CITY OF AZUSA
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

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CITY OF AZUSA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PREPARED BY FINANCE DEPARTMENT

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CITY OF AZUSA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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STATISTICAL SECTION

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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January 29, 2016

Honorable Mayor and Council Members
City of Azusa
213 E. Foothill Blvd.
Azusa, CA 91702

Honorable Mayor and Council Members:

I am pleased to present to you the City of Azusa's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. The report is intended to update readers on the status of the City's financial position and results of operations for the past fiscal year, 2014-15.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material statements. This CAFR has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

The report contains a citywide view of all governmental and business-type activities, as well as a focus on the financial position and operating results of the City's major funds. The financial statements included in this CAFR represent all City funds.

The City's financial statements have been audited by Lance, Soll & Lunghard, LLP (LSL). LSL is an independent public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California.

The data presented is believed to be accurate in all material aspects and is designed to set forth fairly the financial position and the results of the City's operations as measured by the financial activity of the various funds. All necessary disclosures are included to enable the reader to understand fully the financial activities and operations of the City.

The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015, are free of material misstatement. The City received a qualified opinion from its independent auditor for the City's CAFR for the year ended June 30, 2015. The independent auditor's report is presented as the first component of the financial section of the CAFR. The scope of the examination did not include the statistical section of this report.

Finance Department ▪ 213 E. Foothill Blvd. ▪ P.O. Box 1395 ▪ Azusa, CA 91702-1395
Tel: (626) 812-5203 ▪ FAX (626) 334-6358

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Azusa was founded in 1887 and is located in the County of Los Angeles, situated 27 miles northeast of the City of Los Angeles, and nestled against the San Gabriel Mountain foothills. The City was incorporated in 1898 as a general law city and operates as a Council/Manager form of government. The four City Council members are elected at large for four-year terms with elections staggered at two-year intervals. The Mayor is elected at-large for a two-year term. The City Council appoints the City Manager to manage the City's staff and implement the policies established by the Council. The City encompasses approximately 9 square miles.

The name Azusa can be traced to a native village that existed long before Spanish explorers arrived in 1769. The City boomed in population after the arrival of the railroad and was known as the "El Susa Rancho". The discovery of gold in the San Gabriel Canyon increased the population base in 1854, and by 1860 over 2,000 inhabitants resided in the area. The U.S. government bought a portion of the land from founder Henry Dalton for homesteading purposes. However, it was not until Los Angeles banker, Jonathan D. Slauson acquired the prized orchard community of Azusa Rancho that the foundation and eventual incorporation on December 29, 1898 took place.

Orange and lemon groves covered the land and gave way to homes and industry affording new generations of families and entrepreneurs to pursue the American dream. Today, the city prides itself on a vibrant industrial base and diverse neighborhoods. Industry within Azusa is diversified with major employers encompassing the fields of education, aerospace industry, light manufacturing, and retail services.

Azusa offers a full range of municipal services, including community development, library, police, public works, recreation and family services, and general administration. Fire services are contracted with Los Angeles County.

The City owns and operates an electric public utility for its citizens providing electric services to customers within the City limits. The City also owns and operates a water system whose service territory includes the City and adjoining portions of neighboring cities and unincorporated areas of Los Angeles County.

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

Azusa enjoys a diverse local economy and City revenues are less dependent on single source or cyclical revenues than most of the surrounding Cities in the region. Sales Tax, though important, is not the City's primary revenue source. Consequently, the City is relatively better insulated from major economic downturns. The planned and funded expansion of a commuter light railway transportation coming through the City, the Los Angeles Metro Gold Line, is scheduled to open in March 2016. The Gold Line is anticipated to bring additional economic activity to the City's revitalizing Downtown with transit oriented development projects that include a parking structure. The Gold Line will have two stops in Azusa and is projected to bring additional visitors to the City. Rosedale, the City's new housing development, continues to experience stable home sales and is anticipated to be fully developed and sold in 2017. These home sales and the improving economy are providing slight, but steady increases in property and sales tax revenues.

The unemployment rate for the City in June 2015 is down to 5.5% from 8.9% of last year. New businesses such as Chick-fil-A and ELS Outlet played a role in providing new jobs in the City. Assessed valuation ("AV") of citywide properties for 2014-15 increased by 8.0% and is attributable to the increased new homes sales in various housing developments, such as the in Rosedale and other smaller tracts in the southern areas of the City. In addition, the improving housing market is also a factor in the higher AV. The AV has risen for the third straight year after three years of decline. In addition to the housing construction in Rosedale, condominiums and townhomes continue to be developed in several smaller vacant lands in the City. Thus, the future AV for the City is expected to continue to rise.

Lagunitas Brewery, which is the nation's sixth largest craft brewing company, has announced plans to open a new state-of-the art brewery in Azusa in early 2017. Also a 107-room Hilton Homes to Suites has been approved and is scheduled to be completed and operational in 2017. These businesses will continue to expand the economic development in Azusa by providing jobs and additional property tax revenue for the City. In addition, the transient occupancy tax generated by the hotel will increase the General Fund revenues. As the U.S. economy continues to improve, the City is projected to remain on the path to financial recovery.

The City has adopted a balanced budget for FY 2015-16 without reducing services. Moreover, the City has added 9.5 full-time equivalent (FTE) positions with 4.5 FTEs allocated to the General Fund. Based on the economic changes, mid-year adjustments are made to revenues and expenditures. It is vital that the City continue to monitor and control all potential expenditure increases due to the difficulty of revenues to keep pace.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The laws relating to the dissolution of the former Redevelopment Agency of the City of Azusa ("RDA") continue to be a challenge to the City. The RDA properties transferred to the City, to repay several loans, were ordered by the California State Department of Finance ("DOF") to be returned to the Successor Agency to the RDA ("SA"). However, the City has already reinstated one of the loans with the SA and was approved by the DOF. The first payment installment is expected in FY 2016-17. The City plans to reinstate other loans between the City and the SA in order to be repaid immediately.

The City must also deal with its financial obligations for retirement and other post-employment benefits (OPEB), as well as ever-escalating healthcare costs, while trying to maintain current service levels. The City expects retirement costs to continue to increase due to the dramatic market losses of the stock market turmoil in 2008 and 2009, which eroded the value of the CalPERS pension fund. Retirement costs are also anticipated to rise because of the recent decision by the CalPERS Board of Administration to change their amortization and smoothing policy. In April of 2013, CalPERS approved an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period, as opposed to the previous policy which spread investment returns over a 15-year period with gains and losses paid over a rolling 30-year period. CalPERS pension costs are projected to account for 13.6% of total operating expense in FY 2015-16. To address the increases, the management team of the City will be proposing solutions with various employee groups to combat the increasing pension costs.

Despite the dissolution of the Redevelopment Agency and increasing retirement costs, the City continues to pursue economic development to increase the City's tax base, revenue sources, create and retain jobs to ensure the improvement of its financial health. Pursuing smart development opportunities as a mechanism to help revitalize the City is crucial to the City's long-term economic health. Financial policies will continue to be established and implemented to ensure that the City remains on the right path to recovery. The City's goal is to set aside reserves to fare unforeseen circumstances while continuing to maintain its service levels.

Many of these issues will be managed and completed to the benefit of the City in the near future. Continued financial prudence by the Council and a resolve on the part of staff and management to work together has resulted in the FY 2014-15 General Fund operating surplus. Although the General Fund financial statement reflects a loss, the negative balance is attributable to the transfer of several former RDA's properties, which had been used to satisfy outstanding General Fund loans, back to the SA. As these properties are sold, the City hopes to recover a portion, if not all of the original amount loan to the former RDA.

RELEVANT FINANCIAL POLICIES

The City of Azusa has adopted a comprehensive set of financial policies and/or ordinances. The City requires the adoption of a balanced annual operating budget (i.e., estimated revenues equal to or in excess of appropriations). In addition, budget amendments of $100,000 or more must be approved by City Council. This is the legal level of budgetary control. Capital Improvement Projects are maintained by project life. Therefore, the budget appropriation for these projects may need to be re-budgeted in subsequent accounting periods. An Interfund Loan policy and a General Fund Reserve policy were also established to ensure and guide the City to continued financial recovery. Various policies are planned to be developed in FY 2015-16 related to debt, internal controls and fiscal sustainability.

As a general law city, Azusa operates its pooled idle cash investments under the Prudent Man Rule (California Civil Code Section 2261, *et. seq.*), which in essence states that "in investing property for the benefit of another, a trustee shall exercise the judgment and care, under circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs..." The City's cash management system is designed to monitor and forecast expenditures and revenues as accurately as possible and to invest funds to the fullest extent possible. The City attempts to obtain the highest available investment yields consistent with the criteria established and outlined in the City's Investment Policy. Some of the instruments in which the City may invest are: U.S. Government Securities, Certificates of Deposit, Bankers' Acceptances, the State of California Local Agency Investment Fund (LAIF), Treasury Bills, Repurchase Agreements, and regular savings and demand deposits.

As previously mentioned above, the City will continue to establish policies that will guide staff and the departments to ensure continued financial health and stability.

ACKNOWLEDGMENTS

This document could not have been prepared without the dedicated efforts of the entire Finance Department staff. We wish to thank all City departments for their assistance in providing the data necessary to prepare this report. The City's independent auditors, Lance, Soll and Lunghard, LLP, provided expertise and advice in preparing this financial report.

Through the team effort of its City Council, management and employees, the City expects to continue the high level of service, which is currently provided to the Azusa community. Credit is due to the Mayor and City Council for their support in maintaining the highest standard of professionalism in the management of the City of Azusa's finances.

