

# COMPEHENSIVE ANNUAL FINANCIAL REPORT

## YEAR ENDING

### JUNE 30, 2015

# **CITY OF LA CAÑADA FLINTRIDGE, CALIFORNIA**

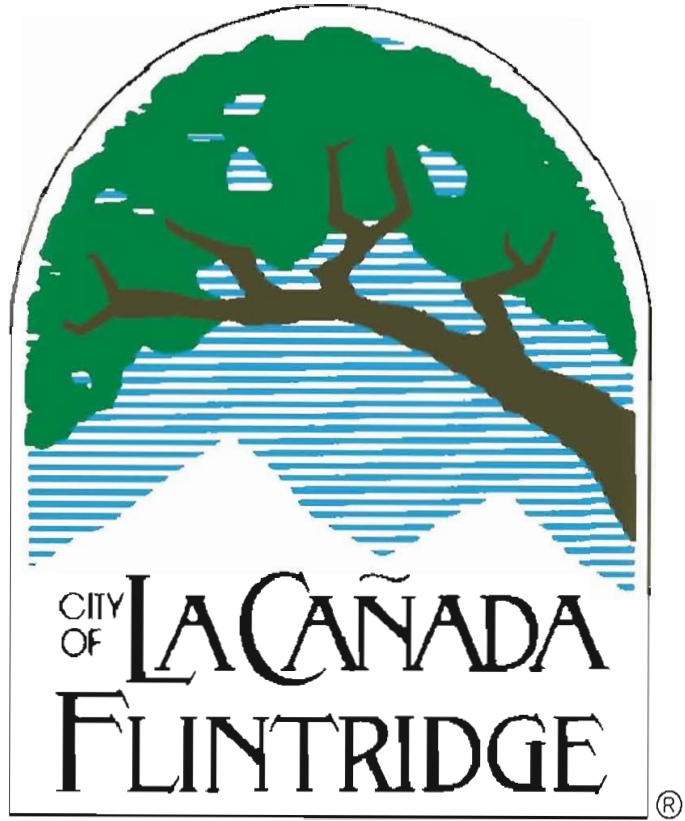
## **Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2015**



**Prepared by the City of La Cañada Flintridge Finance Department**

**Mark R. Alexander, City Manager**



CITY OF LA CAÑADA  
FLINTRIDGE

®

**CITY OF LA CAÑADA FLINTRIDGE**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2015**

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# INTRODUCTORY SECTION







## CITY COUNCIL

David A. Spence, Mayor  
Jonathan C. Curtis, Mayor Pro Tem  
Michael T. Davitt  
Leonard Pieroni  
Terry Walker

January 25, 2016

Honorable Mayor, Members of the City Council and Citizens of the  
City of La Cañada Flintridge, California:

The Comprehensive Annual Financial Report (CAFR) of the City of La Cañada Flintridge, California, for the fiscal year ended June 30, 2015 is submitted herewith. This report was prepared in accordance with Generally Accepted Accounting Principles (GAAP), as set forth in pronouncements of the Governmental Accounting Standards Board (GASB).

This report consists of management's representations concerning the finances of the City of La Cañada Flintridge. Consequently, management assumes full responsibility for completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control framework is designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. We assert that, to the best of our knowledge and belief, this report is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and account groups. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

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

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 is designed to complement the MD&A and should be read in conjunction with it. The City of La Cañada Flintridge's MD&A can be found immediately following the independent auditor's report.

The financial reporting entity (the City) includes all of the funds of the City of La Cañada Flintridge, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.



## **Profile of the City of La Cañada Flintridge**

The City of La Cañada Flintridge was incorporated on November 30, 1976, as a “General Law” city with a Council-Manager form of government. A five-member City Council is elected at-large to serve staggered four-year terms. In March of each year, the City Council selects one of its members to serve as Mayor, and one to serve as Mayor Pro Tem. The City Council is responsible for, among other things, setting the City’s policies and priorities, passing ordinances, and adopting the budget, as well as appointing the City Manager, City Treasurer, City Attorney, and the members of City committees. The City Manager is responsible for carrying out the policies and ordinances of the City Council and for overseeing the day-to-day operations of the City.

The City provides a full range of services including land use and zoning review; the construction and maintenance of streets, parks, and other infrastructure; recreational activities and cultural events; oversees contractual services provided by Los Angeles County or other private vendors including law enforcement, fire protection, animal control, road maintenance, traffic signal maintenance, legal services, building and safety inspection, recreation programs, human services, parks and landscape maintenance.

The annual budget serves as the foundation of the City of La Cañada Flintridge’s financial planning and control. All departments and contractors submit requests for appropriations to the City Manager. These requests, in conjunction with revenue trend analysis, are the starting point for developing a preliminary budget, which is presented to the City Council for consideration and review. Budget hearings are held and the City Council adopts the final fiscal year budget effective July 1. Budget appropriations are prepared by fund, department, and program. Budget to actual comparisons are provided in this report for each individual governmental fund type. In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the budget approved by the City Council. The City Council approves operating appropriations at the department and fund level and may amend or supplement the budget during the fiscal year by motion. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed appropriated amounts) is at the fund level. Operating appropriations lapse at the end of each fiscal year unless they are encumbered at year-end or are re-appropriated through the formal budget process.

The voters of California, during a special election in 1979, approved Article XIII-B of the California State Constitution. Informally known as the “Gann Initiative,” Article XIII-B provides limits regarding the total amount of appropriations in any fiscal year from the “proceeds of taxes.”

The State Legislature, in 1980, added Section 9710 to the Government Code providing that the governing body of each local jurisdiction must establish, by resolution, an appropriations limit for the following year. The appropriations limit for any fiscal year is equal to the previous year’s limit, adjusted for city or county population changes, whichever is greater, and the change in California per capita income or the growth in non-residential assessed valuation due to new construction within the City, whichever is greater.

The Appropriations Limit and the City’s Appropriations Subject to the Limit for the FY 2014-15 amounted to \$17,684,601 and \$9,304,475 respectively. The City’s appropriations consistently remain far below the appropriations limit and are not expected to approach it in the near future.

## **Factors Affecting Financial Condition**

Information presented is perhaps best understood when considered from the broader perspective of the environment within which the City of La Cañada Flintridge operates.

## **Local economy**

The City is located in the northern portion of the Los Angeles County basin, nestled against the foothills of the San Gabriel Mountains, approximately 13 miles north of downtown Los Angeles. The City encompasses 8.5 square miles. Neighboring cities include Glendale, Pasadena, and the unincorporated communities of La Crescenta and Altadena. In addition, the northern City boundary borders the Angeles National Forest.

The City prides itself on being a semi-rural community with tree-lined streets, custom residential estate development, abundant streams, waterways, and undeveloped hillside properties acquired by the City to remain as permanent open-space dedicated as recreational trails and wildlife nature preserves.

The State of California estimated the City's population to be 20,544 as of 2014, a slight (0.04%) increase over the previous year and less than 2005 population of 21,455. Per capita personal income in 2014 was \$76,043, an increase of 2.1% over 2013. The median age of La Cañada Flintridge residents in 2014 was 44.6, compared to 45.9 in 2013.

The City has approximately 7,100 housing units. The median sales price of a single family residential home in 2014 was \$1,295,000, an increase of 8.3% over the median sales price of \$1,195,500 in 2013.

The local economy remains stable despite the uncertain regional and statewide economic climate. The unemployment rate among the City's residents was estimated at 4.4% in 2014, which is higher than the 2.0% estimated in 2005 but lower than the average rate during the years following the "Great Recession" of 2007 and 2008. Major employers located in this City's largely residential community include: NASA's Jet Propulsion Laboratory, the La Cañada Unified School District, Ralph's Grocery Company, La Cañada Flintridge Country Club, Ross Stores, Inc., Trader Joe's, and Gelsons. The City's largest private employer is the locally based Sports Chalet, Inc.

Property tax, local retail sales tax, and development-related fees continue to be among the City's major revenue sources. The economic outlook for the community is one of cautious optimism given the uncertainty of California's economy and the real estate market. While the City is somewhat dependent on a strong economy and stable fiscal situation at the State level, it has avoided an over-dependence on State or Federal subventions. This, combined with the City's history of maintaining strong reserves and a conservative approach toward spending, has provided a measure of stability in the City's fiscal environment.

## **Long-term financial planning**

During FY 2014-15, the City performed a 5-year General Fund financial projection as a planning tool to assist in guiding the annual budget process. In addition, the City adopted a Five-Year Capital Improvement Plan (CIP) to serve as a primary long-term financial planning tool to assist in guiding future capital investments in roads, parks, trails, and other capital assets and infrastructure. Specific projects included within the CIP, which spans the timeframe from FY 2014-15 to FY 2018-19, include the annual Citywide Street Resurfacing Program, the Woodleigh Lane Improvement project, the Foothill "Link" (which includes a bikeway and wall landscaping) project, and the construction of Soundwalls along the Route 210 Freeway.

## **Cash and investment management policies and practices**

In accordance with State Government Code and the City's Investment Policy, which is adopted annually

by the City Council, the City Treasurer is responsible for investing available cash. The cash management system of the City is designed to invest public funds in a manner that provides an optimal combination of security and investment return while meeting the City's daily cash flow demands. The criteria for selecting investments are, in order of priority: (a) safety (b) liquidity and (c) yield. The City Treasurer presents a monthly report of investments to the City Council. All interest income is apportioned to the City's individual funds on a pro rata basis. The yield on the entire investment portfolio for the year was 1.19%.

Idle cash during the year is invested in two investment pools: 1) the California Local Agency Investment Fund (LAIF) pool, administered by the State Treasurer; and 2) the California Asset Management Program (CAMP), which is a California Joint Powers Authority that provides investment services to California public agencies. The average yield for the year in LAIF was 0.27%; in CAMP, the average yield was 0.06%.

The City's longer-term investments include securities; specifically, corporate notes, obligations of agencies of the U.S. Government, and obligations of U.S. Government sponsored enterprises. These investments are laddered with maturities up to five years. For the year, the yield on the City's securities holdings was 1.21%.

Investment returns, as measured in the financial statements, include changes in the fair value of the City's securities. Increases and decreases in the fair value of investments do not necessarily represent trends that will continue. While the City of La Cañada Flintridge intends to hold these investments to maturity, the sale of individual securities prior to maturity, for purposes of portfolio optimization, may be appropriate from time-to-time.

### **Risk management**

The City is a member of the California Joint Powers Insurance Authority (CJPIA). The CJPIA is a consortium of approximately 120 cities and other public agencies throughout California established under the provisions of the California Government Code Section 6500. The CJPIA provides risk coverage for its members through self-insurance, the pooling of risks, and purchase of excess insurance. This coverage extends to workers compensation, property, general liability, errors and omissions and vehicle liability. The CJPIA is governed by a Board consisting of one representative appointed by each member agency. The Board elects officers that meet monthly to supervise and conduct affairs. They maintain a staff, headed by a general manager, to implement the policies of the Board. The City has continued to participate in the voluntary CJPIA Risk Management Evaluation program, ADA Transition Plan Implementation, reviewing all facilities and operational policies for safety and compliance with applicable laws.

### **Major initiatives, current year projects**

#### Planning and Development

The number of discretionary Planning cases reviewed continued its upward trend since the 2009 low point, and reached 294 cases during FY 2014-15. The commercial vacancy rate displayed somewhat of a steady decline from January 2014 to October 2015. The trend showed slightly increased numbers during the initial months of each year. However, these vacant spaces tended to get occupied mid-year with the rate experiencing a corresponding drop by the end of the cycle. The adjusted commercial vacancy rate for January 2014 was at 4.4% which gradually fell to 2.8% as of October 2015.

The City continued its efforts to enhance customer service. During FY 2014-15, this included continued expansion of Building & Safety counter hours to provide residents and others additional opportunities to complete their required permitting and plan checks as efficiently as possible.

The City continued its "Mills Act" program for residents interested in preserving their historic residences. The Mills Act reduces the amount of property taxes collected on contracted properties in return for preserving the properties in accordance with state and federal regulations. Houses are considered on an individual basis and must meet standards established by the Federal Government. Five houses were approved for contracts during FY 2014-15. Recently, the City Council increased the limit for foregone taxes from \$10,000 to \$20,000, and, in so doing, increased potential project participation.

The City's Community Development Block Grant program continued during the year. The amount of overall funding declined as the federal government continues to reduce the CDBG's program's budget. The City has two program areas: residential rehabilitation and sewer connection subsidies. Both programs provide grants to lower income households of up to \$15,000 and \$12,000, respectively. The program was able to help two households with rehabilitation and three households with sewer connections. In total, over \$60,000 was spent locally on the program.

Finally, toward the end of the fiscal year, the City reviewed and approved the installation of a hydrogen fueling station as an accessory use at the local Arco station. It is a welcomed development that will provide local residents with a transportation fueling alternative. In the short term, it will bring fuel cell drivers from considerable distances into the City regularly to fill up, and could also create a positive spillover effect for nearby businesses as those drivers pass through town.

#### Infrastructure Improvements/Public Works

The City's Public Works Department was very active during the fiscal year in carrying out its responsibilities for the planning, design, and construction of capital projects. Among the construction projects completed during FY 2014-15 are the following: I-210 Freeway Soundwalls (Phase I); Caltrans Overpass Parking Lot Improvements; Lanterman House Trellis Replacement; Oak Grove Bus Shelter Lighting; and Signal Timing Improvements for the Angeles Crest Highway/Foothill Boulevard/ Chevy Chase Drive Traffic Signals per Operations Study. In addition, the City completed multiple projects addressing annual infrastructure maintenance needs, including 2.73 lane miles of streets resurfaced citywide, concrete sidewalk and curb/gutter repairs, and storm drain refurbishments.

Projects commencing construction during FY 2014-15 included the following: Improvements of Woodleigh Lane, between Berkshire Avenue and Foothill Boulevard; Slurry Seal Program within Sewer Assessment District 04-1 for private street/driveway easements; Traffic Signal Improvements at Foothill Boulevard & Cornishon Avenue; and Cerro Negro Trail Repairs.

Projects under design during FY 2014-15 include the following: Conceptual design for the Foothill Blvd. Link Bikeway & Pedestrian Greenbelt Project; Padres Trail Drainage Basin Improvements; City Hall Access Improvements; and City Monument Sign at Hwy 2 & Foothill Boulevard.

Finally, the City also adopted a five year Capital Improvements Plan (CIP), consistent with the General Plan, to plan and prioritize improvements and repairs to the City's roadways, drainage facilities, trails, and recreational play fields.

#### Public Safety

The City Council continued to emphasize public safety services as a major priority. Through contract services with the Los Angeles County Sheriff's Department, the City maintained its safe and low-crime environment through sustained levels of service delivery as well as increased burglary suppression patrols. In addition, the City has continued to work with the both the County of Los Angeles Fire Department and

Sheriff's Department to maintain residential and commercial evacuation plans and notification of brush and vegetation clearance requirements. The City continues this work because the threat of catastrophic wildland fire events remains present due to the City's urban interface with the Angeles National Forest. While the threat of a debris and mudflow event has lowered, it is still possible due to the hillsides that were burned in the "Station Fire" in 2009. As such, the City continues to emphasize its disaster-preparedness activities by maintaining the City's mass notification system "Alert LCF." In addition, the City has increased its communication capabilities during a disaster with other nearby cities. Finally, the City continues to recruit and train individuals for the City's Volunteer Emergency Response Team (VERT). Looking ahead to FY 2015-16, the City will continue to partner with the Fire Department to train additional volunteers.

### Transportation

During FY 2014-15, the City continued to work closely with the cities of Burbank, Glendale, Pasadena, and South Pasadena through the five-member subregion, the Arroyo Verdugo Steering Committee, primarily on transportation issues. Three of those cities (Burbank, Glendale and La Cañada Flintridge) share the Metro "Arroyo Verdugo Cities" Subregional Measure R Highway Operational Improvement Funds on a per capita basis.

The City of La Cañada Flintridge has spent and will continue to spend its allocation of Measure R funds on the design and construction of soundwalls along the I-210 freeway. The City's initial 5-year allocation of these funds was \$4.588 million, which was fully committed to the design and construction of soundwalls. Construction began in FY 2013-14 and was completed in October, 2014. During FY2014-15, the City requested that the Los Angeles County Metropolitan Transportation Authority (Metro) also allocate additional, accelerated Measure R funds so that the City could continue the soundwall project. An additional \$1.8 million was programmed by Metro for this project. The City and Metro will have a formal funding agreement for these funds in FY2015-16.

In addition, members of the City Council and City staff have continued to attend many regional transportation meetings regarding the proposed extension of the SR-710 Freeway. The City Council, in Resolution 10-12, has opposed this extension. The Draft Environmental Impact Report (DEIR/DEIS) for the proposed SR-710 Freeway extension project was released by Metro and Caltrans in February of 2015. The "5-Cities Alliance" (comprised of the cities of Glendale, Pasadena, Sierra Madre, South Pasadena and La Cañada Flintridge) jointly hired an attorney and consultants for the analysis of and comments on the DEIR/DEIS. The City also wrote its own comment letter using its own special counsel regarding issues particular to La Cañada Flintridge. Also, a policy group was formed in FY2014-15, called the "C-3" (Connected Cities and Communities). This group enables the elected officials of the 5-City Alliance, along with additional cities and non-profits, to participate in communicating the message of opposition to the proposed SR-710 "tunnel" alternative as well as researching ideas for a better solution to regional traffic congestion.

Also during FY 2014-15, the City continued to operate fixed route transit shuttle services under contract with the City of Glendale. The City extended its contractual arrangement for Dial-A-Ride service for seniors and the disabled. The "Summer Beach Bus," a recreational transit program with daily trips to the Santa Monica Pier, has significantly grown in popularity. The City continued to operate the "LCF Express Shuttle (Route 33)" and its fixed-route line "Routes 33/34", which has allowed for better service during peak usage times. The City purchased two additional shuttle buses to maintain a robust route schedule with room to potentially expand in the future. The new route (Route 34) and schedule have aligned with the hours for both JPL and La Cañada High School during arrival, departure times, and the lunch hour. The increased service during the lunch hour allows shuttle users easier access to the shops and restaurants along Foothill Blvd. Additionally, the restructured route now expands service into the Montrose area of

Glendale, allowing riders to connect to the Los Angeles METRO system.

### Recreation and Open Space

The City continued its efforts to enhance recreational opportunities for the residents and families of the community. La Cañada Flintridge is attractive to families seeking to take advantage of the excellent public school system and safe neighborhoods. In order to accommodate the demand from families for recreational facilities and sports play fields, the City Council has actively pursued the acquisition of open space and the identification of potential sites for parks, sports play fields, and trails.

With the focus on providing improved recreational facilities, the City continued to maintain and/or improve the LCHS Tennis Courts, FIS Tennis Courts, and City Skate Park. At the LCHS JV/Varsity Baseball Fields the City replaced the lighting control cabinet which was near failure, replacing it with a cabinet connected to the City's remotely operated "CalSense System". This will allow the City to be more responsive to the scheduling needs of users while being better able to manage the field's usage during down times.

With respect to trails, the City continued to improve important trail segments, keeping its commitment to maintain and improve the trail system for a variety of users. A centerpiece of this effort during FY 2014-15 commenced with the Cerro Negro Trail Repair Project. The project will restore an eroded section of the trail and construct a retaining wall to prevent future erosion.

### Lanternman Auditorium

The City continued to manage the Lanternman Auditorium through a Joint Use Agreement with the La Cañada Unified School District. The Lanternman Auditorium has been a successful joint use venture providing local community groups with the opportunity to utilize this significant, school district-owned community resource. The City has continued its efforts to renovate the Auditorium in order to improve the overall experience for users. Use of the facility has expanded greatly. During FY 2014-15, the City continued the installation of an LED lighting system adding capacity to remotely control the lighting board installed in the previous fiscal year. The newly automated lighting greatly enhances the effects available for productions held in the Auditorium while reducing staff costs to users by automating the process.

### Youth Council

The Youth Council worked hard in FY 2014-15 to improve the lives of youth in the community, with the focus this year being on issues of social justice. Specifically, issues facing the Lesbian, Gay, Bisexual, and Transgender (LGBT) youth community, including acceptance and homelessness, were highlighted. With that in mind, the Youth Council hosted its first Beyond the Rainbow Run. The event invited community youths, not-for-profit organizations and the public to participate in a 5K charity run to raise awareness for LGBT youth facing homelessness. The event included free food and music at the FIS lower fields, and the \$500 raised at the event will be donated to a not-for-profit organization dedicated to the LGBT Youth Community cause.

## **OTHER INFORMATION**

### Acknowledgments

The preparation of this report could not have been accomplished without the dedicated services of the entire city staff. I would like to express my appreciation to all of the employees who assisted and contributed to the preparation of this report, particularly to the members of the Finance Department. Due

credit should also be given to the Mayor and members of the City Council for their support and direction to staff in the planning and conducting of the operations of the City to ensure that services and programs continue to be provided to residents in a manner that is responsive, efficient, and in the best interests of the citizens of La Cañada Flintridge.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mark R. Alexander", written in a cursive style.

