in the mid-eighties. The City Council was interested in a proactive rather than a reactive solution or approach to management issues that the City had to address. After agreeing upon a formal process, the City Council and Department Heads met in December of 1988 to develop the City's first Strategic Plan. Since then, approximately every two years the Council and Management team have met to review, evaluate and revise the Strategic Plan document. The plan includes analysis of the City's strengths, weaknesses, opportunities and threats (SWOT) that could effect our future operating environment. In addition, the plan utilizes the City's mission statement, strategic values and established priorities to prioritize various departmental goals and objectives.

Cash management policies and practices. Cash temporarily idle during the year was invested in accordance with the City's approved Investment Policy. The policy affords a broad spectrum of investment opportunities, as long as the investment is deemed prudent and permissible under currently effective legislation of the State of California and other imposed restrictions. Criteria for selecting investments and the order of priority are: safety, liquidity and yield. The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus insuring the investment of monies to fullest extent possible. Attempts are made to obtain the highest yields available as long as investments meet the criteria required for safety and liquidity. The maturities of the investments range from 1 day to over 4 years, with an average maturity of approximately 36 months. The average yield on maturing investments at year end was just over 1.0 percent.

Risk management. The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, error and omissions; injuries to employees and natural disasters. The City participates in the California Joint Powers Insurance Authority (CJPIA). The purpose of this organization is to provide a form of liability insurance whereby the risk of general liability loss is pooled among the member cities. The City pays an annual deposit calculated based on prior claims experience. Losses of up to \$ 10 million per claim are recovered from deposits paid by member cities. Individual claims in excess of \$ 10 million up to a maximum of \$ 50 million are covered by private insurance carriers. Additional information on the City's risk management activity can be found in the notes to the financial statements.

Pension and other post-employment benefits. The City contributes to the California Public Employees Retirement System, an agent multiple-employer public employee defined benefit pension plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plan as determined by this funding policy. The unfunded actuarial liability associated with employee services rendered to date is being systematically funded over a set number of years for safety and miscellaneous employees as part of the annual required contribution calculated by the actuary.

The City also provides postretirement health care benefits for certain retired employees. As of the end of the current fiscal year, there were approximately 54 retired employees receiving these benefits, which are financed from an actuarially calculated annual contribution by the City into an irrevocable trust. The trust is dedicated solely to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan. Additional information regarding the City's pension arrangements and post-employment benefits can be found in the notes to the financial statements.

Awards and Acknowledgements

The California Society of Municipal Finance Officers (CSMFO) presented the City of La Verne with a Certificate of Award for Outstanding Financial Reporting for its comprehensive annual

financial report (CAFR) for the fiscal year ended June 30, 2014. This was the twentieth year that the City has received such a prestigious award.

In order to receive a Certificate of Award, the City must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements. A Certificate of Award is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Award Program's requirements and are submitting it to CSMFO to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Division. I wish express my appreciation to all City staff who assisted and contributed to the preparation of this report. I would also like to thank the Mayor, members of the City Council and the City Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Richard A. Martinez
Finance Officer

CITY OF LA VERNE, CALIFORNIA

List of Principal Officials

June 30, 2015

CITY COUNCIL

Don Kendrick
Mayor

Robin Carder
Mayor Pro Tem

Donna Redman
Council Member

Charlie A. Rosales
Council Member

Tim Hepburn
Council Member

ADMINISTRATION AND DEPARTMENT DIRECTORS

City Manager

Robert Russi

City Attorney

Robert L. Kress

City Clerk/ Assistant to the City Manager

Jeannette Vagnozzi

City Engineer

Dominic C. Milano

Community Development Director

Hal G. Fredericksen

Finance Officer

Richard Martinez

Fire Chief

Pete Jankowski

Information Systems Manager

William Elftman Jr.

City Treasurer

Jeannette A. Vagnozzi

Community Services Director

William Aguirre

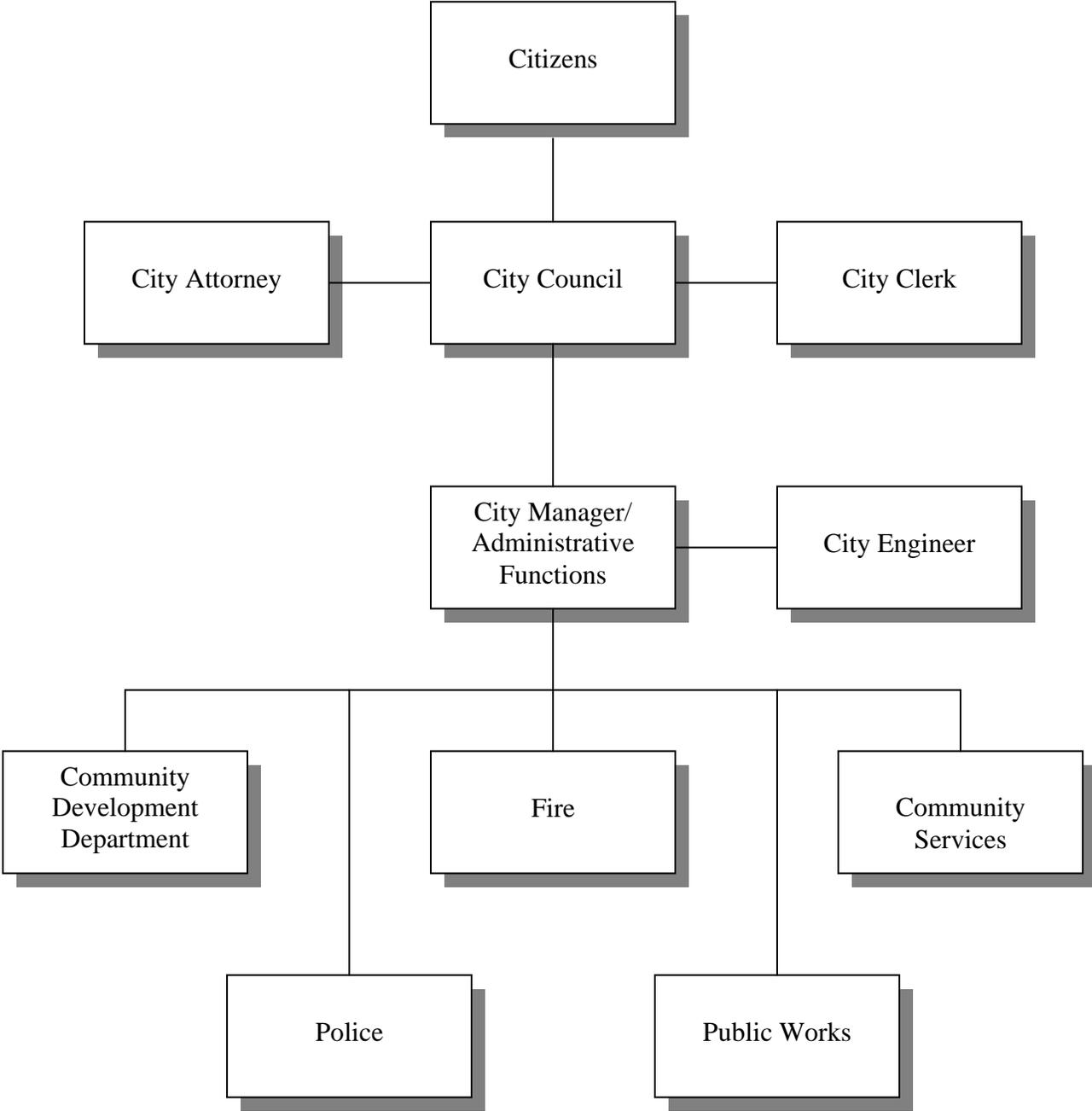
Police Chief

Scott Pickwith

Public Works Director

Daniel W. Keeseey

City of La Verne Organization Chart



California Society of Municipal Finance Officers

Certificate of Award

***Outstanding Financial Reporting
Fiscal Year Ending June 30, 2014***

Presented to the

City of La Verne

For meeting the criteria established to achieve the Outstanding Financial Reporting Award.

February 8, 2015



Pamela Arends-King

***Pamela Arends-King
CSMFO President***

Michael Gomez

***Michael Gomez, Chair
Professional Standards and
Recognition Committee***

Dedicated Excellence in Municipal Financial Reporting

Financial Section

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

INDEPENDENT AUDITOR'S REPORT

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscca.net

To the Honorable Mayor and Members of City Council
City of La Verne, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of La Verne, California (City), as of and for the year ended June 30, 2015, 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.

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)

DIRECTORS

Bradferd A. Welebir, CPA, MBA

MANAGERS / STAFF

Jenny Liu, CPA, MST
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA
Yiann Fang, CPA
Nathan Statham, CPA, MBA
Brigitta Bartha, CPA
Gardenya Duran, CPA
Juan Romero, CPA
Ivan Gonzales, CPA, MSA
Brianna Pascoe, CPA
Daniel Hernandez, CPA, MBA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of La Verne, California, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 of the financial statements, the City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Restatement of the comparative financial data for the prior periods presented is not practical due to the unavailability of information from the pension plans, therefore the provisions of GASB Statements No. 68 and 71 were not applied to prior periods. The cumulative effects of applying the provisions of GASB Statements No. 68 and 71 have been reported as a restatement of beginning net position for the year ended June 30, 2015 in accordance with the Statements.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Prior-Year Comparative Information

We have previously audited the City's 2014 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated January 16, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2015, on our consideration of the City of La Verne, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of La Verne, California's internal control over financial reporting and compliance.

Rogers Anderson Maloolly & Scott, LLP

San Bernardino, California
December 29, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of La Verne ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. Please read it in conjunction with the accompanying transmittal letter at the front of this report, and the basic financial statements, which follow this section.

Fiscal year 2014-15 represents the twelfth year in which the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis provides numerous comparisons with the previous fiscal year.

Financial Highlights

- The assets of the City exceeded its liabilities at June 30, 2015 by \$104.1 million (*net position*).
- The City's total net position decreased by \$36.0 million during the past year. The significant decline was due to the implementation of new Governmental Accounting Standards Board (GASB) Statement No. 68 during Fiscal Year 2014-15, which required that the City begin reporting its net pension liabilities (\$28.8 million) on the Statement of Net Position. Although the situation surrounding the City's pension plan has not changed, the way in which they are accounted for and reported in the financial statements has changed based on the new guidance provided in GASB Statement No. 68.
- As of the close of the 2014-15 fiscal year, the City's governmental funds reported combined ending fund balances of \$42.51 million, a net increase of \$1.15 million in comparison with the prior fiscal year. Approximately 40.6% of this amount (\$17.2 million) is available for spending at the government's discretion (*committed and assigned fund balances*).
- As of June 30, 2015, the total fund balance of the City's General Fund was \$12.48 million. This amount includes \$4.59 million set aside and committed by the City Council for contingencies based upon 15% of next year's operating budget.
- The City's total long-term liabilities increased by \$27.98 million during the fiscal year ending June 30, 2015, to a level of \$42.24 million. This increase is attributable to the implementation of GASB No. 68 as noted above. There was no change to the City's issuer credit ratings of A from Standard and Poor's and AAA when the bonded debt is insured.

Overview of the Financial Statements

This discussion and analysis is an introduction to the City's basic financial statements, which consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also consists of supplementary information in addition to the basic financial statements.

The government-wide financial statements are components, required by GASB Statement No. 34.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide financial statements. These statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. There are two government-wide financial statements: the Statement of Net Position and the Statement of Activities. They present information for the government as a whole and present a longer-term view of the City's finances. These two statements help to answer the question: "Is the City as a whole better off or worse off as a result of this year's activities?"

The *Statement of Net Position* presents information on all of the City's assets and liabilities, the difference between the two are reported as *net position*. In time, increases or decreases in net position may serve as a useful indicator of whether the financial standing of the City is improving or deteriorating.

The *Statement of Activities* presents information on how the City's net position changed during the 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 the related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused employee leaves).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental 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 include police services, fire services, public works, most general government activities, parks and community services and community development. The business-type activities of the City include water and sewer services.

The government-wide financial statements include not only the City of La Verne itself (known as the *primary government*), but also three other legally separate entities: the City's Successor (formerly Redevelopment) Agency (the "Agency"), whose purpose was to prepare and carry out plans to revitalize, rehabilitate and redevelop blighted areas within the territorial limits of the City of La Verne, the La Verne Housing Authority (the "Housing Authority"), established to enhance the ability of the City and Agency to use low and moderate income housing funds for housing projects, and the La Verne Financing Authority (the "Financing Authority"), a joint powers authority formed by the City and the Housing Authority to act as a conduit for debt financing. The City is financially accountable for these legally separate entities. The Agency and Authorities function for all practical purposes as departments of the City, and therefore, have been included in these financial statements as an integral part of the primary government.

The government-wide financial statements can be found on pages 18 - 20 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, 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 maintains 26 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. The General Fund, Housing Successor, Gasoline Tax and the General Capital Improvement Fund are considered to be the City's four major funds. Data from the other 22 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in the report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City has one internal service fund to account for operating and replacement costs associated with City vehicles. Because these vehicle services primarily benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 27 - 36 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one private-purpose trust fund and two agency funds, which are each a type of fiduciary fund, that account for assets held by the City as an agent for L.A. Impact, and other Special Deposits.

The basic fiduciary fund financial statements can be found on pages 37 - 38 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 39 - 88 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons for the General Fund, as well as other items as listed in the table of contents. Required supplementary information can be found on pages 89 - 95 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 99 - 141 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by approximately \$104.1 million as of June 30, 2015. This reflects a decrease of \$8.1 million compared to the balance of net position ten years ago.

The largest portion of the City's net position, \$85.4 million (82%), are reflected in its investment in capital assets (e.g., land, street infrastructure, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt will be provided from future revenues and the remaining (18%) of the City's net position, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining portion of the City's net position, \$23.7 million (18%), represents resources that are subject to external restrictions on how they may be used.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 1
City of La Verne
Net Position
June 30, 2015 and 2014
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other non-current assets	\$ 47.9	\$ 50.4	\$ 30.4	\$ 29.2	\$ 78.3	\$ 79.6
Capital assets	55.9	54.3	23.4	24.2	79.3	78.5
Total assets	<u>103.8</u>	<u>104.7</u>	<u>53.8</u>	<u>53.4</u>	<u>157.6</u>	<u>158.1</u>
Deferred outflows of resources	<u>2.9</u>	<u>-</u>	<u>0.3</u>	<u>-</u>	<u>3.2</u>	<u>-</u>
Long-term liabilities outstanding	39.4	14.0	2.9	0.3	42.3	14.3
Other liabilities	4.6	2.5	0.8	1.2	5.4	3.7
Total liabilities	<u>44.0</u>	<u>16.5</u>	<u>3.7</u>	<u>1.5</u>	<u>47.7</u>	<u>18.0</u>
Deferred inflows of resources	<u>8.2</u>	<u>-</u>	<u>0.8</u>	<u>-</u>	<u>9.0</u>	<u>-</u>
Net position:						
Net investment in capital assets	50.0	48.1	35.4	36.1	85.4	84.2
Restricted	23.7	25.9	-	-	23.7	25.9
Unrestricted (Deficit)	<u>(19.2)</u>	<u>14.2</u>	<u>14.2</u>	<u>15.8</u>	<u>(5.0)</u>	<u>30.0</u>
Total net position	<u>\$ 54.5</u>	<u>\$ 88.2</u>	<u>\$ 49.6</u>	<u>\$ 51.9</u>	<u>\$ 104.1</u>	<u>\$ 140.1</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Position represents the most simple test of financial health for the City, indicating the excess (or deficit) of assets and deferred outflows of resources over liabilities. The Net Position for the City as a whole decreased \$36.0 million from \$140.1 million at June 30, 2014 to \$104.1 million at June 30, 2015. This was a 25.7% decrease of Total Net Position. The significant decline was due to the implementation of new Governmental Accounting Standards Board (GASB) Statement No. 68 during Fiscal Year 14-15, which required that the City begin reporting its net pension liabilities on the Statement of Net Position. Although the situation surrounding the City's pension plans has not changed the way in which they are accounted for and reported in the financial statement has changed base on the new guidance provided in GASB Statement No. 68.

The overall decrease in Total Assets is \$0.5 million. The Governmental activities total Assets decreased \$0.9 million with lower cash/investments and net pension assets offsetting increases to capital assets. The Business-Type Total Assets activities increased by \$0.4 million with higher cash/investments offsetting the decrease in capital assets.

The overall increase in Total Liabilities is \$29.7 million which is attributable to the implementation of GASB Statement No. 68 as noted above.

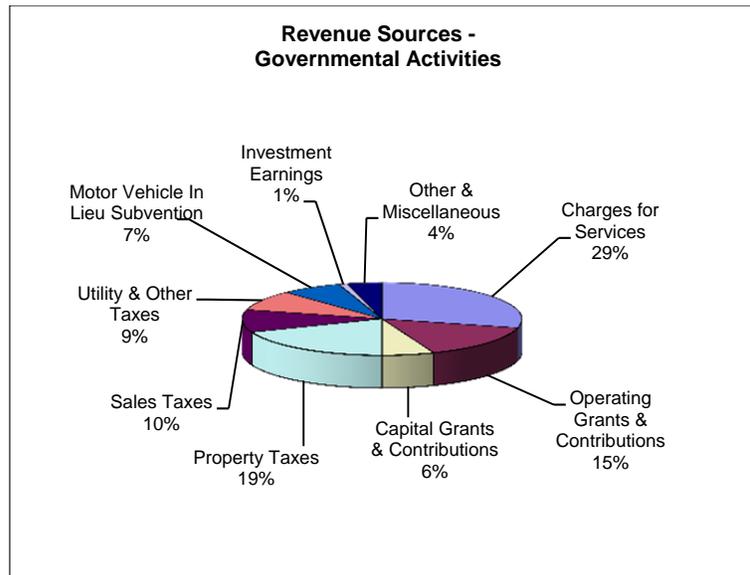
MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2
City of La Verne
Changes in Net Position
For the Year Ended June 30, 2015 and 2014
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	\$ 11.2	\$ 10.4	\$ 12.4	\$ 12.9	\$ 23.6	\$ 23.3
Operating grants and contributions	5.8	7.8	-	-	5.8	7.8
Capital grants and contributions	2.4	3.3	-	-	2.4	3.3
General revenues						
Taxes:						
Property taxes	7.5	7.0	-	-	7.5	7.0
Sales taxes	4.0	3.8	-	-	4.0	3.8
Utility & other taxes	3.7	3.6	-	-	3.7	3.6
State subvention - motor vehicle in lieu	2.7	2.6	-	-	2.7	2.6
Investment earnings	0.7	0.6	0.1	0.1	0.8	0.7
Other	1.3	1.5	-	0.1	1.3	1.6
Total revenues	39.3	40.6	12.5	13.1	51.8	53.7
Expenses						
General government	2.0	1.8	-	-	2.0	1.8
Public safety	19.5	19.3	-	-	19.5	19.3
Community development	3.9	3.2	-	-	3.9	3.2
Public works	7.5	7.9	-	-	7.5	7.9
Community services	2.9	2.9	-	-	2.9	2.9
Water	-	-	9.3	9.8	9.3	9.8
Sewer	-	-	1.2	1.3	1.2	1.3
Interest on long-term debt	0.4	0.5	-	-	0.4	0.5
Total expenses	36.2	35.6	10.5	11.1	46.7	46.7
Excess (deficiency) before transfers	3.1	5.0	2.0	2.0	5.1	7.0
Transfers	1.1	1.1	(1.1)	(1.1)	-	-
Change in net position	4.2	6.1	0.9	0.9	5.1	7.0
Net position - beginning of year, as restated	50.3	82.1	48.7	51.0	99.0	133.1
Net position - end of year	\$ 54.5	\$ 88.2	\$ 49.6	\$ 51.9	\$ 104.1	\$ 140.1

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's total revenues were \$51.8 million, while the total cost of all programs and services was \$46.7 million. Charges for services was the City's largest resource at \$23.6 million (25% of governmental revenues, 99% of business-type revenues and 43% of total revenues). Property tax revenue was the second largest revenue source at \$7.5 million (14% of total revenues and 19% of governmental revenues). Sales tax revenue was the third largest revenue source at \$4.0 million (8% of total revenues and 10% of governmental revenues). The City's voter approved 6% utility users tax (that was increased from 4% to 6% effective July 1, 2005) totaled \$3.1 million was the fourth largest revenue source followed by the motor vehicle in-lieu subvention from the State of California at \$2.7 million.



Governmental activities. The governmental activities decrease in net position of \$33.7 million accounted for most of the negative change in net position for the City this past year. The cost of governmental activities exceeded related program revenues by \$16.8 million, meaning 46% of the cost to provide services had to be financed from taxes and other general revenues of the City, and it was the growth of these general revenues that accounted for the increase in the City's net position from governmental activities.

Public safety expenses of \$19.5 million comprised the largest component of government activities in terms of cost (54%) this past year. Charges for services and operating and capital grants and contributions covered 29% (\$5.78 million) of the cost of these activities.

Public works expenses of \$7.5 million was the second largest governmental activity (21% of the total cost of governmental activities). Charges for services and operating and capital grants and contributions offset 59% (\$4.46 million) of the cost of providing these services.

General government expenses of \$2 million (includes City Council, City Manager, City Attorney, City Clerk, Finance, Information Systems and Non-Departmental) reflecting 5% was the smallest of the total cost of governmental activities. Charges for services and operating grants and contributions helped to offset 14% of the cost of these activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Community services cost \$2.9 million this past year (8% of the total), with 100% of their costs being financed from program revenues.

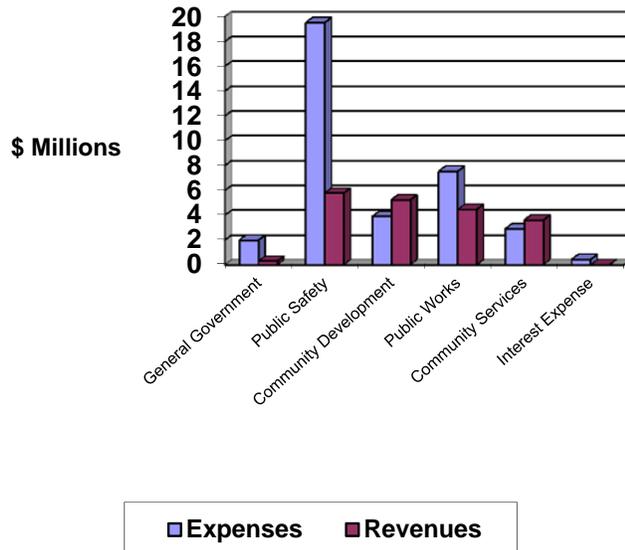
Community development, cost \$3.9 million, 11% of the total cost of governmental activities, with 100% being paid from program revenues.

Interest on long-term debt, at \$0.4 million, comprised 1% of the total cost of governmental activities.

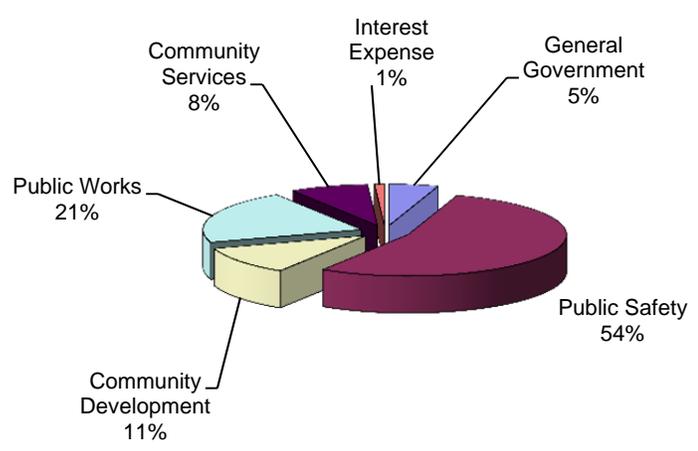
Business-type activities. Net position for Business-type activities of the City decreased by \$2.3 million for the current year end, compared to the increase of \$0.9 million during the prior fiscal year. The combined cost of the City's business-type activities (water and sewer funds) was primarily financed from program revenues.

The larger of the two business-type activities of the City was for water services, comprising 88% of the total cost of business-type activities during the past year. All of the water services activities for these past years were financed from charges for services. Sewer services accounted for the remaining 12% of the total cost of business-type activities. All of its costs were also provided by program revenues.

**Expenses and Program Revenues -
Governmental Activities**



Expenses by - Governmental Activity



MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City'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 La Verne's financing requirements. In particular, assigned fund balances may serve as a useful measure of a government's resources available for spending at the end of a fiscal year.

As of June 30, 2015, governmental funds reported combined ending fund balances of \$42.5 million, a net increase of \$1.15 million in comparison with the prior year. Approximately 29% of this total amount (\$12.6 million) constitutes *assigned fund balances*, which is available for spending at the government's discretion. The other fund balance categories reflect the nature and extent of outside constraints placed upon the City as well as those imposed by the City Council. These other fund balance classifications and percentage amounts listed in order of their relative strength of spending constraints are: 1) Non-spendable 4% (\$1.6 million), 2) Restricted 56% (\$23.7 million), 3) Committed 11% (\$4.6 million), and no amounts Unassigned.

The General Fund is the chief operating fund of the City. As of June 30, 2015, the assigned fund balance of the General Fund was \$6.3 million, while the total fund balance was \$12.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both assigned fund balance and total fund balance to total fund operating expenditures. Assigned fund balance represented 21% of total General Fund operating expenditures, while total fund balance represented 41% of that same amount. As noted earlier, the General Fund is the chief operating fund of the City. Unexpected emergencies, adverse state budget impacts, economic and natural disasters can occur with little warning. Accordingly, the City Council has adopted an emergency contingency plan for purposes of dealing with a portion of these unknowns. The City's policy is to maintain a minimum of 15% of the General Fund operating budget within the committed fund balance.

The total fund balance of the City's General Fund increased by \$0.2 million during the year ending June 30, 2015. Key factors and components that led to this change are as follows:

- General Fund expenditures were over revenues by \$1.37 million this year compared to being over by \$1.3 million in the prior fiscal year.
- Total General Fund other financing sources (uses) decreased by 17% (\$0.3 million).
- General Fund expenditures rose by 5.8% (\$1.65 million) with public safety increasing its operating costs by 3.6% (\$0.63 million), community development operating costs increasing by 17% (\$0.3 million), public works operating costs increasing by 8% (\$0.5 million) and general government activity rose by 12% (\$0.2 million). The increases were primarily due to increases in personnel services.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- General Fund revenues rose by 6% (\$1.64 million) with property taxes increasing by 7% (\$0.5 million) and other taxes increasing 4.5% (\$0.33 million). Licenses & permits increased by 35% (\$0.9 million) primarily due to the new construction of a 400,000 square foot manufacturing facility within the City limits.