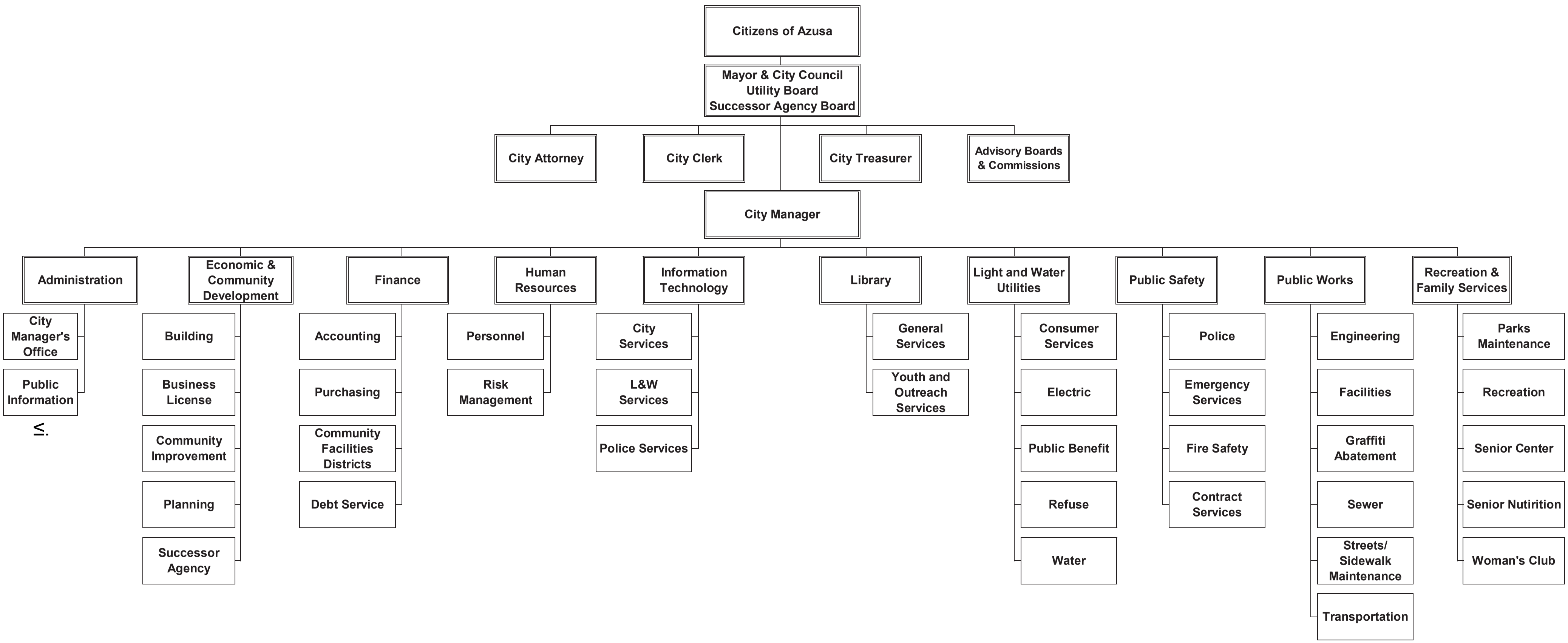
REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Azusa's finances for all those with an interest in the agency's finances and overall fiscal condition. If you have questions concerning any of the information provided in this report or need additional financial information, contact the City's Finance Department by calling (626) 812-5203 or by directing correspondence to 213 East Foothill Blvd., P.O. Box 1395, Azusa, California 91702-1395.

Respectfully Submitted,

Troy L. Butzlaff, ICMA-CM
City Manager

City of Azusa
Organizational Chart



City of Azusa
ELECTED OFFICIALS AND DEPARTMENT HEADS
213 E. Foothill Boulevard
Azusa, CA 91702
(626) 812-5200
Fax (626) 334-6358
www.ci.azusa.ca.us

ELECTED OFFICIALS	TITLE	TERM EXPIRATION
Jeffrey Cornejo	City Clerk	March, 2017
Art Vasquez	City Treasurer	March, 2017
Joseph Rocha	Mayor	March, 2017
Edward Alvarez	Mayor Pro-Tem	March, 2017
Angel Carrillo	Councilmember	March, 2019
Robert Gonzales	Councilmember	March, 2017
Uriel Macias	Councilmember	March, 2019

DEPARTMENT HEADS	TITLE	PHONE NUMBER
Troy L. Butzlaff	City Manager	626-812-5238
Daniel Bobadilla	Acting Director of Public Works	626-812-5248
Kurt Christiansen	Director of Economic & Community Development	626-812-5236
Sam Gonzalez	Chief of Police	626-812-3250
Ann Graf	Director of Information Technology and Library	626-812-5024/5277
Joe Jacobs	Director of Recreation & Family Services	626-812-5220
George Morrow	Director of Utilities	626-812-5219
Amelia Ayala	Director of Human Resources/Risk Management	626-812-5183
Susan Paragas	Director of Finance	626-812-5202
Daryl L. Osby	Fire Chief	626-974-8371
City Attorney	Best, Best, & Krieger (Marco Martinez)	949-263-2603

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LSL
CERTIFIED PUBLIC ACCOUNTANTS

• David E. Hale, CPA, CFP
• Donald G. Slater, CPA
• Richard K. Kikuchi, CPA
• Susan F. Matz, CPA
• Bryan S. Gruber, CPA
• Deborah A. Harper, CPA
• Gary A. Cates, CPA
• Michael D. Mangold, CPA
• David S. Myers, CPA

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Azusa, California, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Lance, Soll & Lunghard, LLP 203 North Brea Boulevard • Suite 203 • Brea, CA 92821 • TEL 714.672.0022 • Fax 714.672.0331 www.lslcpas.com
Orange County Temecula Valley Silicon Valley

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CERTIFIED PUBLIC ACCOUNTANTS

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

Basis for Qualified Opinion

The City of Azusa's four defined benefit plans invested with the Public Agency Retirement System (PARS), an agency managing pension benefit investments, is carried with a liability of $4,369,219 on the Statement of Net Position. As described in Note 6d, the plan fiduciary net position for each PARS plan was a factor in determining the net pension liability for the City's proportionate share of the liability. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the City's investment and allocation for their PARS defined benefit plans because the PARS auditors did not provide an opinion on the beginning balances of the fiduciary net position for the plans. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

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

Change in Accounting Principle

As discussed in Note 6 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68.*

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the respective budgetary comparison schedule for the general fund, schedule of changes in the net pension liability and related ratios – agent multiple-employer miscellaneous plans, schedule of contributions – agent multiple-employer miscellaneous plans, schedule of proportionate share of the net pension liability – cost-sharing multiple-employer safety plans, schedule of contributions - cost-sharing multiple-employer safety plans, schedule of changes in the net pension liability and related ratios – retirement enhancement plans, schedule of contributions – retirement enhancement plans, and schedule of investment returns – retirement enhancement plans to 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.

CERTIFIED PUBLIC ACCOUNTANTS

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

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 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 29, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lunghard, LLP

Brea California
January 29, 2016

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As management of the City of Azusa, California, we offer readers of the City of Azusa's financial statements this narrative overview and analysis of the financial activities of the City of Azusa for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through v of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

- The assets and deferred outflows of resources for the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2015 by $95,159,592 (*net position*).

- Total City assets of $270,689,272 include $153,662,962 or 56.8% of non-current assets attributed to capital assets, net of depreciation.

- Total City liabilities of $169,260,874 include $154,336,946 or 91.2% of long-term liabilities attributed mainly to tax allocation bonds, certificates of participation, OPEB and pension liabilities.

- As of June 30, 2015, the City's governmental funds reported combined fund balances of $30,044,155.

- At the end of the current fiscal year, the total fund balance for the General Fund was decreased by $870,766 to $19,547,182. This was due to the transactions returning some of the land held for resale to the Successor Agency to the former Redevelopment Agency of the City of Azusa.

- Total General Fund revenues received for the year were $48,037,852 and total General Fund expenditures for the year were $40,990,572, an excess of revenues over expenditures amounting to $7,047,280. After extraordinary loss in the General Fund, there was an excess of $2,934,215. Of the totals for both revenues and expenditures, a one-time amount of $11,035,286 is included as the balance of a developer loan forgiven due to the terms of an expired agreement. This does not include transfers. Details are located within the ***General Fund Budgetary Highlights*** within the MD & A.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

1) Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows, and liabilities, and deferred inflows with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Azusa is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Azusa that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include General Government, Public Safety, Community Development, Parks and Recreation, and Public Works. The business-type activity of the City includes the City's Water, Light, Sewer/Wastewater, and Refuse Contract Utility operations.

The government-wide financial statements include not only the City of Azusa itself (known as the *primary government*), but also the Azusa Public Financing Authority for which the City of Azusa is financially accountable. Financial information for these *component units* has been included as an integral part of the primary government.

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

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

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

The City of Azusa maintains 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund is considered to be a major fund. The Rosedale Contribution ("RC") fund is a separate fund, but is combined with the General Fund, as the funds in the RC fund is considered unrestricted. Data from the other 23 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these *non-major* governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Azusa adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement has been provided for the General Fund and all Special Revenue Funds, Capital Project Funds, and Debt Service Funds to demonstrate compliance with this budget.

Proprietary funds. The City of Azusa maintains two different types of *proprietary funds, enterprise* and *internal service funds.* Enterprise funds are used to report the same functions presented as *business type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its Water, Light, Sewer/Wastewater and Refuse Contract Utilities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its Consumer Services, Self-Insurance/Risk Management, Central Services, Equipment Replacement, Intra-Governmental Loan and IT Services activity. Because these services predominantly benefit governmental rather than business type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements (business type activities), only in more detail. Information is presented separately in the proprietary fund statement of net position and in the proprietary fund statement of revenues, expenditures, and changes in net position for the Water and Light funds. The Water and Light funds are considered to be major funds. The internal service funds are also presented in the proprietary fund financial statements.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government, and the City's role is purely custodial. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. All assets reported in Agency funds are offset by a liability; the accrual basis of accounting is used to recognize receivables and payables. The legally separate Successor Agency to the former RDA of the City "Successor Agency" is reported as a private purpose trust fund.

3) Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other supplementary information. The combining financial statements and schedules referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the basic financial statements.