Mark R. Alexander  
City Manager

# **DIRECTORY OF CITY OFFICIALS**

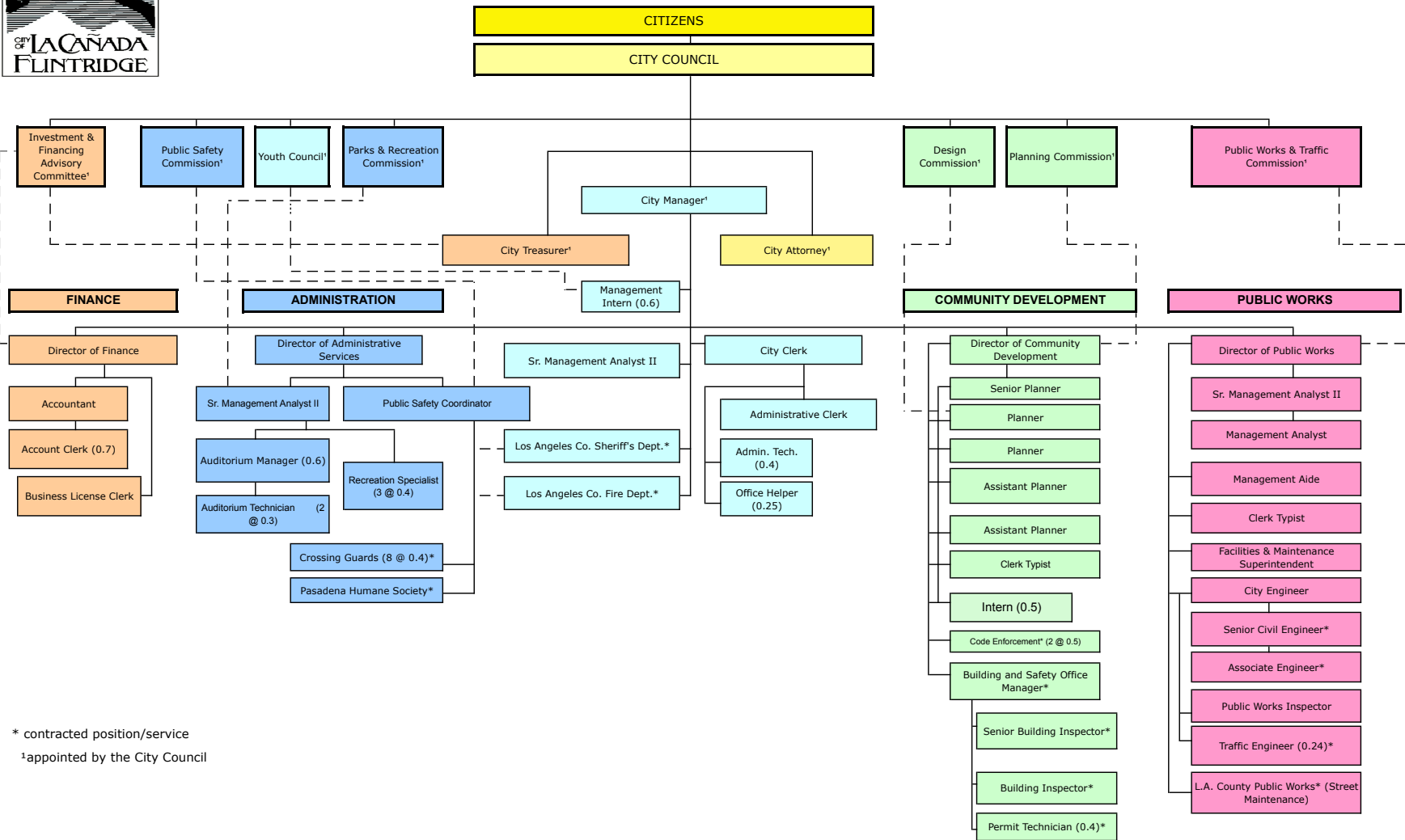
## **CITY COUNCIL**

David A. Spence, Mayor  
Jonathan C. Curtis, Mayor Pro Tem  
Michael T. Davitt, Councilmember  
Leonard Pieroni, Councilmember  
Terry Walker, Councilmember

## **CITY MANAGEMENT STAFF**

Mark R. Alexander, City Manager  
Mark W. Steres, City Attorney  
Jeffrey Wang, City Treasurer  
Tania Moreno, City Clerk  
Carl Alameda, Director of Administrative Services  
Edward Hitti, Director of Public Works  
Daniel Jordan, Director of Finance  
Kris Markarian, City Engineer  
Robert J. Stanley, Director of Community Development





\* contracted position/service  
<sup>1</sup>appointed by the City Council

Finance/Accounting; Payroll; Purchasing; Comprehensive Annual Financial Report; Budget, Assessment District Financing; Investments; GASB Compliance; Grants Administration; Long-Range Financial Planning; Business Licenses; Staff Support to: Investment & Financing Advisory Committee

Personnel Supervision; Transportation; Cable Franchise; City Cable Channel; Information Technology; Film Permits; Risk Management; Insurance; Bonds & Grants; Skatepark; Lanterman Auditorium; Park Reservation Permits; Music-in-the-Park; Emergency Preparedness; VERT; Carline Courtesy Program; Parking Citation Reviews; Crossing Guards; Animal Control; Staff Support to: Public Safety Commission, Parks & Recreation Commission

Legislation; Special Events; Personnel/Benefits Administration; Joint Use Committee Activities; Youth Activities/Senior Activities; Law Enforcement; Fire Protection; Staff Support to: City Council, Youth Council & Ad Hoc Committees

City Council Meeting Preparation; Records Management; Public Records Act Requests; Elections; Boards & Commissions; FPPC Filing Officer; Municipal Code Updates; Website Maintenance; Receptionist

General Land Use; Zoning; Code/Sign Enforcement; Environmental Review; Design Review; Tree Permits; Horse/Animal Keeping Permits; Building & Safety; Staff Support to: Planning Commission & Design Commission

Street Maint/Improvements; Landscape/Tree Maintenance; Civil & Traffic Engineering; Street/Traffic Lighting; Street Sweeping; Capital Projects; Parks & Facilities Maintenance; Lanterman House; Solid Waste Management; Recycling; Sewer Construction; Sewer System Management; Staff Support to Public Works & Traffic Commission

# Location Map





Government Finance Officers Association

**Certificate of  
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**City of La Canada Flintridge  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# FINANCIAL SECTION







# MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

## **PARTNERS**

RONALD A LEVY, CPA  
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FAX: 310.670.1689  
www.mlhcpas.com

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and City Council  
City of La Cañada Flintridge  
La Cañada Flintridge, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of La Cañada Flintridge, California (City), as of and for the fiscal 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.

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, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matters**

### *Change in Accounting Principles*

As discussed in note 1 to the basic financial statements effective July 1, 2014, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the city's proportionate share of the net pension liability, schedule of contributions, schedule of funding progress-other postemployment benefits, and budgetary comparison information on pages 4 through 12 and 48 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, major capital projects and debt service 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 schedules, and major capital projects and debt service 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 non-major fund financial statements

and schedules, and major capital projects and debt service 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Moss, Levy & Hartzheim, LLP  
Culver City, California  
January 25, 2016





CITY OF LA CAÑADA  
FLINTRIDGE

## **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015 (Unaudited)**

As management, we offer this overview and analysis of the City of La Cañada Flintridge's (City) financial activities for the fiscal year ended June 30, 2015. Please consider the narrative presented here in conjunction with information furnished in our letter of transmittal as well as the accompanying basic financial statements.

### **Financial Highlights**

The City's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$82,091,209 (*net position*) at the close of this fiscal year. Of this amount, \$53,125,809, 64.7%, is net invested in capital assets, \$15,871,777, 19.3%, is restricted for projects and programs, with \$13,093,623, 16.0%, being unrestricted (*unrestricted net position*), which is available and may be used to meet ongoing obligations.

- The City's total net position increased by \$2,482,557, 3.1%; this increase resulted from positive operating results, which consisted in a combination of a \$1,862,079, 1.6%, increase in assets and deferred outflows and a decrease of \$620,478, 1.6%, in liabilities and deferred inflows.
- For the current fiscal year, the City's governmental funds reported combined ending fund balances of \$32,352,698, an increase of \$3,687,740, 12.8%, from the previous fiscal year (this is before a downward prior period adjustment to beginning fund balance of \$66,506).
- The General Fund balance at the end of the fiscal year is \$17,148,635, an increase of \$846,104, 5.2%, over the previous fiscal year. The unassigned portion of that fund balance is \$14,570,723, which is 85.0% of total fund balance and 130.8% of FY 2014-15 General Fund expenditures. Of the remaining fund balance, \$1,660,587, 9.7%, of total fund balance is nonspendable, \$2,300, 0.01%, is Restricted, and \$915,025, 5.3%, is assigned.

### **Overview of the Financial Statements**

The City's basic financial statements comprise three components: 1) government-wide financial statements: the *statement of net position* and the *statement of activities*; 2) individual fund financial statements; and 3) notes to the financial statements. In addition, this report also contains other supplementary information.

**Government-wide Financial Statements.** These statements include only the City itself (*known as the primary government*) that are presented using the *accrual basis of accounting*, in a manner similar to a private-sector business. The City has two component units; however, those entities did not have any activity during the current fiscal year.

The *statement of net position* presents *all* assets and liabilities of the City, with the difference between the two reported as *net position*. Over time, changes in net position may serve as a useful indicator of the City's financial position. However, other factors will need to be considered (e.g., changes in revenue base and the condition of infrastructure) in order to assess the City's overall financial health.

The *statement of activities* presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, *regardless of*

*the timing of related cash flows.* Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The *statement of activities* presents the City functions that are principally supported by taxes and intergovernmental revenues (*government activities*). The City does not engage in other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City's governmental activities include general government, community development, public safety, and public works. Public works includes highways and streets as well as parks and facilities maintenance.

**Fund Financial Statements.** A *fund* is a grouping of related accounts used to account for resources, which are segregated for specific activities. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The City uses only governmental funds.

**Governmental funds.** These 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 information 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 statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist in the comparison between *governmental funds* and *government-wide statements*. The basic financial statements and related notes can be found on pages 13-46 of this report.

The City maintains twenty-two individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances (deficits) for the General Fund, Sewer Debt Service Fund for AD02-1, Sewer Debt Service Fund for AD04-1, City Capital Projects Fund, and the Sewer Improvement Capital Projects Fund for AD02-1, all of which are considered to be major funds. Data from the other seventeen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining and individual fund statements and schedules* elsewhere in this report. The combining statements and schedules are on pages 59-68.

Reconciliation of the differences between the *government-wide statements* and the information presented for *governmental funds* is provided, which describes the relationship between the two presentations. See pages 17 and 20 for detail.

The City adopts an annual appropriated budget for its General Fund and all other major funds. Budgetary comparison schedules have been provided to demonstrate compliance with this budget. See pages 51-52 and 53-56 for detail.

**Notes to the 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 financial statements can be found on pages 21-47 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's schedule of proportionate share of the net pension liability, schedule of contributions, schedule of funding progress for OPEB and budgetary comparison schedules for its General Fund. Required supplementary information can be found on pages 48-51 of this report.

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 59-85 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. At June 30, 2015, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$82,091,209.

**Table 1**  
**Net Position**

	2015	2014	Increase/ (Decrease)	Percentage Change (%)
Current and other assets	\$ 37,311,932	\$ 35,730,880	\$ 1,581,052	4.4%
Capital assets, net of depreciation	81,925,750	82,001,216	(75,466)	(0.1%)
Total Assets	119,237,682	117,732,096	1,505,586	1.3%
Deferred Outflows	356,493	-	356,493	n/a
Long-term liabilities outstanding	29,357,226	29,697,910	(340,684)	(1.1%)
Other liabilities	7,499,868	8,425,534	(925,666)	(11.0%)
Total Liabilities	36,857,094	38,123,444	(1,266,350)	(3.3%)
Deferred inflows	645,872	-	645,872	n/a
Net Position:				
Net Investment in capital assets	53,125,809	50,863,970	2,261,839	4.4%
Restricted	15,871,777	13,075,427	2,796,350	21.4%
Unrestricted	13,093,623	15,669,255	(2,575,632)	(16.4%)
Total Net Position	\$ 82,091,209	\$ 79,608,652	\$ 2,482,557	3.1%

As shown in Table 1, net position from governmental activities increased \$2,482,557, 3.1%. On the asset side, the significant increase overall (\$1,505,586, 1.3%) was due to primarily to an increase in the “Current and other assets” category, the result of a significant increase (3.2 million, 9.7%) in cash and investments compared to the prior year.

Total liabilities decreased \$1,266,350 (3.3%) from 2014, the result of a \$340,684 (1.2%) decrease in long-term liabilities and a decrease of \$925,666 (11.0%) in “other” (i.e., current) liabilities. As in past years, the primary driver of the decrease in long-term liabilities is the ongoing payment of the principal for three loans from the State Water Resource Control Board for Sewer Assessment Districts AD98-1, AD02-1 and AD04-1. Unlike in past years, however, this decrease was offset by an increase of \$1.92 million in Net Pension Liability, as the City implemented Governmental Accounting Standards Board Statement 68 (“GASB 68”, related to pension accounting) during 2015. Also related to GASB 68 was the inclusion of deferred outflows (totaling \$356,493) and deferred inflows (of \$645,872) in the City’s Statement of Net Position for the first time.

**Governmental Activities.** The City’s overall governmental activities, as reflected on the government-wide Statement of Activities, had positive operating results in 2015, with revenues exceeding expenses, and thus increasing net position, by \$4,920,898, before the prior period adjustment. Table 2 summarizes 2015 revenues and expenses, compares these revenue and expenses to 2014, and shows the year-over-year change in net position.

Revenues in 2015 totaled \$21,480,707, a decrease of \$1,837,865, 7.9%, from 2014. That decrease was driven by lower revenues from both capital and operating grants, which together dropped 2,576,103 from the previous year. Lower capital grant reimbursement payments for the City’s 210 Freeway Soundwall project during 2015, together with the final disaster reimbursement payment related to winter storms in 2004-2005 being received during 2014, were the primary causes of lower 2015 revenue overall. Outside of the capital and operating grant categories, however, revenues were higher in 2015 in several General Revenue categories, including property taxes, which increased \$200,189, 4.7%, over the previous year.

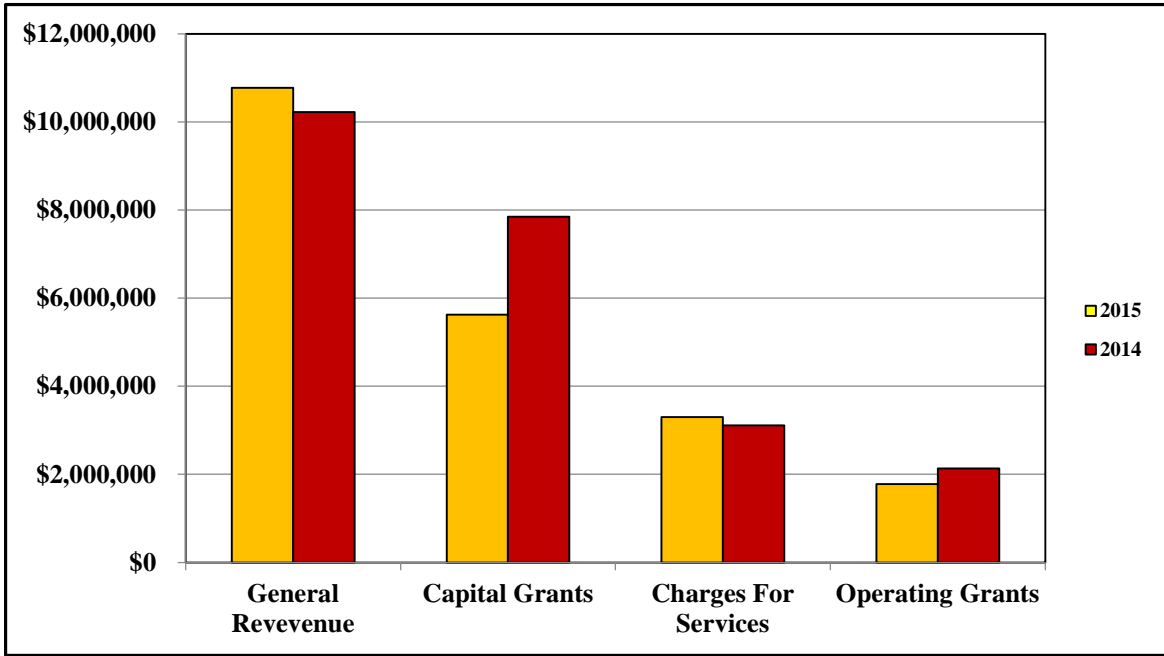
Overall expenses in 2015 totaled \$16,559,809, an increase of \$1,325,242, 8.7%, from 2014. In the current year, several changes were made to the way in which certain expenses were categorized for presentation in the financial statements. Specifically, many expenses previously categorized as “Community development” were shifted to “General government” to better reflect the nature of those expenses. As a result, the year-over-year changes within the expense categories shown on Table 2 appear larger than they actually were. Based on a commensurate categorization of expenses, nearly all of the increase in expenses from 2014 can be accounted for by somewhat higher spending within several General government programs (e.g., legal services, insurance premiums) and certain public works-related street maintenance activities. As just one example of the latter, in FY 2014-15, City expenses on the annual Street Resurface and Slurry Seal program totaled approximately \$940,000; during the previous year, expenses on this program totaled approximately \$25,000.

**Table 2**  
**Change in Net Position**

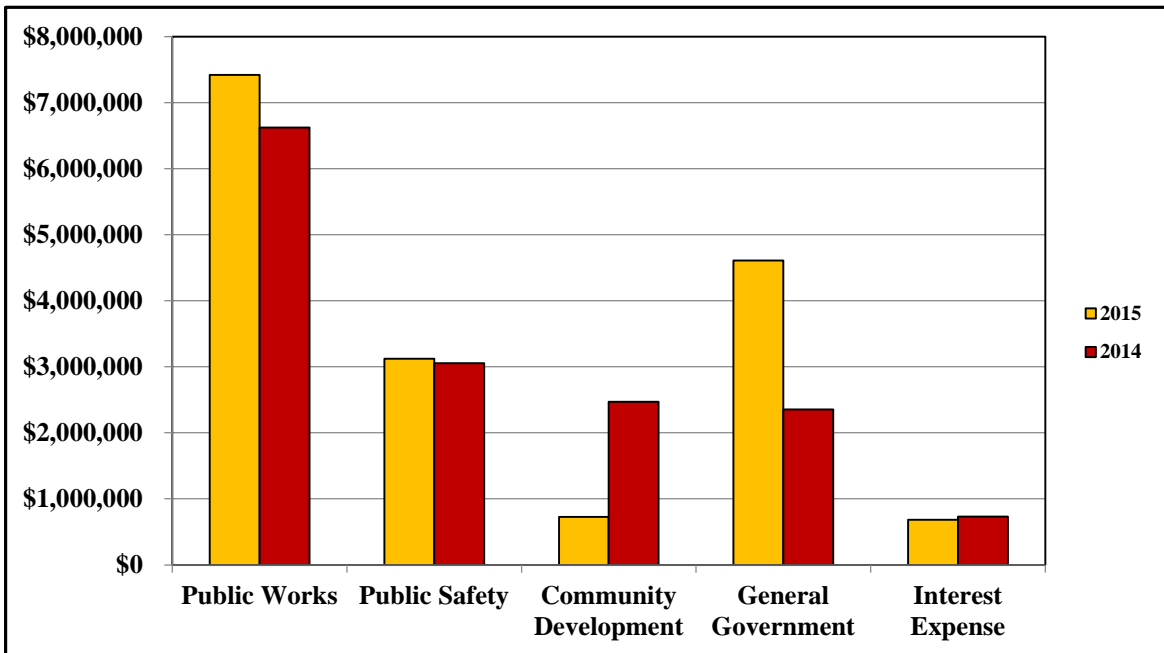
	2015	2014	Increase/ (Decrease)	Percentage Change
Program Revenues:				
Charges for services	\$ 3,299,721	\$ 3,114,576	\$ 185,145	5.9%
Operating grants and contributions	1,780,052	2,134,470	(354,418)	-16.6%
Capital grants and contributions	5,624,691	7,846,376	(2,221,685)	-28.3%
General Revenues:				
Property taxes	4,429,351	4,229,162	200,189	4.7%
Property tax-in-lieu	2,118,515	2,012,798	105,717	5.3%
Other taxes	1,193,951	1,071,535	122,416	11.4%
State shared revenues - unrestricted:				
Sales tax	2,707,738	2,669,216	38,522	1.4%
Motor vehicle	8,855	9,167	(312)	-3.4%
Use of money and property	81,254	111,490	(30,236)	-27.1%
Other	236,579	119,782	116,797	97.5%
Total Revenues	<u>21,480,707</u>	<u>23,318,572</u>	<u>(1,837,865)</u>	-7.9%
Expenses:				
General government	4,609,131	2,353,045	2,256,086	95.9%
Public safety	3,124,207	3,055,234	68,973	2.3%
Community development	725,922	2,471,285	(1,745,363)	-70.6%
Public works	7,419,030	6,622,919	796,111	12.0%
Interest expense	681,519	732,084	(50,565)	-6.9%
Total Expenses	<u>16,559,809</u>	<u>15,234,567</u>	<u>1,325,242</u>	8.7%
Change in Net Position	4,920,898	8,084,005	<u>\$ (3,163,107)</u>	-39.1%
Net Position, Beginning of Fiscal Year	<u>79,608,652</u>	<u>71,524,647</u>		
Prior period adjustments	<u>(2,438,341)</u>	<u>-</u>		
Net Position, Beginning of Fiscal Year, as Restated	<u>77,170,311</u>	<u>71,524,647</u>		
Net Position, End of Fiscal Year	<u>\$ 82,091,209</u>	<u>\$ 79,608,652</u>		

Figure 1 and Figure 2 below illustrate program and general revenues by source and expenses by category, respectively, for governmental activities.

**Figure 1  
Revenue by Source**



**Figure 2  
Expenses by Category**



## **Financial Analysis of the City's Governmental Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's *governmental funds* is to provide information on near-term sources, uses, and balances of *spendable* resources. This information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a measure of the net resources available for spending.

At June 30, 2015, the City's *governmental funds* reported combined fund balances of \$32,352,698, an increase of \$3,687,740 (before a prior period adjustment), 12.8%, from the prior year. The fund balance in the General Fund, at nearly \$17.15 million, accounted for 53.0% of the combined fund balances across all governmental funds. The fund with the next largest amount of ending fund balance was the Sewer AD04-1 Debt Service Fund of approximately \$6.4 million, all of which is for loan repayments to the State Water Resources Control Board (SWRCB).

Total revenue in all governmental funds for the fiscal year ended June 30, 2015, was \$22,601,226, which is just slightly higher (229,234 1.3%) than the \$22,301,992 received in 2014. Modest increases in the "Taxes", "Charges for services", and "Other" revenue categories were offset by slightly lower revenues in the "From other agencies" and "Use of money and property" categories.

Expenditures across all governmental funds in 2015 totaled \$18,913,486, which is nearly identical to the \$18,914,038 expended in 2014 (a decrease of only \$552, 0.003%) As discussed earlier, several changes were made to the way in which certain expenditures were categorized for presentation in this year's financial statements, with expenditures previously categorized as "Community development" shifted to "General government". Nevertheless, overall spending in 2015 very closely resembled the level of spending in 2014.