The City has three other major funds - the Housing Successor Fund, Gasoline Tax Fund and General Capital Improvements Fund. The Housing Successor Fund ended the year with a total fund balance of \$3.1 million. During fiscal year 2014-15 the Housing Successor Fund did not have any financial activity. The Gas Tax Fund ended the year with a total fund balance of \$2.1 million with \$0.87 million in revenues and \$0.54 million in expenditures during the year. The General Capital Improvement Fund ended the year with a total fund balance of \$3.3 million.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the combined proprietary funds (Water and Sewer Enterprise Funds) at the end of fiscal year 2014-15 was \$14.22 million. The total change in unrestricted net position for these Enterprise Funds for the year resulted in a decrease of \$1.55 million. A major reason for the decline was due to the implementation of new Governmental Accounting Standards Board (GASB) Statement No. 68 during Fiscal Year 14-15, which required that the City begin reporting its net pension liabilities on the Statement of Net Position. Additionally, revenues overall decreased by \$0.5 million due to decreases in service fees for water services as a result of City water savings measures and the statewide drought.

General Fund Budgetary Highlights

The differences between the original budget and the final amended budget was a \$1.5 million increase in appropriations, due primarily to additional Fire Department overtime costs from USFS assignments, additional building inspection costs, vacation payouts due to employee retirements, increases in labor costs from mid-year employee bargaining agreements, and contractual obligations carried over from the previous year budget.

Actual revenues ended the year \$2.6 million above budget. Total Property tax revenues exceeded budget by over \$ 1.36 million. The local economy remained fairly strong compared with other regional parts within the State of California. Positive variances occurred for Sales & Franchise Taxes (\$0.18 million), licenses & building permits (\$0.64 million), intergovernmental revenues (\$0.27 million) and charges for services (\$0.2 million).

Actual expenditures were approximately \$4,000 under this year's budget. This slight positive variance for budgeted expenditures was primarily due to the postponement or deferment on certain public works activities. Higher than expected building construction activity also accounted for increased costs in building inspection services.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Debt Administration

Capital Assets. The capital assets of the City are those assets that are used in the performance of the City's functions, including land, buildings, and infrastructure. At June 30, 2015 the net capital assets of the Governmental activities totaled \$55.9 million and the net capital assets of the Business-Type activities totaled \$23.4 million for a grand total of \$79.3 million(see table below). Depreciation on capital assets is recognized in the Government-Wide financial statements.

City of La Verne
Capital Assets
As of June 30, 2015 and 2014
(net of accumulated depreciation)
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 11.8	\$ 11.8	\$ 2.0	\$ 2.0	\$ 13.8	\$ 13.8
Rights of way	9.6	9.6	-	-	9.6	9.6
Buildings and improvements	12.7	13.0	0.1	0.1	12.8	13.1
Automotive equipment	3.7	2.7	0.1	-	3.8	2.7
Machinery & equipment	2.8	2.1	0.2	0.2	3.0	2.3
Office furniture & equipment	0.3	0.2	0.1	0.1	0.4	0.3
Infrastructure - streets, bridges and signals	-	-	-	-	15.0	14.9
Property, plant & equipment	-	-	20.9	21.8	20.9	21.8
Total	\$ 55.9	\$ 54.3	\$ 23.4	\$ 24.2	\$ 79.3	\$ 78.5

Additional information on Capital Assets can be found in Note 4 of this report.

Long-Term Liabilities. As of June 30, 2015, the City had total long-term liabilities outstanding of \$42.2 million. There was no debt backed by the full faith and credit of the City (i.e., there was no general obligation debt). The outstanding debt was in the form of revenue bonds, pension bonds, compensated absences and net pension liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of La Verne
Long-Term Liabilities
As of June 30, 2015 and 2014
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue and pension bonds	\$ 10.4	\$ 11.4	\$ -	\$ -	\$ 10.4	\$ 11.4
Compensated absences	2.8	2.6	0.3	0.3	3.1	2.9
Net pension liability*	26.2	34.6	2.6	3.4	28.8	38.0
Total	\$ 39.4	\$ 48.6	\$ 2.9	\$ 3.7	\$ 42.3	\$ 52.3

*The 2014 balances for the net pension liability in both the governmental activities and business-type activities resulted from the implementation of GASB No. 68.

The City's total long-term liabilities decreased by \$10 million during the fiscal year ending June 30, 2015. The City did not issue any new bonds or obligate itself further under various other debt financings during the 2014-15 fiscal year.

Outstanding principal for revenue and pension bonds was reduced by \$0.96 million and Compensated absences increased by \$0.1 million. The Net Pension Liability, which is now included due to the implementation of GASB Statement No. 68, decrease by \$9.1 million.

The City maintained its credit ratings during fiscal year 2014-15. The City's issuer credit rating from Standard and Poor's is A and AAA when the bonded debt is insured.

The State Constitution limits the amount of general obligation debt a city may incur to 3.75% of its total assessed valuation, which for the City of La Verne, was \$135.3 million at June 30, 2015. As indicated earlier, the City has no general obligation debt outstanding.

Additional information on the City's long-term liabilities can be found in the Notes to the Basic Financial Statements on pages 61 – 62 of this report along with Successor Agency Trust liabilities on pages 85 – 87.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budget, Tax Rates and Fee Levels

La Verne's local economy was fairly healthy in fiscal year 2014-15 given the overall business climate for the State. Portions of tax increment revenues from the Redevelopment Agency now flow through to the City's General Fund as a result of State legislation that dissolved the former Redevelopment Agency on February 1, 2012. Sale Tax revenues are beginning to show signs of a rebound by increasing 5.3% over fiscal year 2013-14 levels.

The unemployment rate for the City was 6.3% based on the annual average for calendar year 2014, which was on par with the State unemployment rate of 6.3%. The national rate was slightly lower at 5.3%.

As evidence of an improving local real estate market, the median sales price for housing values in the City of La Verne went up by about 10% this past year, from \$523,000 to \$575,000. Total assessed valuation of property within the City as determined by the County Assessor increased by \$168.4 million (4.9%) over 2013-14 levels. This resulted in a 7% increase in property tax revenues over prior year levels.

With the previous passage of a statewide ballot measure, Proposition 22, the property tax shifts that occurred in prior fiscal years have ceased. The financial benefits to the City's General Fund under Proposition 22 have provided a more reliable and stable property tax base. However, the decision by the California Supreme Court in December 2011 that affirmed the dissolution of all Redevelopment Agencies within the State continues to have significant impacts to our local community. The former agency is prohibited from entering into new projects, obligations or commitments. In future fiscal years, the Successor Agency will only be allocated revenue in an amount that is necessary to pay the estimated annual payments on enforceable obligations as approved by the State Department of Finance.

The City's 2015-16 operating budget included General Fund appropriations that were up by about \$0.2 million from the final 2014-15 levels. This increase was primarily from maintaining public safety service levels and to match available resources and projected increases in building permit revenues. Based upon the adopted budget, the General Fund reserve balance is anticipated to decline by \$1.2 million, but still end the year within City Council policy guidelines for minimum reserve balances. The City's revenue base remains well diversified between property tax, sales tax and other tax revenues as well as charges that are user fee related.

Requests for Information

This financial report is designed to provide a general overview of the City of La Verne's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Officer, City of La Verne, 3660 D Street, La Verne, California 91750, (909) 596-8716.

Government-Wide Financial Statements

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City of La Verne
Statement of Net Position
June 30, 2015
(with comparative data for June 30, 2014)

	Governmental	Business-type	Totals	
	Activities	Activities	2015	2014
Assets:				
Cash and investments	\$ 37,422,558	\$ 16,353,111	\$ 53,775,669	\$ 48,023,690
Cash and investments with fiscal agents	3,310,393	-	3,310,393	3,267,913
Interest receivable	72,261	28,957	101,218	63,002
Accounts receivable	1,339,906	1,860,868	3,200,774	3,642,842
Special assessment receivable	1,331	-	1,331	1,331
Loans receivable	27,192	-	27,192	24,787
Due from other governments	913,680	3,937	917,617	1,117,515
Due from Successor Agency	2,410,000	-	2,410,000	2,410,000
Inventory of materials and supplies, at cost	188,875	-	188,875	209,497
Prepaid pension contribution	-	-	-	5,964,279
Other prepaid items	1,556,043	1,100	1,557,143	1,981,895
Notes receivable	-	197,500	197,500	237,000
Land held for resale	679,343	-	679,343	679,343
Capital assets:				
Capital assets not being depreciated	21,388,496	2,032,457	23,420,953	23,420,953
Capital assets being depreciated, net of accumulated depreciation	34,529,026	21,344,143	55,873,169	55,086,556
Investment in water rights	-	11,976,728	11,976,728	11,976,728
Total assets	103,839,104	53,798,801	157,637,905	158,107,331
Deferred outflows of resources				
Pension related	2,897,180	264,196	3,161,376	-
Liabilities:				
Accounts payable	2,122,564	562,306	2,684,870	2,014,174
Accrued expenses	1,106,381	114,523	1,220,904	1,098,960
Accrued interest payable	165,583	-	165,583	175,791
Unearned revenue	1,231,262	-	1,231,262	303,591
Deposits payable	-	122,006	122,006	124,939
Long-term liabilities:				
Due within one year	1,856,734	123,175	1,979,909	1,842,263
Due beyond one year	37,513,735	2,750,715	40,264,450	12,413,025
Total liabilities	43,996,259	3,672,725	47,668,984	17,972,743
Deferred inflows of resources				
Pension related	8,232,141	814,483	9,046,624	-
Net position:				
Net investment in capital assets	49,962,522	35,353,328	85,315,850	84,224,237
Restricted for:				
Public safety	6,172,010	-	6,172,010	6,474,817
Community development	4,754,698	-	4,754,698	4,580,663
Public works	5,504,548	-	5,504,548	8,253,552
Low and moderate income housing	3,089,343	-	3,089,343	3,089,343
Community services	3,072,992	-	3,072,992	2,448,900
Debt service	1,082,037	-	1,082,037	1,082,037
Unrestricted	(19,130,266)	14,222,461	(4,907,805)	29,981,039
Total net position	\$ 54,507,884	\$ 49,575,789	\$ 104,083,673	\$ 140,134,588

The accompanying notes are an integral part of these financial statements.

City of La Verne
Statement of Activities
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Expenses	Program Revenues		
		Charges for Service	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
General government	\$ 1,974,508	\$ 204,107	\$ 80,284	\$ -
Public safety	19,515,717	2,568,625	2,644,178	572,226
Community development	3,880,059	2,615,274	1,382,197	1,232,560
Public works	7,534,092	3,048,078	1,303,292	115,834
Community services	2,895,303	2,812,911	343,975	448,599
Interest and fiscal charges	431,380	-	-	-
Total governmental activities	36,231,059	11,248,995	5,753,926	2,369,219
Business-type activities:				
Water	9,291,404	10,716,815	-	-
Sewer	1,242,218	1,685,104	-	-
Total business-type activities	10,533,622	12,401,919	-	-
Total	\$ 46,764,681	\$ 23,650,914	\$ 5,753,926	\$ 2,369,219

General revenues:

Taxes:

Property taxes

Sales taxes

Utility and other taxes

Motor vehicle in-lieu, unrestricted

Investment income

Other

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated (Note 17)

Net position, end of year

The accompanying notes are an integral part of these financial statements.

continued

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Totals	
		2015	2014
\$ (1,690,117)	\$ -	\$ (1,690,117)	\$ (1,538,892)
(13,730,688)	-	(13,730,688)	(11,082,780)
1,349,972	-	1,349,972	658,136
(3,066,888)	-	(3,066,888)	(2,563,714)
710,182	-	710,182	907,855
(431,380)	-	(431,380)	(452,859)
<u>(16,858,919)</u>	<u>-</u>	<u>(16,858,919)</u>	<u>(14,072,254)</u>
-	1,425,411	1,425,411	1,518,874
-	442,886	442,886	340,833
<u>-</u>	<u>1,868,297</u>	<u>1,868,297</u>	<u>1,859,707</u>
<u>(16,858,919)</u>	<u>1,868,297</u>	<u>(14,990,622)</u>	<u>(12,212,547)</u>
7,504,209	-	7,504,209	7,014,924
4,032,563	-	4,032,563	3,828,720
3,747,097	-	3,747,097	3,612,790
2,721,045	-	2,721,045	2,595,188
655,428	111,104	766,532	678,741
1,295,786	-	1,295,786	1,490,708
1,145,100	(1,145,100)	-	-
<u>21,101,228</u>	<u>(1,033,996)</u>	<u>20,067,232</u>	<u>19,221,071</u>
4,242,309	834,301	5,076,610	7,008,524
<u>50,265,575</u>	<u>48,741,488</u>	<u>99,007,063</u>	<u>133,126,064</u>
<u>\$ 54,507,884</u>	<u>\$ 49,575,789</u>	<u>\$ 104,083,673</u>	<u>\$ 140,134,588</u>

City of La Verne
Balance Sheet
Governmental Funds
June 30, 2015
(with comparative data for June 30, 2014)

	Special Revenue Funds		
	General	State & County Gasoline Tax	Housing Successor
Assets			
Cash and investments	\$ 11,493,496	\$ 2,597,509	\$ -
Cash and investments with fiscal agents	-	-	-
Interest receivable	29,560	4,449	-
Accounts receivable	1,166,617	-	-
Special assessment receivable	1,331	-	-
Loans receivable	27,192	-	-
Due from other funds	418	-	-
Due from other governments	702,684	-	-
Due from Successor Agency	-	-	2,410,000
Prepaid items	1,554,822	-	-
Inventory of materials and supplies, at cost	-	-	-
Land held for resale	-	-	679,343
	<u>14,976,120</u>	<u>2,601,958</u>	<u>3,089,343</u>
Total assets	<u>\$ 14,976,120</u>	<u>\$ 2,601,958</u>	<u>\$ 3,089,343</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 938,296	\$ 506,000	\$ -
Accrued expenses	972,544	-	-
Due to other funds	-	-	-
Unearned revenue	579,937	-	-
	<u>2,490,777</u>	<u>506,000</u>	<u>-</u>
Total liabilities	<u>2,490,777</u>	<u>506,000</u>	<u>-</u>
Fund balances:			
Nonspendable	1,554,822	-	-
Restricted	-	2,095,958	3,089,343
Committed	4,599,000	-	-
Assigned	6,331,521	-	-
Unassigned	-	-	-
	<u>12,485,343</u>	<u>2,095,958</u>	<u>3,089,343</u>
Total fund balances	<u>12,485,343</u>	<u>2,095,958</u>	<u>3,089,343</u>
Total liabilities and fund balances	<u>\$ 14,976,120</u>	<u>\$ 2,601,958</u>	<u>\$ 3,089,343</u>

The accompanying notes are an integral part of these financial statements.

continued

Capital Project Fund	Nonmajor Governmental Funds	Totals	
		2015	2014
\$ 4,087,253	\$ 18,406,878	\$ 36,585,136	\$ 33,070,450
-	3,310,393	3,310,393	3,267,913
4,923	31,880	70,812	44,071
-	173,289	1,339,906	1,189,907
-	-	1,331	1,331
-	-	27,192	24,787
-	-	418	4,059
-	210,996	913,680	975,639
-	-	2,410,000	2,410,000
-	-	1,554,822	1,978,574
-	34,322	34,322	41,695
-	-	679,343	679,343
<u>\$ 4,092,176</u>	<u>\$ 22,167,758</u>	<u>\$ 46,927,355</u>	<u>\$ 43,687,769</u>
\$ 186,490	\$ 470,964	\$ 2,101,750	\$ 1,047,235
68,489	38,130	1,079,163	968,952
-	418	418	4,059
<u>508,829</u>	<u>142,496</u>	<u>1,231,262</u>	<u>303,591</u>
<u>763,808</u>	<u>652,008</u>	<u>4,412,593</u>	<u>2,323,837</u>
-	34,322	1,589,144	2,020,269
-	18,490,327	23,675,628	25,929,312
-	-	4,599,000	4,338,000
3,328,368	2,991,101	12,650,990	9,076,579
-	-	-	(228)
<u>3,328,368</u>	<u>21,515,750</u>	<u>42,514,762</u>	<u>41,363,932</u>
<u>\$ 4,092,176</u>	<u>\$ 22,167,758</u>	<u>\$ 46,927,355</u>	<u>\$ 43,687,769</u>

City of La Verne
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 June 30, 2015

Fund balances of governmental funds \$ 42,514,762

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.

Capital assets, net of depreciation 55,917,522

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as liabilities in the funds. All liabilities (both current and long-term) are reported in the statement of net position.

Net pension liability (26,226,668)
 Revenue bonds payable (5,955,000)
 Pension bonds payable (4,435,000)
 Compensated absences (2,753,801)

Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds. (165,583)

Deferred inflows and outflows of resources related to pensions that have not been included in the government fund activity:

Deferred outflows of resources - pension related 2,897,180
 Deferred inflows of resources - pension related (8,232,141)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.

946,613

Net position of governmental activities **\$ 54,507,884**

The accompanying notes are an integral part of these financial statements.

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City of La Verne
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	General	Special Revenue Funds	
		State and County Gasoline Tax	Housing Successor
Revenues:			
Property taxes	\$ 7,504,209	\$ -	\$ -
Other taxes	7,779,661	-	-
Licenses and permits	3,444,809	-	-
Intergovernmental	3,360,497	855,172	-
Charges for services	6,271,910	-	-
Fines and forfeitures	19,933	-	-
Special assessment	-	-	-
Investment income	93,955	15,637	-
Rents	203,895	-	-
Miscellaneous	369,288	199	-
Total revenues	29,048,157	871,008	-
Expenditures:			
Current:			
General government	2,007,686	-	-
Public safety	18,319,729	-	-
Community development	2,100,777	-	-
Public works	6,644,031	6,000	-
Community services	1,348,516	-	-
Capital projects	-	540,908	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	30,420,739	546,908	-
Excess (deficiency) of revenues over (under) expenditures	(1,372,582)	324,100	-
Other Financing Sources (Uses):			
Transfers in	3,026,821	-	-
Transfers out	(1,509,500)	(388,721)	-
Total other financing sources (uses)	1,517,321	(388,721)	-
Net change in fund balances	144,739	(64,621)	-
Fund balances, beginning of year	12,340,604	2,160,579	3,089,343
Fund balances, end of year	\$ 12,485,343	\$ 2,095,958	\$ 3,089,343

The accompanying notes are an integral part of these financial statements.

continued

Capital Project Fund General Capital Improvement	Nonmajor Governmental Funds	Totals	
		2015	2014
\$ -	\$ -	\$ 7,504,209	\$ 7,014,924
-	2,194,012	9,973,673	10,024,436
-	17,635	3,462,444	2,565,666
50,000	451,096	4,716,765	4,564,832
-	2,108,998	8,380,908	8,846,884
-	1,656,294	1,676,227	4,010,100
-	343,975	343,975	335,119
17,733	523,254	650,579	541,614
-	1,758,877	1,962,772	1,954,643
8,258	274,122	651,867	712,606
<u>75,991</u>	<u>9,328,263</u>	<u>39,323,419</u>	<u>40,570,824</u>
-	1,320	2,009,006	1,794,755
-	1,857,478	20,177,207	19,066,747
-	1,413,071	3,513,848	3,204,836
-	-	6,650,031	6,154,655
-	1,205,235	2,553,751	2,560,054
401,198	2,725,152	3,667,258	1,337,337
-	305,000	305,000	290,000
-	441,588	441,588	462,412
<u>401,198</u>	<u>7,948,844</u>	<u>39,317,689</u>	<u>34,870,796</u>
<u>(325,207)</u>	<u>1,379,419</u>	<u>5,730</u>	<u>5,700,028</u>
1,490,000	119,500	4,636,321	3,992,816
<u>(100,000)</u>	<u>(1,493,000)</u>	<u>(3,491,221)</u>	<u>(2,847,716)</u>
<u>1,390,000</u>	<u>(1,373,500)</u>	<u>1,145,100</u>	<u>1,145,100</u>
1,064,793	5,919	1,150,830	6,845,128
<u>2,263,575</u>	<u>21,509,831</u>	<u>41,363,932</u>	<u>34,518,804</u>
<u>\$ 3,328,368</u>	<u>\$ 21,515,750</u>	<u>\$ 42,514,762</u>	<u>\$ 41,363,932</u>

City of La Verne
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds to the
 Statement of Activities
 For the Year Ended June 30, 2015

Change in fund balances of governmental funds \$ 1,150,830

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 cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense and transfers of capital assets exceeded capital outlay in the current year. This activity is reconciled as follows:

Cost of assets capitalized, less disposals at net book value (net of Internal Service Fund)	4,670,134
Depreciation expense (net of Internal Service Fund)	(2,988,132)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net position.

Principal payments on long-term debt	965,000
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Some 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.

Increase in compensated absences payable	(127,310)
Decrease in accrued interest payable on long-term debt	10,208

Prepaid pension cost are recorded as an expenditure in the governmental funds, whereas these costs are amortized over the period of benefit in the statement of activities.

Pension related net adjustments	413,120
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Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.

	148,459
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Change in net position of governmental activities \$ 4,242,309

The accompanying notes are an integral part of these financial statements.

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City of La Verne
Statement of Fund Net Position
Proprietary Funds
June 30, 2015
(with comparative data for June 30, 2014)

	Business Type Activities - Enterprise Funds		
	Water	Sewer	Total
Assets:			
Current assets:			
Cash and investments	\$ 10,635,341	\$ 5,717,770	\$ 16,353,111
Interest receivable	18,781	10,176	28,957
Accounts receivable	1,592,880	267,988	1,860,868
Due from other governments	-	3,937	3,937
Prepaid items	1,100	-	1,100
Inventory of material and supplies, at cost	-	-	-
Notes receivable	197,500	-	197,500
Total current assets	12,445,602	5,999,871	18,445,473
Noncurrent assets:			
Capital assets:			
Capital assets not being depreciated	1,963,477	68,980	2,032,457
Capital assets being depreciated, net of accumulated depreciation	15,996,952	5,347,191	21,344,143
Investment in water rights	11,976,728	-	11,976,728
Total noncurrent assets	29,937,157	5,416,171	35,353,328
Total assets	42,382,759	11,416,042	53,798,801
Deferred Outflows of Resources			
Pension related	182,785	81,411	264,196

The accompanying notes are an integral part of these financial statements.

continued

Governmental Activities Internal Service Fund	Totals	
	2015	2014
\$ 837,422	\$ 17,190,533	\$ 14,953,240
1,449	30,406	18,931
-	1,860,868	2,452,935
-	3,937	141,876
1,221	2,321	3,321
154,553	154,553	167,802
-	197,500	237,000
<u>994,645</u>	<u>19,440,118</u>	<u>17,975,105</u>
-	2,032,457	2,032,457
1,409,171	22,753,314	23,648,705
<u>-</u>	<u>11,976,728</u>	<u>11,976,728</u>
<u>1,409,171</u>	<u>36,762,499</u>	<u>37,657,890</u>
<u>2,403,816</u>	<u>56,202,617</u>	<u>55,632,995</u>
<u>67,200</u>	<u>331,396</u>	<u>-</u>

City of La Verne
Statement of Fund Net Position
Proprietary Funds
June 30, 2015
(with comparative data for June 30, 2014)

	Business Type Activities - Enterprise Funds		
	Water	Sewer	Total
Liabilities:			
Current liabilities:			
Accounts payable	\$ 545,047	\$ 17,259	\$ 562,306
Accrued expenses	81,269	33,254	114,523
Compensated absences - current	87,448	35,727	123,175
Total current liabilities	<u>713,764</u>	<u>86,240</u>	<u>800,004</u>
Long-term liabilities:			
Deposit payable	122,006	-	122,006
Compensated absences - noncurrent	113,736	46,467	160,203
Net pension liabilities	1,792,258	798,254	2,590,512
Total long-term liabilities	<u>2,028,000</u>	<u>844,721</u>	<u>2,872,721</u>
Total liabilities	<u>2,741,764</u>	<u>930,961</u>	<u>3,672,725</u>
Deferred Inflows of Resources			
Pension related	<u>563,503</u>	<u>250,980</u>	<u>814,483</u>
Net position:			
Net investment in capital assets	29,937,157	5,416,171	35,353,328
Unrestricted	9,323,120	4,899,341	14,222,461
Total net position	<u>\$ 39,260,277</u>	<u>\$ 10,315,512</u>	<u>\$ 49,575,789</u>

The accompanying notes are an integral part of these financial statements.

continued

Governmental Activities Internal Service Fund	Totals	
	2015	2014
\$ 20,814	\$ 583,120	\$ 966,939
27,218	141,741	130,008
2,444	125,619	90,323
<u>50,476</u>	<u>850,480</u>	<u>1,187,270</u>
-	122,006	124,939
69,458	229,661	255,376
<u>658,915</u>	<u>3,249,427</u>	<u>-</u>
<u>728,373</u>	<u>3,601,094</u>	<u>380,315</u>
<u>778,849</u>	<u>4,451,574</u>	<u>1,567,585</u>
<u>207,170</u>	<u>1,021,653</u>	<u>-</u>
1,409,171	36,762,499	37,657,890
<u>75,826</u>	<u>14,298,287</u>	<u>16,407,520</u>
<u>\$ 1,484,997</u>	<u>\$ 51,060,786</u>	<u>\$ 54,065,410</u>

City of La Verne
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Business Type Activities - Enterprise Funds		
	Water	Sewer	Total
Operating revenues:			
Charges for services	\$ 10,716,815	\$ 1,685,104	\$ 12,401,919
Total operating revenues	<u>10,716,815</u>	<u>1,685,104</u>	<u>12,401,919</u>
Operating expenses:			
Administration	641,782	617,752	1,259,534
Maintenance	24,876	381,813	406,689
Production	6,347,073	-	6,347,073
Transmission and distribution	653,937	-	653,937
Customer service	725,324	-	725,324
Depreciation	897,629	242,653	1,140,282
Total operating expenses	<u>9,290,621</u>	<u>1,242,218</u>	<u>10,532,839</u>
Operating income	<u>1,426,194</u>	<u>442,886</u>	<u>1,869,080</u>
Nonoperating revenues (expenses):			
Investment income	75,133	35,971	111,104
Interest expense	-	-	-
Gain (loss) on sale of capital assets	(783)	-	(783)
Miscellaneous	-	-	-
Total nonoperating revenues	<u>74,350</u>	<u>35,971</u>	<u>110,321</u>
Income before contributions and transfers	1,500,544	478,857	1,979,401
Capital contributions	-	-	-
Transfers in	-	10,000	10,000
Transfers out	<u>(1,014,900)</u>	<u>(140,200)</u>	<u>(1,155,100)</u>
Change in net position	485,644	348,657	834,301
Net position, beginning of year, as restated (Note 17)	<u>38,774,633</u>	<u>9,966,855</u>	<u>48,741,488</u>
Net position, end of year	<u>\$ 39,260,277</u>	<u>\$ 10,315,512</u>	<u>\$ 49,575,789</u>

The accompanying notes are an integral part of these financial statements.