Government-wide Financial Analysis

The following table presents a summary of the City's assets, liabilities and net position for its governmental and business type activities. As noted earlier, a government's net position may serve over time as a useful indicator of its financial position.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 37,982,057	$ 46,008,111	$ 79,044,253	$ 74,869,479	$ 117,026,310	$ 120,877,590
Capital assets, net	29,912,255	29,959,431	123,750,707	127,134,338	153,662,962	157,093,769
Total assets	67,894,312	75,967,542	202,794,960	202,003,817	270,689,272	277,971,359
Deferred charge on refunding	-	-	1,138,433	1,198,351	1,138,433	1,198,351
Deferred pension related items	4,124,387	-	1,158,071	-	5,282,458	-
Total deferred outflows of resources	4,124,387	-	2,296,504	1,198,351	6,420,891	1,198,351
Current liabilities	3,732,207	4,541,446	11,191,721	8,857,114	14,923,928	13,398,560
Long-term liabilities	66,088,846	42,030,353	88,248,100	79,499,538	154,336,946	121,529,891
Total liabilities	69,821,053	46,571,799	99,439,821	88,356,652	169,260,874	134,928,451
Deferred pension related items	9,833,770	-	2,855,927	-	12,689,697	-
Total deferred inflows of resources	9,833,770	-	2,855,927	-	12,689,697	-
Net investment in capital assets	28,121,302	29,959,431	53,700,812	58,465,869	81,822,114	88,425,300
Restricted	10,502,851	9,222,166	15,085,506	9,845,901	25,588,357	19,068,067
Unrestricted	(46,260,277)	(9,785,854)	34,009,398	46,533,746	(12,250,879)	36,747,892
Total net position	$ (7,636,124)	$ 29,395,743	$ 102,795,716	$ 114,845,516	$ 95,159,592	$ 144,241,259

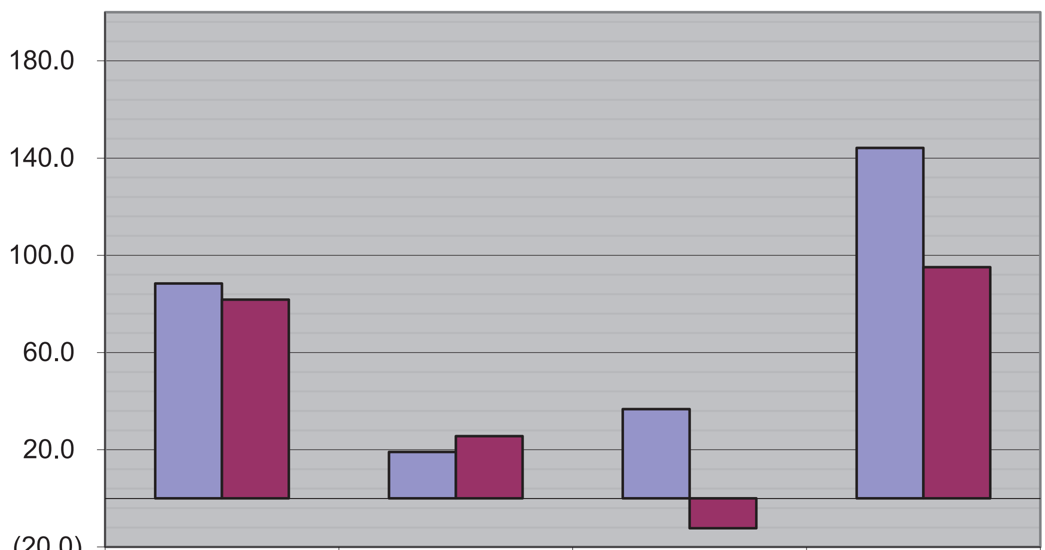
As of June 30, 2015, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $95,159,592. This represents a decrease of $49.1 million from the prior year and can be attributed to the implementation of GASB 68, Accounting and Financial Reporting for Pensions implemented in FY 2014-15. This statement has had a material impact on the City's financial statements. The primary objective of GASB 68 was to improve reporting by the state and local governments for pensions. The statement establishes new standards for measuring and recognizing liabilities and expenditures, as well as expands note disclosures and other information about the City's pensions. See Note 6 of the financial statements for further detail. The new pronouncement caused an increase in long-term obligations by $46.5 million and is offset by a net increase of $13.6 million from current year activities that included the forgiven loan balance of $11.0 million and a $2.0 million increase in tax revenues.

The largest portion of the net position reflects the City's $81.8 million investment in capital assets less any capital-related outstanding debt. Capital assets are the aggregated value of land, buildings and improvements that are used to provide services. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position is subject to external restrictions, such as debt covenants, grantor's stipulations, or enabling legislation, on how they may be used. As of June 30, 2015, the restricted assets were $25.6 million of the total net position. Of this amount, $15.1 million is for a rate stabilization fund, $5.5 is for debt service, $5.2 million is restricted for community development projects such as transportation projects and $3.8 million for capital projects such as street repair and maintenance. The remaining amount relates to Police grants.

At June 30, 2015, the unrestricted net position was a negative $12.3 million due to the implementation of GASB Statement No. 68.

The following chart shows the comparison of the three components of net position for Fiscal Years 2014-15 and 2013-14 (in millions).



	Net investment in capital assets	Restricted	Unrestricted	Total Net Position
FY 13/14	$88.4	$19.1	$36.7	$144.2
FY 14/15	$81.8	$25.6	$(12.3)	$95.1

Governmental activities. The following condensed summary of activities of the City's governmental activities for the year ended June 30, 2015 shows total net position is a negative $7,636,124, a decrease of $37,031,867 from prior year and primarily attributable to the restatement related to GASB 68 and the forgiven loan from a developer.
Business type activities. Business-type activities net position totaled $102,795,716, a decrease of $12,049,800 (-10.5%) from the prior year. The key element is the restatement of GASB 68.

City of Azusa - Smmary of Changes in Net Position (Deficits)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Program Revenues:						
Charges for services	$ 9,492,311	$ 9,752,821	$ 73,519,764	$ 72,389,622	$ 83,012,075	$ 82,142,443
Operating contributions and grants	13,916,073	3,836,479	-	-	13,916,073	3,836,479
Capital contributions and grants	408,905	442,727	-	-	408,905	442,727
General Revenues:						
Taxes	31,314,539	29,315,094	574,179	542,409	31,888,718	29,857,503
Motor vehicle in lieu	-	20,876	-	-	-	20,876
Investment earnings	353,285	(423,898)	378,713	300,515	731,998	(123,383)
Miscellaneous	629,507	759,132	224,680	399,293	854,187	1,158,425
Total Revenues	56,114,620	43,703,231	74,697,336	73,631,839	130,811,956	117,335,070
Expenses:						
General government	7,834,391	8,843,327	-	-	7,834,391	8,843,327
Public safety	21,279,643	21,284,020	-	-	21,279,643	21,284,020
Community development	2,384,308	2,593,720	-	-	2,384,308	2,593,720
Parks and recreation	3,878,961	3,808,038	-	-	3,878,961	3,808,038
Public works	5,019,152	5,412,524	-	-	5,019,152	5,412,524
Interest and fiscal charges	699,155	1,330,555	-	-	699,155	1,330,555
Water	-	-	21,497,271	18,345,227	21,497,271	18,345,227
Light	-	-	44,328,679	45,011,550	44,328,679	45,011,550
Sewer/Wastewater	-	-	2,368,124	2,434,295	2,368,124	2,434,295
Refuse contract	-	-	3,042,337	2,938,255	3,042,337	2,938,255
Total Expenses	41,095,610	43,272,184	71,236,411	68,729,327	112,332,021	112,001,511
Increase/(decrease) in net position before transfers	15,019,010	431,047	3,460,925	4,902,512	18,479,935	5,333,559
Transfers	1,458,028	1,535,996	(1,458,028)	(1,535,996)	-	-
Extraordinary items	(4,113,065)	-	-	-	(4,113,065)	-
Change in Net Position	12,363,973	1,967,043	2,002,897	3,366,516	14,366,870	5,333,559
Net Position (Deficits) - Beginning	29,395,743	27,828,998	114,845,516	108,984,054	144,241,259	136,813,052
Restatement	(49,395,840)	(400,298)	(14,052,697)	2,494,946	(63,448,537)	2,094,648
Net Position (Deficits) - Ending	$ (7,636,124)	$ 29,395,743	$ 102,795,716	$ 114,845,516	$ 95,159,592	$ 144,241,259

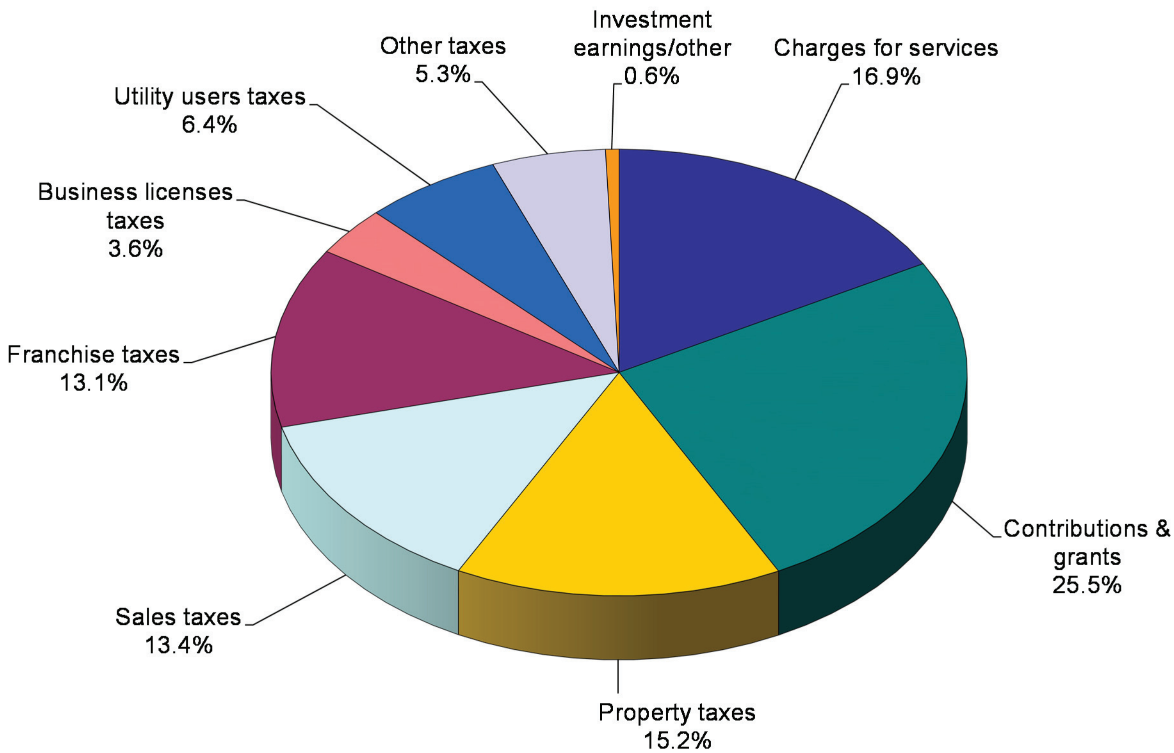
The City's total revenues are $130,811,956 and the costs of all programs and services are $112,332,021. Fiscal year 2014-15 revenues increased by $13,476,886 (11.5%). Expenses increased by $330,510 (0.3%) from prior year. Key factors include:

- The increase in the governmental activities revenue was mainly due to the previously mentioned forgiven loan. Approximately $1,999,445 of additional revenues was received from taxes that are attributable to the increased economic development activities in the City. The City also received a pass-through payment from the residuals of the former redevelopment agencies of $126,500.