### **General Fund Financial and Budgetary Highlights**

The General Fund is the chief operating fund of the City. At June 30, 2015, the fund balance reported in the General Fund was \$17,148,635, which is \$846,104, 5.2%, higher than in 2014. The unassigned portion of that fund balance was \$14,570,723, accounting for 85.0% of total fund balance. As a measure of liquidity, it is useful to compare total and unassigned fund balance to annual General Fund expenditures. In 2015, total ending fund balance represented 154.0% of 2015 expenditures, and unassigned fund balance represented 130.8% of expenditures.

General fund revenue for the fiscal year totaled \$14,201,282, which exceeded the final revenue budget of \$12,270,675 by \$1,930,607. Actual revenue exceeded the budgeted amount in each revenue category with the exception of the use of money and property, which ended the year below budget due to an unrealized loss in the market value of the City's investment portfolio. This unrealized loss occurred because of the increase in market interest rates during the fiscal year (as interest rates rise, the market value of fixed income investments such as bonds falls). General Fund expenditures totaled \$11,135,782, which was less than the \$11,470,000 final expenditure budget by \$334,218. Moderate savings relative to budgeted expectations across nearly all categories – general government, public safety, public works, and capital outlay – accounted for these favorable budget-to-actual results.

### **Capital Assets and Debt Administration**

**Capital Assets.** As of June 30, 2015, the City's investment in capital assets for its governmental activities totaled \$81,925,750 (net of accumulated depreciation). Capital assets include land and easements, buildings, equipment and vehicles, park facilities, infrastructure and sewer improvements.



Overall, capital assets decreased very slightly, (75,466, 0.1%), from 2014, with the total increase in assets of \$2.2 million being offset by a reduction in accumulated depreciation of \$2.3 million. The increase in assets was driven by a \$5.4 million increase in Infrastructure, with this increase being offset by a decrease of \$3,511,181 in Construction in progress. More information about capital asset activity can be found on page 33. Table 3 compares the capital asset balances in each category for this and the previous fiscal year.

**Table 3**  
**Capital Assets**

Asset Type	2015	2014	Increase/ (Decrease)	Percentage of Change (%)
Land and easements	\$ 10,192,144	\$ 10,192,144	\$ -	0.0%
Buildings and improvements	2,890,731	2,584,120	306,611	11.9%
Equipment and vehicles	1,583,248	1,578,167	5,081	0.3%
Infrastructure	85,111,021	79,697,820	5,413,201	6.8%
Construction in progress	215,469	3,726,650	(3,511,181)	-94.2%
<b>Total Capital Assets</b>	<b>99,992,613</b>	<b>97,778,901</b>	<b>2,213,712</b>	<b>2.3%</b>
Accumulated Depreciation	(18,066,863)	(15,777,685)	(2,289,178)	14.5%
<b>Capital Assets, Net of Depreciation</b>	<b>\$ 81,925,750</b>	<b>\$ 82,001,216</b>	<b>\$ (75,466)</b>	<b>-0.1%</b>

**Long-term Liabilities.** At fiscal year-end, the City’s outstanding long-term liabilities totaled \$31,992,378, a decrease of \$323,628, 1.0%, from 2014. As in past fiscal years, this decrease stemmed primarily from ongoing principal payments to repay loans from the State Water Resources Control Board (SWRCB) that financed the construction of sewers in Assessment Districts (AD) 98-1, 02-1 and 04-1, which decreased the City’s outstanding debt by a combined \$2.3 million. (The City will continue to make debt service payments through FY 2019-20 on the AD 98-1 loan; through FY 2024-25 on the AD 02-1 loan; and through FY 2027-28 on the AD 04-1 loan.) Unlike in past years, however, this decrease was offset by an increase of \$1.92 million in Net Pension Liability, as the City implemented Governmental Accounting Standards Board Statement 68 (related to pension accounting) during 2015.

The City’s other long-term liabilities – for employee leave benefits, as well as net OPEB obligations (which for the City consist solely of obligations for current and future retiree health benefits) – also offset to some degree the reduction in principal on the SWRCB loans. The liability for employee leave benefits decreased slightly (by \$10,116), while the OPEB liability increased by \$101,821. More detailed information on long-term liabilities can be found on pages 34-36. Table 4 below provides a summary of the changes in the City’s long-term liabilities.

**Table 4**  
**Long-term Liabilities**

	<u>2015</u>	<u>2014</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change (%)</u>
SWRCB Loan AD 98-1	\$ 2,088,958	\$ 2,506,749	\$ (417,791)	-16.7%
SWRCB Loan AD 02-1	7,815,357	8,499,727	(684,370)	-8.1%
SWRCB Loan AD 04-1	18,895,626	20,130,770	(1,235,144)	-6.1%
Employee Leave Benefits	418,434	428,550	(10,116)	-2.4%
OPEB	852,031	750,210	101,821	13.6%
Net Pension Liability	<u>1,921,972</u>	<u>-</u>	<u>1,921,972</u>	n/a
Long-term Obligations	<u>\$ 31,992,378</u>	<u>\$ 32,316,006</u>	<u>\$ (323,628)</u>	-1.0%

**Economic Factors and Next Year's Budgets and Rates**

The City's fiscal year 2015-16 budget takes into account historical trends to project revenues. Expenditures were estimated based upon program and project needs. Given the continuing economic uncertainty, the City has continued to budget conservatively. As of June 30, 2015, the General Fund balance was \$17,148,635, which totaled 154.0% of FY 2014-15 expenditures.

**Requests for Information**

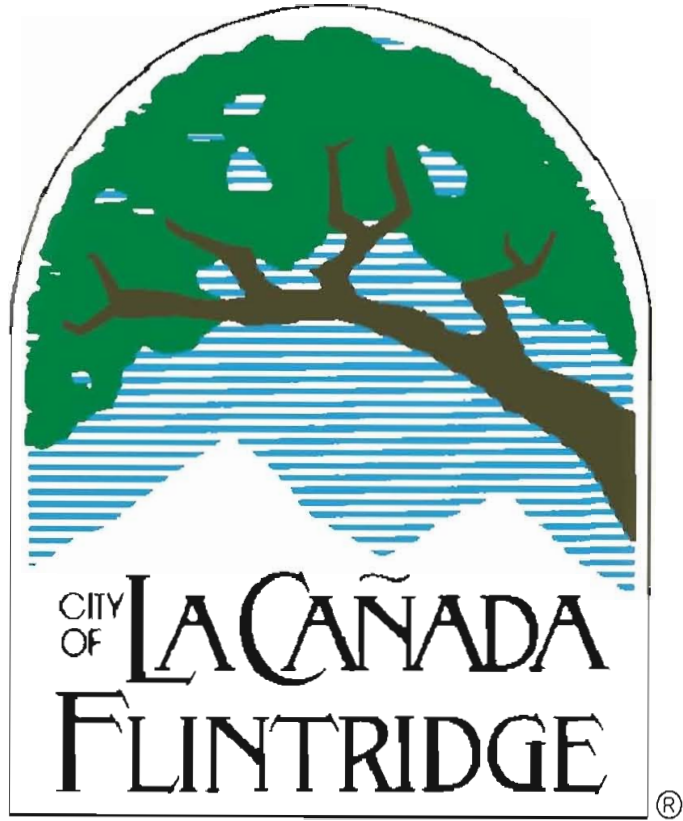
This financial report is designed to provide a general overview of the City's finances for all those with an interest in them. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Daniel R. Jordan, Director of Finance, 1327 Foothill Boulevard, La Cañada Flintridge, California 91011-2137.



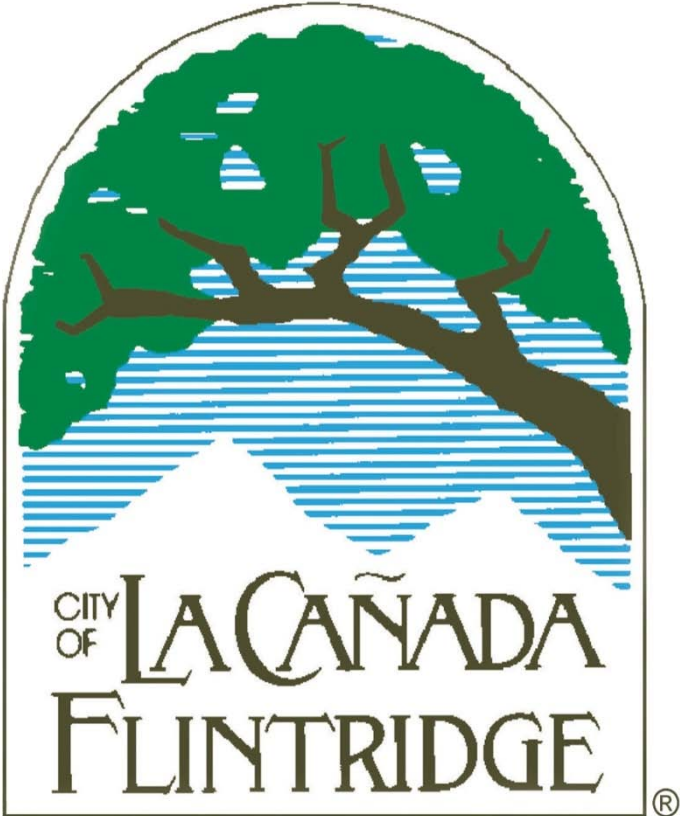
CITY OF LA CAÑADA  
FLINTRIDGE

# BASIC FINANCIAL STATEMENTS





**GOVERNMENT-WIDE FINANCIAL STATEMENTS**





CITY OF LA CAÑADA  
FLINTRIDGE

**CITY OF LA CAÑADA FLINTRIDGE**  
**Statement of Net Position**  
**June 30, 2015**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Current assets:	
Cash and investments	\$ 35,840,764
Accounts receivable	1,108,728
Interest receivable	139,160
Prepays	29,042
Total current assets	37,117,694
Noncurrent assets:	
Loans receivable	194,238
Capital assets:	
Not being depreciated	10,407,613
Being depreciated (net of accumulated depreciation)	71,518,137
Total noncurrent assets	82,119,988
Total assets	119,237,682
<b>Deferred outflow of resources:</b>	
City's pension contributions subsequent to the measurement date	262,412
Adjustment due to differences in pension proportions	94,081
Total deferred outflow of resources	356,493
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable and accrued liabilities	2,458,651
Deposits payable	1,991,489
Unearned revenue	79,795
Interest payable	334,781
Long-term liabilities, due within one year	2,635,152
Total current liabilities	7,499,868
Noncurrent liabilities:	
Long-term liabilities, due in more than one year	29,357,226
Total liabilities	36,857,094
<b>Deferred inflow of resources:</b>	
Differences between projected and actual earnings on pension plan investments	645,872
Total deferred inflow of resources	645,872
<b>Net position:</b>	
Net investment in capital assets	53,125,809
Restricted for:	
Transit	1,207,292
Public safety	59,805
Air quality improvements	643,005
DAE expenses	2,300
Sewer improvements and sanitation	1,849,509
Debt service reserve	9,924,785
Future capital projects	2,185,081
Unrestricted	13,093,623
Total net position	\$ 82,091,209

See Accompanying Notes to Financial Statements.



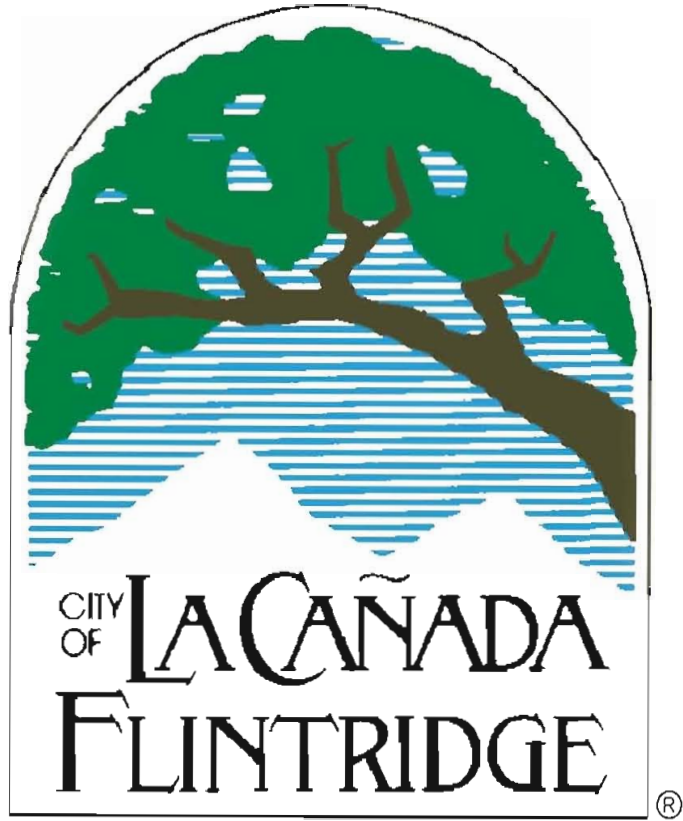
**CITY OF LA CAÑADA FLINTRIDGE**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government	\$ 4,609,131	\$ 60,815	\$ 7,200	\$ -	\$ (4,541,116)
Public safety	3,124,207	251,315	107,286	-	(2,765,606)
Community development	725,922	166,795	-	-	(559,127)
Public works	7,419,030	2,820,796	1,665,566	5,624,691	2,692,023
Interest	681,519	-	-	-	(681,519)
<b>Total governmental activities</b>	<b>\$ 16,559,809</b>	<b>\$ 3,299,721</b>	<b>\$ 1,780,052</b>	<b>\$ 5,624,691</b>	<b>(5,855,345)</b>
General revenue:					
Taxes:					
Property					4,429,351
Property tax in-lieu					2,118,515
Franchise					673,823
Real property transfer					320,005
Business operations					200,123
State shared revenues - unrestricted:					
Sales tax					2,707,738
Motor vehicle					8,855
Use of money and property					81,254
Other					236,579
<b>Total general revenue</b>					<b>10,776,243</b>
<b>Change in net position</b>					<b>4,920,898</b>
<b>Net position, beginning of fiscal year</b>					<b>79,608,652</b>
<b>Prior period adjustment</b>					<b>(2,438,341)</b>
<b>Net position, beginning of fiscal year, as restated</b>					<b>77,170,311</b>
<b>Net position, end of fiscal year</b>					<b>\$ 82,091,209</b>

See Accompanying Notes to Financial Statements.

# FUND FINANCIAL STATEMENTS





**CITY OF LA CAÑADA FLINTRIDGE**

**Balance Sheet  
Governmental Funds  
June 30, 2015**

<b>Assets:</b>	<b>General</b>	<b>Sewer AD02-1 Debt Service</b>	<b>Sewer AD04-1 Debt Service</b>	<b>City Capital Projects</b>
Cash and investments	\$ 18,273,566	\$ 3,823,789	\$ 6,435,777	\$ 2,768,839
Receivables:				
Accounts	694,045	-	-	323,093
Interest	139,160	-	-	-
Loans receivable	194,238	-	-	-
Due from other funds	76,307	-	-	-
Advances to other funds	1,437,307	-	-	-
Prepaid items	29,042	-	-	-
<b>Total assets</b>	<b>\$ 20,843,665</b>	<b>\$ 3,823,789</b>	<b>\$ 6,435,777</b>	<b>\$ 3,091,932</b>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,517,540	\$ -	\$ -	\$ 640,894
Deposits payable	1,991,489	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	79,795	-	-	-
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>3,588,824</b>	<b>-</b>	<b>-</b>	<b>640,894</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	106,206	-	-	323,093
<b>Total deferred inflows of resources</b>	<b>106,206</b>	<b>-</b>	<b>-</b>	<b>323,093</b>
<b>Fund balances:</b>				
Nonspendable:				
Prepays	29,042	-	-	-
Advances to other funds	1,437,307	-	-	-
Loans	194,238	-	-	-
Restricted:				
Transit	-	-	-	-
Public safety	-	-	-	-
Air quality improvements	-	-	-	-
DAE expenditures	2,300	-	-	-
Sewer improvements	-	-	-	-
Debt service reserve	-	3,823,789	6,435,777	-
Future capital projects	-	-	-	2,127,945
Assigned:				
Tree Fund	82,725	-	-	-
Potential SR-710 expenses	500,000	-	-	-
Other postemployment benefits	332,300	-	-	-
Unassigned	14,570,723	-	-	-
<b>Total fund balances (deficits)</b>	<b>17,148,635</b>	<b>3,823,789</b>	<b>6,435,777</b>	<b>2,127,945</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 20,843,665</b>	<b>\$ 3,823,789</b>	<b>\$ 6,435,777</b>	<b>\$ 3,091,932</b>

(Continued)

See Accompanying Notes to Financial Statements.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**  
**(Continued)**

	<b>Sewer Improvement AD02-1 Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Cash and investments	\$ -	\$ 4,538,793	\$ 35,840,764
Receivables:			
Accounts	-	91,590	1,108,728
Interest	-	-	139,160
Loans receivable	-	-	194,238
Due from other funds	-	-	76,307
Advances to other funds	-	-	1,437,307
Prepaid items	-	-	29,042
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ -</u>	<u>\$ 4,630,383</u>	<u>\$ 38,825,546</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ -	\$ 300,217	\$ 2,458,651
Deposits payable	-	-	1,991,489
Due to other funds	1,266	75,041	76,307
Unearned revenue	-	-	79,795
Advances from other funds	993,838	443,469	1,437,307
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>995,104</u>	<u>818,727</u>	<u>6,043,549</u>
<b>Deferred inflows of resources:</b>			
Unavailable revenues	-	-	429,299
	<u>          </u>	<u>          </u>	<u>          </u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>429,299</u>
<b>Fund balances:</b>			
Nonspendable:			
Prepays	-	-	29,042
Advances to other funds	-	-	1,437,307
Loans	-	-	194,238
Restricted:			
Transit	-	1,207,292	1,207,292
Public safety	-	59,805	59,805
Air quality improvements	-	643,005	643,005
DAE expenditures	-	-	2,300
Sewer improvements	-	1,849,509	1,849,509
Debt service reserve	-	-	10,259,566
Future capital projects	-	57,136	2,185,081
Assigned:			
Tree Fund	-	-	82,725
Potential SR-710 expenses	-	-	500,000
Other postemployment benefits	-	-	332,300
Unassigned	(995,104)	(5,091)	13,570,528
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances (deficits)	<u>(995,104)</u>	<u>3,811,656</u>	<u>32,352,698</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 4,630,383</u>	<u>\$ 38,825,546</u>

See Accompanying Notes to Financial Statements.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2015**

Fund balances for governmental funds \$ 32,352,698

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

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

Capital assets	\$ 99,992,613	
Accumulated depreciation	(18,066,863)	81,925,750

Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period. It is recorded as deferred inflow of resources. Under accrual accounting, revenue must be recognized as soon as it is earned, regardless of its availability.

Grant reimbursements	\$ 334,065	
Investment income	65,893	
Sales taxes	29,341	429,299

Interest payable and long-term liabilities, including, loans, employee leave benefits, and net OPEB obligation, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.

Loans payable	\$ (28,799,941)	
Employee leave benefits	(418,434)	
Net OPEB obligation	(852,031)	
Interest payable	(334,781)	
Net pension liability	(1,921,972)	(32,327,159)

Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

City's pension contributions subsequent to measurement date	\$ 262,412	
Adjustment due to differences in proportions	94,081	
Differences between projected and actual earnings on pension plan investments	(645,872)	(289,379)

Net position of governmental activities		\$ <u>82,091,209</u>
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See Accompanying Notes to Financial Statements.



**CITY OF LA CAÑADA FLINTRIDGE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)**  
**of Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**

	General	Sewer AD02-1 Debt Service	Sewer AD04-1 Debt Service	City Capital Projects
<b>Revenues:</b>				
Taxes	\$ 10,492,066	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, forfeitures and penalties	132,432	-	-	-
From other agencies	284,193	-	-	2,524,670
Charges for services	3,008,845	-	-	-
Use of money and property	79,034	70,024	103,681	-
Other revenue	204,712	-	-	-
Total revenues	<u>14,201,282</u>	<u>70,024</u>	<u>103,681</u>	<u>2,524,670</u>
<b>Expenditures:</b>				
Current:				
General government	4,505,532	-	-	-
Public safety	2,952,267	-	-	-
Community development	657,590	-	-	-
Public works	2,945,011	-	1,250	-
Capital outlay	75,382	-	-	2,894,087
Debt service:				
Principal retirement	-	684,370	1,235,144	-
Interest and other charges	-	203,993	463,008	-
Total expenditures	<u>11,135,782</u>	<u>888,363</u>	<u>1,699,402</u>	<u>2,894,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,065,500</u>	<u>(818,339)</u>	<u>(1,595,721)</u>	<u>(369,417)</u>
<b>Other financing sources (uses):</b>				
Transfers in	384,804	973,857	1,860,365	2,247,778
Transfers out	<u>(2,604,200)</u>	<u>-</u>	<u>-</u>	<u>(28,700)</u>
Total other financing sources (uses)	<u>(2,219,396)</u>	<u>973,857</u>	<u>1,860,365</u>	<u>2,219,078</u>
Net change in fund balances	<u>846,104</u>	<u>155,518</u>	<u>264,644</u>	<u>1,849,661</u>
Fund balances (deficits), beginning of fiscal year	16,302,531	3,668,271	6,171,133	278,284
Prior period adjustments	-	-	-	-
Fund balances (deficits), beginning of fiscal year, as restated	<u>16,302,531</u>	<u>3,668,271</u>	<u>6,171,133</u>	<u>278,284</u>
Fund balances (deficits), end of fiscal year	<u>\$ 17,148,635</u>	<u>\$ 3,823,789</u>	<u>\$ 6,435,777</u>	<u>\$ 2,127,945</u>

(Continued)



**CITY OF LA CAÑADA FLINTRIDGE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)**  
**of Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**  
**(Continued)**

	<b>Sewer Improvement AD02-1 Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ 1,500	\$ 10,493,566
Assessments	-	3,624,741	3,624,741
Fines, forfeitures and penalties	-	144,218	276,650
From other agencies	-	1,757,394	4,566,257
Charges for services	-	100,725	3,109,570
Use of money and property	-	72,991	325,730
Other revenue	-	-	204,712
Total revenues	<u>-</u>	<u>5,701,569</u>	<u>22,601,226</u>
<b>Expenditures:</b>			
Current:			
General government	-	-	4,505,532
Public safety	-	169,055	3,121,322
Community development	-	66,994	724,584
Public works	-	1,075,151	4,021,412
Capital outlay	-	529,284	3,498,753
Debt service:			
Principal retirement	-	417,791	2,337,305
Interest and other charges	-	37,577	704,578
Total expenditures	<u>-</u>	<u>2,295,852</u>	<u>18,913,486</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>3,405,717</u>	<u>3,687,740</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	1,211,064	6,677,868
Transfers out	-	(4,044,968)	(6,677,868)
Total other financing sources (uses)	<u>-</u>	<u>(2,833,904)</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>571,813</u>	<u>3,687,740</u>
Fund balances (deficits), beginning of fiscal year	(995,104)	3,306,349	28,731,464
Prior period adjustments	<u>-</u>	<u>(66,506)</u>	<u>(66,506)</u>
Fund balances (deficits), beginning of fiscal year, as restated	<u>(995,104)</u>	<u>3,239,843</u>	<u>28,664,958</u>
Fund balances (deficits), end of fiscal year	<u>\$ (995,104)</u>	<u>\$ 3,811,656</u>	<u>\$ 32,352,698</u>

See Accompanying Notes to Financial Statements.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances (Deficits) of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2015**

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

Net change in fund balances - total governmental funds: \$ 3,687,740

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeded capital outlay in the current fiscal year is as follows:

Capital outlay	\$ 2,213,712	
Depreciation expense	<u>(2,289,178)</u>	(75,466)

Governmental funds report interest in the fiscal year it is paid; however, in the statement of activities interest is recorded in the fiscal year it is incurred.