Governmental Activities - Internal Service Funds	Totals	
	2015	2014
\$ 1,579,053	\$ 13,980,972	\$ 14,449,991
<u>1,579,053</u>	<u>13,980,972</u>	<u>14,449,991</u>
357,616	1,617,150	1,624,333
898,220	1,304,909	1,392,956
-	6,347,073	6,929,577
-	653,937	616,643
-	725,324	715,030
<u>190,533</u>	<u>1,330,815</u>	<u>1,303,972</u>
<u>1,446,369</u>	<u>11,979,208</u>	<u>12,582,511</u>
<u>132,684</u>	<u>2,001,764</u>	<u>1,867,480</u>
4,849	115,953	137,127
-	-	(10,669)
10,926	10,143	7,005
<u>-</u>	<u>-</u>	<u>45,383</u>
<u>15,775</u>	<u>126,096</u>	<u>178,846</u>
148,459	2,127,860	2,046,326
-	-	44,030
-	10,000	10,000
<u>-</u>	<u>(1,155,100)</u>	<u>(1,155,100)</u>
148,459	982,760	945,256
<u>1,336,538</u>	<u>50,078,026</u>	<u>53,120,154</u>
<u>\$ 1,484,997</u>	<u>\$ 51,060,786</u>	<u>\$ 54,065,410</u>

City of La Verne
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Business Type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash flows from operating activities:			
Cash received from users	\$ 11,288,608	\$ 1,825,847	\$ 13,114,455
Cash payments to suppliers for goods and services	(6,927,086)	(443,814)	(7,370,900)
Cash payments to employees for services	(1,705,566)	(726,030)	(2,431,596)
Net cash provided by operating activities	<u>2,655,956</u>	<u>656,003</u>	<u>3,311,959</u>
Cash flows from noncapital financing activities:			
Cash received from other funds	-	10,000	10,000
Cash paid to other funds	(1,014,900)	(140,200)	(1,155,100)
Net cash used for noncapital financing activities	<u>(1,014,900)</u>	<u>(130,200)</u>	<u>(1,145,100)</u>
Cash flows from capital and related financing activities:			
Principal paid on capital-related debt	-	-	-
Interest paid on capital-related debt	-	-	-
Cash paid to purchase capital assets	(276,014)	(71,193)	(347,207)
Proceeds from sale of capital assets	-	-	-
Net cash used for capital and related financing activities	<u>(276,014)</u>	<u>(71,193)</u>	<u>(347,207)</u>
Cash flows from investing activities:			
Notes receivable	39,500	-	39,500
Interest on investments	68,123	32,264	100,387
Net cash provided by investing activities	<u>107,623</u>	<u>32,264</u>	<u>139,887</u>
Net increase in cash and investments	1,472,665	486,874	1,959,539
Cash and investments, beginning of year	<u>9,162,676</u>	<u>5,230,896</u>	<u>14,393,572</u>
Cash and investments, end of year	<u>\$ 10,635,341</u>	<u>\$ 5,717,770</u>	<u>\$ 16,353,111</u>

The accompanying notes are an integral part of these financial statements.

Governmental Activities - Internal Service Fund	Totals	
	2015	2014
\$ 1,593,590	\$ 14,708,045	\$ 14,429,298
(675,765)	(8,046,665)	(8,751,377)
<u>(566,089)</u>	<u>(2,997,685)</u>	<u>(2,946,464)</u>
351,736	3,663,695	2,731,457
-	10,000	561,365
<u>-</u>	<u>(1,155,100)</u>	<u>(1,155,100)</u>
-	(1,145,100)	(593,735)
-	-	(800,179)
-	-	(16,004)
(98,796)	(446,003)	(728,706)
<u>20,722</u>	<u>20,722</u>	<u>43,836</u>
(78,074)	(425,281)	(1,501,053)
-	39,500	39,500
<u>4,092</u>	<u>104,479</u>	<u>136,498</u>
4,092	143,979	175,998
277,754	2,237,293	812,667
<u>559,668</u>	<u>14,953,240</u>	<u>14,140,573</u>
<u>\$ 837,422</u>	<u>\$ 17,190,533</u>	<u>\$ 14,953,240</u>

City of La Verne
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Business Type Activities - Enterprise Funds		
	Water	Sewer	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 1,426,194	\$ 442,886	\$ 1,869,080
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	897,629	242,653	1,140,282
Pension contributions after measurement date	(182,785)	(81,411)	(264,196)
Actuarial pension expense	156,475	69,693	226,168
Miscellaneous revenues	-	-	-
(Increase) decrease in:			
Accounts receivable	574,725	2,804	577,529
Due from other governments	-	137,939	137,939
Prepaid items	-	-	-
Inventory of materials and supplies, at cost	-	-	-
Increase (decrease) in:			
Accounts payable	(228,945)	(152,223)	(381,168)
Accrued expenses	6,397	528	6,925
Deposits payable	(2,933)	-	(2,933)
Compensated absences	9,199	(6,866)	2,333
Total adjustments	1,229,762	213,117	1,442,879
Net cash provided by operating activities	<u>\$ 2,655,956</u>	<u>\$ 656,003</u>	<u>\$ 3,311,959</u>
Noncash capital and related financing activities			
Contributed capital assets	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

continued

Governmental Activities - Internal Service Fund	Totals	
	2015	2014
<u>\$ 132,684</u>	<u>\$ 2,001,764</u>	<u>\$ 1,867,480</u>
190,533	1,330,815	1,303,972
(67,200)	(331,396)	-
57,528	283,696	-
-	-	45,383
14,537	592,066	87,861
-	137,939	(140,047)
1,000	1,000	6,117
13,249	13,249	(34,726)
(2,651)	(383,819)	(347,189)
4,808	11,733	16,747
-	(2,933)	(13,890)
<u>7,248</u>	<u>9,581</u>	<u>(60,251)</u>
<u>219,052</u>	<u>1,661,931</u>	<u>863,977</u>
<u>\$ 351,736</u>	<u>\$ 3,663,695</u>	<u>\$ 2,731,457</u>
\$ -	\$ -	\$ 44,030

City of La Verne
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015
(with comparative data for June 30, 2014)

	Successor Agency to the Redevelopment Agency of the City of La Verne		Agency Funds	
	Private-purpose Trust Fund			
	2015	2014	2015	2014
Assets:				
Cash and investments	\$ 903,559	\$ 1,683,659	\$ 14,684,357	\$ 10,748,824
Cash and investments with fiscal agents	-	-	-	-
Interest receivable	-	-	4,459	762
Account receivable	-	-	61,225	4,607
Notes receivable	105,000	120,000	-	-
Due from other governments	-	-	692,832	1,420,867
Capital assets:				
Capital assets not being depreciated	79,736	79,736	-	-
Capital assets being depreciated, net of accumulated depreciation	6,652	6,726	-	-
Total assets	<u>1,094,947</u>	<u>1,890,121</u>	<u>\$ 15,442,873</u>	<u>\$ 12,175,060</u>
Liabilities:				
Accounts payable	2,065	2,342	\$ 391,306	\$ 481,075
Accrued expenses	8,755	10,637	-	-
Due to City of La Verne	2,410,000	2,410,000	-	-
Deposits payable	-	-	15,051,567	11,693,985
Held for bondholders	-	-	-	-
Long-term liabilities:				
Due within one year	324,052	314,052	-	-
Due beyond one year	1,098,922	1,422,974	-	-
Total liabilities	<u>3,843,794</u>	<u>4,160,005</u>	<u>\$ 15,442,873</u>	<u>\$ 12,175,060</u>
Net position (deficit):				
Net position (deficit) held for dissolution of redevelopment agency	<u>(2,748,847)</u>	<u>(2,269,884)</u>		
Total net position (deficit)	<u>\$ (2,748,847)</u>	<u>\$ (2,269,884)</u>		

The accompanying notes are an integral part of these financial statements.

City of La Verne
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Successor Agency to the Redevelopment Agency of the City of La Verne Private-purpose Trust Fund	
	2015	2014
Additions:		
Property taxes	\$ 112,271	\$ 602,009
Investment Income	1,467	-
Gain from sale of property	-	234,402
Miscellaneous revenue	-	71,808
Total additions	113,738	908,219
 Deductions:		
Administrative expenses	216,929	310,303
Program expenses	315	17,551
Depreciation expenses	73	818
1996 Revenue bond pledge payment	350,000	350,000
Interest expense	65,384	239,231
Total deductions	632,701	917,903
 Transfers in	40,000	-
 Change in net position	(478,963)	(9,684)
 Net position (deficit), beginning of year	(2,269,884)	(2,260,200)
 Net position (deficit), end of year	\$ (2,748,847)	\$ (2,269,884)

The accompanying notes are an integral part of these financial statements.

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Notes to the Basic Financial Statements

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies of the City of La Verne, California (City):

(a) Description of Reporting Entity

As required by generally accepted accounting principles, these financial statements present the City of La Verne and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent upon the City (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

The City of La Verne was incorporated in 1906 under the general laws of the State of California and enjoys all the rights and privileges pertaining to such "General Law" cities.

The La Verne Housing Authority was established to maximize the ability of the City and Redevelopment Agency to use low and moderate income housing funds for housing purposes. Separate financial statements for the Housing Authority are not currently prepared.

The La Verne Financing Authority was established under a joint exercise of powers agreement between the City and the Housing Authority. The Financing Authority was established as a conduit for debt financing. Accordingly, separate financial statements for the Financing Authority are not prepared.

(b) Fund Accounting

The basic accounting and reporting entity is a "fund." A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

(b) Fund Accounting (continued)

The accounting records of the City are organized on the basis of funds classified for reporting purposes as follows:

Governmental Fund Types:

General Fund

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenses and capital improvement costs which are not paid through other funds.

Special Revenue Funds

The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or administrative regulation to be accounted for in a separate fund.

Debt Service Funds

The Debt Service Funds are used to account for resources that are accumulated for the payment of principal and interest of general long-term debt.

Capital Projects Funds

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The City reports the following major governmental funds:

General Fund - To account for all financial resources associated with the governments that are not legally required to be accounted for in another fund.

State and County Gasoline Tax Fund – To account for the revenues and expenditures of the City's proportionate share of gas tax monies collected by the State of California and disbursement of monies received from Los Angeles County as aid to the City which are used for street construction and maintenance.

Housing Successor - To account for low and moderate income housing fund resources and activities.

General Capital Improvement Fund – To account for all capital projects not being accounted for in the City's other capital projects funds.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

(b) Fund Accounting (continued)

Proprietary Fund Types:

Enterprise Funds

The Enterprise Funds are used to account for the costs of providing water and sewer services to the general public and to account for the user charges by which these costs are recovered.

The City reports the following major enterprise funds:

Water Fund - To account for the operations of the City's water utility.

Sewer Fund - To account for the operations of the City's sewer utility.

Internal Service Fund

The City has one Internal Service Fund, which is used to finance and account for operating and replacement costs associated with City vehicles. Costs of materials and services used are accumulated in this fund and charged to the user departments as such goods are delivered.

Fiduciary Fund Types:

Successor Agency to the Redevelopment Agency of the City of La Verne (Private-purpose trust fund) - To account for the activities of the former RDA, except for those accounted for in the Housing Authority Fund of the City. This fund's primary purpose is to expedite the dissolution of the former RDA's net position (except for low and moderate housing fund net position) in accordance with AB X1 26 and AB 1484.

Agency Funds

The Agency Funds are used to account for assets held by the City on behalf of private organizations, employees, bondholders and other individuals.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

(c) Basis of Accounting and Measurement Focus

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of Americas as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles, and the City has adopted all pronouncements of the GASB.

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). The City of La Verne has no discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by function to which they were allocated). However, general governmental expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exception to the general rule is when elimination of the charges would distort the direct costs and program revenues reported for the various functions concerned.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

(c) Basis of Accounting and Measurement Focus (continued)

Government-wide Financial Statements (continued)

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds, as well as the enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

In the fund financial statements, governmental funds are presented using the modified-accrual *basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses a sixty-day availability period, except for grant related revenues that are presented using a six-month availability period.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

(c) Basis of Accounting and Measurement Focus (continued)

Governmental Funds (continued)

Revenue recognition is subject to the *measurability* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction on which they are based takes place. *Imposed non-exchange* transactions are recognized as revenues in the period for which they are imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary non-exchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate; however, that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables. Noncurrent portions of other long-term receivables are reported as part of nonspendable, restricted, committed or assigned fund balance.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing source* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

(c) Basis of Accounting and Measurement Focus (continued)

Governmental Funds (continued)

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.
- Committed – amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned – amounts that are for any purpose; positive amounts are reported only in a general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Accordingly, the City Council has adopted a policy to maintain a minimum of 15% of the General Fund operating budget within the committed fund balance. The City Council has also designated the City Manager and Finance Officer as the City officials to determine, define, and make the necessary account or fund transfers for the amounts to those components of fund balance that are classified as “Assigned Fund Balance”.

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed. It is the City’s policy to consider committed amounts as being restricted first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

(c) Basis of Accounting and Measurement Focus (continued)

Proprietary Funds

The City's Enterprise and Internal Service Funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary funds distinguish operating revenues and expenses from *nonoperating* items. Operating revenues and expenses result from providing goods and services related to the fund's ongoing operations. The principal operating revenue of the City's proprietary funds is charges for services. Operating expenses include the cost of services provided, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Amounts paid to acquire capital assets are capitalized as assets in the proprietary funds financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the proprietary funds financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the proprietary funds are reported as a reduction of the related liability, rather than as an expenditure.

(d) Interfund Transfers

Transfers are reported as other financing sources and uses of funds in the statement of revenues, expenditures and changes in fund balance.

(e) Advances to Other Funds

Long-term interfund advances are recorded as a receivable and as a nonspendable, restricted, committed or assigned fund balance by the advancing governmental fund and as a liability in the receiving fund.

(f) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds is employed in the governmental funds.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

(g) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for nonparticipating certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

For purposes of the statement of cash flows, the City presents beginning balances, net increase (decrease) and ending balances of cash and investments, as the City internally pools its cash and investments together.

(h) Inventories

Inventories, consisting principally of supplies and petroleum products held by the Internal Service Fund are stated at lower of cost or market using the first-in first-out (FIFO) method.

(i) Loans Receivable

The portion of the fund balance reported as nonspendable, restricted, committed, or assigned for loans receivable represents amounts associated with non-current loans receivable which does not represent resources currently available for appropriation.

(j) Land Held for Resale

Land held for resale represents land that was acquired for resale in accordance with the objective of the Redevelopment Project. These costs will be charged to current year project expenditures when the related land is sold. Land held for resale is valued at the lower of cost or the estimated net realizable value. A portion of fund balance is reported as nonspendable, restricted, committed or assigned for land held for resale to indicate that a portion of fund balance is not available for future expenditures.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

(k) Capital Assets

Capital assets (including infrastructure) greater than \$5,000 with a useful life of at least three years are capitalized and recorded at cost or at their estimated fair value of the asset at the time of acquisition where complete historical records have not been maintained. Contributed capital assets are valued at their estimated fair market value at the date of the contribution. Capital assets acquired under capital lease are capitalized at the net present value of the total lease payments. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds. The estimated useful lives of the assets are as follows:

Buildings and improvements	10 to 30 years
Machinery and equipment	5 to 30 years
Automotive equipment	5 to 20 years
Office furniture and equipment	5 to 30 years
Infrastructure:	
Pavement	10 to 40 years
Traffic signals	50 years
Bridges	100 years
Water system and other improvements:	
Property, plant and equipment	10 to 50 years
Sewer system and other improvements:	
Property, plant and equipment	50 years
Sewer manholes	50 years
Sewer mains	50 years

(l) Compensated Absences

Permanent general city employees earn from 10 to 20 vacation days a year, depending upon their length of employment, and 11 sick days a year. Employees generally can carry forward all of their earned vacation days and sick leave days for use in subsequent years, with the exception of mid management and department heads who have a cap depending upon their length of employment.

Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary-for all unused vacation leave, except for those employees that have not completed six months of continuous service. In addition, an employee is eligible for sick leave benefits upon termination only after 15 years of service. The employee is entitled to convert sick leave to vacation based on years of service with a cap of 500 hours.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

(l) Compensated Absences (continued)

In accordance with GASB Statement No. 16, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

Under GASB Statement No.16, a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This amount is estimated using the termination payment method, which is based upon the City's past experience of making terminating payments for sick leave. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employees.

If material, a proprietary fund liability is accrued for all earned but unused leave benefits relating to the operations of the proprietary funds. A current liability is accrued in the governmental funds for employee leave benefits expected to be paid from expendable, available financial resources as of the balance sheet date. Generally, this is interpreted to mean amounts expected to be paid within 60 days of the balance sheet date.

Compensated absences are primarily liquidated by the General Fund and Water Fund.

(m) Property Taxes

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. Any unpaid amounts at the end of the fiscal year are recorded as taxes receivable in accordance with the City's accrued revenue policy as stated previously in note 1. The County of Los Angeles bills and collects the property taxes and subsequently remits the amount due to the City in installments during the year. The County is permitted by State Law (Article XIII A of the California Constitution) to levy taxes at one percent (1 %) of full market value at the time of purchase and can increase the property's value no more than two percent (2%) per year. The City receives a share of this basic levy proportionate to what it received in the 1976 to 1978 period.

(n) Accounting Treatment for Self-insurance Activities

The City records a liability in the government-wide financial statements for litigation, judgments and claims (including losses incurred but not reported) when it is probable that an asset has been impaired or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. Expenditures for claims and judgments are charged to governmental funds as they become payable from available expendable financial resources.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

(o) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenditures during the reporting period.

(p) Pension Plans

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.

GASB 68 requires 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 (VD)	June 30, 2013
Measurement Date (MD)	June 30, 2014
Measurement Period (MP)	July 1, 2013 to June 30, 2014

(q) Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year financial statements, from which this selected financial data was derived.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

(r) Implementation of New Pronouncements

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pension plans, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

GASB has issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

These pronouncements have been implemented for purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense/expenditures. Information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(2) Cash and Investments

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 53,775,669
Cash and investments with fiscal agent	3,310,393

Statement of Fiduciary Net Position:

Cash and investments	<u>15,587,916</u>
 Total cash and investments	 <u>\$ 72,673,978</u>

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	\$ 230,050
Deposits with financial institutions	6,647,623
Investments	<u>65,796,305</u>
 Total cash and investments	 <u>\$ 72,673,978</u>

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(2) Cash and Investments (continued)

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by the fiscal agent that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Investment Types Authorized by State Law	Authorized By Investment Policy	*Maximum Maturity	*Maximum Percentage of Portfolio	*Maximum Investment in One Issuer
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	Yes	5 years	30%	None
Mutual Funds	Yes	N/A	15%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	None
County Pooled Investment Funds	Yes	N/A	None	None
Local Agency Investment Funds (LAIF)	Yes	N/A	None	\$50,000,000
JPA Pools (other investment pools)	Yes	N/A	None	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(2) Cash and Investments (continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by the fiscal agent are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are generally authorized for investments held by the fiscal agent. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	360 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None
Certificates of Deposit	None	None	None
Repurchase Agreements	None	None	None
Mortgage Pass-Through Securities	None	None	None
State Bonds or Notes	None	None	None
Municipal Bonds or Notes	None	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing, or coming close to maturity evenly over time, as necessary to provide the cash flow and liquidity needed for operations.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(2) Cash and Investments (continued)

Information about the sensitivity of the fair values of the City's investments (including investments held by fiscal agent) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturity		
		1 Year or Less	1 to 5 Years	5 to 10 Years
US Agency Securities	\$ 40,000,000	\$ -	\$ 36,000,000	\$ 4,000,000
Bank Certificates of Deposit	2,695,000	-	2,695,000	-
State investment pool	19,790,912	19,790,912	-	-
Held by fiscal agent:				
Money market funds	3,310,393	3,310,393	-	-
Total	\$ 65,796,305	\$ 23,101,305	\$ 38,695,000	\$ 4,000,000

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. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

Investment Type	Total	Minimum Legal Rating	Ratings as of Year End		
			AAA	AA+	Not Rated
US Agency Securities	\$ 40,000,000	N/A	\$ -	\$ 40,000,000	\$ -
Bank Certificates of Deposit	2,695,000		-	-	2,695,000
State investment pool	19,790,912	N/A	-	-	19,790,912
Held by fiscal agent:					
Money market funds	3,310,393	N/A	3,310,393	-	-
Total	\$ 65,796,305		\$ 3,310,393	\$ 40,000,000	\$ 22,485,912

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(2) Cash and Investments (continued)

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bank	US Agency Securities	\$ 18,000,000
Federal Home Loan Bank	US Agency Securities	14,000,000
Federal Home Loan Mortgage Corp.	US Agency Securities	6,000,000

Custodial Credit Risk

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 its 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 (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2015, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(3) Interfund Receivables, Payables and Transfers

Current interfund receivables and payables as of June 30, 2015 are as follows:

Receivable	Payable	Amount
General Fund	Nonmajor Governmental Funds - Community Development	<u>\$ 418</u>

Interfund receivables and payables were created in order to eliminate short-term deficit cash balances.

Transfers in and out for the year ended June 30, 2015 were as follows:

Transfers From	Transfers To	Amount
General Fund	Nonmajor Governmental Funds	\$ 19,500 (1)
General Fund	General Capital Improvement	1,490,000 (2)
State and County Gasoline Tax	General Fund	388,721 (3)
General Capital Improvement	Nonmajor Governmental Funds	100,000 (4)
Nonmajor Governmental Funds	General Fund	1,483,000 (5)
Nonmajor Governmental Funds	Sewer Fund	10,000 (6)
Water Fund	General Fund	1,014,900 (7)
Sewer Fund	General Fund	<u>140,200 (8)</u>
Total		<u>\$ 4,646,321</u>

- (1) Transfers were mainly to help cover costs for current and future various capital project activities.
- (2) Transfers were mainly to help cover costs for current and future various capital project activities.
- (3) To help cover costs for street maintenance activities.
- (4) Contributions towards right of way street maintenance.
- (5) To help cover costs for street maintenance, police & fire safety and to reimburse the General Fund for operational costs.
- (6) Transfer is for CFD 90-1 contribution to sewer operations within CFD boundaries.
- (7) To allocate and reimburse the General Fund for support, overhead costs, and service fees.
- (8) To allocate and reimburse the General Fund for support, overhead costs, and service fees.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(4) Capital Assets

The following is a summary of capital assets for the year ended June 30, 2015:

Governmental activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 11,769,903	\$ -	\$ -	\$ 11,769,903
Land rights (associated with streets)	9,618,593	-	-	9,618,593
Total capital assets, not being depreciated	<u>21,388,496</u>	<u>-</u>	<u>-</u>	<u>21,388,496</u>
Capital assets, being depreciated:				
Buildings and other improvements	23,807,720	323,962	-	24,131,682
Automotive equipment	5,906,616	1,388,360	(103,156)	7,191,820
Machinery and equipment	5,228,899	946,376	(47,879)	6,127,396
Office furniture and equipment	869,772	67,541	-	937,313
Infrastructure - streets	80,170,080	2,048,000	(1,181,000)	81,037,080
Infrastructure - bridges	2,648,850	-	-	2,648,850
Infrastructure - signals	2,423,000	-	-	2,423,000
Total capital assets, being depreciated	<u>121,054,937</u>	<u>4,774,239</u>	<u>(1,332,035)</u>	<u>124,497,141</u>
Less accumulated depreciation for:				
Buildings and other improvements	(10,762,447)	(686,099)	-	(11,448,546)
Automotive equipment	(3,195,709)	(341,194)	92,840	(3,444,063)
Machinery and equipment	(3,121,857)	(259,122)	43,091	(3,337,888)
Office furniture and equipment	(650,717)	(18,302)	-	(669,019)
Infrastructure - streets	(67,816,902)	(1,788,357)	1,181,000	(68,424,259)
Infrastructure - bridges	(1,119,230)	(26,490)	-	(1,145,720)
Infrastructure - signals	(1,439,520)	(59,100)	-	(1,498,620)
Total accumulated depreciation	<u>(88,106,382)</u>	<u>(3,178,664)</u>	<u>1,316,931</u>	<u>(89,968,115)</u>
Total capital assets being depreciated, net	<u>32,948,555</u>	<u>1,595,575</u>	<u>(15,104)</u>	<u>34,529,026</u>
Governmental activities, capital assets, net	<u>\$ 54,337,051</u>	<u>\$ 1,595,575</u>	<u>\$ (15,104)</u>	<u>\$ 55,917,522</u>

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(4) Capital Assets (continued)

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

Governmental Activities:

General government	\$ 56,060
Public safety	579,028
Community development	120,960
Public works	1,960,434
Parks and community services	<u>462,182</u>

Total - governmental activities \$ 3,178,664

Business-type activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,032,457	\$ -	\$ -	\$ 2,032,457
Total capital assets, not being depreciated	<u>2,032,457</u>	<u>-</u>	<u>-</u>	<u>2,032,457</u>
Capital assets, being depreciated:				
Buildings and other improvements	235,090	-	-	235,090
Automotive equipment	264,611	33,591	-	298,202
Machinery and equipment	466,294	6,228	-	472,522
Office furniture and equipment	248,838	19,996	(7,000)	261,834
Reservoirs	6,080,496	-	-	6,080,496
Water distribution system	35,814,249	242,992	-	36,057,241
Sewer collection system	17,118,443	44,400	-	17,162,843
Total capital assets, being depreciated	<u>60,228,021</u>	<u>347,207</u>	<u>(7,000)</u>	<u>60,568,228</u>
Less accumulated depreciation for:				
Buildings and other improvements	(131,649)	(8,377)	-	(140,026)
Automotive equipment	(227,993)	(3,145)	-	(231,138)
Machinery and equipment	(283,604)	(17,655)	-	(301,259)
Office furniture and equipment	(132,085)	(9,949)	6,217	(135,817)
Reservoirs	(3,983,385)	(113,688)	-	(4,097,073)
Water distribution system	(21,658,898)	(751,046)	-	(22,409,944)
Sewer collection system	(11,672,406)	(236,422)	-	(11,908,828)
Total accumulated depreciation	<u>(38,090,020)</u>	<u>(1,140,282)</u>	<u>6,217</u>	<u>(39,224,085)</u>
Total capital assets being depreciated, net	<u>22,138,001</u>	<u>(793,075)</u>	<u>(783)</u>	<u>21,344,143</u>
Business-type activities, capital assets, net	<u>\$ 24,170,458</u>	<u>\$ (793,075)</u>	<u>\$ (783)</u>	<u>\$ 23,376,600</u>

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(5) Due from Successor Agency / Due to City – Successor Agency / City

Due From Successor Agency and Due To City balances at June 30, 2015 were as follows:

Receivable	Payable	Amount
Housing Successor	Successor Agency to the Redevelopment Agency of the City of La Verne	\$ 2,410,000
		\$ 2,410,000

Per a loan agreement by the former City of La Verne Redevelopment Agency, a \$2,410,000 advance was made from the RDA Low and Moderate Housing Fund to the RDA Debt Service Fund. This advance is to be used to help make the Supplemental Educational Revenue Augmentation Funds (SERAF) obligation. The advance is to be repaid in bi-annual amounts of \$100,000 beginning January 2016 until the principal is repaid in full. During fiscal year 2011, a payment of \$480,000 was made on the \$2,400,000 advance. In addition, a new advance of \$490,000 was issued, and is to be repaid over a five year period ending June 2016. During fiscal year 2012, this liability was transferred to the Successor Agency to the Redevelopment Agency of the City of La Verne due to the dissolution of the Redevelopment Agency. The amount outstanding at June 30, 2015 is \$2,410,000.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(6) Long-term Liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Revenue Bonds:					
1996 Revenue Bonds	\$ 6,260,000	\$ -	\$ (305,000)	\$ 5,955,000	\$ 330,000
Pension Bonds:					
2006 Pension Bonds	5,095,000	-	(660,000)	4,435,000	725,000
Compensated absences	2,619,243	957,700	(823,142)	2,753,801	801,734
Net pension liability*	34,582,488	-	(8,355,820)	26,226,668	-
Total governmental activities	\$ 48,556,731	\$ 957,700	\$ (10,143,962)	\$ 39,370,469	\$ 1,856,734
Business-type activities:					
Compensated absences	\$ 281,045	\$ 128,798	\$ (126,465)	\$ 283,378	\$ 123,175
Net pension liability*	3,388,476	-	(797,964)	2,590,512	-
Total business-type activities	\$ 3,669,521	\$ 128,798	\$ (924,429)	\$ 2,873,890	\$ 123,175

*The beginning balances for the net pension liability in both the governmental activities and business-type activities resulted from the implementation of GASB Statement No. 68.