- The City experienced an increase of 7.10% in Franchise Fees and Utility User Tax related to increases in Business-Type revenues even though the Water fund had lower revenues related to the imposed water drought restrictions.

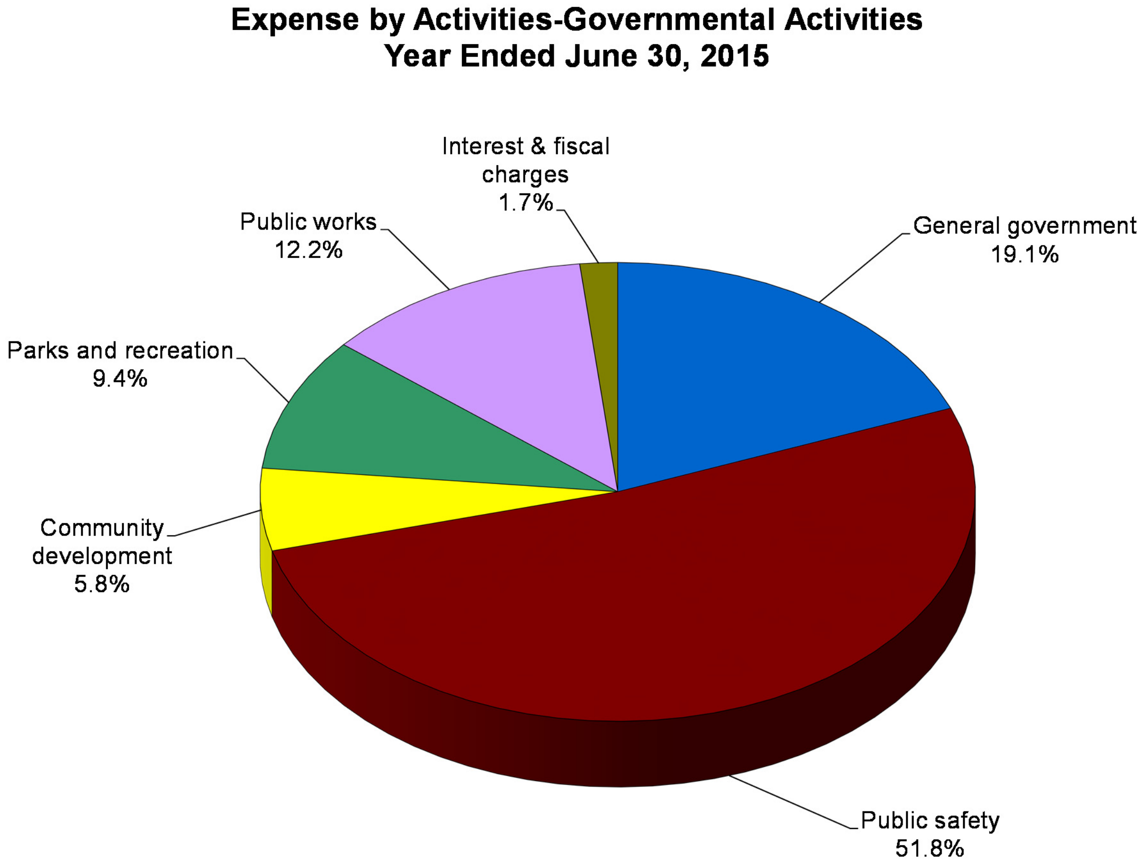
- Community Development divisional revenues increased by $469,454 (6.7%) compared to FY 2013-14. The increase was due to increased development in the City such as the construction of new housing in the Rosedale housing development project, additional landfill, host fee and rental inspection activities.

Revenues by Source-Governmental Activities
Year Ended June 30, 2015



Key elements of this year's summary of activities are as follows:

- Property tax revenue increased by $507,968, Sales tax revenue increased by a $346,448 and Franchise fees increased by $571,269 from the prior year.
- Charges for services revenue decreased by 2.7% or $260,150; Use of money and property had a positive balance of $353,285 primarily due to increase in interest income earned from an improved cash position.
- Transient Occupancy Taxes ("TOT") increased by 17.1% or $38,140 primarily due to the voter-approved increase in the TOT rate from 7.5% to 10.0%. This increase only reflects the last quarter that the new rate went into effect.



- Total Governmental Activities expenses decreased $2,176,574 (-5.0%) over prior year.
- Total General Fund expenses decreased $147,332 (-0.50%) compared to prior year. The reduction is mainly due to a lower capital outlay expenses.
- Community development expenditures decreased $166,366 (-10.1%) primarily due to reductions in plan check activities. Public Safety increased by $648,116 (3.9%) mainly caused by retirement payouts.

Financial Analysis of the City's Funds

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $30,044,155, an increase of $518,254 in comparison with the prior year's fund balance.

The General Fund is the chief operating fund of the City of Azusa. During fiscal year 2014-15, its fund balance decreased by $706,284, primarily as a result of the properties returned to the Successor Agency. However, in removing the property transfer activities, the General Fund would have increased by approximately $3.4 million. At the end of the current fiscal year, the General Fund total fund balance was $19,547,182.

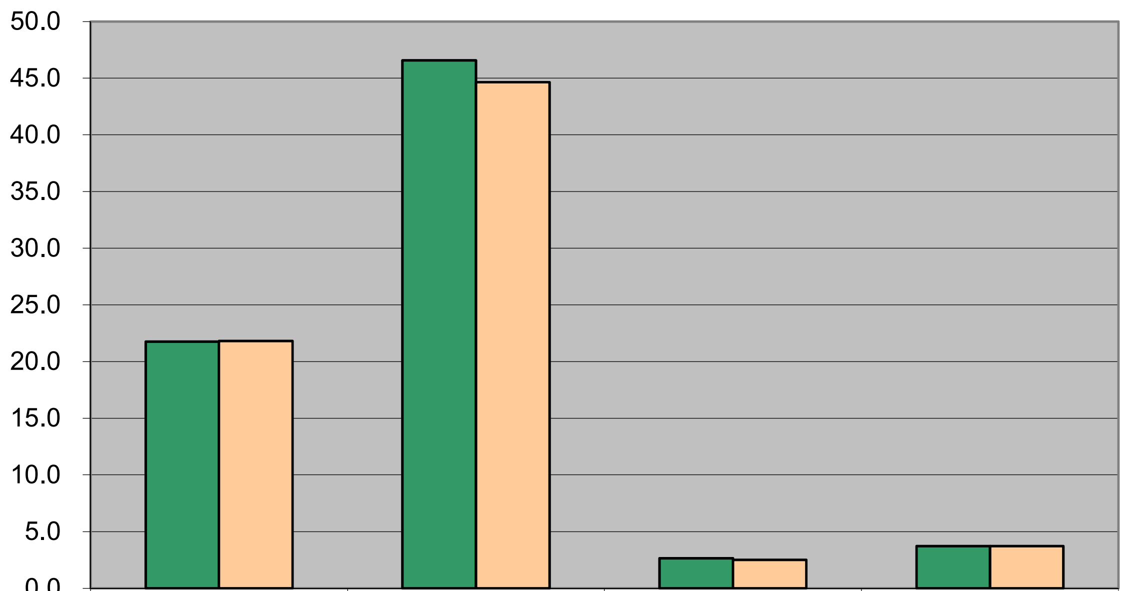
Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the City's proprietary funds at the end of the year amounted to $36,970,514. Total unrestricted net position decreased by $3,559,972 (-8.78%) and total net position decreased by $8,056,804 (-7.11%) from the previous fiscal year. The reduction in total net position was caused by the GASB 68 restatement of a negative $9,978,883.

Unrestricted net position of the City's Water Utility at the end of the year amounted to $25,407,542 which is a decrease of $3,645,514 (-12.55%) and total net position also decreased by $5,050,530 (-8.75%) from the previous fiscal year. The GASB 68 restatement of a negative $4,370,660 was the primary cause. Water revenues were down slightly by $309,959 and expenses increased by $3,097,480 of which $3,012,046 was due to increase costs in sources of supply and cost of sales and services primarily attributable to the drought issues.

Unrestricted net position of the City's Light Utility at the end of the year amounted to $9,756,028. Total unrestricted net position decreased by $11,880,536 (-16.16%) and total net position also decreased by $1,925,519 (-4.27%) from the previous fiscal year. This negative change was primarily attributable to the GASB 68 restatement of negative $3,848,694. Light revenues were actually higher by $1,121,509 (2.48%) while expenses were lower by $849,533 from prior year.

The following chart highlights total revenue and total expenses for each of the business type activities for fiscal year end June 30, 2015.



	Water	Light	Sewer/ Wastewater	Refuse Contract
Revenue	$21.7	$46.6	$2.7	$3.7
Expenses	$21.8	$44.6	$2.5	$3.7

General Fund Budgetary Highlights

Following is a summary of budgetary changes and actual results for General Fund, revenues, expenditures, and other financing sources:

City of Azusa - General Fund Budgetary Summary
Revenues, Expenditures, and Changes in Fund Balance
June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 27,285,945	$ 27,392,345	29,245,228	$ 1,852,883
Charges for services	2,350,510	2,290,510	2,438,210	147,700
Assessments	1,666,880	1,704,880	1,299,713	(405,167)
Other revenue	2,697,250	2,923,550	15,054,701	12,131,151
Total revenue	34,000,585	34,311,285	48,037,852	13,726,567
EXPENDITURES				
Operations	29,254,245	29,655,570	32,822,327	(3,166,757)
Capital Outlay	122,465	114,135	109,777	4,358
Debt Service	1,350,235	1,350,235	12,171,533	(10,821,298)
Total expenditures	30,726,945	31,119,940	45,103,637	(13,983,697)
Excess of revenues over expenditures	3,273,640	3,191,345	2,934,215	27,710,264
OTHER FINANCING SOURCES (USES)				
Transfers in	1,649,870	1,649,870	1,604,547	(45,323)
Transfers out	4,918,400	5,618,400	5,245,046	373,354
Total other financing sources (uses)	(3,268,530)	(3,968,530)	(3,640,499)	328,031
Net change in fund balance	5,110	(777,185)	(706,284)	70,901
Fund balance beginning of year	20,253,466	20,253,466	20,253,466	-
Fund balance end of year	$20,258,576	$19,476,281	$19,547,182	$70,901

The difference between the original expenditure budget and the final amended expenditure budget was an increase of $392,995 with highlights as follows:

- The budgets for the departments of the City Clerk and Human Resources rose to provide needed part-time hours. Various employee group contractual agreements such as vacation payout budgets were increased.
- Public Safety budget rose due to contract obligations and retirement costs.
- The Facilities Maintenance division budget was increased to cover maintenance costs for various City facilities such as painting of City Hall.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2015 amounted to $153,662,962 (net of accumulated depreciation). This investment includes land, construction in progress, land improvements, buildings and structures, machinery and equipment, automotive equipment and infrastructure.