Prior year accrual	\$ 357,840	
Current year accrual	<u>(334,781)</u>	23,059

Certain revenues in the governmental fund are deferred inflows of resources because they are not collected within the prescribed time after fiscal year-end. However the revenues are recorded on the accrual basis used in government-wide statements.

Grant reimbursements	\$ (1,074,227)	
Investment income	(3,781)	
Sales taxes	<u>(42,511)</u>	(1,120,519)

The issuance of long-term debt provides current financial resources to governmental funds while repayment of principal consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. In addition, governmental funds report employee leave and other postemployment benefits in the period taken; however, in the statement of activities, such benefits are recorded in the fiscal year incurred.

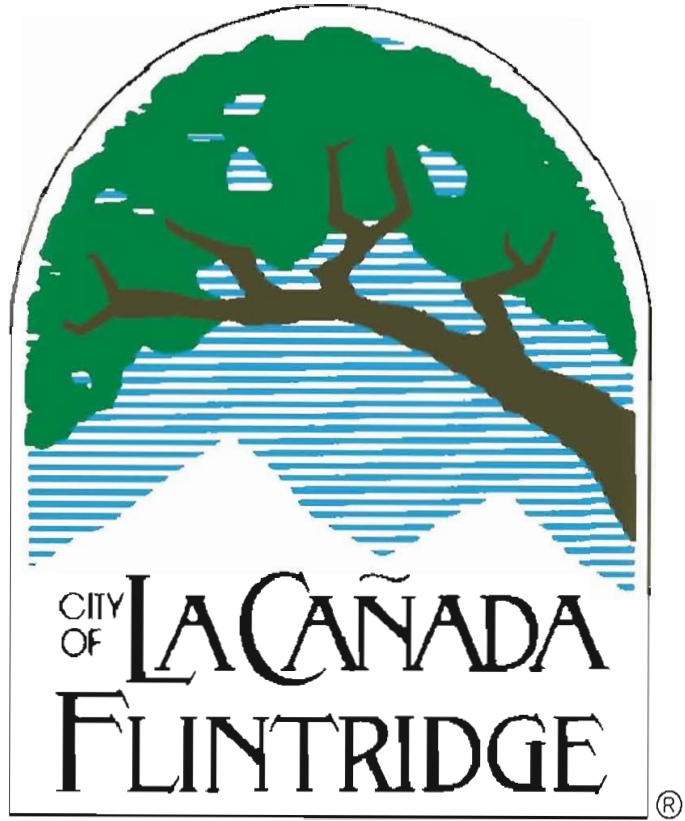
Loan principal payments	\$ 2,337,305	
Change in employee leave benefits, net	10,116	
Change in OPEB obligation, net	<u>(101,821)</u>	2,245,600

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:

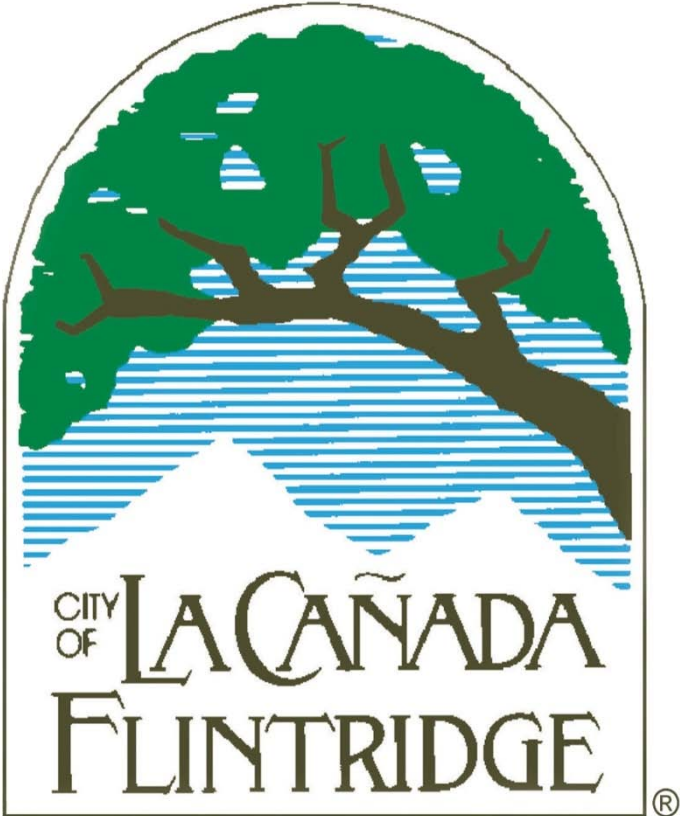
160,484

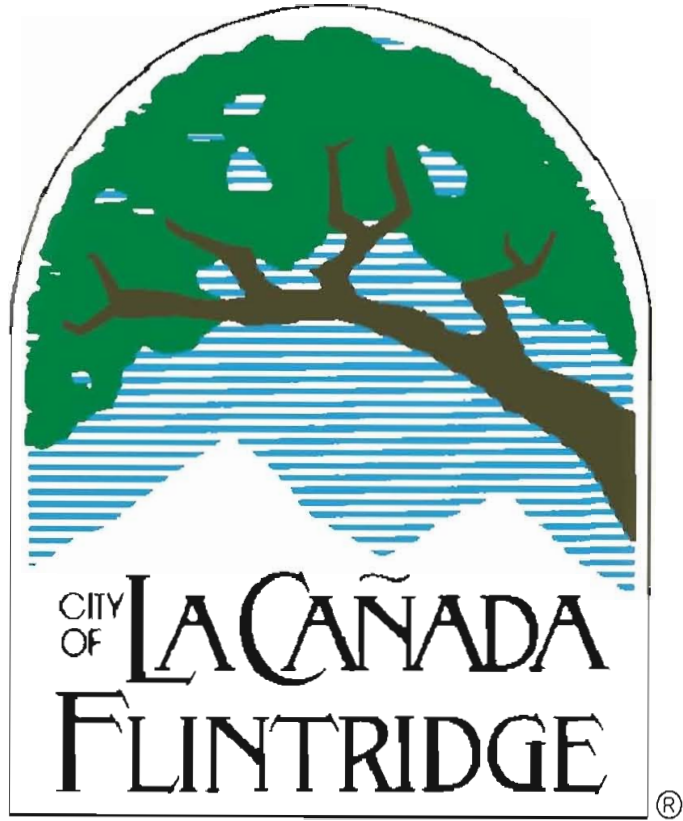
Change in net position of governmental activities \$ 4,920,898

See Accompanying Notes to Financial Statements.



**NOTES TO FINANCIAL STATEMENTS**





**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2015**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***(a) Reporting Entity***

The City of La Cañada Flintridge (City) was incorporated December 8, 1976 under the general laws of the State of California and enjoys all rights and privileges pertaining to such "general law" cities. The City operates under a Council-Manager form of government and provides or contracts for the following services: public safety (police and fire), highway and streets, cultural and recreation, public improvements, planning and zoning, and general administrative services.

The City of La Cañada Flintridge and the La Cañada Flintridge Public Improvement Corporation (Corporation) comprise the reporting entity. Although part of the City, the Corporation is a legally separate entity, the City Council of La Cañada Flintridge acts as the governing body of the Corporation, and has a continuing accountability for fiscal matters. Fiscal dependency was considered on the basis of budget adoption, taxing authority, and funding. The Corporation is, in substance, part of the City's operations and so its financial data is blended in the accompanying financial statements.

Blended Component Units

The La Cañada Flintridge Public Improvement Corporation was incorporated on October 25, 1991 to finance the acquisition of public facilities by issuing Certificates of Participation. The Corporation's financial data and transactions are blended in the debt service funds. There was no activity for the Corporation during the fiscal year ended June 30, 2015. The Corporation did not issue separate financial statements.

***(b) Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

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

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

The fund financial statements provide information about the City's funds. Separate financial statements are provided for governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

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.

Sewer AD02-1 Debt Service Fund – This fund is to account for the payment of interest and principal on the debt of Assessment District 02-1.

Sewer AD04-1 Debt Service Fund – This fund is to account for the payment of interest and principal on the debt of Assessment District 04-1.

City Capital Projects Fund – This fund is to account for City capital improvements.

Sewer Improvement AD02-1 Capital Projects Fund – This fund is to account for sewer capital improvements under Assessment District 02-1.

Additionally, the City reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the revenues derived from specific revenue sources, which are restricted by law or administrative regulation for specified purposes.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term liabilities, including principal, interest and related costs.

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.

***(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year for which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, except for principal and interest on long-term liabilities, claims and judgments and employee leave benefits, which are recognized as expenditures when they are due and payable.

Property taxes, franchise taxes, licenses, intergovernmental revenue, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include 1) charges to members, customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed.

***(d) Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity***

1. Cash and Investments

All investments are stated at fair value (the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale).

The City pools cash and investments of all funds. 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, except for investment income associated with funds not legally required to receive pooled investment income, which has been assigned to and recorded as revenue of the General Fund, as provided by California Government Code Section 53647.

2. Interfund Receivables and Payables

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

3. Capital Assets

Capital assets, which include land, intangible assets (e.g., easements and rights of way), buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and a useful life of more than one year. Assets are recorded at actual historical cost or estimated historical cost. Donated capital assets are recorded at fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.



**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Vehicles	7 – 15 years
Equipment	5 – 30 years
Buildings and building improvements	10 – 50 years
Infrastructure	20 – 60 years

Intangible assets are not depreciated as they have indefinite useful lives.

4. Employee Leave Benefits

Full-time City employees earn twelve sick days per year and, depending on length of employment, ten to twenty vacation days per year. In addition, full-time, FLSA “exempt” employees earn, depending on their classification, eight to twelve and one-half administrative leave days per year. Employees can accumulate up to a maximum of twice their normal entitlement of earned but unused vacation, up to twenty days of administrative leave, and an unlimited number of sick leave days. Upon termination, the City is obligated to compensate employees for all earned but unused vacation and administrative leave time. Employees are not compensated for sick leave earned but unused upon termination. The balance of unpaid vacation and administrative leave time at June 30, 2015 is recorded as a long-term liability. Payments for employee leave benefits are made from the General Fund.

5. Deferred Inflows and Outflows of Resources

Pursuant to GASB Statement No. 65 the City recognizes deferred inflows and outflows of resources. A deferred inflow or outflow of resources is defined as a resource or consumption of net position by the government that is applicable to a future reporting period. Refer to Note 3(d) for a detailed listing of the deferred inflows and outflows of resources that the City has recognized.

6. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s California Public Employees’ Retirement System (CalPERS) 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 as fair value.

7. Claims and Judgments

The City records a liability for claims, judgments and litigation when it is probable that a liability has been incurred at year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. Claims and judgments are paid out of the General Fund.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

8. Net Position and Fund Balances

In the government-wide financial statements, net position is classified in the following categories:

*Net Investment in Capital Assets:* This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

*Restricted Net Position:* This component of net position represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position:* This component of net position represents the net position that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental funds are classified in the following categories:

*Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

*Restricted Fund Balance* – includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

*Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally (for example: resolution).

*Assigned Fund Balance* – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) City Council or (b) a body (a budget, finance committee, or management (City Wide Leadership team, which consists of City Manager and Executive Department Heads)) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as nonspendable, restricted, or committed.

*Unassigned Fund Balance* – the residual classification for the General Fund and includes all amounts not contained in the other classifications. Governmental funds report residual negative balances as unassigned fund balance.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

9. Property Taxes

Under California law, the property tax rate is limited to 1% of full cash value as defined by law plus other increases approved by the voters. Property taxes are levied by the County Tax Assessor and shared among local taxing authorities. The County of Los Angeles collects and distributes property taxes on the basis of each taxing authority's tax rate percentage.

As a "No Property Tax City," La Cañada Flintridge's city tax rate is zero. However, under state legislation (AB 1197), the City began receiving a share of property tax revenue in 1990.

Property taxes are levied during July of each fiscal year and are due on November 1 and February 1. Property taxes become delinquent after December 10 and April 10 for the first and second installments, respectively. The lien date is January 1. The City accrues as property tax revenue only those taxes which are received within 60 days after year-end in the fund financial statements.

10. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 68

GASB has issued Statement No. 68, "Accounting and Financial Reporting for Pensions." This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" as well as the requirements of Statement No. 50, "Pension Disclosures". This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to pensions. Implementation of GASB Statement No. 68 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Note 4b- Employee Retirement System Pension Plans and Note 5 – Restatement of Net Position/Fund Balance.

Governmental Accounting Standards Board Statement No. 71

GASB has issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB 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. This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. Implementation of the GASB Statement No. 71 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Note 4b- Employee Retirement System Pension Plans and Note 5 – Restatement of Net Position/Fund Balance.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

**(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*(a) Excess of Expenditures over Appropriations*

The following funds had expenditures in excess of appropriations for the fiscal year ended June 30, 2015:

<u>Fund</u>	<u>Type of Fund</u>	<u>Amount over Budget</u>
<b>Nonmajor Funds:</b>		
State Gasoline Tax	Special Revenue	\$ 49,129
Proposition C Transit Tax	Special Revenue	\$ 18,037

The City has instituted a Monthly Financial Report and all line items nearing budgeted amounts are highlighted and discussed over the course of the fiscal year in order to reduce the magnitude and number of budget overages each fiscal year. The City did not adopt a budget for the Sewer Improvement AD02-1 Capital Projects Fund. Accordingly, such budgetary information is not included as supplementary information.

*(b) Deficit Fund Balances*

The following funds had deficit fund balances as of June 30, 2015:

<u>Fund</u>	<u>Type of Fund</u>	<u>Deficit Amount</u>
<b>Major Fund:</b>		
Sewer Improvement AD02-1	Capital Projects	\$ (995,104)
<b>Nonmajor Funds:</b>		
Community Development Block Grant	Special Revenue	(91)
Sewer Redemption AD04-1	Special Revenue	(5,000)

The Sewer Improvement AD02-1 Capital Projects Fund deficit will be eliminated through future sewer assessment revenue. The other funds' deficits should also be eliminated as future revenue is received.

**(3) DETAILED NOTES ON ALL FUNDS**

*(a) 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	<u>\$ 35,840,764</u>
Total cash and investments	<u><u>\$ 35,840,764</u></u>

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

Cash on hand	\$ 500
Deposits with financial institutions	341,394
Investments	<u>35,498,870</u>
Total cash and investments	<u><u>\$ 35,840,764</u></u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

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

The City's Investment Policy is reviewed and adopted by the City Council each year. The table below identifies the allowable investment types authorized by the California Government Code and the City's adopted Investment Policy (the "Investment Policy"). The table also identifies certain restrictions related to interest rate risk and concentration of credit risk. The Investment Policy restricts the Treasurer to invest in only the types of investments listed herein, which is more restrictive than the Government Code.

Investment Types Authorized Investment By State Law	Authorized by Investment Policy	Maximum Percentages					
		Maximum Maturity		of Portfolio		Maximum Investment	
		CGC	City	CGC	City	CGC	City
Local Agency Bonds	No	5 years	5 years	None	None	None	None
Federal Agency and U.S- Government Sponsored Enterprise Obligations	Yes	5 years	5 years	None	None	None	35% **
U.S. Treasury Securities	Yes	5 years	5 years	None	None	None	None
Certificates of Deposit	Yes	5 years	5 years	30%	15%	None	None
Time Deposits	Yes	5 years	1 year	None	15%	None	None
Bankers' Acceptances	Yes	180 days	180 days	40%	20%	30%	10%
Commercial Paper	Yes	270 days	270 days	25%	25%	10%	\$1 million*
Medium Term Notes	Yes	5 years	5 years	30%	30%	None	\$1 million*
Mutual Funds	Yes	N/A	N/A	20%	20%	10%	10%
Money Market							
Mutual Funds	Yes	N/A	N/A	20%	20%	None	None
Mortgage Pass- Through Securities	No	5 years	5 years	20%	None	None	None
County Pooled							
Investment Funds	No	N/A	N/A	None	None	None	None
JPA Pools (other investment pools)	Yes	N/A	N/A	None	25%	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	N/A	None	50%	None	\$50 million
Repurchase Agreements	Yes	1 year	30 days	None	10%	None	None
Reverse Repurchase Agreements	No	92 days	92 days	20% of base value	20% of base value	None	None

\* Total par value of a single issuer.

\*\* Maximum investment limit of 35% for Federal Agency Issues in one issuer applies if obligations are not backed by the full faith and credit of the U.S. Government at time of acquisition.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

***Disclosures Relating to 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.

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

Investment Type	Fair Value	Remaining Maturity (in Months)		
		12 Months or Less	13 - 24 Months	25 - 60 Months
Money market funds	\$ 217,538	\$ 217,538	\$ -	\$ -
LAIF	13,950,000	13,950,000	-	-
Federal agency securities	15,203,851	4,047,403	4,171,539	6,984,909
Corporate medium term notes	6,127,481	2,021,130	2,598,928	1,507,423
Total	<u>\$ 35,498,870</u>	<u>\$ 20,236,071</u>	<u>\$ 6,770,467</u>	<u>\$ 8,492,332</u>

***Disclosures Relating to 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 or the City's investment policy, and the actual rating as of year end for each investment type (Standard & Poors). LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Investment Type	Fair Value	Minimum Legal Rating	Ratings as of Year End			
			AAA	AA+	AA, AA-, A+	Not Rated
Money market funds	\$ 217,538	N / A	\$ 217,538	\$ -	\$ -	\$ -
LAIF	13,950,000	N / A	-	-	-	13,950,000
Federal agency securities	15,203,851	N / A	-	15,203,851	-	-
Corporate medium term notes	<u>6,127,481</u>	A	<u>1,008,338</u>	<u>1,039,591</u>	<u>4,079,552</u>	-
Total	<u>\$ 35,498,870</u>		<u>\$ 1,225,876</u>	<u>\$ 16,243,442</u>	<u>\$ 4,079,552</u>	<u>\$ 13,950,000</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

***Concentration of Credit Risk***

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments (other than external investment pools) in any one issuer that represent 5% or more of total City's investments are as follows:

Issuer	Investment Type	Reported Amount	Maturity	Interest Rate
Federal Home Loan Mortgage	Federal agency securities	\$ 2,171,764	2016-2018	4.88%-5.13%
Federal National Mortgage Association	Federal agency securities	3,019,258	2015-2019	2.00%-4.38%
Federal Home Loan Bank	Federal agency securities	4,004,257	2015-2020	1.00%-1.95%
Federal Farm Credit Bank	Federal agency securities	4,013,200	2016-2020	1.68%-5.25%

***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, \$129,709 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized 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. The City's LAIF balance at June 30, 2015 was \$13,950,000.

The total amount invested by all public agencies in LAIF as of June 30, 2015 was \$21.5 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2015 has a balance of \$69.6 billion (47.46% was invested in government securities). The average maturity of PMIA investments was 239 days as of June 30, 2015.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

***(b) Interfund Receivables, Payables and Transfers***

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/Due from other funds:

	Due From Other Funds	Due To Other Funds
<b><u>Major Funds:</u></b>		
General Fund	\$ 76,307	\$ -
Sewer Improvement AD02-1 Capital Projects Fund	-	1,266
<b><u>Nonmajor Special Revenue Funds:</u></b>		
Community Development Block Grant Fund	-	14,433
Sewer Redemption AD98-1 Fund	-	8,442
Sewer Redemption AD02-1 Fund	-	19,758
Sewer Redemption AD04-1 Fund	-	32,408
Total	\$ 76,307	\$ 76,307

The purpose of Due to/Due from is to eliminate negative cash balances at fiscal year-end in various funds.

Advances to/from other funds:

	Advances To Other Funds	Advances From Other Funds
<b><u>Major Funds:</u></b>		
General Fund	\$ 1,437,307	\$ -
Sewer Improvement AD02-1 Capital Projects Fund	-	993,838
<b><u>Nonmajor Fund:</u></b>		
Sewer Improvement AD98-1 Debt Service Fund	-	443,469
Total	\$ 1,437,307	\$ 1,437,307

The State of California loaned funds to the City for the purpose of constructing sewer lines in Assessment District 98-1. During construction, the General Fund advanced funds to Sewer AD 98-1 Debt Service Fund, which was the City's matching share according to the agreement with the State. The advances are payable at an annual interest rate of 7%. At June 30, 2015, the outstanding balance is \$443,469.

The General Fund advanced funds to the Sewer Improvement AD02-1 Capital Projects Fund to eliminate negative cash balances at year-end. There are no current repayment terms and the outstanding balance is \$993,838 at June 30, 2015.



**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

Transfers In/Transfers Out:

Transfers In	Transfers Out			Total
	General Fund	City Capital Projects Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 384,804	\$ 384,804
City Capital Projects Fund	1,941,800		305,978	2,247,778
Sewer Debt Service AD02-1 Fund	-		973,857	973,857
Sewer Debt Service AD04-1 Fund	-	-	1,860,365	1,860,365
Nonmajor Funds	662,400	28,700	519,964	1,211,064
Total	<u>\$ 2,604,200</u>	<u>\$ 28,700</u>	<u>\$ 4,044,968</u>	<u>\$ 6,677,868</u>

Interfund transfers were primarily used to fund debt service payments in the Sewer AD98-1, Sewer AD02-1 and Sewer AD04-1. Transfers to the General Fund were primarily used to partially reimburse personnel costs for employees providing services to non-General Fund activities. Transfers from the General Fund were primarily used to assist or fully fund major capital or maintenance projects (i.e., street resurfacing, road and catch basin repairs, trail projects).