A. Revenue Bonds

On July 17, 1996 revenue bonds were issued by the La Verne Public Financing Authority (the Authority) in the amount of \$9,245,000. The bonds were issued to finance the acquisition of the La Verne Mobile Country Club and to finance and reimburse the City for construction costs of a community sports complex. The net income of the mobile home park operations and a portion of the tax allocation revenues distributed from the Redevelopment Property Tax Trust Fund (RPTTTF) as approved by the State of California Department of Finance Required Obligation Schedules (ROPS) are pledged toward payment of the bonds. In addition, the Authority is required to operate the park to ensure that the ratio of pledged payments plus net park revenues to the annual debt service for any particular year is at least 1.3 to 1.

Interest on the bonds is payable semi-annually on March 1 and September 1 of each year. Of the total issue, \$1,940,000 mature serially through September 1, 2009 in annual principal installments ranging from \$115,000 to \$220,000, subject to optional redemption beginning September 1, 2006, and pay interest varying from 5% to 6.6%; \$1,680,000 are 6% term bonds due September 1, 2015 and are subject to mandatory redemption from sinking fund payments in amounts ranging from \$235,000 to \$330,000; and \$5,625,000 are 7.25% term bonds due on September 1, 2026 and are subject to mandatory redemption from sinking fund payments in amounts ranging from \$350,000 to \$710,000. The principal balance outstanding at June 30, 2015 was \$5,955,000.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(6) Long-term Liabilities (continued)

B. Pension Bonds

On April 20, 2006, taxable pension obligation refunding bonds were issued in the amount of \$8,380,000. The City is a member of the California Public Employees' Retirement System ("PERS") and, as such, is obligated to make contributions to PERS to fund pension benefits for City employees who are members of PERS, to amortize the unfunded actuarial accrued liability with respect to such pension benefits, and to appropriate funds for the purposes thereof. The bonds were issued to refund a portion of the City's obligations to PERS and to pay the costs of the issuance of the bonds.

Interest on the bonds is payable semi-annually on June 1 and December 1, commencing December 1, 2006. Of the total issue, \$1,675,000 mature serially through June 1, 2011 in annual principal installments ranging from \$225,000 to \$430,000, and pay interest varying from 5.25% to 5.49%; \$2,995,000 are 5.62% term bonds due on June 1, 2016 and are subject to mandatory redemption from sinking fund payments in amounts ranging from \$480,000 to \$725,000; and \$3,710,000 are 6.00% term bonds due on June 1, 2020 and are subject to mandatory redemption from sinking fund payments in amounts ranging from \$800,000 to \$1,060,000. The principal balance outstanding at June 30, 2015 was \$4,435,000.

C. Debt Service Requirement to Maturity

Minimum annual requirements to amortize all long-term debt of the City as of June 30, 2015 including minimum future capital lease payments, are as set forth below. Compensated absences have been excluded from the following schedule because minimum annual debt service requirements for this obligation have not been established.

Year Ending June 30,	1996 Revenue Bonds		2006 Pension Bonds		Totals
	Principal	Interest	Principal	Interest	
2016	\$ 330,000	\$ 419,363	\$ 725,000	\$ 263,345	\$ 1,737,708
2017	350,000	395,125	800,000	222,600	1,767,725
2018	375,000	368,844	880,000	174,600	1,798,444
2019	405,000	340,569	970,000	121,800	1,837,369
2020	435,000	310,119	1,060,000	63,600	1,868,719
2021	465,000	277,494	-	-	742,494
2022	500,000	242,513	-	-	742,513
2023	535,000	204,994	-	-	739,994
2024	575,000	164,756	-	-	739,756
2025	615,000	121,619	-	-	736,619
2026	660,000	75,400	-	-	735,400
2027	710,000	25,738	-	-	735,738
Totals	<u>\$ 5,955,000</u>	<u>\$ 2,946,534</u>	<u>\$ 4,435,000</u>	<u>\$ 845,945</u>	<u>\$ 14,182,479</u>

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(7) Defined Benefit Pension Plan (PERS)

A. General Information about the Pension Plans

Plan Description

The Plans are cost-sharing, multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plans regarding number of employees covered, benefit provisions, assumptions (for funding, but not account purposes), and membership information are listed in the June 30, 2013 Annual Actuarial Valuation Reports. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation reports. The actuarial valuation reports and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications, at www.calpers.ca.gov.

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 5 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.

The Plans operate under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plans' authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(7) Defined Benefit Pension Plan (PERS) (continued)

A. General Information about the Pension Plans (continued)

The Plans' provisions and benefits in effect at the June 30, 2014 measurement date are summarized below:

	Miscellaneous Plans	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensations	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	17.734%	6.25%
	Safety Plans	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 55	2.5% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensations	2.4% to 3.0%	2.4% to 3.0%
Required employee contribution rates	9%	Not Applicable in 2015
Required employer contribution rates	27.907%	Not Applicable in 2015

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(7) Defined Benefit Pension Plan (PERS) (continued)

A. General Information about the Pension Plans (continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plans' actuarially determined rates are based on the estimated amount necessary to pay the Plans' allocated share of the risk pool's costs of benefits earned by employees during the year, and 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, 2014 (the measurement date), the average active employee contribution rate for the respective miscellaneous and safety plans is 8.0 and 9.0 percent of annual pay, and the employer's contribution rate is 16.866 and 20.318 percent of annual payroll. Employer contribution rates may change if plan contracts are amended. Employer Contributions for the measurement period ended June 30, 2014 for the respective miscellaneous, PEPRAs miscellaneous, safety and PEPRAs safety plans are \$909,276, \$8,323, \$1,960,946, and \$16,974. Employer Paid Member Contributions for the measurement period ended June 30, 2014 for the respective miscellaneous and safety plans are \$15,104 and \$119,326 or an average rate of .28 and 1.54 percent of annual payroll. The actual employer payments for the respective miscellaneous, PEPRAs miscellaneous, safety, and PEPRAs safety plans of \$909,276, \$8,323, \$1,960,946, and \$16,974 made to CalPERS by the City during the measurement period ended June 30, 2014 differed from the City's proportionate share of the employer's contributions of \$1,165,656, \$69, \$2,299,035, and \$13 by \$256,380, \$8,254, \$338,089, and \$16,961, respectively, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

B. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(7) Defined Benefit Pension Plan (PERS) (continued)

B. Net Pension Liability (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Miscellaneous Plans</u>	<u>Safety Plans</u>
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method:	Market Value of Assets	Market Value of Assets
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Salary Increase (1)	3.30% - 14.20%	3.30% - 14.20%
Investment Rate of Return (2)	7.50%	7.50%
Mortality Rate Table (3)	Derived using CalPERS' membership data for all	
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter.	

(1) Annual increase vary by category, entry age, and duration of service

(2) Net of pension plan investment and administrative expenses; includes inflation

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

For more details on the table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 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.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(7) Defined Benefit Pension Plan (PERS) (continued)

B. Net Pension Liability (continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. Refer to the *sensitivity of the net pension liability to changes in the discount rate* section of this note, which provides information on the sensitivity of the net pension liability to changes in the discount rate.

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

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

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

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(7) Defined Benefit Pension Plan (PERS) (continued)

B. Net Pension Liability (continued)

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10¹</u>	<u>Real Return Year 11+²</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	(0.55%)	(1.05%)
Total	<u>100.0%</u>		

¹ An expected inflation of 2.5% used for this period

² An expected inflation of 3.0% used for this period

Pension Plan Fiduciary Net Position

Information about the pension plans' assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website under Forms and Publications, at www.calpers.ca.gov. The plans' fiduciary net position and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(7) Defined Benefit Pension Plan (PERS) (continued)

C. Proportionate Share of Net Pension Liability

The following table shows the Plans' proportion share of the net pension liability over the measurement period.

Miscellaneous Plans:

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2013 (VD)	\$ 50,335,667	\$ 36,964,142	\$ 13,371,525
Balance at: 6/30/2014 (MD)	\$ 53,331,125	\$ 43,108,506	\$ 10,222,619
Net changes during 2013-14	\$ 2,995,458	\$ 6,144,364	\$ (3,148,906)

Safety Plans:

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2013 (VD)	\$ 95,183,175	\$ 70,583,735	\$ 24,599,440
Balance at: 6/30/2014 (MD)	\$ 99,800,927	\$ 81,206,366	\$ 18,594,561
Net changes during 2013-14	\$ 4,617,752	\$ 10,622,631	\$ (6,004,879)

Valuation Date (VD), Measurement Date (MD)

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(7) Defined Benefit Pension Plan (PERS) (continued)

C. Proportionate Share of Net Pension Liability (continued)

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website under Forms and Publications, at www.calpers.ca.gov. The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2013	0.40808%	0.51416%
Proportion - June 30, 2014	0.41362%	0.49572%
Change - Increase (Decrease)	0.00554%	(0.01844%)

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

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

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Miscellaneous Plans' Net Pension Liability	\$ 17,297,672	\$ 10,222,619	\$ 4,350,997
PEPRA Miscellaneous Plans' Net Pension Liability	\$ 31,962,649	\$ 18,594,561	\$ 7,579,836

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(7) Defined Benefit Pension Plan (PERS) (continued)

C. Proportionate Share of Net Pension Liability (continued)

Recognition of Gains and Losses

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

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

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

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

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for the Plans for the 2013-14 measurement period is 3.8 years, which was obtained by dividing the total service years of 460,700 (the sum of remaining service lifetimes of the active employees) by 122,789 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(7) Defined Benefit Pension Plan (PERS) (continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2013), the net pension liability for the Miscellaneous plans are \$13,371,525 (the net pension liability of the aggregate plans as of June 30, 2013 is \$3,276,668,431).

For the measurement period ending June 30, 2014 (the measurement date), the City incurred a pension expense of \$743,887 for the Plans (the pension expense for the aggregate plans for the measurement period is \$239,824,465). A complete breakdown of the pension expense is as follows:

Description	Risk Pool Amounts	Employer's Share	Percentage of Employer's Share
Service Cost	\$ 338,829,351	\$ 936,021	0.27625%
Interest on the Total Pension Liability	921,162,366	3,746,993	0.40677%
Recognized Differences between Expected and Actual Experience	-	-	N/A
Recognized Changes of Assumptions	-	-	N/A
Employee Contributions	(159,834,203)	(406,350)	0.25423%
Employer Paid Member Contributions	-	15,104	N/A
Projected Earnings on Pension Plan Investments	(678,133,636)	(2,755,218)	0.40629%
Recognized Differences between Projected and Actual Earnings on Plan Investments	(182,199,413)	(740,266)	0.40629%
Other Changes in Fiduciary Net Position	-	-	N/A
Recognized Portion of Adjustment due to Differences in Proportions	-	51,763	N/A
Recognized Differences Between Contributions and Proportionate Share of Contributions	-	(89,056)	N/A
Subtotal: Employer's Share of Expense Components	<u>\$ 239,824,465</u>	758,991	
Changes of Benefit Terms		-	
Employer's Proportionate Share of Pension Expense		<u>\$ 758,991</u>	

Note: Plan administrative expenses are not displayed in the above pension expense table. Since the expected investment return of 7.50 percent is net of administrative expenses, administrative expenses are excluded from the above table, but implicitly included as part of investment earnings.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(7) Defined Benefit Pension Plan (PERS) (continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)

As of the start of the measurement period (July 1, 2013), the net pension liability for the Safety plans are \$24,599,440 (the net pension liability of the aggregate plans as of June 30, 2013 is \$4,784,321,560).

For the measurement period ending June 30, 2014 (the measurement date), the City incurred a pension expense of \$1,793,455 for the Plans (the pension expense for the aggregate plans for the measurement period is \$351,644,102). A complete breakdown of the pension expense is as follows:

Safety Plans			
Description	Risk Pool Amounts	Employer's Share	Percentage of Employer's Share
Service Cost	\$ 369,638,880	\$ 2,146,289	0.58064%
Interest on the Total Pension Liability	1,251,259,652	7,047,619	0.56324%
Recognized Differences between Expected and Actual Experience	-	-	N/A
Recognized Changes of Assumptions	-	-	N/A
Employee Contributions	(131,938,305)	(694,832)	0.52663%
Projected Earnings on Pension Plan Investments	(897,207,655)	(5,227,328)	0.58262%
Recognized Differences between Projected and Actual Earnings on Plan Investments	(240,108,470)	(1,398,925)	0.58262%
Other Changes in Fiduciary Net Position	-	-	N/A
Recognized Portion of Adjustment due to Differences in Proportions	-	4,485	N/A
Recognized Differences Between Contributions and Proportionate Share of Contributions	-	(83,853)	N/A
Subtotal: Employer's Share of Expense Components	<u>\$ 351,644,102</u>	1,793,455	
Employer's Proportionate Share of Pension Expense		<u>\$ 1,793,455</u>	

Note: Plan administrative expenses are not displayed in the above pension expense table. Since the expected investment return of 7.50 percent is net of administrative expenses, administrative expenses are excluded from the above table, but implicitly included as part of investment earnings.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(7) Defined Benefit Pension Plan (PERS) (continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)

As of June 30, 2015, the City has deferred outflows and deferred inflows of resources related to Miscellaneous pensions as follows:

Miscellaneous Plans		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between Projected and Actual Earnings on Pension Plan Investments	\$ -	\$ (2,961,064)
Adjustment due to Differences in Proportions	148,611	(3,672)
Net Difference between Contributions and Proportionate Share of Contributions	-	(249,357)
Pension Contributions Subsequent to Measurement Date	893,952	-
Total	\$ 1,042,563	\$ (3,214,093)

As of June 30, 2015, the City has deferred outflows and deferred inflows of resources related to Safety pensions as follows:

Safety Plans		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between Projected and Actual Earnings on Pension Plan Investments	\$ -	\$ (5,595,699)
Adjustment due to Differences in Proportions	14,603	(2,043)
Net Difference between Contributions and Proportionate Share of Contributions	-	(234,789)
Pension Contributions Subsequent to Measurement Date	2,104,210	-
Total	\$ 2,118,813	\$ (5,832,531)

These amounts above are net of outflows and inflow recognized in the 2013-14 measurement period expense. \$2,998,162 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(7) Defined Benefit Pension Plan (PERS) (continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)

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

Miscellaneous Plan	
Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2015	\$ (777,559)
2016	(777,559)
2017	(770,099)
2018	(740,265)
2019	-
Thereafter	-

Safety Plan	
Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2015	\$ (1,478,293)
2016	(1,478,293)
2017	(1,462,419)
2018	(1,398,923)
2019	-
Thereafter	-

E. Payable to the Pension Plan

At June 30, 2015, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(8) Post-Employment Benefits

City's Funding Policy: The contribution requirements of plan members and the City are established and may be amended by City Council. Subject to budgetary discretion by City Council, effective for the year ended June 30, 2009, the City commenced contributing to an irrevocable trust the amount of the annual Other Post-Employment Benefits (OPEB) obligation, less amounts paid by the City for retiree benefits during the year. For fiscal year 2014-15, the City contributed \$692,359 to the plan.

Contributions from the City have been transferred to an irrevocable trust administered by PARS on behalf of the City in which the plan assets held by the trust have been dedicated solely to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer or the plan administrator. Accordingly, City contributions to this trust have been accounted for as reductions of the City's liability for its net OPEB obligation.

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed twenty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

Annual required contribution	\$ 692,359
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	692,359
Contributions made (including premiums paid)	(692,359)
Change in OPEB obligation	-
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	\$ -

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(8) Post-Employment Benefits (continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
6/30/2013	\$ 391,999	100.0%	\$ -
6/30/2014	\$ 404,739	100.0%	\$ -
6/30/2015	\$ 692,359	100.0%	\$ -

Funded Status and Funding Progress: As of July 1, 2013, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 8,390,735
Actuarial value of plan assets	<u>1,367,697</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 7,023,038</u>
Funded ratio (actuarial value of plan assets / AAL)	16.3%
Covered payroll (active plan members)	\$ 12,266,056
UAAL as a percentage of covered payroll	57.3%

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(8) Post-Employment Benefits (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 7.75 percent investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date. The healthcare trend rate for 2014 is 8.00%, then gradually decreasing thereafter. Both rates included a 2.50 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll over 30 years on a closed basis. It is assumed the City's payroll will increase 3.25% per year. The actuarial value of assets equals market value.

(9) Deferred Compensation Plan

The City has established a deferred compensation plan, whereby City employees may elect to defer portions of their compensation in return for retirement, disability and death benefits. Amounts deferred may not exceed the lesser of \$17,500 for employees less than 50 years of age and \$23,000 for employees over 50 years of age or 25% of gross income, starting with calendar year 2015. The City makes no contribution to the plan for full-time employees. For part-time employees, the City's contribution is 2.5% of the employees' salary and the employees' contribution is 5% of the employee's salary. Distributions are made upon the occurrence of the participant's termination, retirement, death or total disability, and in a manner in accordance with the election made by the City. In December 1998, the City established a trust for this plan as required by federal legislation. As a result, these assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries. Accordingly, these assets are excluded from the accompanying financial statements.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(10) Debt Issued Without Government Commitment

A. Residential Mortgage Revenue Bonds

In 1984, the La Verne-Grand Terrace Housing Finance Agency (Agency), a joint powers authority duly established by appropriate resolutions of the Redevelopment Agency of the City of La Verne and the Community Redevelopment Agency of the City of Grand Terrace pursuant to Government Code Section 6500, et. seq., issued Residential Mortgage Revenue Bonds totaling \$38,625,000 pursuant to Chapters 1-5 of part 5 of Division 31 of the Health and Safety Code of the State of California. The bonds provide for long-term low interest mortgage loans to qualified home buyers of single family homes in certain residential developments as specified by the indenture. The bonds are payable solely from payments made on and secured by a pledge of the home mortgages and the funds and accounts held for the benefit of the bondholders pursuant to the indenture. The bonds do not represent a lien or charge upon the funds or property of the Agency. Neither the full faith and credit, nor the taxing power, of the Agency is pledged to the payment of the bonds. For these reasons, the bonds are not shown as liabilities in the accompanying financial statements.

The mortgage bond program is administered by a separate administrator apart from the Agency as specified by the indenture. The fiscal agent and trustee duties are also performed by a separate trustee bank apart from the Agency. In June 1992, the joint powers authority sold the home mortgages. The proceeds from the sale of the mortgages plus other assets were irrevocably placed into a trust with an escrow agent to provide for all future debt service on the bonds through the year 2017. At June 30, 2015, approximately \$1,580,000 of the bonds were outstanding.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(10) Debt Issued Without Government Commitment (continued)

B. Revenue Certificates of Participation

On January 1, 2003, the City of La Verne issued \$47,000,000 of Revenue Certificates of Participation (Certificates). The Certificates were issued to finance the construction, expansion and equipping of a retirement facility located in La Verne, California. The Certificates constitute special obligations of the issuer payable solely from revenues made by Brethren Hillcrest Homes. The City is not directly, indirectly, contingently, or morally obligated to use any other monies or assets of the City for all or any portion of the payments. In addition, the payments do not constitute a debt or liability of the City. Accordingly, the certificates are not shown as liabilities in the accompanying basic financial statements. The principal balance outstanding at June 30, 2015 is \$37,730,000.

On July 10, 2014, the City issued 2014 Certificates of Participation in the amount of \$38,660,000. The proceeds of the Certificates will be used to finance all of the outstanding principal amount of the Revenue Certificates of Participation for Brethren Hillcrest Homes Series 2003 and to reimburse certain costs incurred in connection with a senior living community. The Certificates will mature on May 15, 2036. The Certificates were issued with interest rates ranging from 2% to 5%.

C. Revenue Bonds

On June 26 2014, the City of La Verne issued \$9,025,000 of Revenue Refunding Bonds Series 2014. The purpose of the bonds was to refund in full the City's previously issued Mobile Home Park Revenue Bonds Series 2003A, Subordinate Revenue Bonds Series 2003B & 2003C which were used to finance the acquisition of the Copacabana Mobile Home Park, and to provide funds for improvements to the Mobile Home Park. The bonds constitute special obligations of the issuer payable solely from the revenues made by Copacabana Mobile Home Park. The City is not directly, indirectly, contingently, or morally obligated to use any other monies or assets to the City for all or any portion of the payments. In addition, the payments do not constitute a debt of liability of the City. Accordingly, the bonds are not shown as liabilities in the accompanying basic financial statements. The principal balance outstanding at June 30, 2015 is \$8,890,000.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(11) Risk Management

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

The City of La Verne is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 118 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Self-Insurance Programs of the Authority

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

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

Liability

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

For 2014-15 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) 50% of the \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, (b) 50% quota share of the \$3 million x/s \$2 million layer, and (c) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(11) Risk Management (continued)

B. Self-Insurance Programs of the Authority (continued)

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

Workers' Compensation

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

For 2014-15 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 La Verne 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 La Verne. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2014 through July 1, 2017. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of La Verne participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of La Verne property is currently insured according to a schedule of covered property submitted by the City of La Verne to the Authority. City of La Verne property currently has all-risk property insurance protection in the amount of \$49,466,444. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(11) Risk Management (continued)

C. Purchased Insurance (continued)

Earthquake and Flood Insurance

The City of La Verne purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of La Verne property currently has earthquake protection in the amount of \$11,656,779. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City of La Verne purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

D. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2014-15.

(12) Claims and Judgments

Various claims and suits have been filed against the City in the normal course of business. Although the outcome of these lawsuits is not presently determinable, in the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(13) Governmental Fund Balances

The detail of fund balances, in accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, reported in the balance sheet of governmental funds is as follows:

	General	Special Revenue Fund		Capital Projects Fund	Nonmajor Governmental Funds
		State & County Gasoline Tax	Housing Successor	General Capital Improvement	
Fund balances:					
Nonspendable:					
Prepaid items	\$ 1,554,822	\$ -	\$ -	\$ -	\$ -
Inventory of materials and supplies	-	-	-	-	34,322
Total Nonspendable	<u>1,554,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,322</u>
Restricted for:					
Public safety	-	-	-	-	6,172,010
Community services	-	-	-	-	3,072,992
Community development	-	-	-	-	4,754,698
Low and moderate income housing	-	-	3,089,343	-	-
Public works	-	2,095,958	-	-	3,408,590
Debt service	-	-	-	-	1,082,037
Total Restricted	<u>-</u>	<u>2,095,958</u>	<u>3,089,343</u>	<u>-</u>	<u>18,490,327</u>
Committed	<u>4,599,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned to:					
Future operations	825,000	-	-	-	-
Disaster recovery	1,000,000	-	-	-	-
Other benefit obligation	2,700,000	-	-	-	-
Economic uncertainties	1,306,521	-	-	-	-
Capital Projects	500,000	-	-	3,328,368	2,991,101
Total Assigned	<u>6,331,521</u>	<u>-</u>	<u>-</u>	<u>3,328,368</u>	<u>2,991,101</u>
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 12,485,343</u>	<u>\$ 2,095,958</u>	<u>\$ 3,089,343</u>	<u>\$ 3,328,368</u>	<u>\$ 21,515,750</u>

On June 20, 2011 the City Council adopted Resolution No. 11-61 which established an emergency contingency reserve equivalent to 15% of the following fiscal year's General Fund budgeted operating expenditures (excluding transfers and capital projects).

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(14) Net Position

Net Investment in Capital Assets

Net position for governmental activities and business-type activities is classified as 1) net investment in capital assets, 2) restricted, or 3) unrestricted. Net position that was classified as net investment in capital assets as of June 30, 2015, was determined as follows:

	Governmental Activities
Capital assets, net of accumulated depreciation	\$55,917,522
Less capital related debt balance:	
Outstanding principal balance of 1996 Revenue Bonds	(5,955,000)
Net investment in capital assets	\$49,962,522

	Business-type Activities		
	Water	Sewer	Total Enterprise Funds
Capital assets, net of accumulated depreciation	\$ 17,960,429	\$ 5,416,171	\$ 23,376,600
Water rights, net of accumulated amortization	11,976,728	-	11,976,728
Net investment in capital assets	\$ 29,937,157	\$ 5,416,171	\$35,353,328

(15) Successor Agency Trust for the Former Redevelopment Agency

The debt of the Successor Agency as of June 30, 2015 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Successor Agency:					
2009 Lease Agreement	\$ 1,579,000	\$ -	\$ (284,000)	\$ 1,295,000	\$ 294,000
Notes Payable:					
Tight Lines LLC	83,026	-	(15,052)	67,974	15,052
Haaker Equipment	75,000	-	(15,000)	60,000	15,000
Total long-term liabilities	\$ 1,737,026	\$ -	\$ (314,052)	\$ 1,422,974	\$ 324,052

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(15) Successor Agency Trust for the Former Redevelopment Agency (continued)

A. Lease Agreement

On May 11, 2009, a Lease Agreement was executed between the City of La Verne and the Municipal Finance Corporation (Corporation) in the amount of \$2,777,000 for the purpose of refinancing the 1996 Certificates and the 1996 Lease Payments. The purpose of the 1996 Certificates was to refund the Agency's previously issued 1988 Certificates of Participation executed to finance the acquisition (by the City of La Verne Redevelopment Agency) of the Las Flores Park site, and the City used the proceeds paid to it for the acquisition, construction, installment and reimbursement of prior expenditures relating to the San Polo (formerly known as Koll Business Park) public improvements and various other Agency public improvements. In order to make the payments on the Lease Agreement, the City has leased certain real property to the Corporation. The Corporation has proposed to lease the Leased Property back to the City in consideration of the payment by the City of semi-annual lease payments on May 1 and November 1 of each year. The Agency will provide certain tax increment revenues to the Corporation on behalf of the City in such amount as may be necessary for the repayment of such portions of all current or previous unreimbursed lease payments made by the City to the Corporation. The principal balance outstanding at June 30, 2015 is \$1,295,000.

The minimum future debt service requirements for the 2009 Lease Agreement is as follows:

Year Ending June 30,	2009 Lease Agreement	
	Principal	Interest
2016	\$ 294,000	\$ 52,234
2017	314,000	38,402
2018	334,000	23,660
2019	353,000	8,031
Totals	<u>\$ 1,295,000</u>	<u>\$ 122,327</u>

B. Notes Payable

The following owner participation agreements are reported as notes payable as of June 30, 2015.

Tight Lines LLC

On October 19, 2009, the Agency entered into an agreement with Tight Lines LLC in consideration for a covenant to operate within the Agency Project Area. This agreement obligates the Agency to provide economic development assistance to the company equal to 11.5% of the local sales tax received by the City from a business affiliate's operation over a ten year period, not to exceed an aggregate amount of \$395,000. The remaining maximum development assistance at June 30, 2015 is \$67,974.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(15) Successor Agency Trust for the Former Redevelopment Agency (continued)

B. Notes Payable (continued)

Haaker Equipment Company

On October 19, 2009, the Agency entered into an agreement with Haaker Equipment Company, a street sweeper and sewer cleaning truck dealership, in consideration for a covenant to operate within the Agency's Project Area. This agreement obligates the Agency to provide economic development assistance to the company equal to 10% of the local sales tax received by the City from Haaker's operations over a ten year period, not to exceed an aggregate amount of \$150,000. The remaining maximum development assistance at June 30, 2015 is \$60,000.