City of Azusa - Capital Assets
(Net of Accumulated Depreciation)

	Governmental Activities		Business Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 1,319,536	$ 1,319,536	$ 2,988,973	$ 2,988,973	$ 4,308,509	$ 4,308,509
Construction in Progress	1,333,303	473,263	825,486	1,103,150	2,158,789	1,576,413
Land Improvements	1,327,038	1,452,132	420,617	459,293	1,747,655	1,911,425
Buildings and Structures	6,796,645	7,096,152	12,905,633	13,403,746	19,702,278	20,499,898
Machinery and Equipment	1,418,399	1,323,308	2,952,321	3,369,035	4,370,720	4,692,343
Automotive Equipment	691,136	623,704	290,069	404,868	981,205	1,028,572
Infrastructure	17,026,198	17,671,336	103,367,608	105,405,273	120,393,806	123,076,609
Total	$ 29,912,255	$ 29,959,431	$ 123,750,707	$ 127,134,338	$ 153,662,962	$ 157,093,769

Additional information on the City's capital assets can be found in Note 4 of the notes to the basic financial statements.

Long-term debt. At the end of the current fiscal year, the City of Azusa had total debt outstanding of $107,800,670. Of this amount, $31,155,756 is a liability of the Governmental Activities and $76,644,914 is a liability of the Business Type Activities. The increase in the outstanding balances is the result of GASB 68 reporting.

City of Azusa - Outstanding Debt

	Governmental Activities		Business Type Activites		Total	
	2015	2014	2015	2014	2015	2014
Employee Leave Benefits	$ 3,704,926	$ 3,710,262	$ 1,369,793	$ 1,323,419	$ 5,074,719	$ 5,033,681
Net OPEB Liability	12,287,102	10,383,609	-	-	12,287,102	10,383,609
Advance from the Successor Agency	8,208,833	8,208,833	-	-	8,208,833	8,208,833
2003 COPS	2,285,000	2,540,000	1,400,000	1,985,000	3,685,000	4,525,000
2006 Water Revenue Bonds	-	-	52,270,000	53,315,000	52,270,000	53,315,000
2008 Taxable Pension Fnding Bd	3,205,000	4,075,000	-	-	3,205,000	4,075,000
2011 Sewer Installment Loan	-	-	4,730,000	5,080,000	4,730,000	5,080,000
2012 Electric Refunding Bond	-	-	5,820,000	5,820,000	5,820,000	5,820,000
2012 Water Refunding Bonds	-	-	7,355,000	8,045,000	7,355,000	8,045,000
Developer Agreements	-	10,700,656	-	-	-	10,700,656
Claims and Judgments Payable	1,430,273	2,356,493	-	-	1,430,273	2,356,493
Unamortized Premium/Discount	34,622	55,500	3,700,121	3,931,119	3,734,743	3,986,619
Total	$ 31,155,756	$ 42,030,353	$ 76,644,914	$ 79,499,538	$ 107,800,670	$ 121,529,891

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

Economic Factors and Next Year's Budgets and Rates

The revenue projections for the 2015-16 General Fund adopted budget reflected a growth of 0.35% over the prior year's final budget. Property taxes are anticipated to increase due to the home sales in Rosedale; however, building permit fees are projected to be reduced as construction in Rosedale slows down.

General Fund expenditures, including transfers out and capital outlay, were lower by 0.20% for the 2015-16 adopted budget. Costs related to elections and plan checks are projected to be lower due to an off-year for elections and lower building and planning activities.

The City strives to maintain high quality services while adopting a balanced budget. For fiscal year 2015-16, the City adopted a balanced budget with a surplus of $250,815 for the General Fund without any reductions in services and added 4.5 FTE to personnel positions.

Rising retirement costs, such as pension and retiree health care, are main concerns for the City. In addition, the State's dissolution of redevelopment agencies continues to negatively affect the City. Negotiations with employee bargaining groups will address solutions to the pension and retiree health care costs. The goal to develop properties owned by the former redevelopment agency is moving forward in order to generate additional revenues to help address additional costs in the long term.

Furthermore, it is projected that property tax revenues will keep increasing as new home sales and the improvement in the economy continue. Staff will continue to be prudent with its budget and to monitor any legislative action that could impact the financial condition in Azusa.

Request for Information

This financial report is designed to provide a general overview of the financial position of the City of Azusa for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to City of Azusa Finance Department, 213 E. Foothill Blvd., Azusa, CA 91702.

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CITY OF AZUSA

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	$ 17,826,533	$ 39,158,491	$ 56,985,024
Receivables:			
Accounts	1,381,051	10,672,765	12,053,816
Taxes	1,631,600	-	1,631,600
Notes and loans	2,344,928	76,658	2,421,586
Accrued interest	7,663	25,378	33,041
Internal balances	(4,987,053)	4,987,053	-
Due from other governments	7,324	-	7,324
Due from Successor Agency	9,276,337	2,616,012	11,892,349
Prepaid costs	88,668	20,791	109,459
Deposits	466	-	466
Inventories	124,568	1,640,836	1,765,404
Land held for resale	7,384,436	-	7,384,436
Restricted assets:			
Cash and investments	2,308,717	13	2,308,730
Cash with fiscal agent	586,819	9,791,750	10,378,569
Cash held for rate stabilization	-	10,054,506	10,054,506
Capital assets not being depreciated	2,652,839	3,814,459	6,467,298
Capital assets, net of depreciation	27,259,416	119,936,248	147,195,664
Total Assets	**67,894,312**	**202,794,960**	**270,689,272**
Deferred Outflows of Resources:			
Deferred charge on refunding	-	1,138,433	1,138,433
Deferred pension related items	4,124,387	1,158,071	5,282,458
Total Deferred Outflows of Resources	**4,124,387**	**2,296,504**	**6,420,891**
Liabilities:			
Accounts payable	1,641,584	3,818,864	5,460,448
Accrued liabilities	1,379,580	749,117	2,128,697
Accrued interest	143,543	1,562,668	1,706,211
Unearned revenue	554,947	-	554,947
Deposits payable	12,550	5,027,877	5,040,427
Due to other governments	3	33,195	33,198
Noncurrent liabilities:			
Due within one year	4,973,560	3,794,565	8,768,125
Due in more than one year	13,895,094	72,850,349	86,745,443
Net OPEB liability	12,287,102	-	12,287,102
Net pension liability	34,933,090	11,603,186	46,536,276
Total Liabilities	**69,821,053**	**99,439,821**	**169,260,874**
Deferred Inflows of Resources:			
Deferred pension related items	9,833,770	2,855,927	12,689,697
Net Position:			
Net investment in capital assets	28,121,302	53,700,812	81,822,114
Restricted for:			
Community development projects	5,163,437	-	5,163,437
Public safety	1,036,599	-	1,036,599
Capital projects	3,820,164	-	3,820,164
Debt service	482,651	5,031,000	5,513,651
Rate stabilization	-	10,054,506	10,054,506
Unrestricted	(46,260,277)	34,009,398	(12,250,879)
Total Net Position	**$ (7,636,124)**	**$ 102,795,716**	**$ 95,159,592**

See Notes to Financial Statements

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Contributions and Grants	Program Revenues: Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	$ 7,834,391	$ 3,517,810	$ 10,965,086	$ -
Public safety	21,279,643	741,551	1,167,536	408,905
Community development	2,384,308	3,044,683	306,888	-
Parks and Recreation	3,878,961	1,226,392	319,361	-
Public works	5,019,152	961,875	1,157,202	-
Interest on long-term debt	699,155	-	-	-
Total Governmental Activities	**41,095,610**	**9,492,311**	**13,916,073**	**408,905**
Business-Type Activities:				
Water	21,497,271	21,515,397	-	-
Light	44,328,679	46,222,264	-	-
Sewer/ Wastewater	2,368,124	2,636,707	-	-
Refuse Contract	3,042,337	3,145,396	-	-
Total Business-Type Activities	**71,236,411**	**73,519,764**	**-**	**-**
Total Primary Government	**$ 112,332,021**	**$ 83,012,075**	**$ 13,916,073**	**$ 408,905**

General Revenues:
Taxes:
Property taxes, levied for general purpose
Transient occupancy taxes
Sales taxes
Franchise taxes
Business licenses taxes
Utility users tax
Other taxes
Use of money and property
Other
Extraordinary loss on transfers of land held for resale
Transfers

Total General Revenues, extraordinary items, and Transfers

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ 6,648,505	$ -	$ 6,648,505
(18,961,651)	-	(18,961,651)
967,263	-	967,263
(2,333,208)	-	(2,333,208)
(2,900,075)	-	(2,900,075)
(699,155)	-	(699,155)
(17,278,321)	**-**	**(17,278,321)**
-	18,126	18,126
-	1,893,585	1,893,585
-	268,583	268,583
-	103,059	103,059
-	**2,283,353**	**2,283,353**
(17,278,321)	**2,283,353**	**(14,994,968)**
8,531,515	574,179	9,105,694
261,815	-	261,815
7,530,257	-	7,530,257
7,328,977	-	7,328,977
2,008,916	-	2,008,916
3,594,092	-	3,594,092
2,058,967	-	2,058,967
353,285	378,713	731,998
629,507	224,680	854,187
(4,113,065)	-	(4,113,065)
1,458,028	(1,458,028)	-
29,642,294	**(280,456)**	**29,361,838**
12,363,973	2,002,897	14,366,870
29,395,743	114,845,516	144,241,259
(49,395,840)	(14,052,697)	(63,448,537)
$ (7,636,124)	**$ 102,795,716**	**$ 95,159,592**