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**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

**Capital Assets**

A summary of changes in capital asset activity for the fiscal year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Increases	Decreases	Transfers	Balance June 30, 2015
Governmental activities:					
Capital assets, not being depreciated:					
Land and easements	\$ 10,192,144	\$ -	\$ -	\$ -	\$ 10,192,144
Construction in progress	3,726,650	1,777,298	-	(5,288,479)	215,469
Total capital assets, not being depreciated	<u>13,918,794</u>	<u>1,777,298</u>	<u>-</u>	<u>(5,288,479)</u>	<u>10,407,613</u>
Capital assets, being depreciated:					
Buildings	2,584,120	-	-	-	2,584,120
Improvements other than Buildings	-	306,611	-	-	306,611
Equipment	1,099,931	5,081	-	-	1,105,012
Vehicles	478,236	-	-	-	478,236
Infrastructure	79,697,820	124,722	-	5,288,479	85,111,021
Total capital assets, being depreciated	<u>83,860,107</u>	<u>436,414</u>	<u>-</u>	<u>5,288,479</u>	<u>89,585,000</u>
Less accumulated depreciation:					
Buildings	(1,961,908)	(45,409)	-	-	(2,007,317)
Improvements other than Buildings	-	(102,204)	-	-	(102,204)
Equipment	(902,374)	(42,889)	-	-	(945,263)
Vehicles	(271,950)	(46,757)	-	-	(318,707)
Infrastructure	(12,641,453)	(2,051,919)	-	-	(14,693,372)
Total accumulated depreciation	<u>(15,777,685)</u>	<u>(2,289,178)</u>	<u>-</u>	<u>-</u>	<u>(18,066,863)</u>
Total capital assets, being depreciated, net	<u>68,082,422</u>	<u>(1,852,764)</u>	<u>-</u>	<u>5,288,479</u>	<u>71,518,137</u>
Governmental activities capital assets, net	<u>\$ 82,001,216</u>	<u>\$ (75,466)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,925,750</u>

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

Governmental activities:	
General government	\$ 172,378
Public safety	2,885
Community development	1,338
Public works	<u>2,112,577</u>
Total	<u>\$ 2,289,178</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

***(c) Deferred Inflows/Outflows of Resources***

Unavailable revenues are deferred in accordance with GASB Statement No. 23 and No. 65. The City has unavailable revenues relating to investment accrued interest income on bonds, sales tax receivable, and intergovernmental receivables. The balance of unavailable revenues reported as deferred inflows of resources at June 30, 2015, was \$429,299. For information about deferred inflows and outflows related to pensions, see note 4(b)2.

***(d) Long-term Liabilities***

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2015:

	Balance		Deletions	Prior Period	Balance	Due Within
	July 1, 2014	Additions		Adjustments	June 30, 2015	One Year
Loans Payable	\$ 31,137,246	\$ -	\$ 2,337,305	\$ -	\$ 28,799,941	\$ 2,382,139
Employee Leave Benefits	428,550	242,897	253,013	-	418,434	253,013
OPEB (Note 4(c))	750,210	178,763	76,942	-	852,031	-
Net Pension Liability	-	1,290,810	1,994,943	2,626,105	1,921,972	-
Total	<u>\$ 32,316,006</u>	<u>\$ 1,712,470</u>	<u>\$ 4,662,203</u>	<u>\$ 2,626,105</u>	<u>\$ 31,992,378</u>	<u>\$ 2,635,152</u>

Loans Payable

The State of California has loaned funds, through its State Revolving Fund, to the City for the purpose of constructing sewer lines in Assessment District 98-1. These funds have been advanced to the Sewer Improvement Capital Projects Fund. The loan amount \$8,355,829, which bears interest at zero percent, is comprised of a federal share (83.333% or \$6,963,163) and a state share (16.667% or \$1,392,666). During construction, the City paid the matching share, which is the City's contribution in order to participate in the zero interest loan programs. Repayment of the loan in equal annual installments of \$417,791 over 20 years commenced during FY 2000-01, upon completion of construction.

\$ 2,088,958

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

The annual requirements to amortize the outstanding State Loan for Sewer Assessment District 98-1 as of June 30, 2015, are as follows:

Fiscal year ending June 30,	Principal
2016	\$ 417,791
2017	417,791
2018	417,792
2019	417,792
2020	417,792
Totals	<u>\$ 2,088,958</u>

The State of California has made an obligation to loan the City up to \$13,596,030 for the purpose of constructing sewer lines in Assessment District 02-1. During fiscal year 2008-2009, the interest rate was reduced from 2.4% to 1.4% and a 1% service charge was added to the loan. To date the City has drawn \$13,970,937 (which includes accretion of \$374,907) on this loan, and no further draws will be made. Repayment of the loan in installments ranging from \$535,928 to \$867,554 over 20 years commenced during FY 2005-2006, upon completion of construction. Principal and interest payments are due March 31 of each year.

\$7,815,357

The annual requirements to amortize the outstanding State Loan for Sewer Assessment District 02-1 as of June 30, 2015, are as follows:

Fiscal year ending June 30,	Principal	Interest
2016	\$ 700,795	\$ 187,569
2017	717,614	170,749
2018	734,837	153,527
2019	752,473	135,890
2020	770,533	117,831
2021-2025	<u>4,139,105</u>	<u>302,727</u>
Totals	<u>\$ 7,815,357</u>	<u>\$ 1,068,293</u>

The State of California has made an obligation to loan the City up to \$26,447,628 for the purpose of constructing sewer lines in Assessment District 04-1 and to advance refund \$18,930,000 of 2004A Revenue Bonds. During fiscal year 2008-2009, the interest rate was reduced from 2.3% to 1.3% and a 1% service charge was added to the loan. To date the City has drawn \$26,937,047 (which includes accretion of \$489,419) on this loan, and no further draws will be made. Repayment of the loan in installments ranging from \$996,775 to \$1,659,973 over 20 years commenced during FY 2008-2009, upon completion of construction. Principal and interest payments are due October 31 of each year.

\$18,895,626

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

The annual requirements to amortize the outstanding State Loan for Sewer Assessment District 04-1 as of June 30, 2015, are as follows:

Fiscal year ending June 30,	Principal	Interest
2016	\$ 1,263,553	\$ 434,599
2017	1,292,614	405,538
2018	1,322,344	375,807
2019	1,352,758	345,394
2020	1,383,872	214,280
2021-2025	7,411,691	1,079,069
2026-2028	4,868,794	225,661
Totals	<u>\$ 18,895,626</u>	<u>\$ 3,080,348</u>

Total Loans Payable \$28,799,941

Employee Leave Benefits

Employee leave benefits are payable to employees upon termination. The City's policies relating to the payment of these benefits are discussed in Note (1). (d).4.

\$ 418,434

***(e) Fund Balances for Governmental Funds***

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances at June 30, 2015, for the governmental funds are nonspendable, restricted, assigned, and unassigned for the following purposes:

*Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. At June 30, 2015 the City had nonspendable fund balance of a prepaid amount of \$29,042, advances to other funds of \$1,437,307, and loans of \$194,238.

*Restricted Fund Balance* – includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. At June 30, 2015 the City had restricted fund balances of: \$1,207,292 for transit related activities, \$59,805 for public safety, \$643,005 for air quality improvements, \$2,300 for State Disability Access and Education (DAE) expenditures, \$1,849,509 for sewer improvements, \$10,259,566 for debt service reserve, and \$2,185,081 for future capital projects.

*Assigned Fund Balance* – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) City Council or (b) a body (a budget, finance committee, or management (City Wide Leadership team, which consists of City Manager and Executive Department Heads)) to which the assigned amounts are to be used for

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as nonspendable, restricted, or committed. At June 30, 2015, the City had assigned fund balances of: \$82,725 for the Tree Fund, \$500,000 for potential SR-710 expenditures, and \$332,300 for OPEB.

*Unassigned Fund Balance* – the residual classification for the General Fund and includes all amounts not contained in the other classifications. Governmental funds report residual negative balances as unassigned fund balance. At June 30, 2015, the City had an unassigned fund balance of \$13,606,058.

**(4) OTHER INFORMATION**

***(a) Risk Management***

The City is a member of the California Joint Powers Insurance Authority (CJPIA). The following disclosures are regarding the risk pool:

Liability, Property, and Workers' Compensation Protection

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

The City 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.

2. 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

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

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.

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 layer

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.

3. Purchased Insurance

Pollution Legal Liability Insurance - The City 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 Canada Flintridge. 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 participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City of La Canada Flintridge property is currently insured according to a schedule of covered property submitted by the City of La Canada Flintridge to the Authority. City of La Canada Flintridge property currently has all-risk property insurance protection in the amount of \$7,500,526. There is a \$5,000 deductible per occurrence except for non-emergency vehicle

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance – The City 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 Canada Flintridge property currently has earthquake protection in the amount of \$0. 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 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.

Special Event Tenant User Liability Insurance - The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of La Canada Flintridge according to a schedule. The City of La Canada Flintridge then pays for the insurance. The insurance is arranged by the Authority.

4. 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.

***(b) Employee Retirement System Pension Plans***

1. General Information about the Pension Plans

Plan Description

All qualified employees are eligible to participate in the City's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available report that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

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



**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous
Benefit formula	2.7% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50-55
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%
Required employee contribution rates	8.0%
Required employer contribution rates	10.0%

**Contributions**

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

For the fiscal year ended June 30, 2015, the contributions recognized as part of pension expense for the Plan were as follow:

	Miscellaneous
Contributions - employer	\$ 254,270

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

As of June 30, 2015, the District reported net pension liabilities for its proportionate share of the net position liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 1,921,972

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

	Miscellaneous
Proportion – June 30, 2013	0.08015%
Proportion – June 30, 2014	0.07777%
Change - Decrease	(0.00238%)

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

For the fiscal year ended June 30, 2015, the City recognized pension expense of \$101,928. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 262,412	\$ -
Net differences between projected and actual earnings on pension plan investments		(645,872)
Adjustment due to differences in proportions	94,081	
<b>Total</b>	<b>\$ 356,493</b>	<b>\$ (645,872)</b>

\$262,412 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

Fiscal year ending June 30,		
2016	\$	(127,868)
2017		(127,868)
2018		(134,587)
2019		(161,468)
<b>Totals</b>	<b>\$</b>	<b>(551,791)</b>

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2013
Measurement date	June 30, 2014
Actuarial cost method	Entry age normal cost method
Actuarial assumptions	
Discount rate	7.50%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	3.30 % - 14.2% (1)
Investment rate of return	7.50% (2)
Mortality	Data for all Funds (3)

- (1) Depending on age, service, and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the fiscal years 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.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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% 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% 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.

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% 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%. 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.

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

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

In determining the long-term expected rate of return, staff 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 CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

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

Asset Class	New Strategic Allocation	Real Return Years 1 – 10 (a)	Real Return Years 11+ (b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	(0.55%)	(1.05%)
Total	<u>100.00%</u>		

- (a) An expected inflation of 2.50% used for this period.  
(b) An expected inflation of 3.00% used for this period.

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

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

	<u>Miscellaneous</u>
1.0% Decrease Net Pension Liability	6.50% \$ 3,424,359
Current Discount Rate Net Pension Liability	7.50% \$ 1,921,972
1.0% Increase Net Pension Liability	8.50% \$ 675,132

Pension Plan Fiduciary Net Position

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

***(c) Other Postemployment Benefits***

Plan Description

The City administers a single-employer defined benefit postemployment healthcare plan (Plan). The Plan provides healthcare benefits to all eligible retirees who retire from the City. Benefit provisions are established and may be amended by the City Council. Under the program, the City pays 100% of the health insurance premium for eligible retirees hired on or after July 1, 1998. The employee-retiree may elect to receive spouse and/or dependent coverage with premiums paid by the employee-retiree. For employees hired prior to July 1, 1998, the retiree, as well as the

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

retiree's spouse and dependents, are eligible for coverage with all premiums paid by the City. As of June 30, 2015, the City was providing retiree health benefits to eleven (11) retirees. Generally, the General Fund is used to pay the retiree health contributions.

Funding Policy

Contribution requirements for the City are established and may be amended by the City Council. The City pays for retiree health benefits on a "pay-as-you-go" basis. Employees are not required to make contributions for retiree health benefits. For fiscal year 2014-15, the City contributed \$76,942, or 43.0% of the annual OPEB cost, to the Plan.

Annual OPEB cost and Net OPEB Obligation

Based on an actuarial study of the City's retiree health liabilities as of July 1, 2015, the City's Annual Required Contribution (ARC) for fiscal year 2014-15 is \$176,796. The ARC, as determined in accordance with the parameter of GASB Statement 45, represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or fund excess) over a period not to exceed thirty (30) years.

The following table shows the components of the City's annual OPEB cost for the fiscal year, the amount actually contributed to the Plan, and changes in the City's net OPEB obligation to the Plan:

Annual required contribution	\$	176,796
Interest on net OPEB obligation		47,263
Adjustment to annual required contribution		<u>(45,296)</u>
 Annual OPEB Cost		 178,763
Contribution made		<u>(76,942)</u>
 Increase in net OPEB obligation		 101,821
Net OPEB obligation – beginning of fiscal year		<u>750,210</u>
Net OPEB obligation – end of fiscal year	\$	<u><u>852,031</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2013, 2014, and 2015, are as follows:

Fiscal Year	Annual OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
June 30, 2013	\$ 250,772	38.2%	\$ 573,029
June 30, 2014	251,656	29.6%	750,210
June 30, 2015	178,763	43.0%	852,031

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the funded status of the Plan was as follows:

Actuarial accrued liability (AAL)	\$	2,708,241
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)		<u><u>\$ (2,708,241)</u></u>
Funded ratio (actuarial value of plan assets/AAL)		0.0%
Annual covered payroll (active plan members)	\$	2,358,312
UAAL as a percentage of annual covered payroll		114.84%

Actuarial Methods and Assumptions

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 contribution of the employer are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, 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 benefits.

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

In the July 1, 2015 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 6.30% investment rate of return; an inflation rate of 2.75%; a payroll increase of 2.75%, an annual healthcare cost trend rate of 4.0%; and a 0% allowance of retirees who will waive benefits at retirement (it is assumed that 100% of retirees will elect to receive the City's retiree benefits). The Plan's unfunded actuarial accrued liability is being amortized as a level of percentage of expected payroll over 30 years and the amortization period is closed.

**(5) RESTATEMENT OF NET POSITION/FUND BALANCE**

The accompanying financial statements reflect adjustments that resulted in the restatement of beginning Net Position of (\$2,438,341) on the Statement of Activities. This included an understatement of net pension liability of (\$2,626,105), an understatement of deferred outflow of resources-pension of \$254,270, and an overstatement for gas tax revenue of (\$66,506). The pension restatements were a result of the implementation of GASB Statements No. 68 and No. 71.

The accompanying financial statements reflect adjustments that resulted in the restatement of beginning Fund Balance of (\$66,506) on the Governmental Funds Nonmajor Governmental Funds. This included an overstatement of gas tax revenue of (\$66,506) as recommended by the California State Controller.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

**(6) COMMITMENTS AND CONTINGENCIES**

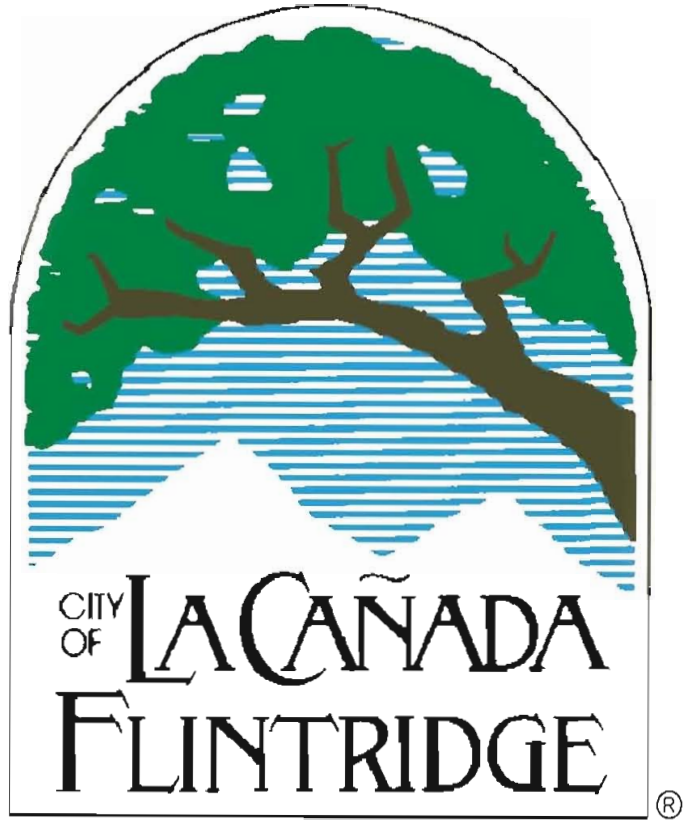
The City is occasionally a defendant in lawsuits which have arisen in the normal course of business. Damages are alleged in some of these actions and their outcome cannot be predicted with certainty. However, in the opinion of the City Attorney, the outcome of these actions will not have a material adverse effect on the financial position of the City.

The City participates in several federal and state grant programs. The programs are subject to examination by the granters and the amount, if any, of expenses which may be disallowed by the granting agency cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**REQUIRED SUPPLEMENTARY INFORMATION**







**CITY OF LA CAÑADA FLINTRIDGE**  
**Required Supplementary Information**  
**June 30, 2015**

**Cost Sharing Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Fiscal Years (\*)**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	Measurement Date June 30, 2014
	<b>Miscellaneous</b>
Plan's proportion of the net pension liability	0.03089%
Plan's proportionate share of the net pension liability	\$ 1,921,972
Plan's covered – employee payroll	\$ 2,318,764
Plan's proportionate share of the net pension liability as a percentage of it's covered – employee payroll	82.89%
Plan's fiduciary net position	\$ 9,402,896
Plan's total pension liability	\$ 11,324,868
Plan's proportionate share of the fiduciary net position as a percentage of the total pension liability	83.03%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: None

\* Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore, only one year is shown.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Required Supplementary Information**  
**June 30, 2015**

**Cost Sharing Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Fiscal Years (\*)**

**SCHEDULE OF CONTRIBUTIONS**

	Measurement Date June 30, 2015
	<b>Miscellaneous</b>
Actuarially determined contribution (a)	\$ 262,412
Contributions in relation to the actuarially determined contribution (b)	(262,412)
Contribution deficiency (excess)	\$ -
Covered-employee payroll (c)	\$ 2,374,614
Contributions as a percentage of covered-employee payroll	11.05%

- (a) Historical information is required only for measurement periods for which GASB 68 is applicable.
- (b) Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.
- (c) Covered-employee payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employee's pension plan. Accordingly, if pensionable earnings are different that total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal year 2014-15 were from June 30, 2012 public agency valuations.

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll
Average remaining period	19 years as of the valuation date
Asset valuation method	15 year smoother market
Actuarial assumptions	
Discount rate	7.50% (net of administrative expenses)
Inflation	2.75%
Projected salary increases	3.30% to 14.20% depending on age, service and type of employment
Payroll growth	3.00%
Individual salary growth	A merit scale varying in duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%
Retirement age	The probabilities of retirement are based on the 2010 CalPERS experience study for the period 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS experience study for the period 1997 to 2007. Pre-retirement and post-retirement mortality rates included 5 years of projected mortality improvement using scale AA published by the Society of Actuaries.

\* Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore, only one year is shown.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Required Supplementary Information**  
**June 30, 2015**

**SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS**

Actuarial Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
11/20/2008	\$ -	\$2,233,842	\$ 2,233,842	0.0%	\$2,102,156	106.26%
11/01/2011	-	\$2,851,039	\$ 2,851,039	0.0%	\$2,114,308	134.85%
07/01/2015	-	\$2,708,241	\$ 2,708,241	0.0%	\$2,358,312	114.84%

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 9,616,550	\$ 9,645,550	\$ 10,492,066	\$ 846,516
Fines, forfeitures and penalties	91,375	95,875	132,432	36,557
From other agencies	36,475	66,125	284,193	218,068
Charges for services	2,034,500	2,089,825	3,008,845	919,020
Use of money and property	317,650	317,650	79,034	(238,616)
Other revenue	47,450	55,650	204,712	149,062
<b>Total revenues</b>	<u>12,144,000</u>	<u>12,270,675</u>	<u>14,201,282</u>	<u>1,930,607</u>
<b>Expenditures:</b>				
Current:				
General government	4,532,750	4,506,075	4,505,532	543
Public safety	3,063,275	3,061,650	2,952,267	109,383
Community development	650,125	650,675	657,590	(6,915)
Public works	3,219,600	3,163,675	2,945,011	218,664
Capital outlay	221,775	87,925	75,382	12,543
<b>Total expenditures</b>	<u>11,687,525</u>	<u>11,470,000</u>	<u>11,135,782</u>	<u>334,218</u>
Excess of revenues over expenditures	<u>456,475</u>	<u>800,675</u>	<u>3,065,500</u>	<u>2,264,825</u>
<b>Other financing sources (uses):</b>				
Transfers in	396,375	396,375	384,804	(11,571)
Transfers out	(1,177,300)	(2,604,200)	(2,604,200)	-
<b>Total other financing sources (uses)</b>	<u>(780,925)</u>	<u>(2,207,825)</u>	<u>(2,219,396)</u>	<u>(11,571)</u>
<b>Net change in fund balances</b>	<u>(324,450)</u>	<u>(1,407,150)</u>	<u>846,104</u>	<u>2,253,254</u>
Fund balance, beginning of fiscal year	<u>16,302,531</u>	<u>16,302,531</u>	<u>16,302,531</u>	<u>-</u>
<b>Fund balance, end of fiscal year</b>	<u>\$ 15,978,081</u>	<u>\$ 14,895,381</u>	<u>\$ 17,148,635</u>	<u>\$ 2,253,254</u>

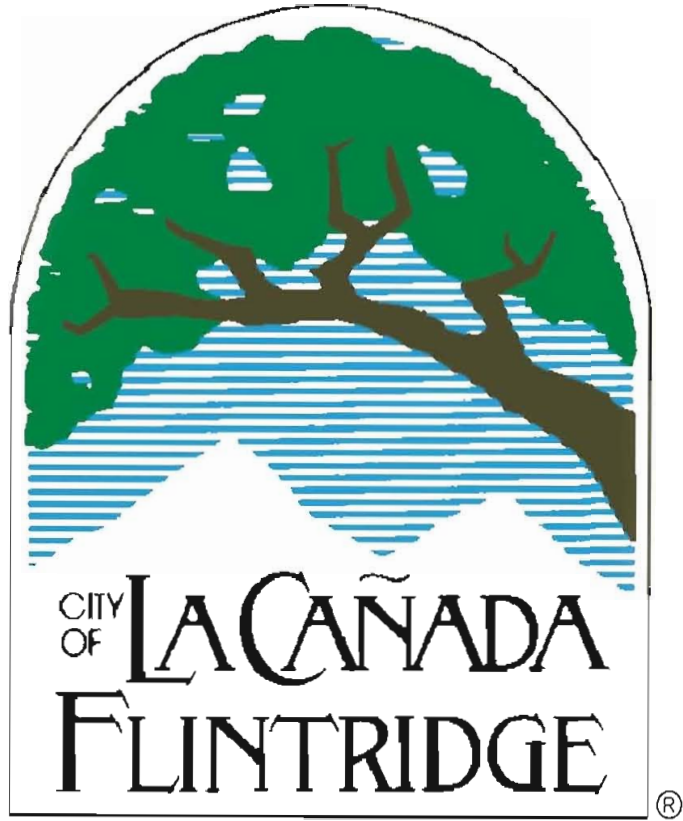
See Accompanying Note to Required Supplementary Information.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Note to Required Supplementary Information**  
**June 30, 2015**

**(1) BUDGETARY INFORMATION**

*(a) General Budget Policies:*

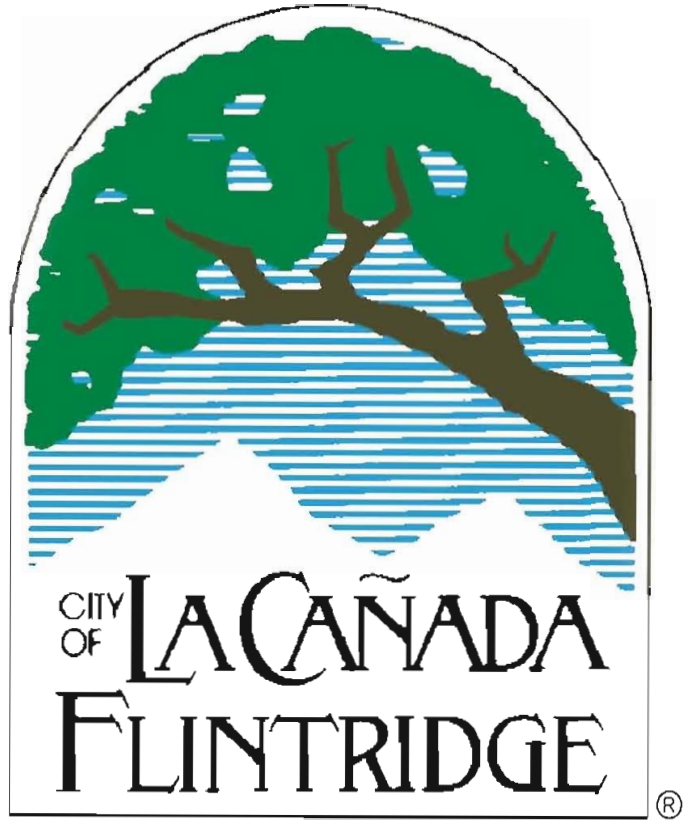
The City adopts an annual budget prepared on the modified accrual basis of accounting for the General Fund and Special Revenue Funds. The budget is adopted on a basis which does not differ materially from generally accepted accounting principles (GAAP). The City Manager prepares and submits to the City Council the annual budget of the City and administers it after adoption. The City Manager is authorized to transfer budgeted amounts between the accounts of any department within a fund; however, any revisions that alter the total appropriations of any fund must be approved by the City Council. The level of budgetary control is the fund level.



**OTHER SUPPLEMENTARY INFORMATION**







**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Sewer AD02-1 Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Use of money and property	\$ 69,000	\$ 69,000	\$ 70,024	\$ 1,024
<b>Expenditures:</b>				
Debt service:				
Principal retirement	684,375	684,375	684,370	5
Interest and other charges	204,000	204,000	203,993	7
Total expenditures	888,375	888,375	888,363	12
(Deficiency) of revenues (under) expenditures	(819,375)	(819,375)	(818,339)	1,036
<b>Other financing sources:</b>				
Transfers in	957,500	1,026,500	973,857	(52,643)
Net change in fund balance	138,125	207,125	155,518	(51,607)
Fund balance, beginning of fiscal year	3,668,271	3,668,271	3,668,271	-
Fund balance, end of fiscal year	<u>\$ 3,806,396</u>	<u>\$ 3,875,396</u>	<u>\$ 3,823,789</u>	<u>\$ (51,607)</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Sewer AD04-1 Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Use of money and property	\$ 97,000	\$ 97,000	\$ 103,681	\$ 6,681
<b>Expenditures:</b>				
Current:				
Public works	1,250	1,250	1,250	-
Debt service:				
Principal retirement	1,235,150	1,235,150	1,235,144	6
Interest and other charges	490,775	463,000	463,008	(8)
Total expenditures	<u>1,727,175</u>	<u>1,699,400</u>	<u>1,699,402</u>	<u>(2)</u>
(Deficiency) of revenues (under) expenditures	(1,630,175)	(1,602,400)	(1,595,721)	6,679
<b>Other financing sources:</b>				
Transfers in	<u>1,844,500</u>	<u>1,832,300</u>	<u>1,860,365</u>	<u>28,065</u>
Net change in fund balance	214,325	229,900	264,644	34,744
Fund balance, beginning of fiscal year	<u>6,171,133</u>	<u>6,171,133</u>	<u>6,171,133</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 6,385,458</u>	<u>\$ 6,401,033</u>	<u>\$ 6,435,777</u>	<u>\$ 34,744</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**City Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
From other agencies	\$ 1,817,400	\$ 1,817,400	\$ 2,524,670	\$ 707,270
<b>Expenditures:</b>				
Capital outlay	5,663,500	3,602,675	2,894,087	708,588
(Deficiency) of revenues (under) expenditures	(3,846,100)	(1,785,275)	(369,417)	1,415,858
<b>Other financing sources (uses):</b>				
Transfers in	2,352,050	2,493,425	2,247,778	(245,647)
Transfers out	(28,700)	(28,700)	(28,700)	-
Total other financing sources (uses)	2,323,350	2,464,725	2,219,078	(245,647)
Net change in fund balance	(1,522,750)	679,450	1,849,661	1,170,211
Fund balance, beginning of fiscal year	278,284	278,284	278,284	-
Fund balance (deficit), end of fiscal year	<u>\$ (1,244,466)</u>	<u>\$ 957,734</u>	<u>\$ 2,127,945</u>	<u>\$ 1,170,211</u>

## DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

Traffic Safety Fund - To account for the revenues received and expenditures made for traffic safety enforcement.

State Gasoline Tax Fund - To account for revenues received and expenditures made for general street improvement and maintenance. The revenues consist of the City's share of state gasoline taxes collected under Sections 2103, 2105, 2106, 2107, 2107.5 of the Street and Highway Code.

State Park Bonds and Grants Fund - To account for monies received from the State of California for park improvements and maintenance of community trails.

TDA Fund - To account for funds received from the State, under SB821, for bikeways and pedestrian facilities.

Proposition C Transit Tax Fund - To account for receipt and disbursement of funds derived from the 1990-91 one-half cent sales tax imposed by Proposition C to finance transit or transit-related projects in Los Angeles County.

Proposition A Transit Tax Fund - To account for the receipt and disbursement of funds from the Los Angeles Metropolitan Transportation Authority derived from the one-half cent sales tax imposed by the Proposition A to finance public transportation projects.

Community Development Block Grant Fund - To account for revenues received and expenditures made for the federal Community Development Block Grant. Funds are used to assist low and moderate income residents and to remove blight.

State/ Federal Law Enforcement Supplemental Funds - To account for monies received from the State of California and/ or the federal government to be used for policing activities in accordance with law enforcement activities.

Air Quality Improvement (AQMD Trust) Fund - To account for the revenues and expenditures made for air quality improvements projects. The revenues consist of funds received from the South Coast Air Quality Management District (SCAQMD) in accordance with AB2766.

Property Acquisition Fund - To account for monies set aside for the future acquisition of property. Revenues may be derived from various sources, including donations.

Sanitation Fund - To account for activities of Sanitation Districts #28 and #34 related to the acquisition and installation of a community sewer system.

Sewer Redemption AD98-1 Fund - To account for funds related to Assessment District 98-1 for sewer assessment.

Sewer Redemption AD02-1 Fund - To account for funds related to Assessment District 02-1 for sewer assessment.

Sewer Redemption AD04-1 Fund – To account for funds related to Assessment District 04-1 for sewer assessment.

Measure R Fund – To account for receipt and disbursement of funds derived from the 2008 one-half cent sales tax imposed by Measure to finance transportation-related projects and improvements in Los Angeles County.

### **DEBT SERVICE FUND**

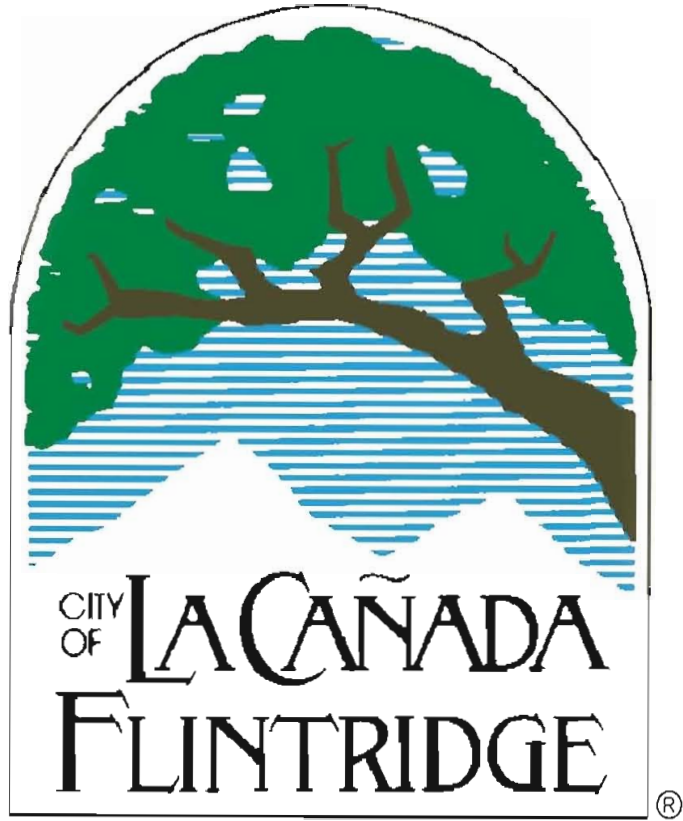
Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term liabilities, including principal, interest and related costs.

Sewer AD98-1 Debt Service Fund – To account for payment of interest and principal on the debt of Assessment District 98-1.

### **CAPITAL PROJECTS FUND**

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities financed by governmental funds.

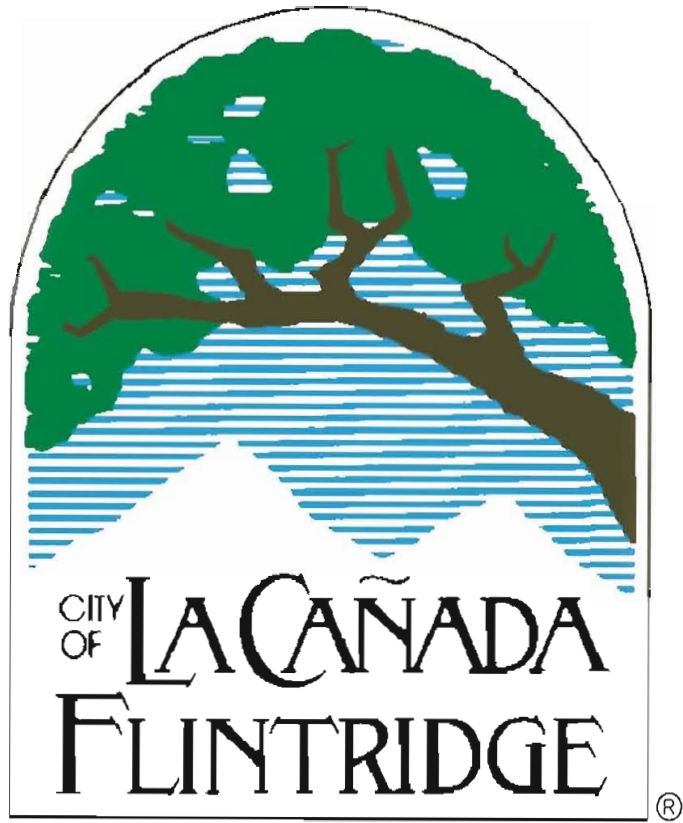
Sewer Improvement AD04-1 Capital Projects Fund – To account for sewer capital improvements under Assessment District 04-1.



**COMBINING AND INDIVIDUAL FUND STATEMENTS  
AND SCHEDULES**







**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2015**

	<b>Special Revenue Funds</b>			
	<b>Traffic Safety</b>	<b>State Gasoline Tax</b>	<b>State Park Bonds and Grants</b>	<b>TDA</b>
<b>Assets:</b>				
Cash and investments	\$ 18,902	\$ 373,456	\$ 57,136	\$ -
Accounts receivable	11,628	-	-	-
Total assets	<u>\$ 30,530</u>	<u>\$ 373,456</u>	<u>\$ 57,136</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ 175,680	\$ -	\$ -
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>175,680</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits):</b>				
Restricted:				
Transit	-	197,776	-	-
Public safety	30,530	-	-	-
Air quality improvements	-	-	-	-
Sewer improvements	-	-	-	-
Future capital projects	-	-	57,136	-
Unassigned (deficits)	-	-	-	-
Total fund balances (deficits)	<u>30,530</u>	<u>197,776</u>	<u>57,136</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 30,530</u>	<u>\$ 373,456</u>	<u>\$ 57,136</u>	<u>\$ -</u>

(Continued)

**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2015**  
**(Continued)**

	<b>Special Revenue Funds</b>			
	<b>Proposition C Transit Tax</b>	<b>Proposition A Transit Tax</b>	<b>Community Development Block Grant</b>	<b>State/ Federal Law Enforcement Supplemental Funds</b>
<b>Assets:</b>				
Cash and investments	\$ 441,866	\$ 194,220	\$ -	\$ 57,451
Accounts receivable	-	-	15,342	-
Total assets	\$ 441,866	\$ 194,220	\$ 15,342	\$ 57,451
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 24,061	\$ 51,899	\$ 1,000	\$ 28,176
Due to other funds	-	-	14,433	-
Advances from other funds	-	-	-	-
Total liabilities	24,061	51,899	15,433	28,176
<b>Fund balances (deficits):</b>				
Restricted:				
Transit	417,805	142,321	-	-
Public safety	-	-	-	29,275
Air quality improvements	-	-	-	-
Sewer improvements	-	-	-	-
Future capital projects	-	-	-	-
Unassigned (deficits)	-	-	(91)	-
Total fund balances (deficits)	417,805	142,321	(91)	29,275
Total liabilities and fund balances	\$ 441,866	\$ 194,220	\$ 15,342	\$ 57,451

(Continued)

**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2015**  
**(Continued)**

**Special Revenue Funds**

	<u>AQMD Trust</u>	<u>Property Acquisition</u>	<u>Sanitation</u>	<u>Sewer Redemption AD98-1</u>
<b>Assets:</b>				
Cash and investments	\$ 236,320	\$ 400,000	\$ -	\$ -
Accounts receivable	6,685	-	-	8,442
Total assets	<u>\$ 243,005</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 8,442</u>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	8,442
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,442</u>
<b>Fund balances (deficits):</b>				
Restricted:				
Transit	-	-	-	-
Public safety	-	-	-	-
Air quality improvements	243,005	400,000	-	-
Sewer improvements	-	-	-	-
Future capital projects	-	-	-	-
Unassigned (deficits)	-	-	-	-
Total fund balances (deficits)	<u>243,005</u>	<u>400,000</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 243,005</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 8,442</u>

(Continued)

**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2015**  
**(Continued)**

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>
	<u>Sewer Redemption AD02-1</u>	<u>Sewer Redemption AD04-1</u>	<u>Measure R</u>	<u>Sewer AD98-1</u>
<b>Assets:</b>				
Cash and investments	\$ -	\$ -	\$ 449,390	\$ 1,106,064
Accounts receivable	19,758	27,408	-	-
<b>Total assets</b>	<u>\$ 19,758</u>	<u>\$ 27,408</u>	<u>\$ 449,390</u>	<u>\$ 1,106,064</u>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	19,758	32,408	-	-
Advances from other funds	-	-	-	443,469
<b>Total liabilities</b>	<u>19,758</u>	<u>32,408</u>	<u>-</u>	<u>443,469</u>
<b>Fund balances (deficits):</b>				
Restricted:				
Transit	-	-	449,390	-
Public safety	-	-	-	-
Air quality improvements	-	-	-	-
Sewer improvements	-	-	-	662,595
Future capital projects	-	-	-	-
Unassigned (deficits)	-	(5,000)	-	-
<b>Total fund balances (deficits)</b>	<u>-</u>	<u>(5,000)</u>	<u>449,390</u>	<u>662,595</u>
<b>Total liabilities and fund balances</b>	<u>\$ 19,758</u>	<u>\$ 27,408</u>	<u>\$ 449,390</u>	<u>\$ 1,106,064</u>

(Continued)

**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2015**  
**(Continued)**

	<b>Capital Projects</b>	
	<b>Fund</b>	
	<b>Sewer Improvement AD04-1</b>	<b>Nonmajor Governmental Funds</b>
	<u>          </u>	<u>          </u>
<b>Assets:</b>		
Cash and investments	\$ 1,203,988	\$ 4,538,793
Accounts receivable	2,327	91,590
	<u>          </u>	<u>          </u>
Total assets	<u>\$ 1,206,315</u>	<u>\$ 4,630,383</u>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 19,401	\$ 300,217
Due to other funds	-	75,041
Advances from other funds	-	443,469
	<u>          </u>	<u>          </u>
Total liabilities	<u>19,401</u>	<u>818,727</u>
<b>Fund balances (deficits):</b>		
Restricted:		
Transit	-	1,207,292
Public safety	-	59,805
Air quality improvements	-	643,005
Sewer improvements	1,186,914	1,849,509
Future capital projects	-	57,136
Unassigned (deficits)	-	(5,091)
	<u>          </u>	<u>          </u>
Total fund balances (deficits)	<u>1,186,914</u>	<u>3,811,656</u>
Total liabilities and fund balances	<u>\$ 1,206,315</u>	<u>\$ 4,630,383</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances (Deficits)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Special Revenue Funds</u>			
	<u>Traffic Safety</u>	<u>State Gasoline Tax</u>	<u>State Park Bonds and Grants</u>	<u>TDA</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, forfeitures and penalties	137,935	-	-	-
From other agencies	-	611,978	33,150	16,573
Charges for services	-	-	-	-
Use of money and property	-	6,259	-	-
	<u>137,935</u>	<u>618,237</u>	<u>33,150</u>	<u>16,573</u>
<b>Total revenues</b>	<u>137,935</u>	<u>618,237</u>	<u>33,150</u>	<u>16,573</u>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Public works	-	598,429	33,150	-
Community development	-	-	-	-
Capital outlay	-	-	-	16,573
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
	<u>-</u>	<u>598,429</u>	<u>33,150</u>	<u>16,573</u>
<b>Total expenditures</b>	<u>-</u>	<u>598,429</u>	<u>33,150</u>	<u>16,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>137,935</u>	<u>19,808</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	(100,000)	-	-	-
	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>37,935</u>	<u>19,808</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), beginning of fiscal year	(7,405)	244,474	57,136	-
Prior period adjustments	-	(66,506)	-	-
	<u>-</u>	<u>(66,506)</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), beginning of fiscal year, as restated	(7,405)	177,968	57,136	-
	<u>(7,405)</u>	<u>177,968</u>	<u>57,136</u>	<u>-</u>
Fund balances (deficits), end of fiscal year	<u>\$ 30,530</u>	<u>\$ 197,776</u>	<u>\$ 57,136</u>	<u>\$ -</u>

(Continued)

**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances (Deficits)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**  
**(Continued)**

	<b>Special Revenue Funds</b>			
	<b>Proposition C Transit Tax</b>	<b>Proposition A Transit Tax</b>	<b>Community Development Block Grant</b>	<b>State/ Federal Law Enforcement Supplemental Funds</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
From other agencies	300,656	362,288	66,994	106,230
Charges for services	-	-	-	-
Use of money and property	8,378	4,706	-	1,056
Total revenues	<u>309,034</u>	<u>366,994</u>	<u>66,994</u>	<u>107,286</u>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	169,055
Public works	149,687	255,048	-	-
Community development	-	-	66,994	-
Capital outlay	-	320,003	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>149,687</u>	<u>575,051</u>	<u>66,994</u>	<u>169,055</u>
Excess (deficiency) of revenues over (under) expenditures	<u>159,347</u>	<u>(208,057)</u>	<u>-</u>	<u>(61,769)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	155,700	-	68,750
Transfers out	<u>(191,345)</u>	<u>(22,728)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(191,345)</u>	<u>132,972</u>	<u>-</u>	<u>68,750</u>
Net changes in fund balances	<u>(31,998)</u>	<u>(75,085)</u>	<u>-</u>	<u>6,981</u>
Fund balances (deficits), beginning of fiscal year	449,803	217,406	(91)	22,294
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), beginning of fiscal year, as restated	<u>449,803</u>	<u>217,406</u>	<u>(91)</u>	<u>22,294</u>
Fund balances (deficits), end of fiscal year	<u>\$ 417,805</u>	<u>\$ 142,321</u>	<u>\$ (91)</u>	<u>\$ 29,275</u>

(Continued)



**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances (Deficits)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**  
**(Continued)**