The minimum annual debt service requirements for these owner participation agreements have not been established.

C. Low and Moderate Income Housing Pledge Agreement

On July 17, 1996 revenue bonds were issued by the La Verne Public Financing Authority (the Authority) in the amount of \$9,245,000. The bonds were issued to finance the acquisition of the La Verne Mobile Country Club and to finance and reimburse the City for construction costs of a community sports complex. The net income of the mobile home park operations and a portion of the tax allocation revenues distributed from the Redevelopment Property Tax Trust Fund (RPTTTF) as approved by the State of California Department of Finance Required Obligation Schedules (ROPS) are pledged toward payment of the bonds. The Authority operates the park to ensure that the ratio of pledged payments plus net park revenues to the annual debt service for any particular year is at least 1.3 to 1.

(16) Risks and Uncertainties

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

City of La Verne
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

(16) Risks and Uncertainties (continued)

Successor Agency

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2015 (and subsequent years in which the Successor Agency is in operation) are subject to review by various State agencies and the County in which the Successor Agency resides. If any expenses incurred by the Successor Agency, or payments made by the former Redevelopment Agency prior to dissolution, are disallowed by the State agencies or the County, the City, acting as the Successor Agency, could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding remittances normally paid to the City. The amount, if any, of expenses or payments that may be disallowed by the State agencies or the County cannot be determined at this time, although the Successor Agency expects such amounts, if any, to be immaterial.

(17) Prior Year Restatement

Change in accounting principle

As discussed in Note 1, the City implemented GASB Statement No. 68 effective July 1, 2014. GASB 68, among other provisions, amended prior guidance with respect to the reporting of pensions. GASB 68, establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, the City's net pension liability/ (asset) was not previously recorded on the statement of net position. GASB 68 requires that accounting changes adopted to conform to the provisions of the Statement be applied retroactively by restating financial statements.

Accordingly, beginning net position on the Statement of Activities has been restated for changes related to GASB 68 as follows:

Government Wide Statement of Activities

Beginning net position, as previously reported	\$ 88,214,273
Restatement due to change in accounting principle	<u>(37,948,698)</u>
Beginning net position, as restated	<u>\$ 50,265,575</u>

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position

	<u>Water</u>	<u>Sewer</u>
Beginning net position, as previously reported	\$ 40,973,919	\$ 10,946,396
Restatement due to change in accounting principle	<u>(2,199,286)</u>	<u>(979,541)</u>
Beginning net position, as restated	<u>\$ 38,774,633</u>	<u>\$ 9,966,855</u>

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Required Supplementary Information

City of La Verne
Notes to Required Supplementary Information
For the Year Ended June 30, 2015

(1) Budgets and Budgetary Accounting

According to Section 3.04.050 of the La Verne Municipal Code, the City Council is required to adopt an annual budget.

The City adopts an annual budget prepared on the modified accrual basis and consistent with generally accepted accounting principles for the governmental funds except for the debt service funds. Formal budgetary integration is not employed in the accounting records for the debt service funds of the City because effective budgetary control is alternatively achieved through the provisions of the related debt agreements. Council approval for issuance of the 1996 Revenue Bonds constitutes budget authority for the expenditures of the related funds. The City Manager is required to prepare and submit to the City Council the annual budget of the City and administer it after adoption. City Council approval is required for budget revisions that increase total City appropriations. Prior year appropriations lapse unless they are encumbered at year end or reappropriated through the formal budget process. Supplemental appropriations were not material.

Formal budgetary integration is employed as a management control device during the year for all the governmental type funds. Budgets for all the governmental type funds are adopted on a basis consistent with generally accepted accounting principles, except for the Housing Authority Fund, the Cable Fund, the Loan Repayment Fund, and Improvement Assessment District 84-1 which do not have legally adopted budgets. Budgeted amounts are as originally adopted and are further amended by the City Council.

Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to amend the budget without the approval of the City Council. However, the City Manager may authorize transfers from one account to another within the same fund.

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
General Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Property taxes	\$ 6,141,300	\$ 6,141,300	\$ 7,504,209	\$ 1,362,909	\$ 7,014,924
Other taxes	7,700,000	7,600,000	7,779,661	179,661	7,441,509
Licenses and permits	1,900,800	2,800,800	3,444,809	644,009	2,550,637
Intergovernmental	3,085,561	3,085,561	3,360,497	274,936	3,248,867
Charges for services	5,896,000	6,096,000	6,271,910	175,910	6,460,031
Fines and forfeitures	12,000	12,000	19,933	7,933	20,363
Investment income	45,000	45,000	93,955	48,955	59,094
Rents	199,600	199,600	203,895	4,295	250,672
Miscellaneous	434,000	434,000	369,288	(64,712)	353,445
Total revenues	25,414,261	26,414,261	29,048,157	2,633,896	27,399,542
Expenditures:					
Current:					
General government	2,037,836	2,131,560	2,007,686	123,874	1,793,435
Public safety	17,612,337	18,064,699	18,319,729	(255,030)	17,689,713
Community development	1,461,492	1,988,773	2,100,777	(112,004)	1,793,701
Public works	6,422,886	6,841,423	6,644,031	197,392	6,148,655
Community services	1,386,307	1,398,340	1,348,516	49,824	1,336,474
Total expenditures	28,920,858	30,424,795	30,420,739	4,056	28,761,978
Excess (deficiency) of revenues over (under) expenditures	(3,506,597)	(4,010,534)	(1,372,582)	2,637,952	(1,362,436)
Other Financing Sources (Uses):					
Transfers in	2,876,100	2,876,100	3,026,821	150,721	2,859,316
Transfers out	(190,000)	(190,000)	(1,509,500)	(1,319,500)	(1,033,500)
Total other financing sources (uses)	2,686,100	2,686,100	1,517,321	(1,168,779)	1,825,816
Net change in fund balance	(820,497)	(1,324,434)	144,739	1,469,173	463,380
Fund balance, beginning of year	12,340,604	12,340,604	12,340,604	-	11,877,224
Fund balance, end of year	\$ 11,520,107	\$ 11,016,170	\$ 12,485,343	\$ 1,469,173	\$ 12,340,604

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
State and County Gasoline Tax Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Intergovernmental	\$ 858,652	\$ 858,652	\$ 855,172	\$ (3,480)	\$ 1,060,789
Investment income	4,000	4,000	15,637	11,637	8,075
Miscellaneous	-	-	199	199	-
Total revenues	<u>862,652</u>	<u>862,652</u>	<u>871,008</u>	<u>8,356</u>	<u>1,068,864</u>
Expenditures:					
Current:					
Public works	6,000	6,000	6,000	-	6,000
Capital projects	<u>500,000</u>	<u>575,981</u>	<u>540,908</u>	<u>35,073</u>	<u>27,850</u>
Total expenditures	<u>506,000</u>	<u>581,981</u>	<u>546,908</u>	<u>35,073</u>	<u>33,850</u>
Excess (deficiency) of revenues over (under) expenditures	<u>356,652</u>	<u>280,671</u>	<u>324,100</u>	<u>43,429</u>	<u>1,035,014</u>
Other Financing Sources (Uses):					
Transfers out	<u>(338,000)</u>	<u>(338,000)</u>	<u>(388,721)</u>	<u>(50,721)</u>	<u>(351,216)</u>
Total other financing uses	<u>(338,000)</u>	<u>(338,000)</u>	<u>(388,721)</u>	<u>(50,721)</u>	<u>(351,216)</u>
Net change in fund balance	18,652	(57,329)	(64,621)	(7,292)	683,798
Fund balance, beginning of year	<u>2,160,579</u>	<u>2,160,579</u>	<u>2,160,579</u>	<u>-</u>	<u>1,476,781</u>
Fund balance, end of year	<u>\$ 2,179,231</u>	<u>\$ 2,103,250</u>	<u>\$ 2,095,958</u>	<u>\$ (7,292)</u>	<u>\$ 2,160,579</u>

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
General Capital Improvement Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Intergovernmental	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -
Investment income	9,000	9,000	17,733	8,733	9,566
Miscellaneous	-	-	8,258	8,258	7,862
Total revenues	<u>59,000</u>	<u>59,000</u>	<u>75,991</u>	<u>16,991</u>	<u>17,428</u>
Expenditures:					
Capital projects	<u>770,000</u>	<u>797,101</u>	<u>401,198</u>	<u>395,903</u>	<u>525,391</u>
Total expenditures	<u>770,000</u>	<u>797,101</u>	<u>401,198</u>	<u>395,903</u>	<u>525,391</u>
Deficiency of revenues under expenditures	<u>(711,000)</u>	<u>(738,101)</u>	<u>(325,207)</u>	<u>412,894</u>	<u>(507,963)</u>
Other Financing Sources (Uses):					
Transfers in	140,000	140,000	1,490,000	1,350,000	1,015,000
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>40,000</u>	<u>40,000</u>	<u>1,390,000</u>	<u>1,350,000</u>	<u>915,000</u>
Net change in fund balance	(671,000)	(698,101)	1,064,793	1,762,894	407,037
Fund balance, beginning of year	<u>2,263,575</u>	<u>2,263,575</u>	<u>2,263,575</u>	<u>-</u>	<u>1,856,538</u>
Fund balance, end of year	<u>\$ 1,592,575</u>	<u>\$ 1,565,474</u>	<u>\$ 3,328,368</u>	<u>\$ 1,762,894</u>	<u>\$ 2,263,575</u>

City of La Verne
 Other Postemployment Benefits Plan
 Schedule of Funding Progress
 For the Year Ended June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
7/1/2009	\$ 305,554	\$ 4,050,730	\$ 3,745,176	7.54%	\$ 12,725,583	29.43%
7/1/2011	\$ 929,329	\$ 5,382,675	\$ 4,453,346	17.27%	\$ 12,500,844	35.62%
7/1/2013	\$ 1,367,697	\$ 8,390,735	\$ 7,023,038	16.30%	\$ 12,266,056	57.26%

City of La Verne
Schedule of the City's Proportionate Share of the Plan's Net Pension Liability
and Related Ratios as of the Measurement Date – Last 10 Years*
For the Year Ended June 30, 2015

	Miscellaneous Measurement Date 6/30/2014	Safety Measurement Date 6/30/2014
Plan's Proportion of the Net Pension Liability/(Asset) ¹	0.164%	0.299%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 10,222,619	\$ 18,594,561
Plan's Covered-Employee Payroll ²	\$ 5,248,858	\$ 7,569,520
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a percentage of its Covered-Employee Payroll	194.76%	245.65%
Plan's Proportion of the Fiduciary Net Position ³	0.407%	0.583%
Plan's Share of Risk Pool Fiduciary Net Position ³	\$ 36,964,142	\$ 70,583,735
Plan's Additional Payments to Side Fund During Measurement Period	\$ -	\$ -
Plan's Proportionate Share of the Fiduciary Net Position (<i>sum of the two preceding lines</i>)	\$ 36,964,142	\$ 70,583,735
Plan's Proportionate Share of the Fiduciary Net Position as a percentage of the Plan's Total Pension Liability	80.83%	81.37%
Plan's Proportionate Share of Aggregate Employer Contributions ⁴	\$ 1,165,725	\$ 2,299,048

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

² Covered-Employee Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

³ The term Fiduciary Net Position (FNP) as used in this line denotes the aggregate risk pool's FNP at June 30, 2014 less the sum of all employers' additional side fund contributions made during the measurement period.

⁴ The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the Measurement Period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of Fiduciary Net Position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only one year is shown.

City of La Verne
Schedule of Plans' Contributions – Last 10 Years*
For the Year Ended June 30, 2015

	<u>Miscellaneous</u>	<u>Safety</u>
	<u>Measurement Period</u>	<u>Measurement Period</u>
	Fiscal Year	Fiscal Year
	2013-14	2013-14
Actuarially Determined Contribution	\$ 917,599	\$ 1,977,920
Contributions in Relation to the Actuarially Determined Contribution	(917,599)	(1,977,920)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-Employee Payroll	 \$ 5,248,858	 \$ 7,569,520
 Contributions as a Percentage of Covered-Employee Payroll	 17.48%	 26.13%

¹ Covered-Employee Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only one year is shown.

Notes to Schedule:

Change in Benefit Terms: None

Change in Assumptions: None

Other Supplementary Information

City of La Verne
Schedule of Revenues – Budget and Actual
General Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Actual	Variance with Final Budget	2014 Actual
	Original	Final			
Property taxes:					
Current year secured	\$ 4,050,000	\$ 4,050,000	\$ 4,457,468	\$ 407,468	\$ 4,111,347
Current year unsecured	250,000	250,000	269,462	19,462	256,031
Prior year secured	20,000	20,000	(13,297)	(33,297)	(7,163)
Prior year unsecured	5,000	5,000	5,200	200	6,544
Aircraft tax	55,000	55,000	48,492	(6,508)	56,874
Penalties & interest	30,000	30,000	33,922	3,922	50,207
Supplemental tax roll	105,000	105,000	198,298	93,298	194,937
Real property transfer tax	90,000	90,000	139,298	49,298	135,603
Homeowner's exemption tax	35,000	35,000	31,409	(3,591)	30,738
Other Property tax	1,501,300	1,501,300	2,333,957	832,657	2,179,806
Total property taxes	<u>6,141,300</u>	<u>6,141,300</u>	<u>7,504,209</u>	<u>1,362,909</u>	<u>7,014,924</u>
Other taxes:					
Sales and Use Tax	3,980,000	3,880,000	4,032,564	152,564	3,828,720
Utility User tax	3,100,000	3,100,000	3,087,586	(12,414)	2,986,793
Franchise Tax	620,000	620,000	659,511	39,511	625,996
Total other taxes	<u>7,700,000</u>	<u>7,600,000</u>	<u>7,779,661</u>	<u>179,661</u>	<u>7,441,509</u>
License and permits:					
Business license	400,000	400,000	456,432	56,432	437,543
Building permits	1,285,000	2,185,000	2,766,131	581,131	1,874,759
Other permits	215,800	215,800	222,246	6,446	238,335
Total licenses and permits	<u>1,900,800</u>	<u>2,800,800</u>	<u>3,444,809</u>	<u>644,009</u>	<u>2,550,637</u>
Intergovernmental:					
Motor vehicle in-lieu tax	2,500,000	2,500,000	2,721,045	221,045	2,595,188
P.O.S.T./LA impact reimbursement	90,000	90,000	111,894	21,894	112,672
State mandate cost reimbursement	3,200	3,200	50,982	47,782	2,409
Federal & state grants	302,361	302,361	289,076	(13,285)	310,598
Prop A funds exchange	190,000	190,000	187,500	(2,500)	228,000
Total intergovernmental	<u>3,085,561</u>	<u>3,085,561</u>	<u>3,360,497</u>	<u>274,936</u>	<u>3,248,867</u>

City of La Verne
Schedule of Revenues – Budget and Actual
General Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Actual	Variance with Final Budget	2014 Actual
	Original	Final			
Charges for services:					
Swimming pool fees	\$ 126,000	\$ 126,000	\$ 159,895	\$ 33,895	\$ 133,102
Recreation fees & charges	463,300	463,300	468,869	5,569	458,087
Recreation excursions	42,000	42,000	48,656	6,656	35,981
Refuse service fees	2,675,000	2,675,000	2,520,137	(154,863)	2,605,051
Planning fees	131,700	131,700	274,626	142,926	301,290
Inspection fees	10,000	10,000	20,470	10,470	20,420
Work for others	754,700	954,700	1,129,190	174,490	1,069,873
Plan check fees	10,000	10,000	20,505	10,505	20,420
Paramedic service fees	1,460,000	1,460,000	1,378,447	(81,553)	1,469,876
Map & copy sales	5,000	5,000	3,481	(1,519)	8,068
Other fees & charges	218,300	218,300	247,634	29,334	337,863
Total charges for services	<u>5,896,000</u>	<u>6,096,000</u>	<u>6,271,910</u>	<u>175,910</u>	<u>6,460,031</u>
Fines and forfeitures:					
City code court fines	5,000	5,000	859	(4,141)	5,367
Other penalties	7,000	7,000	19,074	12,074	14,996
Total fines and forfeitures	<u>12,000</u>	<u>12,000</u>	<u>19,933</u>	<u>7,933</u>	<u>20,363</u>
Investment income	<u>45,000</u>	<u>45,000</u>	<u>93,955</u>	<u>48,955</u>	<u>59,094</u>
Rents	<u>199,600</u>	<u>199,600</u>	<u>203,895</u>	<u>4,295</u>	<u>250,672</u>
Miscellaneous:					
Sale of property	250,500	250,500	250,506	6	253,672
Other revenues	183,500	183,500	118,782	(64,718)	99,773
Total miscellaneous revenues	<u>434,000</u>	<u>434,000</u>	<u>369,288</u>	<u>(64,712)</u>	<u>353,445</u>
Total revenues	<u>\$25,414,261</u>	<u>\$26,414,261</u>	<u>\$29,048,157</u>	<u>\$ 2,633,896</u>	<u>\$27,399,542</u>

City of La Verne
Schedule of Expenditures – Budget and Actual
General Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Actual	Variance with Final Budget	2014 Actual
	Original	Final			
General government:					
City council	\$ 77,877	77,877	\$ 73,414	\$ 4,463	\$ 70,317
Insurance and non-departmental	409,000	445,644	383,205	62,439	319,487
Legal services	85,000	85,000	68,135	16,865	65,891
City clerk	228,396	235,842	210,476	25,366	110,433
City manager administration	468,688	490,946	504,573	(13,627)	378,985
Finance	436,950	449,465	430,764	18,701	537,631
Information services	331,925	346,786	337,119	9,667	310,691
Total general government	<u>2,037,836</u>	<u>2,131,560</u>	<u>2,007,686</u>	<u>123,874</u>	<u>1,793,435</u>
Public safety:					
Fire department	7,332,699	7,683,675	7,772,762	(89,087)	7,489,409
Police department	10,279,638	10,381,024	10,546,967	(165,943)	10,200,304
Total public safety	<u>17,612,337</u>	<u>18,064,699</u>	<u>18,319,729</u>	<u>(255,030)</u>	<u>17,689,713</u>
Community development:					
Planning & administration	916,340	941,971	1,073,997	(132,026)	910,252
Code enforcement/building inspection	545,152	1,046,802	1,026,780	20,022	883,449
Total community development	<u>1,461,492</u>	<u>1,988,773</u>	<u>2,100,777</u>	<u>(112,004)</u>	<u>1,793,701</u>
Public works:					
City buildings administration & maintenance	368,127	379,348	388,111	(8,763)	372,171
Street administration	432,388	496,945	414,640	82,305	416,438
Refuse & recycling	2,291,549	2,295,645	2,273,869	21,776	2,228,286
Street maintenance	1,084,792	1,404,160	1,319,552	84,608	969,568
Traffic & lighting	706,304	706,704	681,858	24,846	670,382
Graffiti removal	60,660	60,660	61,475	(815)	43,582
Parks administration	70,578	71,722	79,088	(7,366)	67,000
Parks facility maintenance	1,022,427	1,039,774	1,048,077	(8,303)	1,014,478
Tree maintenance	386,061	386,465	377,361	9,104	366,750
Total public works	<u>6,422,886</u>	<u>6,841,423</u>	<u>6,644,031</u>	<u>197,392</u>	<u>6,148,655</u>
Community services:					
Recreation & community services	496,801	505,952	455,891	50,061	478,574
Recreation programs	250,623	253,087	238,618	14,469	239,214
Swimming pool programs	289,556	289,974	305,837	(15,863)	303,176
Community service rentals	305,086	305,086	315,969	(10,883)	277,630
Special events	44,241	44,241	32,201	12,040	37,880
Total community services	<u>1,386,307</u>	<u>1,398,340</u>	<u>1,348,516</u>	<u>49,824</u>	<u>1,336,474</u>
Total expenditures	<u>\$ 28,920,858</u>	<u>\$ 30,424,795</u>	<u>\$ 30,420,739</u>	<u>\$ 4,056</u>	<u>\$ 28,761,978</u>

City of La Verne
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015
(with comparative data for June 30, 2014)

	Special	Debt	Capital	Totals	
	Revenue Funds	Service Funds	Projects Funds	2015	2014
Assets					
Cash and investments	\$ 10,101,976	\$ 1,082,037	\$ 7,222,865	\$ 18,406,878	\$ 17,991,746
Cash and investments with fiscal agents	3,310,393	-	-	3,310,393	3,267,913
Interest receivable	19,264	-	12,616	31,880	21,960
Accounts receivable	63,289	-	110,000	173,289	21,254
Due from other governments	210,996	-	-	210,996	153,311
Prepaid items	-	-	-	-	300,000
Inventory of materials and supplies, cost	34,322	-	-	34,322	41,695
Total assets	\$ 13,740,240	\$ 1,082,037	\$ 7,345,481	\$ 22,167,758	\$ 21,797,879
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 445,588	\$ -	\$ 25,376	\$ 470,964	\$ 107,893
Accrued expenses	38,130	-	-	38,130	33,600
Due to other funds	418	-	-	418	4,059
Unearned revenue	-	-	142,496	142,496	142,496
Total liabilities	484,136	-	167,872	652,008	288,048
Fund Balances:					
Nonspendable:					
Prepaid items	-	-	-	-	300,000
Inventory of materials and supplies, cost	34,322	-	-	34,322	41,695
Restricted for:					
Public safety	6,172,010	-	-	6,172,010	6,474,817
Community services	1,963,606	-	1,109,386	3,072,992	2,448,900
Community and development	4,754,698	-	-	4,754,698	4,580,663
Public works	331,468	-	3,077,122	3,408,590	3,829,398
Debt service	-	1,082,037	-	1,082,037	1,082,037
Assigned to:					
Capital Projects	-	-	2,991,101	2,991,101	2,752,549
Unassigned	-	-	-	-	(228)
Total fund balances	13,256,104	1,082,037	7,177,609	21,515,750	21,509,831
Total liabilities and fund balances	\$ 13,740,240	\$ 1,082,037	\$ 7,345,481	\$ 22,167,758	\$ 21,797,879

City of La Verne
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals	
				2015	2014
Revenues:					
Other taxes	\$ 1,745,413	\$ -	\$ 448,599	\$ 2,194,012	\$ 2,582,927
Licenses and permits	17,635	-	-	17,635	15,029
Intergovernmental	451,096	-	-	451,096	255,176
Charges for services	1,846,055	-	262,943	2,108,998	2,386,853
Fines and forfeitures	1,656,294	-	-	1,656,294	3,989,737
Special assessments	343,975	-	-	343,975	335,119
Investment income	477,859	-	45,395	523,254	464,879
Rents	1,758,877	-	-	1,758,877	1,703,971
Miscellaneous	162,802	1,320	110,000	274,122	351,299
Total revenues	8,460,006	1,320	866,937	9,328,263	12,084,990
Expenditures:					
Current:					
General government	-	1,320	-	1,320	1,320
Public safety	1,857,478	-	-	1,857,478	1,377,034
Community development	1,413,071	-	-	1,413,071	1,411,135
Community services	1,205,235	-	-	1,205,235	1,223,580
Capital projects	2,593,885	-	131,267	2,725,152	784,096
Debt service:					
Principal	305,000	-	-	305,000	290,000
Interest	441,588	-	-	441,588	462,412
Total expenditures	7,816,257	1,320	131,267	7,948,844	5,549,577
Excess of revenues over expenditures	643,749	-	735,670	1,379,419	6,535,413
Other Financing Sources (Uses):					
Transfers in	10,000	-	109,500	119,500	118,500
Transfers out	(1,493,000)	-	-	(1,493,000)	(1,363,000)
Total other financing sources (uses)	(1,483,000)	-	109,500	(1,373,500)	(1,244,500)
Net change in fund balances	(839,251)	-	845,170	5,919	5,290,913
Fund balances, beginning of year	14,095,355	1,082,037	6,332,439	21,509,831	16,218,918
Fund balances, end of year	<u>\$13,256,104</u>	<u>\$ 1,082,037</u>	<u>\$ 7,177,609</u>	<u>\$21,515,750</u>	<u>\$21,509,831</u>

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues and the related expenditures which are legally required to be accounted for in a separate fund. Funds included are:

Traffic and Bicycle Safety Fund

To account for the revenues and expenditures of Vehicle Code court fines, licenses and grant money expended for traffic related costs and the promotion of bicycle safety.

Mobile Home Park Fund

To account for revenues and expenditures related to the operation of two mobile home parks that are restricted under state law based on household incomes and/or age limitations.

Community Development Fund

To account for the revenues and expenditures of approved Federal Housing and Community Development Act projects.

SLESF and LLEBG Fund

To account for Supplemental Law Enforcement Services Fund (SLESF) revenue and Local Law Enforcement Block Grant (LLEBG) Fund grant monies received for policing and law enforcement activities.

Police Narcotics Confiscation Fund

To account for monies confiscated in police narcotic raids that are restricted for public safety expenditures.

Local Transit Assistance Fund

To account for financial transactions in accordance with Proposition A and Proposition C Local Transit Assistance Act regulations.

Mobile Source Air Pollution Fund

To account for smog fees transmitted to the City from other governmental agencies to be expended for the mitigation of local air pollution problems.

Public Safety Fund

To account for Proposition 172 half-cent sales tax transmitted to the City from other governmental agencies and fees charged for fire equipment and facilities to be expended for public safety.

SPECIAL REVENUE FUNDS, (CONTINUED)

Community Facilities District 90-1 Fund

To account for the financial transactions associated with the operation and maintenance of this special tax district.

Downtown Business Improvement District Fund

To account for business license fees used for the promotion of businesses in the downtown business district.

Maintenance Assessment District Fund

To account for the revenues and expenditures restricted for the lighting and landscape maintenance program. Property owners are assessed their share of the cost for lighting and maintaining parkways and medians.

Affordable Housing Fund

To account for the revenues and expenditures restricted for the affordable housing program.

Measure R Fund

To account for Measure R half-cent sales tax increase for traffic relief and transportation upgrades.

TDA Article 3 Fund

To account for financial transactions in accordance with Transportation Development Act (TDA) Article 3 regulations. These funds are available to local agencies in Los Angeles County and can be used for design and construction of pedestrian and bicycle facilities and amenities.

Cable Fund

To account for revenues received from the City's Cable TV franchise companies pursuant to the franchise agreements. No budget has been adopted for this fund.