See Notes to Financial Statements

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	$ 4,042,960	$ 11,090,480	$ 15,133,440
Receivables:			
Accounts	583,301	797,654	1,380,955
Taxes	1,625,514	6,086	1,631,600
Notes and loans	2,154	2,342,237	2,344,391
Accrued interest	4,458	2,633	7,091
Prepaid costs	7,430	9,965	17,395
Deposits	-	466	466
Due from other governments	7,324	-	7,324
Inventories	124,568	-	124,568
Land held for resale	7,384,436	-	7,384,436
Restricted assets:			
Cash and investments	2,278,216	30,501	2,308,717
Cash and investments with fiscal agents	104,207	482,612	586,819
Advances to Successor Agency	9,276,337	-	9,276,337
Total Assets	**$ 25,440,905**	**$ 14,762,634**	**$ 40,203,539**
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	$ 510,575	$ 369,662	$ 880,237
Accrued liabilities	1,195,718	125,951	1,321,669
Unearned revenues	-	554,947	554,947
Deposits payable	-	12,550	12,550
Due to other governments	3	-	3
Due to other funds	-	15,410	15,410
Advances from other funds	4,187,427	750,000	4,937,427
Total Liabilities	**5,893,723**	**1,828,520**	**7,722,243**
Deferred Inflows of Resources:			
Unavailable revenues	-	2,437,141	2,437,141
Total Deferred Inflows of Resources	**-**	**2,437,141**	**2,437,141**
Fund Balances:			
Nonspendable:			
Inventory	124,568	-	124,568
Prepaid costs	7,430	-	7,430
Land held for resale	7,384,436	-	7,384,436
Notes and loans	2,154	-	2,154
Advances to Successor Agency	9,276,337	-	9,276,337
Deposits	-	-	-
Restricted for:			
Community development projects	-	5,163,437	5,163,437
Public safety	-	1,036,599	1,036,599
Capital projects	-	3,820,164	3,820,164
Debt service	-	482,651	482,651
Unassigned	2,752,257	(5,878)	2,746,379
Total Fund Balances	**19,547,182**	**10,496,973**	**30,044,155**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 25,440,905**	**$ 14,762,634**	**$ 40,203,539**

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Fund balances of governmental funds		$ 30,044,155
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		29,438,626
Deferred Outflows related to contributions made after the actuarial measurement date for the net pension liability.		
Contributions made subsequent to measurement date	$ 3,803,853	
Adjustment due to differences in proportions	209,789	4,013,642
Long-term debt and compensated absences that have not been included in the governmental fund activity.		
Long-term liabilities	(13,733,455)	
Compensated Absences	(3,519,636)	(17,253,091)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability.		(12,287,102)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(143,543)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		2,437,141
Governmental funds report all pension contributions as expenditures when paid however in the statement of net position the actuarially calculated accrual basis net pension liability is reported.		(33,108,945)
Deferred Inflows related to unrecognized actuarial gains and losses for the net pension liability:		
Net difference between projected and actual earnings on plan investments	(9,545,375)	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	(17,754)	(9,563,129)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		(1,213,878)
Net Position of governmental activities		**$ (7,636,124)**

CITY OF AZUSA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	$ 29,245,228	$ 2,069,311	$ 31,314,539
Assessments	1,299,713	-	1,299,713
Licenses and permits	1,600,109	-	1,600,109
Intergovernmental	728,188	3,946,500	4,674,688
Charges for services	2,438,210	2,209,045	4,647,255
Use of money and property	291,173	55,093	346,266
Fines and forfeitures	1,343,809	-	1,343,809
Contributions	10,798,039	66,446	10,864,485
Miscellaneous	293,383	385,240	678,623
Total Revenues	**48,037,852**	**8,731,635**	**56,769,487**
Expenditures:			
Current:			
General government	6,377,078	307,646	6,684,724
Public safety	17,228,141	4,550,928	21,779,069
Community development	1,479,675	884,883	2,364,558
Parks and recreation	3,036,100	553,852	3,589,952
Public works	588,268	3,445,084	4,033,352
Capital outlay	109,777	1,615,399	1,725,176
Debt service:			
Principal retirement	11,905,286	255,000	12,160,286
Interest and fiscal charges	266,247	151,212	417,459
Total Expenditures	**40,990,572**	**11,764,004**	**52,754,576**
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,047,280	(3,032,369)	4,014,911
Other Financing Sources (Uses):			
Transfers in	1,604,547	4,570,202	6,174,749
Transfers out	(5,245,046)	(324,189)	(5,569,235)
Total Other Financing Sources (Uses)	**(3,640,499)**	**4,246,013**	**605,514**
Extraordinary loss	(4,113,065)	-	(4,113,065)
Net Change in Fund Balances	(706,284)	1,213,644	507,360
Fund Balances, Beginning of Year, as previously reported	20,417,948	9,107,953	29,525,901
Restatements	(164,482)	175,376	10,894
Fund Balances, Beginning of Year, as restated	20,253,466	9,283,329	29,536,795
Fund Balances, End of Year	**$ 19,547,182**	**$ 10,496,973**	**$ 30,044,155**

CITY OF AZUSA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds		$ 507,360
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	$ 1,807,786	
Depreciation	(1,558,232)	249,554
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments	12,160,286	
Amortization of bond premiums/discounts	20,878	
Accrued interest on obligation debt	(334,630)	11,846,534
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		32,056
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		15,111
Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense.		(1,903,493)
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Cost-Sharing Safety PERS	641,521	
Agent Miscellaneous PERS	304,598	
Retirement Enhancement Plan PARS	(2,061)	944,058
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		(645,364)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.		1,318,157
Change in net position of governmental activities		**$ 12,363,973**

CITY OF AZUSA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal
	Water	Light	Other Enterprise Funds	Totals	Service Funds
Assets and Deferred Outflows of Resources:					
Assets:					
Current:					
Cash and investments	$ 23,007,273	$ 11,443,162	$ 2,988,852	$ 37,439,287	$ 4,412,297
Receivables:					
Accounts	4,789,951	4,972,135	721,757	10,483,843	189,018
Notes and loans	1,236	71,471	-	72,707	4,488
Accrued interest	-	14,538	893	15,431	10,519
Prepaid costs	5,098	11,303	-	16,401	75,663
Due from other funds	49,626	-	-	49,626	-
Inventories	-	1,640,836	-	1,640,836	-
Restricted:					
Cash and investments	-	13	-	13	-
Cash with fiscal agent	6,192,569	2,145,329	1,453,852	9,791,750	-
Cash held for rate stabilization	-	10,054,506	-	10,054,506	-
Total Current Assets	**34,045,753**	**30,353,293**	**5,165,354**	**69,564,400**	**4,691,985**
Noncurrent:					
Advances to Successor Agency	2,616,012	-	-	2,616,012	-
Advances to other funds	4,006,427	931,000	-	4,937,427	-
Capital assets - net of accumulated depreciation	83,478,863	28,912,008	10,832,707	123,223,578	1,000,758
Total Noncurrent Assets	**90,101,302**	**29,843,008**	**10,832,707**	**130,777,017**	**1,000,758**
Total Assets	**124,147,055**	**60,196,301**	**15,998,061**	**200,341,417**	**5,692,743**
Deferred Outflows of Resources:					
Deferred charge on refunding	785,734	352,699	-	1,138,433	-
Deferred pension related items	336,735	377,676	87,495	801,906	466,910
Total Deferred Outflows of Resources	**1,122,469**	**730,375**	**87,495**	**1,940,339**	**466,910**
Total Assets and Deferred Outflows of Resources:	**$ 125,269,524**	**$ 60,926,676**	**$ 16,085,556**	**$ 202,281,756**	**$ 6,159,653**
Liabilities, Net Position and Deferred Inflows of Resources:					
Liabilities:					
Current:					
Accounts payable	$ 1,621,112	$ 1,540,991	$ 562,037	$ 3,724,140	$ 856,071
Accrued liabilities	99,773	103,754	29,770	233,297	573,731
Accrued interest	1,435,894	126,774	-	1,562,668	-
Deposits payable	1,097,155	3,930,722	-	5,027,877	-
Due to other governments	33,195	-	-	33,195	-
Due to other funds	-	-	-	-	34,216
Accrued compensated absences	324,367	363,945	78,509	766,821	345,595
Accrued claims and judgments	-	-	-	-	1,430,273
Bonds, notes, and capital leases	1,800,000	620,000	365,000	2,785,000	-
Total Current Liabilities	**6,411,496**	**6,686,186**	**1,035,316**	**14,132,998**	**3,239,886**
Noncurrent:					
Accrued compensated absences	147,987	170,994	-	318,981	123,686
Bonds, notes, and capital leases	61,418,732	6,706,389	4,365,000	72,490,121	-
Net pension liability	3,780,403	3,248,816	1,060,530	8,089,749	5,337,582
Total Noncurrent Liabilities	**65,347,122**	**10,126,199**	**5,425,530**	**80,898,851**	**5,461,268**
Total Liabilities	**71,758,618**	**16,812,385**	**6,460,846**	**95,031,849**	**8,701,154**
Deferred Inflows of Resources:					
Deferred pension related items	864,930	894,067	261,207	2,020,204	1,106,364
Total Deferred Inflows of Resources	**864,930**	**894,067**	**261,207**	**2,020,204**	**1,106,364**
Net Position:					
Net investment in capital assets	23,441,934	22,175,190	7,556,559	53,173,683	1,000,758
Restricted for debt service	3,796,500	1,234,500	-	5,031,000	-
Restricted for rate stabilization	-	10,054,506	-	10,054,506	-
Unrestricted	25,407,542	9,756,028	1,806,944	36,970,514	(4,648,623)
Total Net Position	**52,645,976**	**43,220,224**	**9,363,503**	**105,229,703**	**(3,647,865)**
Total Liabilities, Net Position and Deferred Inflows of Resources	**$ 125,269,524**	**$ 60,926,676**	**$ 16,085,556**	**$ 202,281,756**	**$ 6,159,653**

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds	$ 105,229,703
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	(2,514,805)
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	80,818
Net Position per Statement of Net Position	$ 102,795,716