	<b>Special Revenue Funds</b>			
	<b>AQMD Trust</b>	<b>Property Acquisition</b>	<b>Sanitation</b>	<b>Sewer Redemption AD98-1</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 1,500	\$ -
Assessments	-	-	-	585,604
Fines, forfeitures and penalties	-	-	-	231
From other agencies	34,580	-	-	-
Charges for services	-	-	-	26,145
Use of money and property	4,252	-	-	778
	<u>38,832</u>	<u>-</u>	<u>1,500</u>	<u>612,758</u>
Total revenues				
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Public works	-	-	1,500	8,544
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>8,544</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>38,832</u>	<u>-</u>	<u>-</u>	<u>604,214</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	400,000	-	-
Transfers out	(25,000)	-	-	(604,214)
	<u>(25,000)</u>	<u>400,000</u>	<u>-</u>	<u>(604,214)</u>
Total other financing sources (uses)				
Net changes in fund balances	<u>13,832</u>	<u>400,000</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), beginning of fiscal year	229,173	-	-	-
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), beginning of fiscal year, as restated	<u>229,173</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of fiscal year	<u>\$ 243,005</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances (Deficits)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**  
**(Continued)**

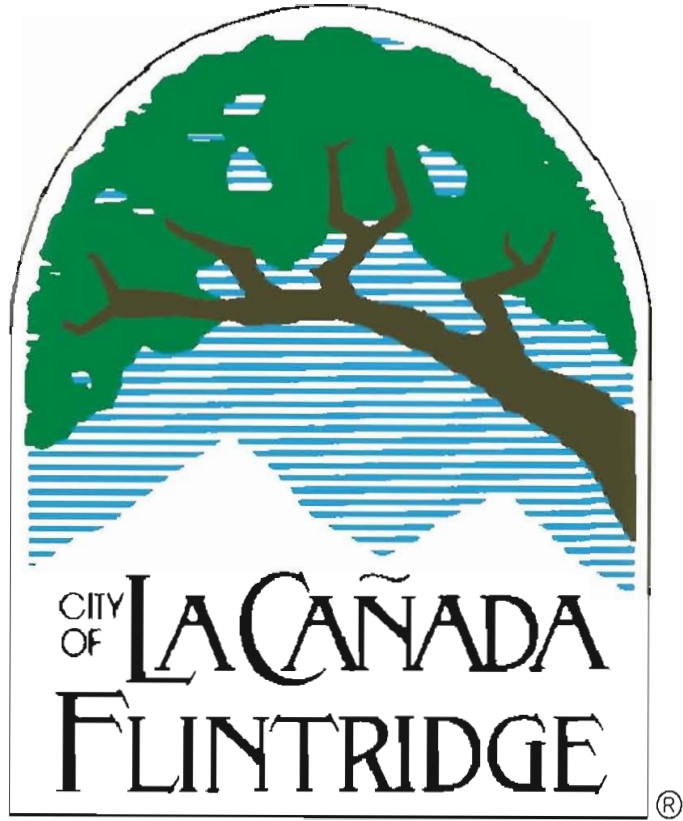
	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>
	<u>Sewer Redemption AD02-1</u>	<u>Sewer Redemption AD04-1</u>	<u>Measure R</u>	<u>Sewer AD98-1</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	971,615	1,849,036	-	-
Fines, forfeitures and penalties	1,372	4,680	-	-
From other agencies	-	-	224,945	-
Charges for services	36,405	38,175	-	-
Use of money and property	870	1,649	7,380	17,332
	<u>1,010,262</u>	<u>1,893,540</u>	<u>232,325</u>	<u>17,332</u>
Total revenues				
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Public works	11,210	12,544	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	417,791
Interest and other charges	-	-	-	37,577
	<u>11,210</u>	<u>12,544</u>	<u>-</u>	<u>455,368</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>999,052</u>	<u>1,880,996</u>	<u>232,325</u>	<u>(438,036)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	586,614
Transfers out	<u>(999,052)</u>	<u>(1,885,996)</u>	<u>(216,633)</u>	<u>-</u>
Total other financing sources (uses)	<u>(999,052)</u>	<u>(1,885,996)</u>	<u>(216,633)</u>	<u>586,614</u>
Net changes in fund balances	<u>-</u>	<u>(5,000)</u>	<u>15,692</u>	<u>148,578</u>
Fund balances (deficits), beginning of fiscal year	-	-	433,698	514,017
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), beginning of fiscal year, as restated	<u>-</u>	<u>-</u>	<u>433,698</u>	<u>514,017</u>
Fund balances (deficits), end of fiscal year	<u>\$ -</u>	<u>\$ (5,000)</u>	<u>\$ 449,390</u>	<u>\$ 662,595</u>

(Continued)

**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances (Deficits)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**  
**(Continued)**

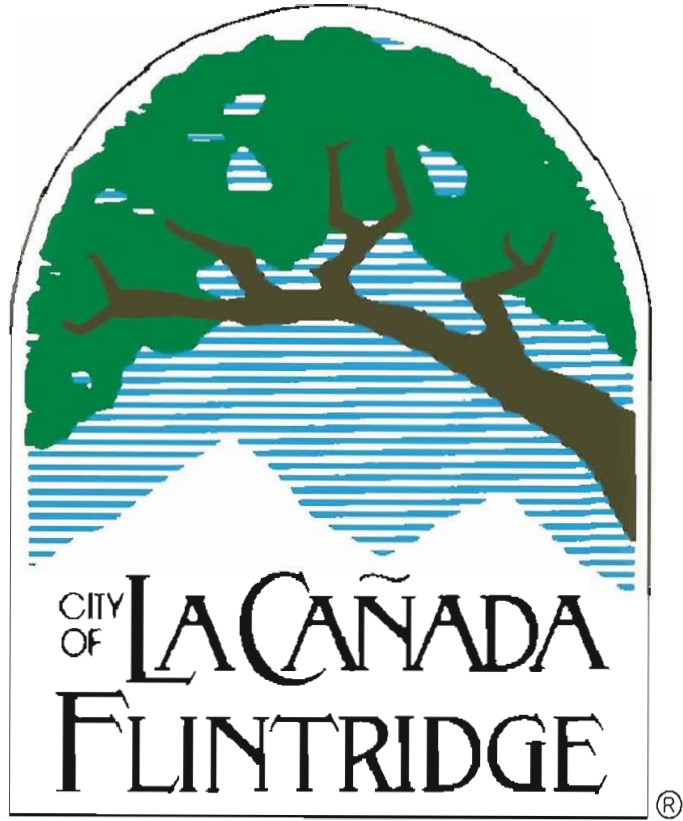
**Capital Projects**  
**Fund**

	<b>Sewer Improvement AD04-1</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>		
Taxes	\$ -	\$ 1,500
Assessments	218,486	3,624,741
Fines, forfeitures and penalties	-	144,218
From other agencies	-	1,757,394
Charges for services	-	100,725
Use of money and property	20,331	72,991
Total revenues	238,817	5,701,569
<b>Expenditures:</b>		
Current:		
Public safety	-	169,055
Public works	5,039	1,075,151
Community development	-	66,994
Capital outlay	192,708	529,284
Debt service:		
Principal retirement	-	417,791
Interest and other charges	-	37,577
Total expenditures	197,747	2,295,852
Excess (deficiency) of revenues over (under) expenditures	41,070	3,405,717
<b>Other financing sources (uses):</b>		
Transfers in	-	1,211,064
Transfers out	-	(4,044,968)
Total other financing sources (uses)	-	(2,833,904)
Net changes in fund balances	41,070	571,813
Fund balances (deficits), beginning of fiscal year	1,145,844	3,306,349
Prior period adjustments	-	(66,506)
Fund balances (deficits), beginning of fiscal year, as restated	1,145,844	3,239,843
Fund balances (deficits), end of fiscal year	\$ 1,186,914	\$ 3,811,656



**NON MAJOR FUND BUDGETARY COMPARISON SCHEDULE**





**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Traffic Safety Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Fines, forfeitures and penalties	\$ 100,000	\$ 137,935	\$ 37,935
<b>Other financing (uses):</b>			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance	-	37,935	37,935
Fund balance (deficit), beginning of fiscal year	<u>(7,405)</u>	<u>(7,405)</u>	<u>-</u>
Fund balance (deficit), end of fiscal year	<u><u>\$ (7,405)</u></u>	<u><u>\$ 30,530</u></u>	<u><u>\$ 37,935</u></u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor State Gasoline Tax Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
From other agencies	\$ 547,800	\$ 611,978	\$ 64,178
Use of money and property	1,500	6,259	4,759
Total revenues	<u>549,300</u>	<u>618,237</u>	<u>68,937</u>
<b>Expenditures:</b>			
Current:			
Public works	<u>549,300</u>	<u>598,429</u>	<u>(49,129)</u>
Net change in fund balance	<u>-</u>	<u>19,808</u>	<u>19,808</u>
Fund balance, beginning of fiscal year	244,474	244,474	-
Prior period adjustment	<u>-</u>	<u>(66,506)</u>	<u>(66,506)</u>
Fund balance, beginning of fiscal year, as restated	<u>244,474</u>	<u>177,968</u>	<u>(66,506)</u>
Fund balance, end of fiscal year	<u>\$ 244,474</u>	<u>\$ 197,776</u>	<u>\$ (46,698)</u>



**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor State Park Bonds and Grants Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 33,150	\$ 33,150	\$ -
<b>Expenditures:</b>			
Current:			
Public works	33,150	33,150	-
Net change in fund balance	-	-	-
Fund balance, beginning of fiscal year	57,136	57,136	-
Fund balance, end of fiscal year	\$ 57,136	\$ 57,136	\$ -

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor TDA Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
From other agencies	\$ 16,575	\$ 16,573	\$ (2)
<b>Expenditures:</b>			
Capital outlay	<u>16,575</u>	<u>16,573</u>	<u>2</u>
Net change in fund balance	-	-	-
Fund balance, beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of fiscal year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Proposition C Transit Tax Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
From other agencies	\$ 276,825	\$ 300,656	\$ 23,831
Use of money and property	6,200	8,378	2,178
	<u>283,025</u>	<u>309,034</u>	<u>26,009</u>
<b>Expenditures:</b>			
Current:			
Public works	<u>131,650</u>	<u>149,687</u>	<u>(18,037)</u>
Excess of revenues over expenditures	151,375	159,347	7,972
<b>Other financing (uses):</b>			
Transfers out	<u>(307,875)</u>	<u>(191,345)</u>	<u>116,530</u>
Net change in fund balance	(156,500)	(31,998)	124,502
Fund balance, beginning of fiscal year	<u>449,803</u>	<u>449,803</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 293,303</u>	<u>\$ 417,805</u>	<u>\$ 124,502</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Proposition A Transit Tax Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 332,175	\$ 362,288	\$ 30,113
Use of money and property	5,175	4,706	(469)
	<u>337,350</u>	<u>366,994</u>	<u>29,644</u>
<b>Expenditures:</b>			
Current:			
Public works	235,475	255,048	(19,573)
Capital outlay	391,000	320,003	70,997
	<u>626,475</u>	<u>575,051</u>	<u>51,424</u>
(Deficiency) of revenues (under) expenditures	(289,125)	(208,057)	81,068
<b>Other financing sources (uses):</b>			
Transfers in	155,700	155,700	-
Transfers out	(50,950)	(22,728)	28,222
	<u>(184,375)</u>	<u>(75,085)</u>	<u>109,290</u>
Fund balance, beginning of fiscal year	<u>217,406</u>	<u>217,406</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 33,031</u>	<u>\$ 142,321</u>	<u>\$ 109,290</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Community Development Block Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 72,650	\$ 66,994	\$ (5,656)
<b>Expenditures:</b>			
Current:			
Community development	72,650	66,994	5,656
Net change in fund balance	-	-	-
Fund balance (deficit), beginning of fiscal year	(91)	(91)	-
Fund balance (deficit), end of fiscal year	\$ (91)	\$ (91)	\$ -

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor State/ Federal Law Enforcement Supplemental Funds Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
From other agencies	\$ 100,000	\$ 106,230	\$ 6,230
Use of money and property	500	1,056	556
	<u>100,500</u>	<u>107,286</u>	<u>6,786</u>
Total revenues	<u>100,500</u>	<u>107,286</u>	<u>6,786</u>
<b>Expenditures:</b>			
Current:			
Public safety	<u>169,250</u>	<u>169,055</u>	<u>195</u>
(Deficiency) of revenues (under) expenditures	(68,750)	(61,769)	6,981
<b>Other financing sources:</b>			
Transfers in	<u>68,750</u>	<u>68,750</u>	<u>-</u>
Net change in fund balance	-	6,981	6,981
Fund balance, beginning of fiscal year	<u>22,294</u>	<u>22,294</u>	<u>-</u>
Fund balance, end of fiscal year	<u><u>\$ 22,294</u></u>	<u><u>\$ 29,275</u></u>	<u><u>\$ 6,981</u></u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor AQMD Trust Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 24,400	\$ 34,580	\$ 10,180
Use of money and property	2,075	4,252	2,177
Total revenues	<u>26,475</u>	<u>38,832</u>	<u>12,357</u>
<b>Other financing (uses):</b>			
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance	1,475	13,832	12,357
Fund balance, beginning of fiscal year	<u>229,173</u>	<u>229,173</u>	<u>-</u>
Fund balance, end of fiscal year	<u><u>\$ 230,648</u></u>	<u><u>\$ 243,005</u></u>	<u><u>\$ 12,357</u></u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Property Acquisition Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Other financing sources:</b>			
Transfers in	\$ 400,000	\$ 400,000	\$ -
Net change in fund balance	400,000	400,000	-
Fund balance, beginning of fiscal year	-	-	-
Fund balance, end of fiscal year	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ -</u>



**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Sanitation Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Taxes	\$ 2,550	\$ 1,500	\$ (1,050)
<b>Expenditures:</b>			
Current:			
Public works	2,550	1,500	1,050
Net change in fund balance	-	-	-
Fund balance, beginning of fiscal year	-	-	-
Fund balance, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Sewer Redemption AD98-1 Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Assessments	\$ 541,500	\$ 585,604	\$ 44,104
Fines, forfeitures, and penalties	1,000	231	(769)
Charges for services	26,050	26,145	95
Use of money and property	50	778	728
	<u>568,600</u>	<u>612,758</u>	<u>44,158</u>
<b>Expenditures:</b>			
Current:			
Public works	<u>13,000</u>	<u>8,544</u>	<u>4,456</u>
Excess of revenues over expenditures	555,600	604,214	48,614
<b>Other financing (uses):</b>			
Transfers out	<u>(555,600)</u>	<u>(604,214)</u>	<u>(48,614)</u>
Net change in fund balance	-	-	-
Fund balance, beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Sewer Redemption AD02-1 Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Assessments	\$ 956,000	\$ 971,615	\$ 15,615
Fines, forfeitures and penalties	1,300	1,372	72
Charges for services	36,275	36,405	130
Use of money and property	200	870	670
	<u>993,775</u>	<u>1,010,262</u>	<u>16,487</u>
<b>Total revenues</b>			
	<u>993,775</u>	<u>1,010,262</u>	<u>16,487</u>
<b>Expenditures:</b>			
Current:			
Public works	<u>16,500</u>	<u>11,210</u>	<u>5,290</u>
Excess of revenues over expenditures	977,275	999,052	21,777
<b>Other financing (uses):</b>			
Transfers out	<u>(977,275)</u>	<u>(999,052)</u>	<u>(21,777)</u>
Net change in fund balance	-	-	-
Fund balance, beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Sewer Redemption AD04-1 Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Assessments	\$ 1,830,000	\$ 1,849,036	\$ 19,036
Fines, forfeitures and penalties	1,800	4,680	2,880
Charges for services	38,125	38,175	50
Use of money and property	500	1,649	1,149
<b>Total revenues</b>	<b>1,870,425</b>	<b>1,893,540</b>	<b>23,115</b>
<b>Expenditures:</b>			
Current:			
Public works	19,175	12,544	6,631
<b>Excess of revenues over expenditures</b>	<b>1,851,250</b>	<b>1,880,996</b>	<b>29,746</b>
<b>Other financing (uses):</b>			
Transfers out	(1,851,250)	(1,885,996)	(34,746)
<b>Net change in fund balance</b>	<b>-</b>	<b>(5,000)</b>	<b>(5,000)</b>
Fund balance, beginning of fiscal year	-	-	-
<b>Fund balance (deficit), end of fiscal year</b>	<b>\$ -</b>	<b>\$ (5,000)</b>	<b>\$ (5,000)</b>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Measure R Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

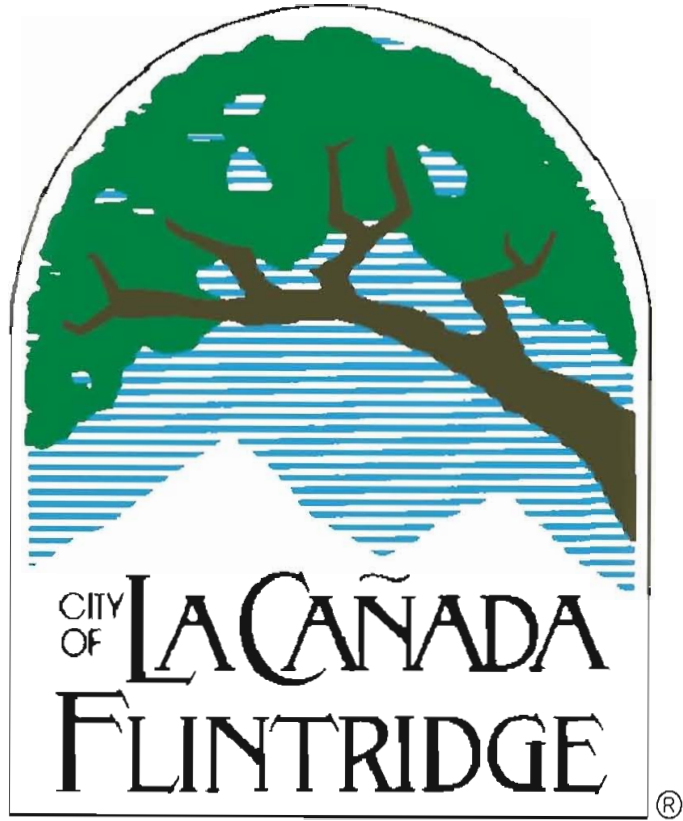
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
From other agencies	\$ 213,625	\$ 224,945	\$ 11,320
Use of money and property	3,950	7,380	3,430
Total revenues	<u>217,575</u>	<u>232,325</u>	<u>14,750</u>
<b>Other financing (uses):</b>			
Transfers out	<u>(345,750)</u>	<u>(216,633)</u>	<u>129,117</u>
Net change in fund balance	(128,175)	15,692	143,867
Fund balance, beginning of fiscal year	<u>433,698</u>	<u>433,698</u>	<u>-</u>
Fund balance, end of fiscal year	<u><u>\$ 305,523</u></u>	<u><u>\$ 449,390</u></u>	<u><u>\$ 143,867</u></u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Sewer AD98-1 Debt Service Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Use of money and property	\$ 16,000	\$ 17,332	\$ 1,332
<b>Expenditures:</b>			
Debt service:			
Principal retirement	417,800	417,791	9
Interest and other charges	<u>37,575</u>	<u>37,577</u>	<u>(2)</u>
Total expenditures	<u>455,375</u>	<u>455,368</u>	<u>7</u>
(Deficiency) of revenues (under) expenditures	(439,375)	(438,036)	1,339
<b>Other financing sources:</b>			
Transfers in	<u>542,550</u>	<u>586,614</u>	<u>44,064</u>
Net change in fund balance	103,175	148,578	45,403
Fund balance, beginning of fiscal year	<u>514,017</u>	<u>514,017</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 617,192</u>	<u>\$ 662,595</u>	<u>\$ 45,403</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Sewer Improvement AD04-1 Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2015**

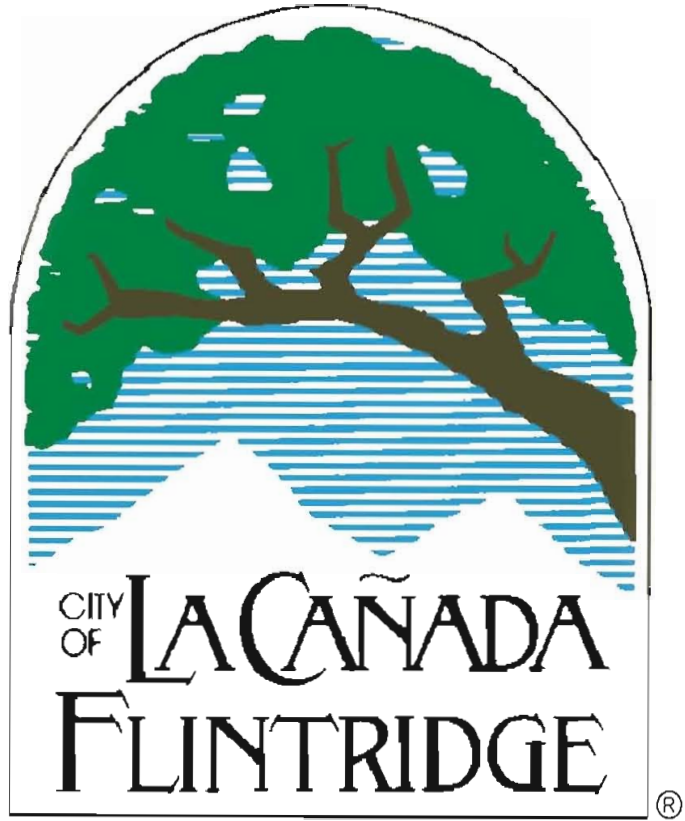
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Assessments	\$ 195,000	\$ 218,486	\$ 23,486
Use of money and property	-	20,331	20,331
	<u>195,000</u>	<u>238,817</u>	<u>43,817</u>
Total revenues	<u>195,000</u>	<u>238,817</u>	<u>43,817</u>
<b>Expenditures:</b>			
Current:			
Public works	9,500	5,039	4,461
Capital outlay	353,000	192,708	160,292
	<u>362,500</u>	<u>197,747</u>	<u>164,753</u>
Total expenditures	<u>362,500</u>	<u>197,747</u>	<u>164,753</u>
Net change in fund balance	(167,500)	41,070	208,570
Fund balance, beginning of fiscal year	<u>1,145,844</u>	<u>1,145,844</u>	<u>-</u>
Fund balance, end of fiscal year	<u><u>\$ 978,344</u></u>	<u><u>\$ 1,186,914</u></u>	<u><u>\$ 208,570</u></u>