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City of La Verne
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015
(with comparative data for June 30, 2014)

	Special Revenue Funds		
	Traffic and Bicycle Safety	Mobile Home Park	Community Development
Assets			
Cash and investments	\$ 151,263	\$ 148,606	\$ -
Cash and investments with fiscal agents	-	3,310,393	-
Interest receivable	273	-	-
Accounts receivable	30,826	12,383	-
Due from other governments	31,519	-	59,532
Prepaid items	-	-	-
Inventory of materials and supplies, cost	-	34,322	-
Total assets	\$ 213,881	\$ 3,505,704	\$ 59,532
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 29,781	\$ 52,321	\$ 59,114
Accrued expenses	14,476	-	-
Due to other funds	-	-	418
Total liabilities	44,257	52,321	59,532
Fund balances:			
Nonspendable:			
Prepaid items	-	-	-
Inventory of materials and supplies, cost	-	34,322	-
Restricted for:			
Public safety	169,624	-	-
Community services	-	-	-
Community and development	-	3,419,061	-
Public works	-	-	-
Unassigned	-	-	-
Total fund balances	169,624	3,453,383	-
Total liabilities and fund balances	\$ 213,881	\$ 3,505,704	\$ 59,532

Special Revenue Funds

SLESF and LLEBG	Police Narcotics Confiscation	Local Transit Assistance	Mobile Source Air Pollution	Public Safety
\$ 12,524	\$ 4,065,230	\$ 1,431,271	\$ 398,664	\$ 1,907,188
-	-	-	-	-
6	7,126	2,378	709	3,840
-	-	-	-	-
-	33,961	-	10,492	65,129
-	-	-	-	-
-	-	-	-	-
<u>\$ 12,530</u>	<u>\$ 4,106,317</u>	<u>\$ 1,433,649</u>	<u>\$ 409,865</u>	<u>\$ 1,976,157</u>
\$ -	\$ 75,902	\$ 75,298	\$ 2,208	\$ -
7,514	9,202	4,313	363	-
-	-	-	-	-
<u>7,514</u>	<u>85,104</u>	<u>79,611</u>	<u>2,571</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
5,016	4,021,213	-	-	1,976,157
-	-	1,354,038	-	-
-	-	-	407,294	-
-	-	-	-	-
-	-	-	-	-
<u>5,016</u>	<u>4,021,213</u>	<u>1,354,038</u>	<u>407,294</u>	<u>1,976,157</u>
<u>\$ 12,530</u>	<u>\$ 4,106,317</u>	<u>\$ 1,433,649</u>	<u>\$ 409,865</u>	<u>\$ 1,976,157</u>

(continued)

City of La Verne
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2015
(with comparative data for June 30, 2014)

	Special Revenue Funds		
	Community Facilities District 90-1	Downtown Business Improvement District	Maintenance Assessment District
Assets			
Cash and investments	\$ 178,749	\$ 63,375	\$ 559,639
Cash and investments with fiscal agents	-	-	-
Interest receivable	1,455	115	1,026
Accounts receivable	-	-	-
Due from other governments	4,592	-	5,771
Prepaid items	-	-	-
Inventory of materials and supplies, cost	-	-	-
Total assets	\$ 184,796	\$ 63,490	\$ 566,436
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 102,282	\$ 463	\$ 48,219
Accrued expenses	-	-	2,262
Due to other funds	-	-	-
Total liabilities	102,282	463	50,481
Fund balances:			
Nonspendable:			
Prepaid items	-	-	-
Inventory of materials and supplies, cost	-	-	-
Restricted for:			
Public safety	-	-	-
Community services	-	63,027	515,955
Community and development	-	-	-
Public works	82,514	-	-
Unassigned	-	-	-
Total fund balances	82,514	63,027	515,955
Total liabilities and fund balances	\$ 184,796	\$ 63,490	\$ 566,436

Special Revenue Funds

Affordable Housing	Measure R	TDA Article 3	Cable Fund	Totals	
				2015	2014
\$ 926,685	\$ 248,349	\$ -	\$ 10,433	\$ 10,101,976	\$ 10,442,269
-	-	-	-	3,310,393	3,267,913
1,658	605	-	73	19,264	14,465
-	-	-	20,080	63,289	21,254
-	-	-	-	210,996	153,311
-	-	-	-	-	300,000
-	-	-	-	34,322	41,695
<u>\$ 928,343</u>	<u>\$ 248,954</u>	<u>\$ -</u>	<u>\$ 30,586</u>	<u>\$ 13,740,240</u>	<u>\$ 14,240,907</u>
\$ -	\$ -	\$ -	\$ -	\$ 445,588	\$ 107,893
-	-	-	-	38,130	33,600
-	-	-	-	418	4,059
-	-	-	-	484,136	145,552
-	-	-	-	-	300,000
-	-	-	-	34,322	41,695
-	-	-	-	6,172,010	6,474,817
-	-	-	30,586	1,963,606	1,664,186
928,343	-	-	-	4,754,698	4,580,663
-	248,954	-	-	331,468	1,034,222
-	-	-	-	-	(228)
<u>928,343</u>	<u>248,954</u>	<u>-</u>	<u>30,586</u>	<u>13,256,104</u>	<u>14,095,355</u>
<u>\$ 928,343</u>	<u>\$ 248,954</u>	<u>\$ -</u>	<u>\$ 30,586</u>	<u>\$ 13,740,240</u>	<u>\$ 14,240,907</u>

(concluded)

City of La Verne
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Special Revenue Funds		
	Traffic and Bicycle Safety	Mobile Home Park	Community Development
Revenues:			
Other taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	61,128	-	74,150
Charges for services	63,727	-	-
Fines and forfeitures	582,654	-	-
Special assessments	-	-	-
Investment income	977	412,350	-
Rents	-	1,758,877	-
Miscellaneous	-	-	-
Total revenues	708,486	2,171,227	74,150
Expenditures:			
Current:			
Public safety	673,223	-	-
Community development	-	1,291,564	74,152
Community services	-	-	-
Capital projects	-	-	-
Debt service:			
Principal	-	305,000	-
Interest	-	441,588	-
Total expenditures	673,223	2,038,152	74,152
Excess (deficiency) of revenues over (under) expenditures	35,263	133,075	(2)
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	(36,000)	(100,000)	-
Total other financing sources (uses)	(36,000)	(100,000)	-
Net change in fund balances	(737)	33,075	(2)
Fund balances (deficit), beginning of year	170,361	3,420,308	2
Fund balances (deficit), end of year	\$ 169,624	\$ 3,453,383	\$ -

Special Revenue Funds

SLESF and LLEBG	Police Narcotics Confiscation	Local Transit Assistance	Mobile Source Air Pollution	Public Safety
\$ -	\$ -	\$ 1,037,604	\$ -	\$ 355,210
-	-	-	-	-
106,230	89,080	-	50,308	70,200
-	-	-	-	576,184
-	1,073,640	-	-	-
-	-	-	-	-
34	24,979	7,975	2,518	12,858
-	-	-	-	-
-	3,919	35,000	-	82,781
<u>106,264</u>	<u>1,191,618</u>	<u>1,080,579</u>	<u>52,826</u>	<u>1,097,233</u>
111,020	1,073,235	-	-	-
-	-	-	11,970	-
-	-	876,533	-	-
-	-	-	-	1,103,702
-	-	-	-	-
<u>111,020</u>	<u>1,073,235</u>	<u>876,533</u>	<u>11,970</u>	<u>1,103,702</u>
<u>(4,756)</u>	<u>118,383</u>	<u>204,046</u>	<u>40,856</u>	<u>(6,469)</u>
10,000	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(419,000)</u>
<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(419,000)</u>
5,244	118,383	204,046	40,856	(425,469)
<u>(228)</u>	<u>3,902,830</u>	<u>1,149,992</u>	<u>366,438</u>	<u>2,401,626</u>
<u>\$ 5,016</u>	<u>\$ 4,021,213</u>	<u>\$ 1,354,038</u>	<u>\$ 407,294</u>	<u>\$ 1,976,157</u>

(continued)

City of La Verne
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Special Revenue Funds		
	Community Facilities District 90-1	Downtown Business Improvement District	Maintenance Assessment District
Revenues:			
Other taxes	\$ -	\$ -	\$ -
Licenses and permits	-	17,635	-
Intergovernmental	-	-	-
Charges for services	1,011,841	-	-
Fines and forfeitures	-	-	-
Special assessments	-	-	343,975
Investment income	3,410	369	3,213
Rents	-	-	-
Miscellaneous	-	41,102	-
Total revenues	1,015,251	59,106	347,188
Expenditures:			
Current:			
Public safety	-	-	-
Community development	-	5,889	-
Community services	-	35,168	293,534
Capital projects	853,118	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	853,118	41,057	293,534
Excess (deficiency) of revenues over (under) expenditures	162,133	18,049	53,654
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	(883,000)	-	-
Total other financing sources (uses)	(883,000)	-	-
Net change in fund balances	(720,867)	18,049	53,654
Fund balances, beginning of year	803,381	44,978	462,301
Fund balances (deficit), end of year	\$ 82,514	\$ 63,027	\$ 515,955

Special Revenue Funds

Affordable Housing	Measure R	TDA Article 3	Cable Fund	Totals	
				2015	2014
\$ -	\$ 352,599	\$ -	\$ -	\$ 1,745,413	\$ 1,670,505
-	-	-	-	17,635	15,029
-	-	-	-	451,096	255,176
115,834	-	-	78,469	1,846,055	2,326,677
-	-	-	-	1,656,294	3,989,737
-	-	-	-	343,975	335,119
6,018	2,955	1	202	477,859	437,317
-	-	-	-	1,758,877	1,703,971
-	-	-	-	162,802	239,979
<u>121,852</u>	<u>355,554</u>	<u>1</u>	<u>78,671</u>	<u>8,460,006</u>	<u>10,973,510</u>
-	-	-	-	1,857,478	1,377,034
29,119	-	377	-	1,413,071	1,411,135
-	-	-	-	1,205,235	1,223,580
-	637,065	-	-	2,593,885	102,005
-	-	-	-	305,000	290,000
-	-	-	-	441,588	462,412
<u>29,119</u>	<u>637,065</u>	<u>377</u>	<u>-</u>	<u>7,816,257</u>	<u>4,866,166</u>
<u>92,733</u>	<u>(281,511)</u>	<u>(376)</u>	<u>78,671</u>	<u>643,749</u>	<u>6,107,344</u>
-	-	-	-	10,000	10,000
-	-	-	(55,000)	(1,493,000)	(1,363,000)
-	-	-	(55,000)	(1,483,000)	(1,353,000)
92,733	(281,511)	(376)	23,671	(839,251)	4,754,344
<u>835,610</u>	<u>530,465</u>	<u>376</u>	<u>6,915</u>	<u>14,095,355</u>	<u>9,341,011</u>
<u>\$ 928,343</u>	<u>\$ 248,954</u>	<u>\$ -</u>	<u>\$ 30,586</u>	<u>\$ 13,256,104</u>	<u>\$ 14,095,355</u>

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City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Traffic and Bicycle Safety Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Intergovernmental	\$ 20,000	\$ 70,000	\$ 61,128	\$ (8,872)	\$ 5,165
Charges for services	37,000	52,000	63,727	11,727	88,656
Fines and forfeitures	585,000	525,000	582,654	57,654	499,425
Investment income	400	400	977	577	676
Miscellaneous	-	-	-	-	6,332
Total revenues	642,400	647,400	708,486	61,086	600,254
Expenditures:					
Current:					
Public safety	621,505	673,303	673,223	80	550,449
Total expenditures	621,505	673,303	673,223	80	550,449
Excess of revenues over expenditures	20,895	(25,903)	35,263	61,166	49,805
Other Financing Sources:					
Transfers out	(36,000)	(36,000)	(36,000)	-	-
Total other financing sources	(36,000)	(36,000)	(36,000)	-	-
Net change in fund balance	(15,105)	(61,903)	(737)	61,166	49,805
Fund balance, beginning of year	170,361	170,361	170,361	-	120,556
Fund balance, end of year	\$ 155,256	\$ 108,458	\$ 169,624	\$ 61,166	\$ 170,361

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Mobile Home Park Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Investment income	\$ -	\$ -	\$ 412,350	\$ 412,350	\$ 392,018
Rents	1,702,652	2,052,652	1,758,877	(293,775)	1,703,971
Total revenues	<u>1,702,652</u>	<u>2,052,652</u>	<u>2,171,227</u>	<u>118,575</u>	<u>2,095,989</u>
Expenditures:					
Current:					
Community development	1,004,551	1,296,439	1,291,564	4,875	1,281,008
Debt service:					
Principal	305,000	305,000	305,000	-	290,000
Interest	441,588	441,588	441,588	-	462,412
Total expenditures	<u>1,751,139</u>	<u>2,043,027</u>	<u>2,038,152</u>	<u>4,875</u>	<u>2,033,420</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48,487)</u>	<u>9,625</u>	<u>133,075</u>	<u>123,450</u>	<u>62,569</u>
Other Financing Sources (Uses):					
Transfers out	-	-	(100,000)	(100,000)	(100,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>
Net change in fund balance	(48,487)	9,625	33,075	23,450	(37,431)
Fund balance, beginning of year	3,420,308	3,420,308	3,420,308	-	3,457,739
Fund balance, end of year	<u>\$ 3,371,821</u>	<u>\$ 3,429,933</u>	<u>\$ 3,453,383</u>	<u>\$ 23,450</u>	<u>\$ 3,420,308</u>

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Community Development Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Intergovernmental	\$ 78,751	\$ 78,751	\$ 74,150	\$ (4,601)	\$ 85,571
Total revenues	78,751	78,751	74,150	(4,601)	85,571
Expenditures:					
Current:					
Community development	78,751	78,751	74,152	4,599	85,569
Total expenditures	78,751	78,751	74,152	4,599	85,569
Net change in fund balance	-	-	(2)	(2)	2
Fund balance, beginning of year	2	2	2	-	-
Fund balance, end of year	\$ 2	\$ 2	\$ -	\$ (2)	\$ 2

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
SLESF and LLEBG Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Intergovernmental	\$ 100,000	\$ 100,000	\$ 106,230	\$ 6,230	\$ 100,000
Investment income	-	-	34	34	-
Total revenues	100,000	100,000	106,264	6,264	100,000
Expenditures:					
Current:					
Public safety	110,096	111,028	111,020	8	110,305
Total expenditures	110,096	111,028	111,020	8	110,305
Deficiency of revenues under expenditures	(10,096)	(11,028)	(4,756)	6,272	(10,305)
Other Financing Sources:					
Transfers in	10,000	10,000	10,000	-	10,000
Total other financing sources	10,000	10,000	10,000	-	10,000
Net change in fund balance	(96)	(1,028)	5,244	6,272	(305)
Fund balance (deficit), beginning of year	(228)	(228)	(228)	-	77
Fund balance (deficit), end of year	\$ (324)	\$ (1,256)	\$ 5,016	\$ 6,272	\$ (228)

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Police Narcotics Confiscation Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Intergovernmental	\$ 88,000	\$ 88,000	\$ 89,080	\$ 1,080	\$ -
Fines and forfeitures	505,000	500,000	1,073,640	573,640	3,490,312
Investment income	5,000	10,000	24,979	14,979	15,499
Miscellaneous	-	-	3,919	3,919	10,594
Total revenues	<u>598,000</u>	<u>598,000</u>	<u>1,191,618</u>	<u>593,618</u>	<u>3,516,405</u>
Expenditures:					
Current:					
Public safety	563,771	1,019,590	1,073,235	(53,645)	703,965
Capital projects	<u>176,000</u>	<u>176,000</u>	<u>-</u>	<u>176,000</u>	<u>-</u>
Total expenditures	<u>739,771</u>	<u>1,195,590</u>	<u>1,073,235</u>	<u>122,355</u>	<u>703,965</u>
Net change in fund balance	(141,771)	(597,590)	118,383	715,973	2,812,440
Fund balance, beginning of year	<u>3,902,830</u>	<u>3,902,830</u>	<u>3,902,830</u>	<u>-</u>	<u>1,090,390</u>
Fund balance, end of year	<u>\$ 3,761,059</u>	<u>\$ 3,305,240</u>	<u>\$ 4,021,213</u>	<u>\$ 715,973</u>	<u>\$ 3,902,830</u>

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Local Transit Assistance Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Other taxes	\$ 1,028,000	\$ 1,028,000	\$ 1,037,604	\$ 9,604	\$ 995,695
Investment income	3,000	3,000	7,975	4,975	4,599
Miscellaneous	-	-	35,000	35,000	-
Total revenues	<u>1,031,000</u>	<u>1,031,000</u>	<u>1,080,579</u>	<u>49,579</u>	<u>1,000,294</u>
Expenditures:					
Current:					
Community services	807,555	827,786	876,533	(48,747)	894,859
Capital projects	<u>270,000</u>	<u>310,396</u>	<u>-</u>	<u>310,396</u>	<u>-</u>
Total expenditures	<u>1,077,555</u>	<u>1,138,182</u>	<u>876,533</u>	<u>261,649</u>	<u>894,859</u>
Net change in fund balance	(46,555)	(107,182)	204,046	311,228	105,435
Fund balance, beginning of year	<u>1,149,992</u>	<u>1,149,992</u>	<u>1,149,992</u>	<u>-</u>	<u>1,044,557</u>
Fund balance, end of year	<u>\$ 1,103,437</u>	<u>\$ 1,042,810</u>	<u>\$ 1,354,038</u>	<u>\$ 311,228</u>	<u>\$ 1,149,992</u>

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Mobile Source Air Pollution Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Intergovernmental	\$ 39,000	\$ 39,000	\$ 50,308	\$ 11,308	\$ 30,107
Investment income	1,500	1,500	2,518	1,018	1,677
Total revenues	<u>40,500</u>	<u>40,500</u>	<u>52,826</u>	<u>12,326</u>	<u>31,784</u>
Expenditures:					
Current:					
Community development	16,804	16,804	11,970	4,834	11,358
Total expenditures	<u>16,804</u>	<u>16,804</u>	<u>11,970</u>	<u>4,834</u>	<u>11,358</u>
Net change in fund balance	23,696	23,696	40,856	17,160	20,426
Fund balance, beginning of year	<u>366,438</u>	<u>366,438</u>	<u>366,438</u>	<u>-</u>	<u>346,012</u>
Fund balance, end of year	<u>\$ 390,134</u>	<u>\$ 390,134</u>	<u>\$ 407,294</u>	<u>\$ 17,160</u>	<u>\$ 366,438</u>

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Public Safety Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Other taxes	\$ 330,000	\$ 330,000	\$ 355,210	\$ 25,210	\$ 338,186
Intergovernmental	70,000	70,200	70,200	-	34,333
Charges for services	503,000	572,500	576,184	3,684	707,202
Investment income	5,000	5,500	12,858	7,358	10,757
Miscellaneous	30,000	30,000	82,781	52,781	185,890
Total revenues	<u>938,000</u>	<u>1,008,200</u>	<u>1,097,233</u>	<u>89,033</u>	<u>1,276,368</u>
Expenditures:					
Current:					
Public safety	105,000	80,200	-	80,200	12,315
Capital projects	860,000	1,093,000	1,103,702	(10,702)	57,975
Total expenditures	<u>965,000</u>	<u>1,173,200</u>	<u>1,103,702</u>	<u>69,498</u>	<u>70,290</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,000)</u>	<u>(165,000)</u>	<u>(6,469)</u>	<u>158,531</u>	<u>1,206,078</u>
Other Financing Uses:					
Transfers out	<u>(419,000)</u>	<u>(419,000)</u>	<u>(419,000)</u>	<u>-</u>	<u>(375,000)</u>
Total other financing uses	<u>(419,000)</u>	<u>(419,000)</u>	<u>(419,000)</u>	<u>-</u>	<u>(375,000)</u>
Net change in fund balance	(446,000)	(584,000)	(425,469)	158,531	831,078
Fund balance, beginning of year	<u>2,401,626</u>	<u>2,401,626</u>	<u>2,401,626</u>	<u>-</u>	<u>1,570,548</u>
Fund balance, end of year	<u>\$ 1,955,626</u>	<u>\$ 1,817,626</u>	<u>\$ 1,976,157</u>	<u>\$ 158,531</u>	<u>\$ 2,401,626</u>

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Community Facilities District 90-1 Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Charges for services	\$ 1,010,000	\$ 1,010,000	\$ 1,011,841	\$ 1,841	\$ 1,012,162
Investment Income	3,000	3,000	3,410	410	5,006
Total revenues	<u>1,013,000</u>	<u>1,013,000</u>	<u>1,015,251</u>	<u>2,251</u>	<u>1,017,168</u>
Expenditures:					
Capital projects	<u>450,000</u>	<u>882,900</u>	<u>853,118</u>	<u>29,782</u>	<u>44,030</u>
Total expenditures	<u>450,000</u>	<u>882,900</u>	<u>853,118</u>	<u>29,782</u>	<u>44,030</u>
Excess of revenues over expenditures	<u>563,000</u>	<u>130,100</u>	<u>162,133</u>	<u>32,033</u>	<u>973,138</u>
Other Financing Uses:					
Transfers out	<u>(883,000)</u>	<u>(883,000)</u>	<u>(883,000)</u>	<u>-</u>	<u>(888,000)</u>
Total other financing uses	<u>(883,000)</u>	<u>(883,000)</u>	<u>(883,000)</u>	<u>-</u>	<u>(888,000)</u>
Net change in fund balance	(320,000)	(752,900)	(720,867)	32,033	85,138
Fund balance, beginning of year	<u>803,381</u>	<u>803,381</u>	<u>803,381</u>	<u>-</u>	<u>718,243</u>
Fund balance, end of year	<u>\$ 483,381</u>	<u>\$ 50,481</u>	<u>\$ 82,514</u>	<u>\$ 32,033</u>	<u>\$ 803,381</u>

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Downtown Business Improvement District Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Licenses and permits	\$ 15,000	\$ 15,000	\$ 17,635	\$ 2,635	\$ 15,029
Investment income	100	100	369	269	192
Miscellaneous	35,000	39,000	41,102	2,102	37,163
Total revenues	50,100	54,100	59,106	5,006	52,384
Expenditures:					
Current:					
Community development	-	2,000	5,889	(3,889)	10,071
Community services	40,000	48,000	35,168	12,832	24,512
Total expenditures	40,000	50,000	41,057	8,943	34,583
Net change in fund balance	10,100	4,100	18,049	13,949	17,801
Fund balance, beginning of year	44,978	44,978	44,978	-	27,177
Fund balance, end of year	\$ 55,078	\$ 49,078	\$ 63,027	\$ 13,949	\$ 44,978

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Maintenance Assessment District Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Special assessments	\$ 350,000	\$ 350,000	\$ 343,975	\$ (6,025)	\$ 335,119
Investment income	1,000	1,000	3,213	2,213	1,976
Total revenues	<u>351,000</u>	<u>351,000</u>	<u>347,188</u>	<u>(3,812)</u>	<u>337,095</u>
Expenditures:					
Current:					
Community services	<u>381,964</u>	<u>393,805</u>	<u>293,534</u>	<u>100,271</u>	<u>304,209</u>
Total expenditures	<u>381,964</u>	<u>393,805</u>	<u>293,534</u>	<u>100,271</u>	<u>304,209</u>
Net change in fund balance	(30,964)	(42,805)	53,654	96,459	32,886
Fund balance, beginning of year	<u>462,301</u>	<u>462,301</u>	<u>462,301</u>	<u>-</u>	<u>429,415</u>
Fund balance, end of year	<u>\$ 431,337</u>	<u>\$ 419,496</u>	<u>\$ 515,955</u>	<u>\$ 96,459</u>	<u>\$ 462,301</u>

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Affordable Housing Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Charges for services	\$ 100,000	\$ 100,000	\$ 115,834	\$ 15,834	\$ 511,742
Investment income	2,000	2,000	6,018	4,018	3,061
Total revenues	102,000	102,000	121,852	19,852	514,803
Expenditures:					
Current:					
Community development	-	77,500	29,119	48,381	23,129
Total expenditures	-	77,500	29,119	48,381	23,129
Net change in fund balance	102,000	24,500	92,733	68,233	491,674
Fund balance, beginning of year	835,610	835,610	835,610	-	343,936
Fund balance, end of year	\$ 937,610	\$ 860,110	\$ 928,343	\$ 68,233	\$ 835,610

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Measure R Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Other taxes	\$ 342,042	\$ 342,042	\$ 352,599	\$ 10,557	\$ 336,624
Investment income	700	700	2,955	2,255	1,855
Total revenues	<u>342,742</u>	<u>342,742</u>	<u>355,554</u>	<u>12,812</u>	<u>338,479</u>
Expenditures:					
Capital projects	<u>350,000</u>	<u>700,000</u>	<u>637,065</u>	<u>62,935</u>	<u>-</u>
Total expenditures	<u>350,000</u>	<u>700,000</u>	<u>637,065</u>	<u>62,935</u>	<u>-</u>
Net change in fund balance	(7,258)	(357,258)	(281,511)	75,747	338,479
Fund balance, beginning of year	<u>530,465</u>	<u>530,465</u>	<u>530,465</u>	<u>-</u>	<u>191,986</u>
Fund balance, end of year	<u>\$ 523,207</u>	<u>\$ 173,207</u>	<u>\$ 248,954</u>	<u>\$ 75,747</u>	<u>\$ 530,465</u>

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
TDA Article 3 Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Investment income	\$ -	\$ -	\$ 1	\$ 1	\$ 1
Total revenues	-	-	1	1	1
Expenditures:					
Community development	-	400	377	23	-
Total expenditures	-	400	377	23	-
Net change in fund balance	-	(400)	(376)	24	1
Fund balance, beginning of year	376	376	376	-	375
Fund balance, end of year	\$ 376	\$ (24)	\$ -	\$ 24	\$ 376

DEBT SERVICE FUND

Debt service funds are used to account for the accumulation of resources and the payment of principal, interest, and other related costs associated with general long-term debt of the City. Fund included is:

Loan Repayment Fund

To record other financing sources and uses for the lease payments on various Certificates of Participation.

City of La Verne
Combining Balance Sheet
Nonmajor Debt Service Fund
June 30, 2015
(with comparative data for June 30, 2014)

	<u>Loan Repayment</u>	<u>Totals</u>	
		<u>2015</u>	<u>2014</u>
Assets			
Cash and investments	\$ 1,082,037	\$ 1,082,037	\$ 1,082,037
Total assets	<u>\$ 1,082,037</u>	<u>\$ 1,082,037</u>	<u>\$ 1,082,037</u>
Liabilities and Fund Balance			
Liabilities	\$ -	\$ -	\$ -
Fund balance:			
Restricted for:			
Debt service	<u>1,082,037</u>	<u>1,082,037</u>	<u>1,082,037</u>
Total fund balance	<u>1,082,037</u>	<u>1,082,037</u>	<u>1,082,037</u>
Total liabilities and fund balance	<u>\$ 1,082,037</u>	<u>\$ 1,082,037</u>	<u>\$ 1,082,037</u>

City of La Verne
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Loan	Totals	
	Repayment	2015	2014
Revenues:			
Miscellaneous	\$ 1,320	\$ 1,320	\$ 1,320
Total revenues	<u>1,320</u>	<u>1,320</u>	<u>1,320</u>
Expenditures:			
Current:			
General government	<u>1,320</u>	<u>1,320</u>	<u>1,320</u>
Total expenditures	<u>1,320</u>	<u>1,320</u>	<u>1,320</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>1,082,037</u>	<u>1,082,037</u>	<u>1,082,037</u>
Fund balance, end of year	<u>\$ 1,082,037</u>	<u>\$ 1,082,037</u>	<u>\$ 1,082,037</u>

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CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition or construction of major capital items not financed by proprietary funds and agency funds. Funds included are:

ROW Management Fund

To account for revenues and expenditures in conjunction with rights of way and street maintenance.

I/S Technology Fund

To account for revenues and expenditures in conjunction with maintenance and replacement of information technology equipment.