See Notes to Financial Statements

CITY OF AZUSA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

	Water	Light	Other Enterprise Funds	Totals	Activities- Internal Service Funds
Operating Revenues:					
Sales and service charges	$ 21,515,397	$ 46,222,264	$ 5,782,103	$ 73,519,764	$ 10,070,110
Interdepartmental charges	45,136	44,172	-	89,308	-
Miscellaneous	13,394	102,884	19,094	135,372	13,123
Lease revenue	14,400	-	-	14,400	-
Total Operating Revenues	**21,588,327**	**46,369,320**	**5,801,197**	**73,758,844**	**10,083,233**
Operating Expenses:					
Administration and general	6,465,492	6,189,852	1,143,215	13,798,559	7,650,087
Source of supply	3,007,866	28,851,637	-	31,859,503	273,236
Pumping	45,584	-	-	45,584	-
Transmission/collection	1,654,507	4,018,091	-	5,672,598	-
Treatment	438,633	-	517,198	955,831	-
Refuse collection	-	-	3,042,337	3,042,337	-
Cost of sales and services	3,209,755	56,636	-	3,266,391	-
Claims expense	-	-	-	-	802,209
Depreciation expense	3,725,639	1,270,648	485,675	5,481,962	254,284
Total Operating Expenses	**18,547,476**	**40,386,864**	**5,188,425**	**64,122,765**	**8,979,816**
Operating Income (Loss)	3,040,851	5,982,456	612,772	9,636,079	1,103,417
Nonoperating Revenues (Expenses):					
Taxes	-	-	574,179	574,179	-
Interest revenue	156,905	197,478	9,930	364,313	7,019
Interest expense	(2,695,460)	(259,708)	(168,563)	(3,123,731)	-
Special franchise fees	(359,078)	(3,902,002)	(53,473)	(4,314,553)	-
Contributions	(303,634)	-	-	(303,634)	-
Gain (loss) on disposal of capital assets	-	-	-	-	(16,521)
Total Nonoperating Revenues (Expenses)	**(3,201,267)**	**(3,964,232)**	**362,073**	**(6,803,426)**	**(9,502)**
Income (Loss) Before Transfers	(160,416)	2,018,224	974,845	2,832,653	1,093,915
Transfers in	-	-	-	-	982,174
Transfers out	-	(95,049)	(815,525)	(910,574)	(677,114)
Changes in Net Position	(160,416)	1,923,175	159,320	1,922,079	1,398,975
Net Position:					
Beginning of Year, as previously reported	57,696,506	45,145,743	10,444,258	113,286,507	1,310,849
Restatements	(4,890,114)	(3,848,694)	(1,240,075)	(9,978,883)	(6,357,689)
Beginning of Fiscal Year, as restated	52,806,392	41,297,049	9,204,183	103,307,624	(5,046,840)
End of Fiscal Year	**$ 52,645,976**	**$ 43,220,224**	**$ 9,363,503**	**$ 105,229,703**	**$ (3,647,865)**

Reconciliation of Changes in Net Position to the Statement of Activities:

Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	$ 1,922,079
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds	80,818
Changes in Net Position of Business-Type Activities per Statement of Activities	$ 2,002,897

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

	Water	Light	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities:					
Cash received from customers and users	$ 21,078,590	$ 46,357,916	$ 5,802,162	$ 73,238,668	$ 11,325,561
Cash received from/(paid to) interfund service provided	2,964,782	44,172	-	3,008,954	-
Cash paid to suppliers for goods and services	(7,928,288)	(31,994,509)	(3,490,374)	(43,413,171)	(1,640,559)
Cash paid to employees for services	(6,470,589)	(6,266,229)	(1,157,212)	(13,894,030)	(7,728,442)
Net Cash Provided by (Used in) Operating Activities	**9,644,495**	**8,141,350**	**1,154,576**	**18,940,421**	**1,956,560**
Cash Flows from Non-Capital Financing Activities:					
Cash transfers out	-	(95,049)	(815,525)	(910,574)	(677,114)
Cash transfers in	-	-	-	-	982,174
Repayment received from other funds	3,878,100	-	-	3,878,100	-
Repayment made to other funds	(303,634)	-	(458,591)	(762,225)	(2,600)
Net Cash Used in Non-Capital Financing Activities	**3,574,466**	**(95,049)**	**(1,274,116)**	**2,205,301**	**302,460**
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(1,090,736)	(1,092,492)	-	(2,183,228)	(147,905)
Principal paid on capital debt	(1,735,000)	(585,000)	(350,000)	(2,670,000)	-
Interest paid on capital debt	(2,901,696)	(270,736)	(168,563)	(3,340,995)	-
Special franchise fees paid	(359,078)	(3,902,002)	(53,473)	(4,314,553)	-
Advance to other funds	(4,006,427)	50,000	-	(3,956,427)	-
Advance to Successor Agency	(2,616,012)	-	-	(2,616,012)	-
Sales of capital assets	-	-	574,179	574,179	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	**(12,708,949)**	**(5,800,230)**	**2,143**	**(18,507,036)**	**(147,905)**
Cash Flows from Investing Activities:					
Issuance of new loans	-	5,494	-	5,494	-
Repayment received on loans	(3,292)	-	-	(3,292)	(2,600)
Interest received	156,913	197,489	9,071	363,473	3,874
Net Cash Provided by Investing Activities	**153,621**	**202,983**	**9,071**	**365,675**	**1,274**
Net Increase (Decrease) in Cash and Cash Equivalents	**663,633**	**2,449,054**	**(108,326)**	**3,004,361**	**2,112,389**
Cash and Cash Equivalents at Beginning of Year	28,536,209	21,193,956	4,551,030	54,281,195	2,299,908
Cash and Cash Equivalents at End of Year	**$ 29,199,842**	**$ 23,643,010**	**$ 4,442,704**	**$ 57,285,556**	**$ 4,412,297**
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	$ 3,040,851	$ 5,982,456	$ 612,772	$ 9,636,079	$ 1,103,417
Adjustments to reconcile operating income (loss) net cash provided by (used in) operating activities:					
Depreciation	3,725,639	1,270,648	485,675	5,481,962	254,284
Gain (loss) on sale of capital assets	-	-	-	-	(16,521)
(Increase) decrease in accounts receivable	(464,601)	32,768	965	(430,868)	1,315,608
(Increase) decrease in inventories	-	13,855	-	13,855	-
(Increase) decrease in prepaid expense	(4,393)	(9,702)	4,424	(9,671)	(73,851)
Decrease of land held for resale to Successor Agency	2,919,646	-	-	2,919,646	-
(Increase) decrease in deferred pension related outflows	(336,735)	(377,676)	(87,495)	(801,906)	(466,910)
Increase (decrease) in accounts payable	334,083	334,819	58,520	727,422	254,975
Increase (decrease) in accrued liabilities	14,526	12,286	6,217	33,029	123,223
Increase (decrease) in deposits payable	97,100	592,883	-	689,983	-
Increase (decrease) in due to other governments	1,267	-	-	1,267	-
Increase (decrease) in claims and judgments	-	-	-	-	(926,220)
Increase (decrease) in compensated absences	42,439	(5,176)	(8,164)	29,099	27,050
Increase (decrease) in net pension liability	(590,257)	(599,878)	(179,545)	(1,369,680)	(744,859)
Increase (decrease) in deferred pension related inflows	864,930	894,067	261,207	2,020,204	1,106,364
Total Adjustments	**6,603,644**	**2,158,894**	**541,804**	**9,304,342**	**853,143**
Net Cash Provided by (Used in) Operating Activities	**$ 9,644,495**	**$ 8,141,350**	**$ 1,154,576**	**$ 18,940,421**	**$ 1,956,560**
Non-Cash Investing, Capital, and Financing Activities:					
Amortization of premiums	$ (217,700)	$ (13,298)	$ -	$ (230,998)	$ -
Amortization of deferred charge on refunding	-	18,563	-	18,563	-

CITY OF AZUSA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	Agency Funds	Private-Purpose Trust Fund RDA Successor Agency Fund
Assets:		
Pooled cash and investments	$ 5,116,110	$ 2,989,105
Receivables:		
Accounts	11,276	-
Taxes	59,703	-
Notes and loans	-	1,160,987
Accrued interest	-	195
Advances to City	-	8,208,832
Land held for resale	-	31,061,019
Restricted assets:		
Cash and investments with fiscal agents	-	2,319,605
Capital assets:		
Capital assets, not being depreciated	-	410,420
Capital assets, net of accumulated depreciation	-	1,231,651
Total Assets	**$ 5,187,089**	**47,381,814**
Deferred Outflows of Resources:		
Deferred charge on refunding		310,088
Total Deferred Outflows of Resources		**$ 310,088**
Liabilities:		
Accounts payable	$ 188,985	461,621
Accrued liabilities	33,445	-
Accrued interest	-	1,032,258
Deposits payable	4,944,964	-
Due to other governments	19,695	80
Long-term liabilities:		
Due in one year	-	1,525,000
Due in more than one year	-	47,012,623
Due to City of Azusa	-	11,892,349
Total Liabilities	**$ 5,187,089**	**61,923,931**
Net Position:		
Held in trust for other purposes		(14,232,029)
Total Net Position		**$ (14,232,029)**

See Notes to Financial Statements

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2015

	Private-Purpose Trust Fund RDA Successor Agency Fund
Additions:	
Taxes	$ 4,817,379
Interest and change in fair value of investments	16,652
Contributions from other funds	303,634
Miscellaneous	3,885
Total Additions	**5,141,550**
Deductions:	
Administrative expenses	27,010
Contractual services	115,261
Interest expense	3,250,752
Depreciation expense	82,348
Contributions to other governments	549,579
Total Deductions	**4,024,950**
Extraordinary gain on City transfers of land held for resale	4,113,065
Changes in Net Position	**5,229,665**
Net Position - Beginning of the Year	(20,676,942)
Restatement	1,215,248
Net Position - End of the Year	**$ (14,232,029)**

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

The financial statements of the City of Azusa, California (City) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City of Azusa are described below:

a. Description of the Reporting Entity

The City of Azusa, the primary government, was incorporated on September 29, 1898, under the general laws of the State of California. It is governed under a Council-Manager form of government.

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

All of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are reported with the interfund data of the City. The following organizations are considered to be component units of the City.

A description of these component units and the method of incorporating their financial information in the accompanying basic financial statements are summarized as follows:

Azusa Public Financing Authority

The Azusa Public Financing Authority was established to provide financing to the City of Azusa for specified projects. The governing board of the Authority is composed of the same individuals that serve as council members for the City of Azusa. Upon completion, separate financial statements of the Authority can be obtained at City Hall.