**STATISTICAL SECTION**





**CITY OF LA CAÑADA FLINTRIDGE**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2015**

**STATISTICAL SECTION**

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

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<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time .....</i>	84-87
<b>Revenue Capacity</b>	
<i>These schedules contain trend information to help the reader assess the government's most significant current local revenue source, the property tax .....</i>	88-91
<b>Debt Capacity</b>	
<i>These schedules contain present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.....</i>	92-95
<b>Demographic and Economic Information</b>	
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CITY OF LA CAÑADA FLINTRIDGE  
Net Position by Component  
Last Five Fiscal Years  
(accrual basis of accounting)

	Fiscal Year				
	2011	2012*	2013	2014*	2015
Governmental Activities:					
Net Investment in capital assets	\$ 42,188,872	\$ 44,923,413	\$ 47,058,948	\$ 50,863,970	\$ 53,125,809
Restricted	3,238,118	2,776,665	12,370,867	13,075,427	15,871,777
Unrestricted	21,632,219	19,977,083	12,094,832	13,230,914	13,093,623
Total Primary Government Net Position	<u>\$ 67,059,209</u>	<u>\$ 67,677,161</u>	<u>\$ 71,524,647</u>	<u>\$ 77,170,311</u>	<u>\$ 82,091,209</u>

\*As restated

*The City of La Cañada Flintridge has elected to show only five years of data for this schedule.*

CITY OF LA CAÑADA FLINTRIDGE  
Changes in Net Position  
Last Five Fiscal Years  
(accrual basis of accounting)

	Fiscal Year				
	2011	2012	2013	2014	2015
Expenses:					
Governmental activities:					
General government	\$ 4,608,775	\$ 4,562,241	\$ 4,503,048	\$ 2,353,045	\$ 4,609,131
Public safety	2,755,392	2,751,585	2,930,154	3,055,234	3,124,207
Community development	581,731	703,459	626,181	2,471,285	725,922
Public works	6,865,791	8,139,289	7,143,608	6,622,919	7,419,030
Interest	1,068,045	828,662	779,056	732,084	681,519
Total Governmental Activities Expenses	<u>15,879,734</u>	<u>16,985,236</u>	<u>15,982,047</u>	<u>15,234,567</u>	<u>16,559,809</u>
Program Revenues:					
Governmental activities:					
Charges for services:					
Public Works	2,440,310	2,334,541	2,226,595	2,632,444	2,820,796
Other activities	313,829	326,581	414,562	482,132	478,925
Operating grants and contributions	528,793	281,051	1,611,041	2,134,470	1,780,052
Capital grants and contributions	7,023,119	5,708,601	6,063,026	7,846,376	5,624,691
Total Governmental Activities	<u>10,306,051</u>	<u>8,650,774</u>	<u>10,315,224</u>	<u>13,095,422</u>	<u>10,704,464</u>
Program Revenues	<u>10,306,051</u>	<u>8,650,774</u>	<u>10,315,224</u>	<u>13,095,422</u>	<u>10,704,464</u>
Net Revenues (Expenses):					
Governmental activities	(5,573,683)	(8,334,462)	(5,666,823)	(2,139,145)	(5,855,345)
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property taxes	3,722,303	3,815,640	3,992,151	4,229,162	4,429,351
Other taxes	2,790,998	2,856,157	2,950,944	3,084,333	3,312,466
State shared revenues - unrestricted:					
Sales tax	2,104,425	2,245,895	2,539,880	2,669,216	2,707,738
Motor vehicle	98,921	10,690	11,077	9,167	8,855
Use of money and property	585,214	647,624	(49,207)	111,490	81,254
Other	67,930	46,639	69,464	119,782	236,579
Total Primary Government	<u>9,369,791</u>	<u>9,622,645</u>	<u>9,514,309</u>	<u>10,223,150</u>	<u>10,776,243</u>
Changes in Net Position					
Governmental Activities	<u>\$ 3,796,108</u>	<u>\$ 1,288,183</u>	<u>\$ 3,847,486</u>	<u>\$ 8,084,005</u>	<u>\$ 4,920,898</u>

*The City of La Cañada Flintridge has elected to show only five years of data for this schedule.*

CITY OF LA CAÑADA FLINTRIDGE  
Fund Balances of Governmental Funds  
Last Five Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year				
	2011	2012*	2013	2014*	2015
General Fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	2,086,661	2,092,915	1,965,471	1,880,376	1,660,587
Restricted	-	-		1,734	2,300
Assigned	176,572	240,674	301,575	880,605	915,025
Unassigned	12,734,288	12,336,577	11,629,691	13,539,816	14,570,723
Total General Fund	<u>\$ 14,997,521</u>	<u>\$ 14,670,166</u>	<u>\$ 13,896,737</u>	<u>\$ 16,302,531</u>	<u>\$ 17,148,635</u>
All Other Governmental Funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	11,909,759	12,067,715	12,751,117	13,365,027	16,204,258
Assigned	-	-	-	-	-
Unassigned	(1,066,484)	(995,104)	(1,304,344)	(1,002,600)	(1,000,195)
Total All Other Governmental Funds	<u>\$ 10,843,275</u>	<u>\$ 11,072,611</u>	<u>\$ 11,446,773</u>	<u>\$ 12,362,427</u>	<u>\$ 15,204,063</u>

\*As restated

*The City of La Cañada Flintridge has elected to show only five years of data for this schedule.*

CITY OF LA CAÑADA FLINTRIDGE  
Changes in Fund Balances of Governmental Funds  
Last Five Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year				
	2011	2012*	2013	2014*	2015
<b>Revenues:</b>					
Taxes	\$ 8,617,725	\$ 8,917,692	\$ 9,409,326	\$ 9,988,959	\$ 10,493,566
Assessments	3,998,046	3,615,874	3,542,856	3,599,761	3,624,741
Fines, forfeitures and penalties	215,166	192,844	217,886	284,375	276,650
From other agencies	3,510,964	2,589,411	3,413,166	4,909,647	4,566,257
Charges for services	2,538,972	2,468,283	2,500,380	2,914,147	3,109,570
Use of money and property	585,214	638,100	138,042	380,624	325,730
Other	67,930	46,639	74,689	157,973	204,712
Total Revenues	<u>19,534,017</u>	<u>18,468,843</u>	<u>19,296,345</u>	<u>22,235,486</u>	<u>22,601,226</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	4,350,230	4,284,650	4,963,199	2,124,153	4,505,532
Public safety	2,741,144	2,742,367	2,925,247	3,050,327	3,121,322
Community development	559,782	689,057	617,924	2,465,201	724,584
Public works	4,441,350	4,548,065	4,126,559	4,107,535	4,021,412
Capital outlay	2,121,309	3,243,691	4,008,934	4,118,831	3,498,753
<b>Debt service:</b>					
Principal retirement	2,167,978	2,208,855	2,250,687	2,293,497	2,337,305
Interest and fiscal charges	896,038	850,177	803,012	754,494	704,578
Total Expenditures	<u>17,277,831</u>	<u>18,566,862</u>	<u>19,695,562</u>	<u>18,914,038</u>	<u>18,913,486</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,256,186</u>	<u>(98,019)</u>	<u>(399,217)</u>	<u>3,321,448</u>	<u>3,687,740</u>
<b>Other financing sources (uses):</b>					
Proceeds from loan	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Transfers in	5,608,379	6,104,229	5,230,113	5,126,058	6,677,868
Transfers out	<u>(5,608,379)</u>	<u>(6,104,229)</u>	<u>(5,230,113)</u>	<u>(5,126,058)</u>	<u>(6,677,868)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 2,256,186</u>	<u>\$ (98,019)</u>	<u>\$ (399,217)</u>	<u>\$ 3,321,448</u>	<u>\$ 3,687,740</u>
Debt service as a percentage of noncapital expenditures	19.4%	17.9%	18.1%	20.2%	18.2%

\*As restated

*The City of La Cañada Flintridge has elected to show only five years of data for this schedule.*

CITY OF LA CAÑADA FLINTRIDGE  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended June 30	City		Taxable Assessed Value	Total Direct Rate
	Secured	Unsecured		
2006	\$ 4,214,680,771	\$ 28,396,616	\$ 4,243,077,387	0.06778
2007	4,601,674,282	27,983,110	4,629,657,392	0.06686
2008	4,960,513,489	28,112,991	4,988,626,480	0.06686
2009	5,284,600,979	31,850,140	5,316,451,119	0.06687
2010	5,447,575,235	32,880,486	5,480,455,721	0.07936
2011	5,434,019,882	32,324,640	5,466,344,522	0.06688
2012	5,605,686,121	35,940,867	5,641,626,988	0.06689
2013	5,828,710,840	37,005,753	5,865,716,593	0.06689
2014	6,092,337,982	36,564,674	6,128,902,656	0.06690
2015	6,414,320,719	36,486,841	6,450,807,560	0.06690

NOTE:

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

Source: HdL Coren & Cone



CITY OF LA CAÑADA FLINTRIDGE  
Direct and Overlapping Property Tax Rates  
(Rate per \$100 of assessed value)  
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Direct Rates:	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Overlapping Rates:										
Los Angeles County	0.0008	0.0007	-	-	-	-	-	-	-	-
Glendale Unified	0.0522	0.0521	0.0474	0.0456	0.0460	0.0354	0.0455	0.0440	0.0392	0.0597
Glendale Community College	0.0186	0.0221	0.0241	0.0212	0.0237	0.0234	0.0245	0.0247	0.0234	0.0222
Pasadena Unified	0.1099	0.1172	0.0549	0.0638	0.1084	0.1020	0.1112	0.1140	0.1035	0.1060
Pasadena Cod Ds 2002, 2006 Ser D	-	-	-	-	-	-	-	0.0023	-	-
Pasadena Community College	0.0041	0.0208	0.0197	0.0174	0.0230	0.0199	0.0196	0.0183	0.0190	0.0103
La Cañada Unified	0.0671	0.0592	0.0563	0.0647	0.0704	0.0733	0.0709	0.0697	0.0672	0.0648
Los Angeles County Flood Control District	0.0001	0.0001	-	-	-	-	-	-	-	-
Metropolitan Water District	0.0052	0.0047	0.0045	0.0043	0.0043	0.0037	0.0037	0.0035	0.0035	0.0035
<b>Total Direct &amp; Overlapping Tax Rate</b>	<b>\$ 1.2579</b>	<b>\$ 1.2768</b>	<b>\$ 1.2069</b>	<b>\$ 1.2170</b>	<b>\$ 1.2758</b>	<b>\$ 1.2577</b>	<b>\$ 1.2754</b>	<b>\$ 1.2764</b>	<b>\$ 1.2558</b>	<b>\$ 1.2665</b>
City's Share of 1% Levy Per Prop 13	0.06705	0.06705	0.06705	0.06705	0.06705	0.06705	0.06705	0.06705	0.06705	0.06705
<b>Total Direct Rate</b>	<b>0.06778</b>	<b>0.06686</b>	<b>0.06686</b>	<b>0.06687</b>	<b>0.07936</b>	<b>0.06688</b>	<b>0.06689</b>	<b>0.06689</b>	<b>0.06690</b>	<b>0.06690</b>

NOTES:

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

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city.

Total Direct Rate is the weighted average of all individual direct rates applied by the City.

Source: HdL Coren & Cone

CITY OF LA CAÑADA FLINTRIDGE  
Principal Property Tax Payers  
Current Year and Nine Years Ago

Taxpayer	2015		2006	
	Assessed Value	Percent of Total Assessed Value	Assessed Value	Percent of Total Assessed Value
La Cañada Retail LLC	\$ 41,395,081	0.65%		
ROIC California LLC	30,808,300	0.48%		
B K La Cañada Property LLC	16,721,973	0.26%		
Valley Water Company	15,729,654	0.25%	\$ 7,750,000	0.28%
The Von's Companies Inc.			7,451,000	0.27%
GTR Realty LLC	11,182,815	0.17%		
Vincent Dundee III Company Trust	11,036,478	0.17%		
Vince & Judith Dundee			3,777,000	0.13%
University of Southern California	10,720,000	0.17%		
Frankel Chorub La Cañada Center LLC	10,571,446	0.16%		
La Canada Holdings	9,324,138	0.15%		
Gordon & Dona Crawford Trust			3,632,000	0.13%
Bradford Cornell & Mary D.Serles	8,048,396	0.13%		
La Cañada Properties Inc.			6,595,000	0.24%
Loretta G. Evensen			3,592,000	0.13%
Dollinger La Cañada Associates			4,930,000	0.18%
D.K. & V.L. McCluggage Trust			3,933,000	0.14%
Warren Dern & Rodrigo Reyes Trust			3,729,000	0.13%
Russell Family Trust			3,693,000	0.13%
Total	<u>\$ 165,538,281</u>	<u>2.58%</u>	<u>\$ 49,082,000</u>	<u>1.75%</u>

NOTE: The amounts shown above include assessed value data for the City only

Source: HdL Coren & Cone

CITY OF LA CAÑADA FLINTRIDGE  
Property Tax Levies and Collections  
Last Five Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2011	\$ 3,857,590	\$ 3,547,138	91.95%	\$ 170,165	\$ 3,717,303	96.36%
2012	4,065,825	3,538,118	87.02%	277,522	3,815,640	93.85%
2013	4,015,699	3,896,529	97.03%	95,622	3,992,151	99.41%
2014	4,204,925	4,093,050	97.34%	136,112	4,229,162	100.58%
2015	4,466,959	4,334,164	97.03%	95,187	4,429,351	99.16%

NOTE: The amounts presented include City property taxes only. Also, the City does not receive property tax data distinguishing amounts collected that were levied in a previous year.

Source: Los Angeles County Auditor Controller's Office

CITY OF LA CAÑADA FLINTRIDGE  
Ratios of Outstanding Debt by Type  
Last Five Fiscal Years

Governmental Activities							
Fiscal Year Ended June 30	Certificates of Participation	Revenue Bonds	Loans Payable	Capital Lease Obligation	Total Governmental Activities	Percentage of Personal Income	Debt Per Capita
2011	\$ -	\$ -	\$ 37,890,286	\$ -	\$ 37,890,286	0.025 %	\$ 1,863
2012	-	-	35,681,429	-	35,681,429	0.024 %	1,746
2013	-	-	33,430,743	-	33,430,743	0.022 %	1,628
2014	-	-	31,137,246	-	31,137,246	0.020 %	1,516
2015	-	-	28,799,941	-	28,799,941	0.017 %	1,389

*The City of La Cañada Flintridge has elected to show only five years of data for this schedule.*

NOTE:

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

CITY OF LA CAÑADA FLINTRIDGE

Direct and Overlapping Debt

June 30, 2015

City Assessed Valuation		\$ 6,450,807,560	
	Percentage Applicable	Gross Outstanding Debt 6/30/15	Estimated Share of Overlapping Debt <sup>1</sup>
Foothill MWD 1113 DS	0.663%	\$ 53,296,395	\$ 353,347
Glendale CCD DS 2002 Series C	1.833%	8,321,066	152,538
Glendale CCD DS Refunding Bond 02, 05 S-A	1.833%	2,376,097	43,558
Glendale CCD DS 2002 Series 2006	1.833%	1,975,000	36,205
Glendale CCD DS 2002 Series 2011 & 2013	1.833%	18,107,024	331,930
Glendale CCD DS 2014 Refunding Bonds	1.833%	25,980,000	476,254
Pasadena CCD DS 2006 Series B	8.423%	25,385,000	2,138,261
Pasadena CCD DS 2002, 2006 Series D	8.423%	24,160,000	2,035,075
Pasadena CCD DS 2002, 2009 Series E (BABS)	8.423%	25,295,000	2,130,680
Pasadena CCD DS 2014 Refunding Series A	8.423%	16,780,000	1,413,434
Glendale USD DS 2009 Ref Bonds	1.833%	35,715,000	654,711
Glendale USD DS 2010 Ref Bonds	1.833%	23,535,000	431,433
Glendale USD DS 2010 Ref Bonds Series B	1.833%	66,594,986	1,220,790
Glendale USD DS 2011 Refunding Bonds	1.833%	22,615,000	414,568
Glendale USD DS 2011 SR A 1 CREB	1.833%	4,300,000	78,826
Glendale USD DS 2012 Ref Bonds	1.833%	70,000,000	1,283,209
La Cañada Unified SD 1995 SD	97.038%	2,959,039	2,871,399
La Cañada Unified SD DS 1999 Series A	97.038%	1,830,000	1,775,799
La Cañada USD DS 2004 Series A	97.038%	1,120,000	1,086,828
La Cañada USD DS 2004 Series B	97.038%	4,165,000	4,041,642
La Cañada USD DS 2004 Series C	97.038%	4,125,000	4,002,827
La Cañada USD DS 2011 Refund Bond	97.038%	11,760,000	11,411,695
<b>Total overlapping debt</b>		<b>\$ 450,394,607</b>	<b>\$ 38,385,009</b>
<b>City direct debt</b>		<b>31,992,378</b>	<b>31,992,378</b>
<b>Total direct and overlapping debt</b>		<b>\$ 482,386,985</b>	<b>\$ 70,377,387</b>

1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated by using taxable assessed 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.

Source: HdL Coren & Cone

CITY OF LA CAÑADA FLINTRIDGE

Legal Debt Margin Information

Last Five Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed valuation	\$ 5,466,344,522	\$ 5,641,626,988	\$ 5,865,716,593	\$ 6,128,902,656	\$ 6,450,807,560
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	819,951,678	846,244,048	879,857,489	919,335,398	967,621,134
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 819,951,678</u>	<u>\$ 846,244,048</u>	<u>\$ 879,857,489</u>	<u>\$ 919,335,398</u>	<u>\$ 967,621,134</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

*The City of La Cañada Flintridge has elected to show only five years of data for this schedule.*

Source: City Finance Department  
Los Angeles County Tax Assessor's Office

CITY OF LA CAÑADA FLINTRIDGE  
Pledged-Revenue Coverage  
Last Five Fiscal Years

Fiscal Year Ended June 30	Revenue Bonds Series 2004A				
	Assessments Revenue	Debt Service		Coverage	
		Principal	Interest		
2011	\$ 2,270,065	\$ -	\$ -	-	
2012	1,895,189	-	-	-	
2013	1,827,502	-	-	-	
2014	1,857,939	-	-	-	
2015	1,849,036	-	-	-	

NOTE:

The City paid off Revenue Bonds Series 2004A in September 2008.

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

CITY OF LA CAÑADA FLINTRIDGE  
Demographic and Economic Statistics  
Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2006	21,231	\$ 1,245,595	\$ 58,669	1.8%
2007	21,147	1,265,211	59,829	1.9%
2008	21,121	1,269,322	60,098	2.8%
2009	21,139	1,252,639	59,257	4.5%
2010	21,261	1,512,019	71,117	4.9%
2011	20,335	1,522,278	74,860	4.8%
2012	20,441	1,505,561	73,654	3.5%
2013	20,535	1,529,632	74,489	2.9%
2014	20,544	1,562,227	76,043	4.4%
2015*	20,727	1,722,423	83,101	3.0%

\* estimates based on data from California State Department of Finance, and State of California Employment Development Department.

Source: HdL Coren & Cone



CITY OF LA CAÑADA FLINTRIDGE  
Principal Employers  
Current Year and Nine Years Ago

Employer	2015		2006	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Sport Chalet Inc	195	5.67%	248	8.65%
Dilbeck Realtors G M A C	98	2.85%	110	3.84%
Ralph's Grocery Co.	89	2.59%	128	4.46%
La Cañada Flintridge Country Club	87	2.53%	75	2.62%
Sprouts Farmers Market	85	2.47%		
Ross Dress for Less Inc	84	2.44%	65	2.27%
Allen Lund Company Inc	78	2.27%	61	2.13%
Gelson's Market	67	1.95%		
Trader Joe's	67	1.95%	64	2.23%
T J Maxx	66	1.92%		
Mc Donald's La Canada			43	1.50%
Coldwell Banker			50	1.74%
United Artists Theater D B A UA			46	1.60%
Von's			60	2.09%
Dish Breakfast, Lunch & Dinner			46	1.60%
Total Employees	3,440		2867	

(1) Private sector employers only

"Total Employment" as used above represents the total employment of all private employers located within City limits.

Only readily available data presented

"N/A": Data Not Available

Source: City of La Cañada Flintridge Business License Division

CITY OF LA CAÑADA FLINTRIDGE  
 Full-time and Part-time City Employees  
 by Function  
 Last Ten Fiscal Years

Full-Time and Part-time Employees as of June 30										
<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	22	23	26	25	24	24	23	25	24	24
Public safety	11	11	1	1	1	1	1	1	1	1
Community development	8	8	7	7	9	9	9	8	9	8
Public works	9	9	10	10	8	9	9	9	9	9
Total	50	51	44	43	42	43	42	43	43	42

Source: City of La Cañada Flintridge

CITY OF LA CAÑADA FLINTRIDGE  
 Operating Indicators  
 by Function  
 Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Arrests	386	345	402	375	279	248	228	276	387	292
Parking citations issued	1,377	1,736	1,967	1,898	1,138	1,143	1,262	1,235	451	1,159
Fire:										
Number of emergency calls	1,130	1,136	1,139	1,185	1,227	1,206	1,172	1,237	1,211	1,396
Inspections	1,621	1,659	1,366	1,457	1,456	1,661	1,353	963	226	254
Public works:										
Street resurfacing (miles)			3.00	3.02	6.27	1.50	5.36	2.60	2.67	2.73
Parks and recreation:										
Number of facility rentals	12	12	13	13	13	14	14	14	15	15

Only readily available data presented

Source: City of La Cañada Flintridge

CITY OF LA CAÑADA FLINTRIDGE  
 Capital Asset Statistics  
 by Function  
 Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations (1)	0	0	0	0	0	0	0	0	0	0
Fire:										
Fire stations (1)	0	0	0	0	0	0	0	0	0	0
Public works:										
Streets (miles)			111	111	111	111	111	111	111	111
Streetlights			70	70	70	81	82	84	84	84
Traffic signals			18	18	18	18	18	18	18	18
Parks and recreation:										
Parks	4	4	4	4	4	5	5	6	6	6
Community centers	1	1	1	1	1	1	1	1	1	1

(1) The City contracts for both fire and police services, and thus does not own any fire or police stations

Only readily available data presented

Source: City of La Cañada Flintridge