Underground Utilities Fund

To account for developer fees used for the installation of underground utilities in new developments.

Park Development Fund

To account for park fees received from developers for the acquisition, improvement and expansion of public parks, playgrounds and recreational facilities.

Storm Drainage District Fund

To account for revenues and expenditures of funds in conjunction with storm drainage districts.

Improvement Assessment District 84-1 Fund

To account for the revenues and expenditures associated with the construction of a new north access road and road improvements.

City of La Verne
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2015
(with comparative data for June 30, 2014)

	Capital Projects Funds		
	ROW Management	I/S Technology	Underground Utilities
Assets			
Cash and investments	\$ 2,964,951	\$ 53,382	\$ 1,602,979
Interest receivable	5,185	79	2,858
Accounts receivable	110,000	-	-
	\$ 3,080,136	\$ 53,461	\$ 1,605,837
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Unearned revenue	142,496	-	-
	142,496	-	-
Fund balances:			
Restricted for:			
Community services	-	-	-
Public works	-	-	1,605,837
Assigned to:			
Capital Projects	2,937,640	53,461	-
	2,937,640	53,461	1,605,837
Total liabilities and fund balances	\$ 3,080,136	\$ 53,461	\$ 1,605,837

Capital Projects Funds

Park Development	Storm Drainage District	Improvement Assessment District 84-1	Totals	
			2015	2014
\$ 1,132,797	\$ 1,419,274	\$ 49,482	\$ 7,222,865	\$ 6,467,440
1,965	2,529	-	12,616	7,495
-	-	-	110,000	-
<u>\$ 1,134,762</u>	<u>\$ 1,421,803</u>	<u>\$ 49,482</u>	<u>\$ 7,345,481</u>	<u>\$ 6,474,935</u>
\$ 25,376	\$ -	\$ -	\$ 25,376	\$ -
-	-	-	142,496	142,496
<u>25,376</u>	<u>-</u>	<u>-</u>	<u>167,872</u>	<u>142,496</u>
1,109,386	-	-	1,109,386	784,714
-	1,421,803	49,482	3,077,122	2,795,176
-	-	-	2,991,101	2,752,549
<u>1,109,386</u>	<u>1,421,803</u>	<u>49,482</u>	<u>7,177,609</u>	<u>6,332,439</u>
<u>\$ 1,134,762</u>	<u>\$ 1,421,803</u>	<u>\$ 49,482</u>	<u>\$ 7,345,481</u>	<u>\$ 6,474,935</u>

City of La Verne
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Capital Projects Fund		
	ROW Management	I/S Technology	Underground Utilities
Revenues:			
Other taxes	\$ -	\$ -	\$ -
Charges for services	-	-	142,782
Investment income	18,759	293	10,098
Miscellaneous	110,000	-	-
	128,759	293	152,880
Expenditures:			
Current:			
Capital projects	-	-	-
	-	-	-
Excess of revenues over expenditures	128,759	293	152,880
Other Financing Sources:			
Transfers in	100,000	9,500	-
	100,000	9,500	-
Net change in fund balances	228,759	9,793	152,880
Fund balances, beginning of year	2,708,881	43,668	1,452,957
Fund balances, end of year	\$ 2,937,640	\$ 53,461	\$ 1,605,837

Capital Projects Fund

Park Development	Storm Drainage District	Improvement Assessment District 84-1	Totals	
			2015	2014
\$ 448,599	\$ -	\$ -	\$ 448,599	\$ 912,422
-	120,161	-	262,943	60,176
7,340	8,905	-	45,395	27,562
-	-	-	110,000	110,000
<u>455,939</u>	<u>129,066</u>	<u>-</u>	<u>866,937</u>	<u>1,110,160</u>
<u>131,267</u>	<u>-</u>	<u>-</u>	<u>131,267</u>	<u>682,091</u>
<u>131,267</u>	<u>-</u>	<u>-</u>	<u>131,267</u>	<u>682,091</u>
<u>324,672</u>	<u>129,066</u>	<u>-</u>	<u>735,670</u>	<u>428,069</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>109,500</u>	<u>108,500</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>109,500</u>	<u>108,500</u>
<u>324,672</u>	<u>129,066</u>	<u>-</u>	<u>845,170</u>	<u>536,569</u>
<u>784,714</u>	<u>1,292,737</u>	<u>49,482</u>	<u>6,332,439</u>	<u>5,795,870</u>
<u>\$ 1,109,386</u>	<u>\$ 1,421,803</u>	<u>\$ 49,482</u>	<u>\$ 7,177,609</u>	<u>\$ 6,332,439</u>

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
ROW Management Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Investment income	\$ 12,000	\$ 12,000	\$ 18,759	\$ 6,759	\$ 12,652
Miscellaneous	110,000	110,000	110,000	-	110,000
Total revenues	122,000	122,000	128,759	6,759	122,652
Expenditures:					
	-	-	-	-	-
Excess of revenues over expenditures	122,000	120,000	128,759	6,759	122,652
Other Financing Sources:					
Transfers in	100,000	100,000	100,000	-	100,000
Total other financing sources	100,000	100,000	100,000	-	100,000
Net change in fund balance	222,000	220,000	228,759	6,759	222,652
Fund balance, beginning of year	2,708,881	2,708,881	2,708,881	-	2,486,229
Fund balance, end of year	<u>\$ 2,930,881</u>	<u>\$ 2,928,881</u>	<u>\$ 2,937,640</u>	<u>\$ 8,759</u>	<u>\$ 2,708,881</u>

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
I/S Technology Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Investment income	\$ 150	\$ 150	\$ 293	\$ 143	\$ 175
Total revenues	150	150	293	143	175
Expenditures:					
Excess of revenues over expenditures	150	150	293	143	175
Other Financing Sources:					
Transfers in	-	-	9,500	9,500	8,500
Total other financing sources	-	-	9,500	9,500	8,500
Net change in fund balance	150	150	9,793	9,643	8,675
Fund balance, beginning of year	43,668	43,668	43,668	-	34,993
Fund balance, end of year	\$ 43,818	\$ 43,818	\$ 53,461	\$ 9,643	\$ 43,668

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Underground Utilities Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Charges for services	\$ 112,000	\$ 112,000	\$ 142,782	\$ 30,782	\$ 16,630
Investment income	6,000	6,000	10,098	4,098	6,766
Total revenues	<u>118,000</u>	<u>118,000</u>	<u>152,880</u>	<u>34,880</u>	<u>23,396</u>
Expenditures:					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	118,000	118,000	152,880	34,880	23,396
Fund balance, beginning of year	<u>1,452,957</u>	<u>1,452,957</u>	<u>1,452,957</u>	<u>-</u>	<u>1,429,561</u>
Fund balance, end of year	<u>\$ 1,570,957</u>	<u>\$ 1,570,957</u>	<u>\$ 1,605,837</u>	<u>\$ 34,880</u>	<u>\$ 1,452,957</u>

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Park Development Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Other taxes	\$ 214,000	\$ 214,000	\$ 448,599	\$ 234,599	\$ 912,422
Investment income	2,000	2,000	7,340	5,340	2,002
Total revenues	216,000	216,000	455,939	239,939	914,424
Expenditures:					
Capital projects	150,000	165,000	131,267	33,733	682,091
Total expenditures	150,000	165,000	131,267	33,733	682,091
Net change in fund balance	66,000	51,000	324,672	273,672	232,333
Fund balance, beginning of year	784,714	784,714	784,714	-	552,381
Fund balance, end of year	\$ 850,714	\$ 835,714	\$ 1,109,386	\$ 273,672	\$ 784,714

City of La Verne
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Storm Drainage District Fund
For the Year Ended June 30, 2015
(with comparative data for June 30, 2014)

	Budgeted Amounts		2015 Amounts	Variance with Final Budget	2014 Amounts
	Original	Final			
Revenues:					
Charges for services	\$ 112,000	\$ 112,000	\$ 120,161	\$ 8,161	\$ 43,546
Investment income	5,000	5,000	8,905	3,905	5,967
Total revenues	<u>117,000</u>	<u>117,000</u>	<u>129,066</u>	<u>12,066</u>	<u>49,513</u>
Expenditures:					
Net change in fund balance	117,000	117,000	129,066	12,066	49,513
Fund balance, beginning of year	<u>1,292,737</u>	<u>1,292,737</u>	<u>1,292,737</u>	<u>-</u>	<u>1,243,224</u>
Fund balance, end of year	<u>\$ 1,409,737</u>	<u>\$ 1,409,737</u>	<u>\$ 1,421,803</u>	<u>\$ 12,066</u>	<u>\$ 1,292,737</u>

Agency Funds

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations and other governmental units. Funds included are:

Deposits Fund

To account for all special deposits held by the City to ensure compliance with City regulations. Funds are received and disbursed from this fund.

Community Facilities District 88-1 Fund

To account for the City's fiduciary capacity as custodian of the CFD 88-1 Bonds.

L.A. Impact Fund

To account for monies held under an agreement for financial support services to L.A. Impact, a multi-jurisdictional major crime task force.

City of La Verne
Combining Balance Sheet
Agency Funds
June 30, 2015
(with comparative data for June 30, 2014)

	Deposits	L.A. Impact	Totals	
			2015	2014
Assets				
Cash and investments	\$ 1,786,354	\$ 12,898,003	\$ 14,684,357	\$ 10,748,824
Interest receivable	74	4,385	4,459	762
Accounts receivable	2,379	58,846	61,225	4,607
Due from other governments	-	692,832	692,832	1,420,867
Total assets	<u>\$ 1,788,807</u>	<u>\$ 13,654,066</u>	<u>\$ 15,442,873</u>	<u>\$ 12,175,060</u>
Liabilities				
Accounts payable	\$ 15,121	\$ 376,185	\$ 391,306	\$ 481,075
Deposits payable	<u>1,773,686</u>	<u>13,277,881</u>	<u>15,051,567</u>	<u>11,693,985</u>
Total liabilities	<u>\$ 1,788,807</u>	<u>\$ 13,654,066</u>	<u>\$ 15,442,873</u>	<u>\$ 12,175,060</u>

City of La Verne
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

	Balance at June 30, 2014	Additions	Deletions	Balance at June 30, 2015
<u>DEPOSITS FUND</u>				
Assets				
Cash and investments	\$ 1,615,543	\$ 3,154,094	\$ (2,983,283)	\$ 1,786,354
Interest receivable	49	74	(49)	74
Accounts receivable	-	2,379	-	2,379
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,615,592</u>	<u>\$ 3,156,547</u>	<u>\$ (2,983,332)</u>	<u>\$ 1,788,807</u>
Liabilities				
Accounts payable	\$ 53,679	\$ 15,121	\$ (53,679)	\$ 15,121
Deposits payable	1,561,913	211,773	-	1,773,686
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 1,615,592</u>	<u>\$ 226,894</u>	<u>\$ (53,679)</u>	<u>\$ 1,788,807</u>

	Balance at June 30, 2014	Additions	Deletions	Balance at June 30, 2015
<u>L.A. IMPACT FUND</u>				
Assets				
Cash and investments	\$ 9,133,281	\$ 18,796,986	\$ (15,032,264)	\$ 12,898,003
Interest receivable	713	4,385	(713)	4,385
Accounts receivable	4,607	58,846	(4,607)	58,846
Due from other governments	1,420,867	692,832	(1,420,867)	692,832
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 10,559,468</u>	<u>\$ 19,553,049</u>	<u>\$ (16,458,451)</u>	<u>\$ 13,654,066</u>
Liabilities				
Accounts payable	\$ 427,396	\$ 376,185	\$ (427,396)	\$ 376,185
Deposits payable	10,132,072	3,145,809	-	13,277,881
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 10,559,468</u>	<u>\$ 3,521,994</u>	<u>\$ (427,396)</u>	<u>\$ 13,654,066</u>

City of La Verne
Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended June 30, 2015

	Balance at June 30, 2014	Additions	Deletions	Balance at June 30, 2015
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets				
Cash and investments	\$ 10,748,824	\$ 21,951,080	\$ (18,015,547)	\$ 14,684,357
Interest receivable	762	4,459	(762)	4,459
Accounts receivable	4,607	61,225	(4,607)	61,225
Due from other governments	1,420,867	692,832	(1,420,867)	692,832
Total assets	<u>\$ 12,175,060</u>	<u>\$ 22,709,596</u>	<u>\$ (19,441,783)</u>	<u>\$ 15,442,873</u>
Liabilities				
Accounts payable	\$ 481,075	\$ 391,306	\$ (481,075)	\$ 391,306
Deposits payable	11,693,985	3,357,582	-	15,051,567
Total liabilities	<u>\$ 12,175,060</u>	<u>\$ 3,748,888</u>	<u>\$ (481,075)</u>	<u>\$ 15,442,873</u>

Statistical Section

City of La Verne
Net Position by Component
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities:					
Net investment in capital assets	\$ 45,186,606	\$ 48,517,314	\$ 50,281,744	\$ 51,376,187	\$ 52,229,306
Restricted	13,519,256	18,952,616	19,847,734	16,569,296	15,753,054
Unrestricted	<u>9,859,695</u>	<u>5,558,652</u>	<u>7,883,916</u>	<u>11,297,687</u>	<u>7,774,894</u>
Total governmental activities net position	<u>\$ 68,565,557</u>	<u>\$ 73,028,582</u>	<u>\$ 78,013,394</u>	<u>\$ 79,243,170</u>	<u>\$ 75,757,254</u>
Business-type activities:					
Net investment in capital assets	\$ 30,919,675	\$ 33,491,143	\$ 35,578,979	\$ 35,637,885	\$ 36,214,228
Unrestricted	<u>18,102,139</u>	<u>18,503,094</u>	<u>16,224,483</u>	<u>15,874,706</u>	<u>15,194,777</u>
Total business-type activities net position	<u>\$ 49,021,814</u>	<u>\$ 51,994,237</u>	<u>\$ 51,803,462</u>	<u>\$ 51,512,591</u>	<u>\$ 51,409,005</u>
Primary government:					
Net investment in capital assets	\$ 76,106,281	\$ 82,008,457	\$ 85,860,723	\$ 87,014,072	\$ 88,443,534
Restricted	13,519,256	18,952,616	19,847,734	16,569,296	15,753,054
Unrestricted	<u>27,961,834</u>	<u>24,061,746</u>	<u>24,108,399</u>	<u>27,172,393</u>	<u>22,969,671</u>
Total primary government net position	<u>\$ 117,587,371</u>	<u>\$ 125,022,819</u>	<u>\$ 129,816,856</u>	<u>\$ 130,755,761</u>	<u>\$ 127,166,259</u>

continued

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 52,684,848	\$ 50,818,712	\$ 49,029,379	\$ 48,077,051	\$ 49,962,522
15,196,501	19,194,850	20,080,663	25,929,312	23,675,628
<u>11,004,877</u>	<u>11,259,006</u>	<u>12,989,050</u>	<u>14,207,910</u>	<u>(19,130,266)</u>
<u>\$ 78,886,226</u>	<u>\$ 81,272,568</u>	<u>\$ 82,099,092</u>	<u>\$ 88,214,273</u>	<u>\$ 54,507,884</u>
\$ 35,884,348	\$ 35,750,047	\$ 35,923,190	\$ 36,147,186	\$ 35,353,328
15,509,491	14,925,722	15,103,782	15,773,129	14,222,461
<u>\$ 51,393,839</u>	<u>\$ 50,675,769</u>	<u>\$ 51,026,972</u>	<u>\$ 51,920,315</u>	<u>\$ 49,575,789</u>
\$ 88,569,196	\$ 86,568,759	\$ 84,952,569	\$ 84,224,237	\$ 85,315,850
15,196,501	19,194,850	20,080,663	25,929,312	23,675,628
<u>26,514,368</u>	<u>26,184,728</u>	<u>28,092,832</u>	<u>29,981,039</u>	<u>(4,907,805)</u>
<u>\$130,280,065</u>	<u>\$131,948,337</u>	<u>\$133,126,064</u>	<u>\$140,134,588</u>	<u>\$104,083,673</u>

City of La Verne
Changes in Net Position
Last Ten Fiscal Years

	2006	2007	2008	2009	2010
Expenses:					
Governmental activities:					
General government	\$ 1,789,237	\$ 1,751,395	\$ 1,895,637	\$ 1,958,597	\$ 1,710,441
Public safety	15,768,871	16,745,394	17,992,575	19,330,568	19,290,517
Community development	3,146,909	3,336,167	4,420,213	4,466,856	3,986,983
Public works	5,877,310	6,849,892	6,303,193	7,142,636	6,954,468
Community services	4,005,600	4,191,004	4,583,814	5,186,005	4,752,147
Interest on long-term debt	1,327,755	973,315	990,596	1,180,909	767,611
Total governmental activities expenses	<u>31,915,682</u>	<u>33,847,167</u>	<u>36,186,028</u>	<u>39,265,571</u>	<u>37,462,167</u>
Business-type activities:					
Water	7,495,258	8,338,080	8,915,679	8,256,203	8,025,256
Sewer	782,089	922,612	909,660	952,992	1,417,366
Total business-type activities expenses	<u>8,277,347</u>	<u>9,260,692</u>	<u>9,825,339</u>	<u>9,209,195</u>	<u>9,442,622</u>
Total primary government expenses	<u>40,193,029</u>	<u>43,107,859</u>	<u>46,011,367</u>	<u>48,474,766</u>	<u>46,904,789</u>
Program revenues:					
Governmental activities:					
Charges for services					
General government	152,373	210,832	207,726	236,325	273,635
Public safety	2,462,777	2,644,774	3,392,939	3,250,691	2,781,912
Community development	1,144,846	1,268,912	1,040,952	821,114	742,957
Public works	2,614,079	2,833,358	2,954,257	3,097,837	3,071,153
Community services	2,165,244	2,472,516	1,869,925	2,270,338	2,363,170
Operating grants and contributions	3,450,765	3,780,467	5,012,302	4,624,505	5,244,361
Capital grants and contributions	4,922,093	2,979,945	4,135,447	4,165,859	2,004,807
Total governmental activities program revenues	<u>16,912,177</u>	<u>16,190,804</u>	<u>18,613,548</u>	<u>18,466,669</u>	<u>16,481,995</u>
Business-type activities:					
Charges for services					
Water	7,799,879	8,930,708	8,934,147	8,648,524	9,008,653
Sewer	846,650	817,281	833,799	802,053	1,130,478
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>8,646,529</u>	<u>9,747,989</u>	<u>9,767,946</u>	<u>9,450,577</u>	<u>10,139,131</u>
Total primary government program revenues	<u>25,558,706</u>	<u>25,938,793</u>	<u>28,381,494</u>	<u>27,917,246</u>	<u>26,621,126</u>

continued

2011	2012	2013	2014	2015
\$ 1,531,758	\$ 1,972,652	\$ 1,643,954	\$ 1,827,886	\$ 1,974,508
17,677,088	18,527,428	18,896,525	19,327,058	19,515,717
3,459,358	3,079,747	2,963,793	3,248,319	3,880,059
8,628,963	8,100,160	9,019,496	7,885,390	7,534,092
2,656,296	2,824,709	2,974,167	2,863,005	2,895,303
917,635	651,653	823,208	452,859	431,380
<u>34,871,098</u>	<u>35,156,349</u>	<u>36,321,143</u>	<u>35,604,517</u>	<u>36,231,059</u>
8,207,100	9,016,754	9,684,637	9,812,876	9,291,404
1,147,641	1,180,482	1,174,152	1,276,063	1,242,218
<u>9,354,741</u>	<u>10,197,236</u>	<u>10,858,789</u>	<u>11,088,939</u>	<u>10,533,622</u>
<u>44,225,839</u>	<u>45,353,585</u>	<u>47,179,932</u>	<u>46,693,456</u>	<u>46,764,681</u>
288,597	241,613	266,552	279,949	204,107
2,343,575	2,587,852	2,916,503	2,687,492	2,568,625
1,445,509	1,326,086	1,327,965	2,183,340	2,615,274
3,029,797	2,725,829	3,045,804	2,712,972	3,048,078
2,397,408	2,510,120	2,525,545	2,523,319	2,812,911
5,773,869	5,166,383	4,951,275	7,801,379	5,753,926
2,048,144	2,047,952	1,226,011	3,343,812	2,369,219
<u>17,326,899</u>	<u>16,605,835</u>	<u>16,259,655</u>	<u>21,532,263</u>	<u>19,372,140</u>
8,869,120	9,137,178	10,517,927	11,331,750	10,716,815
1,310,485	1,261,551	1,429,643	1,572,866	1,685,104
-	-	292,410	44,030	-
<u>10,179,605</u>	<u>10,398,729</u>	<u>12,239,980</u>	<u>12,948,646</u>	<u>12,401,919</u>
<u>27,506,504</u>	<u>27,004,564</u>	<u>28,499,635</u>	<u>34,480,909</u>	<u>31,774,059</u>

City of La Verne
Changes in Net Position
(continued)

	2006	2007	2008	2009	2010
Net revenues (expenses):					
Governmental activities	(15,003,505)	(17,656,363)	(17,572,480)	(20,798,902)	(20,980,172)
Business-type activities	369,182	487,297	(57,393)	241,382	696,509
Total net revenues (expenses)	<u>(14,634,323)</u>	<u>(17,169,066)</u>	<u>(17,629,873)</u>	<u>(20,557,520)</u>	<u>(20,283,663)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	7,397,530	7,982,854	8,382,518	8,298,426	6,304,219
Sales taxes	3,629,695	3,899,793	4,255,219	3,957,853	3,095,132
Utility taxes and other taxes	4,025,220	4,525,388	4,007,194	4,177,179	3,814,753
Motor vehicle in-lieu, unrestricted	2,387,603	2,400,962	2,516,485	2,588,376	2,525,697
Investment income	431,529	1,372,876	1,322,764	1,255,327	535,805
Other general revenues	888,907	932,415	1,313,109	746,417	143,550
Transfers	1,005,100	1,005,100	1,005,100	1,005,100	1,075,100
Total governmental activities	<u>19,765,584</u>	<u>22,119,388</u>	<u>22,802,389</u>	<u>22,028,678</u>	<u>17,494,256</u>
Business-type activities:					
Investment income	186,294	931,508	871,718	472,847	275,005
Transfers	(1,005,100)	(1,005,100)	(1,005,100)	(1,005,100)	(1,075,100)
Other business revenues	-	-	-	-	-
Total business-type activities	<u>(818,806)</u>	<u>(73,592)</u>	<u>(133,382)</u>	<u>(532,253)</u>	<u>(800,095)</u>
Total primary government	<u>18,946,778</u>	<u>22,045,796</u>	<u>22,669,007</u>	<u>21,496,425</u>	<u>16,694,161</u>
Governmental activities:					
Extraordinary item	-	-	-	-	-
Change in net position:					
Governmental activities	4,762,079	4,463,025	5,229,909	1,229,776	(3,485,916)
Business-type activities	(449,624)	413,705	(190,775)	(290,871)	(103,586)
Total primary government	<u>\$ 4,312,455</u>	<u>\$ 4,876,730</u>	<u>\$ 5,039,134</u>	<u>\$ 938,905</u>	<u>\$ (3,589,502)</u>

continued

2011	2012	2013	2014	2015
(17,544,199)	(18,550,514)	(20,061,488)	(14,072,254)	(16,858,919)
824,864	201,493	1,381,191	1,859,707	1,868,297
<u>(16,719,335)</u>	<u>(18,349,021)</u>	<u>(18,680,297)</u>	<u>(12,212,547)</u>	<u>(14,990,622)</u>
8,126,601	5,246,028	7,912,524	7,014,924	7,504,209
3,457,066	3,803,845	3,885,736	3,828,720	4,032,563
3,710,193	3,626,624	3,706,997	3,612,790	3,747,097
2,582,883	2,484,960	2,543,269	2,595,188	2,721,045
357,605	440,714	438,461	544,000	655,428
1,363,723	1,370,310	1,255,925	1,446,716	1,295,786
1,075,100	1,075,100	1,145,100	1,145,100	1,145,100
<u>20,673,171</u>	<u>18,047,581</u>	<u>20,888,012</u>	<u>20,187,438</u>	<u>21,101,228</u>
235,070	155,537	74,744	134,741	111,104
(1,075,100)	(1,075,100)	(1,145,100)	(1,145,100)	(1,145,100)
-	-	40,368	43,995	-
<u>(840,030)</u>	<u>(919,563)</u>	<u>(1,029,988)</u>	<u>(966,364)</u>	<u>(1,033,996)</u>
<u>19,833,141</u>	<u>17,128,018</u>	<u>19,858,024</u>	<u>19,221,074</u>	<u>20,067,232</u>
-	2,889,275	-	-	-
3,128,972	2,386,342	826,524	6,115,184	4,242,309
(15,166)	(718,070)	351,203	893,343	834,301
<u>\$ 3,113,806</u>	<u>\$ 1,668,272</u>	<u>\$ 1,177,727</u>	<u>\$ 7,008,527</u>	<u>\$ 5,076,610</u>

City of La Verne
 Governmental Activities Tax Revenues By Source
 Last Ten Fiscal Years

Fiscal Year	Property Taxes	Sales Taxes	Utility and Other Taxes	Totals
2005-06	\$ 7,397,530	\$ 3,629,695	\$ 4,025,220	\$ 15,052,445
2006-07	7,982,854	3,899,793	4,525,388	16,408,035
2007-08	8,382,518	4,255,219	4,007,194	16,644,931
2008-09	8,298,426	3,957,853	4,177,179	16,433,458
2009-10	6,304,219	3,095,132	3,814,753	13,214,104
2010-11	8,126,601	3,457,066	3,710,193	15,293,860
2011-12	5,246,028	3,803,845	3,626,624	12,676,497
2012-13	7,912,524	3,885,736	3,706,997	15,505,257
2013-14	7,014,924	3,828,720	3,612,790	14,456,434
2014-15	7,504,209	4,032,563	3,747,098	15,283,870

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City of La Verne
Fund Balances of Governmental Funds
Last Ten Fiscal Years

Pre GASB 54	Fiscal Year			
	2006	2007	2008	2009
General fund:				
Reserved	\$ 2,227,907	\$ 2,001,174	\$ 2,202,078	\$ 2,005,926
Unreserved	4,925,824	5,791,874	6,883,234	7,287,472
Total general fund	<u>\$ 7,153,731</u>	<u>\$ 7,793,048</u>	<u>\$ 9,085,312</u>	<u>\$ 9,293,398</u>
All other governmental funds:				
Reserved	\$ 5,542,908	\$ 5,404,119	\$ 3,197,022	\$ 3,054,164
Unreserved, reported in:				
Special revenue funds	12,533,163	13,815,799	16,187,971	15,247,452
Capital projects funds	3,508,257	2,528,782	4,074,753	5,998,135
Total all other governmental funds	<u>21,584,328</u>	<u>21,748,700</u>	<u>23,459,746</u>	<u>24,299,751</u>
Total all governmental funds	<u>\$ 28,738,059</u>	<u>\$ 29,541,748</u>	<u>\$ 32,545,058</u>	<u>\$ 33,593,149</u>
Post GASB 54	Fiscal Year			
	2011	2012	2013	2014
General fund:				
Nonspendable	\$ 1,267,067	\$ 1,293,565	\$ 1,835,929	\$ 1,678,574
Committed	3,680,000	4,221,000	4,291,000	4,338,000
Assigned	3,598,882	4,683,218	5,750,295	6,324,030
Unassigned	-	-	-	-
Total general fund	<u>8,545,949</u>	<u>10,197,783</u>	<u>11,877,224</u>	<u>12,340,604</u>
All other governmental funds:				
Nonspendable	30,322	34,322	39,695	341,695
Restricted for:				
Public safety	2,258,250	2,704,609	2,781,571	6,474,817
Community services	4,383,383	1,882,381	2,053,530	2,448,900
Community development	1,439,571	4,311,810	4,107,992	4,580,663
Low and Moderate				
Income Housing	6,869,381	4,589,343	3,089,343	3,089,343
Public works	4,629,299	5,688,491	6,966,190	8,253,552
Debt service	282,917	182,037	1,082,037	1,082,037
Assigned	4,503,067	2,277,581	2,521,222	2,752,549
Unassigned	-	-	-	(228)
Total all other governmental funds	<u>24,396,190</u>	<u>21,670,574</u>	<u>22,641,580</u>	<u>29,023,328</u>
Total all governmental funds	<u>\$ 32,942,139</u>	<u>\$ 31,868,357</u>	<u>\$ 34,518,804</u>	<u>\$ 41,363,932</u>

During fiscal year 2011, the City adopted GASBS No. 54. This Statement changes the presentation of governmental fund types fund equity. The City retroactively changed the fiscal year 2010 to comply with the requirements of the Statement, but chose not to retroactively apply the Statement in the Statistical Section (except for the 2010 fiscal year).

Fiscal Year	
2010	2011
\$ 1,983,968	\$ 1,267,067
6,043,615	7,278,882
<u>\$ 8,027,583</u>	<u>\$ 8,545,949</u>
\$ 2,298,052	\$ 4,950,180
13,969,843	12,781,166
5,706,131	6,664,844
<u>21,974,026</u>	<u>24,396,190</u>
<u>\$ 30,001,609</u>	<u>\$ 32,942,139</u>

Fiscal Year
2015
\$ 1,554,822
4,599,000
6,331,521
-
<u>12,485,343</u>
34,322
6,172,010
3,072,992
4,754,698
3,089,343
5,504,548
1,082,037
6,319,469
-
<u>30,029,419</u>
<u>\$ 42,514,762</u>

City of La Verne
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2006	2007	2008	2009	2010
Revenues:					
Property taxes	\$11,836,865	\$12,887,626	\$14,157,966	\$15,060,879	\$14,714,919
Other taxes	8,652,008	9,475,155	9,537,893	9,565,699	7,903,902
Licenses and permits	1,417,313	1,536,983	1,416,869	1,221,152	1,112,811
Intergovernmental	4,634,455	5,887,469	6,967,802	7,118,486	5,458,963
Charges for services	7,171,959	7,519,403	8,300,038	8,208,082	7,817,562
Fines and forfeitures	463,393	683,750	1,131,657	1,189,021	812,948
Special assessments	310,602	311,619	309,224	310,961	340,025
Investment income	427,597	1,316,379	1,269,598	827,476	522,752
Rents	1,702,271	1,743,302	1,779,226	1,828,305	1,841,342
Miscellaneous	368,297	865,265	867,864	1,605,710	1,439,207
Total revenues	36,984,760	42,226,951	45,738,137	46,935,771	41,964,431
Expenditures					
Current:					
General government	1,619,669	1,804,337	1,887,171	1,954,462	1,857,547
Public safety	15,986,176	19,086,805	18,018,128	19,369,320	19,322,652
Community development	3,031,736	3,282,213	4,296,767	3,964,758	3,908,700
Public works	4,221,668	4,897,042	4,456,341	5,371,609	5,247,773
Community services	3,737,211	3,899,697	4,233,929	4,821,277	4,414,471
Capital projects	436,234	3,130,145	3,311,197	3,015,673	2,282,314
Debt service:					
Principal retirement	3,046,660	442,656	523,096	3,399,520	481,887
Interest and financing costs	1,253,593	982,695	997,753	1,195,709	885,027
Pass through obligations	4,881,509	4,904,772	5,775,448	6,762,452	8,410,700
AB 1484 demand payment	-	-	-	-	-
Developer fees	-	-	-	-	-
Total expenditures	38,214,456	42,430,362	43,499,830	49,854,780	46,811,071
Excess (deficiency) of revenues over (under) expenditures	(1,229,696)	(203,411)	2,238,307	(2,919,009)	(4,846,640)
Other financing sources (uses):					
Transfers in	10,617,504	6,477,074	7,066,510	11,439,216	7,049,573
Transfers out	(9,610,404)	(5,469,974)	(6,056,410)	(10,249,116)	(5,794,473)
Proceeds of bonds/notes payable	246,889	-	-	2,777,000	-
Application of PERS credit	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	1,253,989	1,007,100	1,010,100	3,967,100	1,255,100
Extraordinary item	-	-	-	-	-
Net change in fund balances	\$ 24,293	\$ 803,689	\$ 3,248,407	\$ 1,048,091	\$ (3,591,540)
Debt service as a percentage of noncapital expenditures					
	11.38%	3.63%	3.78%	9.81%	3.07%

continued

2011	2012	2013	2014	2015
\$ 14,501,348	\$10,606,419	\$ 7,912,524	\$ 7,014,924	\$ 7,504,209
8,872,190	8,690,987	8,894,483	10,024,436	9,973,673
1,836,426	1,590,421	1,785,525	2,565,666	3,462,444
5,168,580	5,346,891	4,372,353	4,564,832	4,716,765
7,538,955	7,593,133	8,192,632	8,846,884	8,380,908
2,155,826	1,719,687	1,443,083	4,010,100	1,676,227
346,633	341,324	343,242	335,119	343,975
347,789	434,077	436,309	541,614	650,579
1,818,860	1,854,032	1,874,907	1,954,643	1,962,772
703,294	755,099	745,357	712,606	651,867
<u>43,289,901</u>	<u>38,932,070</u>	<u>36,000,415</u>	<u>40,570,824</u>	<u>39,323,419</u>
1,583,604	1,912,520	1,616,804	1,794,755	2,009,006
17,671,791	17,915,253	18,359,153	19,066,747	20,177,207
3,489,834	3,256,434	2,770,200	3,204,836	3,513,848
6,676,584	5,962,047	5,920,061	6,154,655	6,650,031
2,302,983	2,401,722	2,318,189	2,560,054	2,553,751
1,950,264	1,155,260	1,258,648	1,337,337	3,667,258
558,270	540,001	270,000	290,000	305,000
816,394	677,465	832,013	462,412	441,588
6,374,747	4,097,695	-	-	-
-	1,262,696	-	-	-
-	-	1,150,000	-	-
<u>41,424,471</u>	<u>39,181,093</u>	<u>34,495,068</u>	<u>34,870,796</u>	<u>39,317,689</u>
1,865,430	(249,023)	1,505,347	5,700,028	5,730
4,507,692	3,889,699	5,095,388	3,992,816	4,636,321
(3,432,592)	(2,833,854)	(3,950,288)	(2,847,716)	(3,491,221)
-	-	-	-	-
-	-	-	-	-
-	800	-	-	-
<u>1,075,100</u>	<u>1,056,645</u>	<u>1,145,100</u>	<u>1,145,100</u>	<u>1,145,100</u>
-	(1,881,404)	-	-	-
<u>\$ 2,940,530</u>	<u>\$ (1,073,782)</u>	<u>\$ 2,650,447</u>	<u>\$ 6,845,128</u>	<u>\$ 1,150,830</u>
3.48%	3.20%	3.32%	2.24%	2.09%

City of La Verne
 General Governmental Tax Revenues By Source
 Last Ten Fiscal Years

Fiscal Year	Property Taxes	General Sales Taxes	Utility Users Tax	Proposition A, C Measure R Sales Taxes	Proposition 172 Sales Taxes	Franchise Taxes	Park Development Taxes
2005-06	\$ 11,836,865	\$ 3,629,695	\$ 3,152,236	\$ 997,093	\$ 316,280	\$ 476,554	\$ 80,150
2006-07	12,887,626	3,899,793	3,521,541	981,337	320,983	627,844	123,657
2007-08	14,157,966	4,255,219	3,572,988	975,041	316,800	395,765	22,080
2008-09	15,060,879	3,957,852	3,379,051	884,736	287,360	742,578	314,123
2009-10	14,714,919	3,095,132	3,224,458	792,479	266,416	512,056	13,361
2010-11	14,501,348	3,457,066	3,156,997	841,045	278,525	553,197	585,360
2011-12	10,606,419	3,803,845	3,047,987	910,670	300,374	578,637	49,474
2012-13	7,912,524	3,885,736	3,098,144	963,038	324,178	608,852	14,535
2013-14	7,014,924	3,828,720	2,986,793	1,332,319	338,186	625,996	912,422
2014-15	7,504,209	4,032,563	3,087,586	1,390,203	355,210	659,511	448,559
Change 2006-2015	-36.6%	11.1%	-2.1%	39.4%	12.3%	38.4%	459.6%

City of La Verne
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	La Verne Redevelopment Agency ¹	City	Total	Total Direct Tax Rate
2005-06	\$ 727,960,001	\$ 1,998,645,817	\$ 2,726,605,818	0.4041%
2006-07	823,768,628	2,115,163,586	2,938,932,214	0.4099%
2007-08	935,111,524	2,241,629,667	3,176,741,191	0.4194%
2008-09	978,238,653	2,318,595,709	3,296,834,362	0.4223%
2009-10	989,509,283	2,244,865,580	3,234,374,863	0.4300%
2010-11	994,399,021	2,241,971,056	3,236,370,077	0.4309%
2011-12	1,011,273,422	2,279,380,049	3,290,653,471	0.4307%
2012-13	1,065,373,015	2,302,303,616	3,367,676,631	0.2144%
2013-14	1,079,049,767	2,361,863,116	3,440,912,883	0.1972%
2014-15	1,138,730,332	2,470,644,646	3,609,374,978	0.1974%

1. Excludes base year valuation of \$193,906,743 for past five years; and \$185,836,946 for 2008-09 and prior years.

Source: H&L Companies

City of La Verne
 Direct and Overlapping Property Tax Rates
 (Rate per \$100 of Assessed Valuation)
 Last Ten Fiscal Years
 (Tax Rate Area 5044)

Fiscal Year	General	Los Angeles County	School District	Metro Water District	Community College District	Co. Flood Control District	Total Direct Rate
2005-06	1.0000	0.000795	0.039553	0.005200	0.021216	0.000049	1.066813
2006-07	1.0000	0.000663	0.036098	0.004700	0.021838	0.000052	1.063351
2007-08	1.0000	-	0.031573	0.004500	0.017501	-	1.053574
2008-09	1.0000	-	0.040414	0.004300	0.023326	-	1.068040
2009-10	1.0000	-	0.076144	0.004300	0.025710	-	1.106154
2010-11	1.0000	-	0.074268	0.003700	0.026363	-	1.104331
2011-12	1.0000	-	0.091659	0.003700	0.026415	-	1.121774
2012-13	1.0000	-	0.082513	0.003500	0.028957	-	1.114970
2013-14	1.0000	-	0.080526	0.003500	0.020231	-	1.104257
2014-15	1.0000	-	0.092597	0.003500	0.021294	-	1.117391

NOTE: The City of La Verne had approximately 100 tax rate areas during the year ended June 30, 2015. The tax rates in these areas vary from 1.11% to 1.13% of assessed valuation. Tax Rate Area 5044 is one of the largest representing 25% of the total assessed valuation.

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

Source: HdL Companies

City of La Verne
Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	2015		2005	
	Taxable Assessed Value	Percentage of Total Assessed Valuation	Taxable Assessed Value	Percentage of Total Assessed Valuation
PKI La Verne Town Center LP	\$ 47,593,600	1.32%	\$ -	-
WNRA Monte Vista LLC	39,453,335	1.09%	-	-
La Verne Commons LLC	23,456,728	0.65%	-	-
La Verne Courtyard LLC	18,499,350	0.51%	13,539,396	0.54%
Hsientien La Verne Inv. LLC	17,521,215	0.49%	-	-
Thomas & Mary Redfern Trust	15,349,123	0.43%	-	-
La Verne Partners LLP	14,402,103	0.42%	11,286,082	0.45%
La Verne Village LLC	14,316,044	0.40%	-	-
Gateway Pointe LLC	14,074,244	0.39%	12,134,711	0.48%
Kohls Department Stores Inc.	14,010,631	0.39%	11,101,872	0.44%
Arch Street III LP	-	-	21,073,634	0.84%
Pan Pacific Retail Properties	-	-	20,169,213	0.80%
Sierra La Verne Country Club Inc.	-	-	15,833,772	0.63%
La Verne Cp Acq LLC	-	-	11,086,926	0.44%
Edwards Theatres Circuit	-	-	9,945,025	0.39%
La Verne Butterfield LLC	-	-	7,824,117	0.31%
	<u>\$ 218,676,373</u>	<u>6.09%</u>	<u>\$ 133,994,748</u>	<u>5.32%</u>

The amounts shown above include assessed value data for both the City and Redevelopment Agency.

Source: Los Angeles County Assessor's Office

City of La Verne
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2005-06	\$ 3,119,486	\$ 3,042,683	97.54%	\$ 738,915	\$3,781,598	121.23%
2006-07	3,712,665	3,581,280	96.46%	625,515	4,206,795	113.31%
2007-08	3,942,117	3,815,227	96.78%	455,646	4,270,873	108.34%
2008-09	4,067,009	3,849,836	94.66%	891,514	4,741,350	116.58%
2009-10	3,926,977	3,779,649	96.25%	564,183	4,343,832	110.62%
2010-11	3,926,930	3,889,481	99.05%	486,313	4,375,794	111.43%
2011-12	4,007,213	3,988,412	99.53%	2,070,938	6,059,350	151.21%
2012-13	4,298,250	4,280,675	99.59%	3,631,849	7,912,524	184.09%
2013-14	4,389,168	4,367,379	99.51%	2,647,545	7,014,924	159.83%
2014-15	4,568,284	4,463,385	97.71%	3,040,824	7,504,209	164%

NOTE: The amounts collected by the Redevelopment Agency include monies that were passed-through to other agencies. Current tax levies are the original charge as provided by the County of Los Angeles. Current tax collections do not include supplemental tax roll SB813, aircraft tax or other property taxes.

Source: Los Angeles Auditor controller's Office and City Finance Division

La Verne Redevelopment Agency						
Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2005-06	\$ 7,495,332	\$ 7,367,911	98.30%	\$ 687,356	\$8,055,267	107.47%
2006-07	8,236,775	7,943,546	96.44%	737,285	8,680,831	105.39%
2007-08	9,428,224	9,156,691	97.12%	730,402	9,887,093	104.87%
2008-09	10,019,765	9,619,976	96.01%	699,553	10,319,529	102.99%
2009-10	10,078,645	9,807,529	97.31%	563,558	10,371,087	102.90%
2010-11	9,991,773	9,787,941	97.96%	337,613	10,125,554	101.34%
2011-12	N/A					
2013-13	N/A					
2013-14	N/A					
2014-15	N/A					

1. State legislation resulted in the Redevelopment Agency being dissolved on February 1, 2012.

City of La Verne
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities					
Fiscal Year	Certificates of Participation and Lease Agreement	Revenue Bonds	Pension Bonds ¹	Notes Payable	Total
2005-06	\$ 3,305,000	\$ 8,110,000	\$ 8,380,000	\$ 3,717,127	\$ 23,512,127
2006-07	3,125,000	7,925,000	8,155,000	3,639,471	22,844,471
2007-08	2,935,000	7,730,000	7,855,000	3,170,675	21,690,675
2008-09	2,777,000	7,525,000	7,515,000	3,106,155	20,923,155
2009-10	2,567,000	7,305,000	7,135,000	3,151,355	20,158,355
2010-11	2,338,000	7,070,000	6,705,000	3,035,280	19,148,280
2011-12	-	6,820,000	6,225,000	-	13,045,000
2012-13	-	6,550,000	5,690,000	-	12,240,000
2013-14	-	6,260,000	5,095,000	-	11,355,000
2014-15	-	5,955,000	4,435,000	-	10,390,000

1. The City issued \$8,380,000 of pension bonds in 2006.
2. These ratios are calculated using personal income and population for the prior calendar year.
3. State legislation resulted in the Redevelopment Agency being dissolved on February 1, 2012. Liabilities of the former Redevelopment Agency have been transferred to the Successor Agency in a private-purpose trust fund.

N/A – Information was not available

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

continued

<u>Business-type Activities</u>					
Capital Lease - Water Rights	Total	Total Primary Government	Percentage of Personal Income ²	Debt Per Capita ²	
\$ 5,737,497	\$ 5,737,497	\$ 29,249,624	2.55%	\$ 878	
5,095,191	5,095,191	27,939,662	2.24%	\$ 835	
4,439,910	4,439,910	26,130,585	1.95%	\$ 768	
3,758,677	3,758,677	24,681,832	1.75%	\$ 726	
3,057,980	3,057,980	23,216,335	1.71%	\$ 682	
2,327,006	2,327,006	21,475,286	1.65%	\$ 689	
1,576,568	1,576,568	14,621,568	1.09%	\$ 465	
800,179	800,179	13,040,179	0.89%	\$ 407	
-	-	11,355,000	0.76%	\$ 352	
-	-	10,390,000	0.64%	\$ 314	

City of La Verne
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Outstanding General Bonded Debt			Percent of Assessed Value ¹	Debt Per Capita ²
	Certificates of Participation and Lease Agreement	Pension Bonds	Total		
2005-06	\$ 3,305,000	\$ 8,380,000	\$ 11,685,000	0.43%	\$ 351
2006-07	3,125,000	8,155,000	11,280,000	0.38%	337
2007-08	2,935,000	7,855,000	10,790,000	0.34%	317
2008-09	2,777,000	7,515,000	10,292,000	0.31%	303
2009-10	2,567,000	7,135,000	9,702,000	0.30%	285
2010-11	2,338,000	6,705,000	9,043,000	0.28%	290
2011-12	-	6,225,000	6,225,000	0.19%	198
2012-13	-	5,690,000	5,690,000	0.16%	158
2013-14	-	5,095,000	5,095,000	0.15%	158
2014-15	-	4,435,000	4,435,000	0.12%	134

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

1. Assessed value has been used because the actual value of taxable property is not readily available in the State of California.
2. These ratios are calculated using population data for the prior calendar year.
3. State legislation resulted in the Redevelopment Agency being dissolved in February 1, 2012. Liabilities of the former Redevelopment Agency have been transferred to the Successor Agency in a private-purpose trust fund.

City of La Verne
Direct and Overlapping Debt
June 30, 2015

City Assessed Valuation	\$ 2,470,644,646
Redevelopment Agency Incremental Valuation	<u>1,138,730,332</u>
Total Assessed Valuation	<u>\$ 3,609,374,978</u>

	Percentage Applicable ¹	Outstanding Debt 6/30/13 (in thousands)	City's Share of Overlapping Debt
Overlapping debt:			
Metropolitan Water District	0.126%	\$ 53,296	\$ 67,153
Citrus Community College District	0.262%	99,863	261,641
Mount San Antonio Community College District	4.375%	359,178	15,714,037
Bonita Unified School District	41.904%	127,572	53,457,771
Claremont Unified School District	1.135%	<u>30,700</u>	<u>348,445</u>
Total overlapping debt:		<u>670,609</u>	<u>69,849,047</u>
City of La Verne direct debt at 6/30/15			<u>10,390,000</u>
Total direct and overlapping debt			<u>\$ 80,239,047</u>

Notes:

- For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, within the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: HdL Companies

City of La Verne
 Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year			
	2006	2007	2008	2009
Debt limit	\$ 102,247,718	\$ 1,110,209,958	\$ 121,289,057	\$ 123,631,289
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 102,247,718	\$ 1,110,209,958	\$ 121,289,057	\$ 123,631,289
Total net debt applicable to limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value	\$ 3,609,374,978
Debt limit (3.75% of assessed value)	135,351,562
Debt applicable to limit:	
General obligation bonds	-
Legal debt margin	\$ 135,351,562

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 fiscal year 1981-82, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the stationary debt limit has not been amended by the State since this change, the percentages presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit of the State's establishment of the limit.

Source: City Finance Division
 Los Angeles County Assessor's Office

continued

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 121,289,057	\$ 121,363,878	\$ 123,399,505	\$ 126,287,874	\$ 129,034,233	\$ 135,351,562
-	-	-	-	-	-
<u>\$ 121,289,057</u>	<u>\$ 121,363,878</u>	<u>\$ 123,399,505</u>	<u>\$ 126,287,874</u>	<u>\$ 129,034,233</u>	<u>\$ 135,351,562</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

City of La Verne
Pledged-Revenue Coverage
Last Ten Fiscal Years
(in Thousands)

Fiscal Year	1996 Revenue Bonds						
	Available Tax Increment Revenue ¹	Mobile Home Park Revenues	Less Operating Expenses	Net Available Revenue	Debt Service ²		Coverage
					Principal	Interest	
2005-06	497	1,130	551	1,076	170	583	1.43
2006-07	500	1,150	517	1,133	185	572	1.50
2007-08	498	1,159	553	1,104	195	559	1.46
2008-09	496	1,155	521	1,130	205	547	1.50
2009-10	497	1,167	535	1,129	220	533	1.50
2010-11	496	1,165	509	1,152	235	517	1.53
2011-12	350	1,173	536	987	250	500	1.32
2012-13	350	1,220	563	1,007	270	482	1.34
2013-14	350	1,236	592	994	290	462	1.32
2014-15	350	1,336	616	1,070	305	441	1.43

Notes:

1. Property Tax Increment revenues available under the pledge indenture from the Low and Moderate Income Housing Fund are limited to approximately 66% of the bonds annual debt service costs.
2. Mobile Home Park Revenues consist of space rental income, utility income and other miscellaneous income.
3. State legislation resulted in the Redevelopment Agency being dissolved on February 1, 2012. The State Department of Finance is currently only recognizing the minimum annual pledge of \$350,000 and not the additional stand by portion as allowed in the bond indenture.
4. Details regarding the City's outstanding revenue bonds can be found in the notes to the financial statements.

City of La Verne
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands) ¹	Per Capita Personal Income ²	Unemployment Rate ³
2005	33,310	\$ 1,146,730	\$ 34,426	3.3%
2006	33,449	1,249,722	37,362	2.6%
2007	34,046	1,338,893	39,326	2.8%
2008	33,981	1,406,881	41,402	4.3%
2009	34,051	1,357,886	39,878	6.7%
2010	31,153	1,301,915	41,791	7.2%
2011	31,461	1,339,106	42,564	6.4%
2012	32,041	1,467,477	45,800	6.3%
2013	32,228	1,499,568	46,530	5.7%
2014	32,241	1,054,152	32,696	6.3%

Data was provided by HDL Companies

1. State Department of Finance
2. Bureau of Economic Analysis (data based on County averages)
3. State of California Employment Development Department

N/A – Information was not available

City of La Verne
Principal Employers
June 30, 2015

Employer	Number of Employees	Percent of Total Employment
Bonita Unified School District	939	6.08%
University of La Verne	500	3.24%
Metropolitan Water District	388	2.51%
Brethren Hillcrest Homes	275	1.80%
City of La Verne	236	1.54%
Target	200	1.30%
Kohls	140	0.90%
Vons	140	0.90%
Stater Brothers	78	0.50%
Paper Pak Industries	65	0.42%
	<u>2,961</u>	<u>19.19%</u>

“Total Employment” as used above represents the total labor force within the City limits.

Source: City Finance Division

The principal employer information 9 years ago was not available.

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City of La Verne
 Full-time City employees by Function
 Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General government	10	10	10	10	9
Public Safety:					
Fire	36	36	36	36	36
Police	67	71	71	67	66
Community development	3	3	3	2	2
Public works	36	36	38	39	40
Community services	13	13	13	13	12
Redevelopment agency/ Successor Agency	<u>7</u>	<u>7</u>	<u>7</u>	<u>8</u>	<u>9</u>
Total	<u>172</u>	<u>176</u>	<u>178</u>	<u>175</u>	<u>174</u>

Source: City Finance Division

continued

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
8	8	8	8	8
36	36	36	36	36
61	59	59	57	60
1	2	5	5	6
46	45	46	46	46
3	3	3	3	3
<u>8</u>	<u>6</u>	<u>2</u>	<u>2</u>	<u>2</u>
<u>163</u>	<u>159</u>	<u>159</u>	<u>157</u>	<u>161</u>

City of La Verne
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year				
	2006	2007	2008	2009	2010
Police					
Calls for service	16,099	16,974	16,295	17,541	17,615
Arrests	2,343	2,001	1,694	1,350	1,300
Fire					
Number of emergency calls	2,739	2,759	2,987	2,889	2,741
Inspections	548	570	629	791	794
Community services:					
Number of recreation classes	144	160	162	165	160
Number of facility rentals	359	355	383	380	270
Water:					
Mainline repairs	14	15	7	5	7
Average daily consumption (in thousand gallons)	7,820	8,740	8,951	8,035	8,150
Sewer:					
Sanitary lines cleaned (feet)	248,000	330,000	565,000	550,000	549,000
Storm lines cleaned (feet)	15,800	15,840	15,840	15,800	15,600
Community development:					
Building permits issued	490	428	377	434	326
Building permit valuations (in thousands)	22,406	19,045	24,445	22,695	11,471
General government:					
Business license contacts	2,100	2,200	2,250	2,200	2,200

Source: Various City Departments

continued

Fiscal Year				
2011	2012	2013	2014	2015
16,040	16,784	17,219	16,488	17,200
1,185	1,182	1,262	1,296	1,300
2,808	2,907	2,300	2,326	2,488
778	772	774	838	850
180	170	179	180	193
130	80	88	104	109
6	5	6	4	5
7,400	6,900	6,600	7,322	7,161
300,000	300,000	300,000	450,000	450,000
15,900	15,800	15,700	15,800	15,800
394	325	537	657	640
27,780	22,549	25,147	40,515	16,544
1,827	1,845	2,289	2,380	2,200

City of La Verne
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year				
	2006	2007	2008	2009	2010
Police:					
Police stations	1	1	1	1	1
Fire					
Fire Stations	2	3	3	3	3
Public works:					
Streets (miles)	98	98	98	98	98
Alleys (miles)	14	14	14	14	14
Sidewalks (miles)	205	205	205	205	205
Traffic signals	17	17	17	18	22
Parks	19	19	19	19	19
Community services:					
Community centers	2	2	2	2	2
Water:					
Water mains (miles)	140	140	140	140	140
Fire hydrants	1,080	1,080	1,080	1,080	1,080
Number of reservoirs	13	13	13	13	13
Maximum daily capacity (in thousands of gallons)	27,000	27,000	27,000	27,000	27,000
Sewer:					
Sanitary sewers (miles)	92	92	92	92	92
Storm sewers (miles)	19	19	19	19	19

Source: Various City Departments

continued

Fiscal Year				
2011	2012	2013	2014	2015
1	1	1	1	1
3	3	3	3	3
98	98	98	98	98
14	14	14	14	14
205	205	205	205	205
22	22	22	22	24
19	19	19	19	19
2	2	2	2	2
140	140	140	140	140
1,080	1,080	1,080	1,080	1,090
13	13	13	13	13
27,000	27,000	27,000	27,000	27,000
92	92	92	92	92
19	19	19	19	19

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