Azusa Industrial Development Authority

The Azusa Industrial Development Authority was established to promote industrial and commercial expansion and development within the City of Azusa. The governing board of the Authority is composed of the same individuals that serve as council members for the City of Azusa. Separate financial statements are not prepared for the Authority because it has no activity to report.

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

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, however agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The City reports the following major governmental fund:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

- The Water Fund accounts for the costs of labor and materials used in the maintenance, construction, and consumption of water services within the City's water service area.

- The Light Fund accounts for the costs of labor and materials used in the maintenance, construction and consumption of electric services throughout the City.

Additionally, the City reports the following fund types:

- Special Revenue Funds account for revenues which are restricted for specific purposes.

- Capital Projects Funds accounts for financial resources to be used for the acquisition or construction of major capital improvement as outlined in the City's Capital Improvement Program.

- Debt Service Funds account for the accumulation of resources and payment of long-term debt.

- The Agency Fund is used to account for assets held by the City as trustee or agent for individuals, private organizations and other governmental units.

- The Private Purpose Trust fund accounts for the assets and liabilities of the former Redevelopment Agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

- The Internal Service Funds are used to finance and account for activities involved in rendering services to departments within the City. Costs of materials and services used are accumulated in these funds and charged to the user departments as such goods are delivered or services rendered.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The City’s fiduciary funds consist of an Agency fund and Private Purpose Trust funds. Agency funds are custodial in nature, assets equal liabilities. The Private Purpose Trust funds accounts for the assets and liabilities of the Successor Agency of the former Redevelopment Agency, and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated. Both Agency Funds and Proprietary Funds are presented on the accrual basis of accounting.

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

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments in the Proprietary Funds.

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

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." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

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

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent on August 31.

Functional Classifications

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

- General Government includes legislative activities which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities which provide management or support services across more than one functional area, including Library Services.

- Public Safety includes those activities which involve the protection of people and property.

- Community Development includes those activities which involve the enhancing of the general quality of life.

- Parks and Recreation includes those activities which involve community park maintenance and recreational activities within the community.

- Public Works includes those activities which involve the maintenance and improvement of City streets and roads.

- Debt Service includes those activities that account for the payment of long-term debt principal, interest and fiscal charges.

Inventories, Prepaid Costs and Land Held for Resale

- All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventory costs are recorded as an expense when used.

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

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

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

Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns 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 (amount not rounded), and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In accordance with GASB Statement No. 34, the City has reported general infrastructure assets acquired in the current year and retroactively reported prior year's acquisitions prior to fiscal years ended after June 30, 1980.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Assets	Years
Land Improvements	20
Buildings and structure	30 - 50
Machinery and equipment	8 - 30
Automotive equipment	5 - 15
Infrastructure	30 - 65

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. One is the deferred charge on refunding of long-term debt that is a result from the difference in the carrying value of refunded debt and its acquisition price. This has been presented in the Statements of Net Position. The second item is the deferred outflows relating to the net pension obligation reported in the government-wide statement of net position. These outflows are the results of

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. One arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from two sources: various taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second type of deferred inflow of resource relates to the net pension obligation reported in the government-wide statement of net position. These inflows are the result of the net difference between projected and actual earnings on pension plan investments. This amount is deferred and amortized straight-line over a five year period.

Long-Term Obligations

In the government-wide financial statements, proprietary fund types fund financial statements, and private purpose trust fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities, proprietary fund types statement of net position, or private purpose fund types statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are no longer reported as deferred charges and amortized over the term of the related debt. Debt issuance costs should be recognized in the period incurred. This was a change in accounting principle due to implementing GASB 65.

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

Pensions

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

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

Fund Equity

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

Nonspendable Fund Balance

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. The "not spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long term amount of loans and notes receivable.

Restricted Fund Balance

The restricted fund balance classification includes amounts that reflect constraints placed on the use of resources (other than non-spendable items) that are either (a) externally imposed by creditors (such as through bonded debt reserve funds required pursuant to debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council, the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use by taking the same type of action (for example legislation, resolution, ordinance) it employed to previously commit those amounts. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. City Council action to commit fund balance needs to occur within the fiscal reporting periods; however, the amount can be determined subsequently.

Assigned Fund Balance

The assigned fund balance classification includes amounts that are constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed. The policy hereby delegates the authority to assign amounts to be used for specific purposes to the Administrative Services Director/Chief Financial Officer for the purpose of reporting.

Unassigned Fund Balance

These are residual positive net resources of the general fund in excess of what can properly be classified in one of the other four categories.

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

The City's current fund balance practice provides that restricted fund balance be spent first when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used; committed amounts are to be spent first, followed by assigned amounts and then unassigned amounts.

Net position flow assumption

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

Fund balance flow assumptions

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

e. Compensated Absences

In accordance with GASB Statement No. 16, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement. Under GASB Statement No. 16, a liability is recorded for unused sick leave balances to the extent that it is probable that the unused balances will result in termination payments. Generally, vacation, sick leave and compensatory absences vest and are recorded as the obligation is incurred. If material, a proprietary fund liability is accrued for all earned but unused leave benefits relating to the operations of the proprietary funds. A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have terminated prior to year-end. These non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees.

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

f. Claims and Judgments

The City records a liability for litigation, judgments and claims when it is probable that an asset has been impaired or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. Claims incurred but not reported are recorded as a liability when the liability has been incurred or an asset has been impaired and the amounts can be reasonably determined. This liability is recorded in the internal service fund that accounts for the City's self-insurance activities.

g. Cash Equivalents for Statement of Cash Flows

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of change in value because of changes in interest rates. Investments purchased within three months of original maturity are considered to be cash equivalents. Cash and cash equivalents in the accompanying statements include the proprietary funds' share of the cash and investment pool of the City of Azusa. Cash and cash equivalents for proprietary funds are reported in the accompanying financial statements as:

	Enterprise	Internal Service
Cash and investments	$ 37,439,287	$ 4,412,297
Restricted:		
Cash and investments	13	-
Cash with fiscal agent	9,791,750	-
Cash held for rate stabilization	10,054,506	-
Total	$ 57,285,556	$ 4,412,297

h. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

The governmental fund balance sheet includes reconciliation between fund balance, governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term debt and compensated absences have not been included in the governmental fund activity." The detail of the ($13,733,455) long-term debt difference is as follows:

Long-term debt:	
Certificates of participation	$ (2,285,000)
Taxable pension bonds	(3,205,000)
Deferred premium on bonds and COP (to be amortized over life of debt)	(34,622)
Successor Agency Loan	(8,208,833)
Net adjustment to reduce fund balance of total governmental funds to arrive at net position of governmental activities	$ (13,733,455)

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

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes the reconciliation between net changes in fund balances of total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of this $11,846,534 difference is as follows:

Principal repayments and amortizations:		
Certificates of participation	$	255,000
Pension bonds		870,000
Developer loans		10,700,656
Bond discount/premium		20,878
Net adjustment to decrease net changes in fund balance of total governmental funds to arrive at changes in net position of governmental activities.	$	11,846,534

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. Budgetary Data

The City adopts an annual budget prepared on the modified accrual basis of accounting for the general, special revenue, debt service and capital projects funds and on the accrual basis of accounting for the proprietary funds of the City. According to Section 3.04.040 of the Azusa Municipal Code, the City Council is required to adopt the annual budget on or before the first Monday in July. The City is not legally required to report on the budget approved. Where appropriations exceed actual expenditures, the excess amounts lapse but can be re-appropriated in the subsequent year subject to City Council approval. The COPS Universal Hiring, Highway 39, LACMTA, Rosedale Traffic Mitigation, and the Capital Projects Fund did not present a budget comparison schedule.

According to Section 2-450 of the Azusa Municipal Code, budget amendments increasing the total budget of the City by $100,000 or more must be approved by City Council. Spending control (legal level of control) is established by the amount of expenditures budgeted at the department level. During the year, several supplementary appropriations were necessary. Individual amendments were not material in relation to the original appropriations.

Note 2: Stewardship, Compliance and Accountability (Continued)

b. Deficit Fund Balance

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

Nonmajor Funds:		
Governmental:		
LACMTA	$	27
Community Development Block Grant		5,518
Capital Projects		333
Fiduciary Funds:		
Private Purpose Trust Fund: Successor Agency of the Former Redevelopment Agency		14,542,117
Internal Service Funds:		
Consumber Services		2,433,987
Central Services		3,509
IT Services		1,953,401

These deficits will be funded through future years' revenues and transfers.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2015, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities:		
Cash and investments	$	17,826,533
Restricted		
Cash and investments		2,308,717
Cash with fiscal agents		586,819
Business-type activities:		
Cash and investments		39,158,491
Restricted		
Cash and investments		13
Cash with fiscal agents		9,791,750
Cash held for rate stabilization		10,054,506
Fiduciary Funds:		
Agency Funds:		
Cash and investments		5,116,110
Private-Purpose Trust:		
Cash and investments		2,989,105
Restricted		
Cash with fiscal agents		2,319,605
Total Cash and Investments	$	90,151,649

Note 3: Cash and Investments (Continued)

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

Deposits

At June 30, 2015, the carrying amount of the City's deposits was $6,685,752 and the bank balance was $7,659,921. The $974,169 difference represents outstanding checks, deposits in transit and other reconciling items.

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

Investments

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

- U.S. Treasury Obligations (bills, notes and bonds)
- U.S. Government Agency Securities and Instrumentalities of Government Sponsored Corporations
- Mutual Funds
- Commercial Paper
- Repurchase Agreements
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Medium Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)

Investments Authorized by Debt Agreements

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

Note 3: Cash and Investments (Continued)

Investments in State Investment Pool

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

GASB Statement No. 31

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

Credit Risk

The City's investment policy limits investments in medium term notes (MTNs) to those rated A or higher by Standard and Poor's (S&P) or by Moody's. At June 30, 2015, the City's investments in Federal Agency securities consisted of investments with Federal Home Loan Bank and Federal Farm Credit Bank. At June 30, 2015, all Federal Agency Securities were rated AA+ by Standard & Poor's. All securities were investment grade and were legal under State and City law. As of June 30, 2015, the City's investments in external investment pools and money market mutual funds are unrated.

Custodial Credit Risk

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

As of June 30, 2015, none of the City's deposits or investments were exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restriction on the percentage that the City can invest in certain types of investments. In addition, GASB 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value.

As of June 30, 2015, the City has investments of $3,993,350 (5%) with Federal Farm Credit Bank. Investments guaranteed by the U.S. government, investments in mutual funds and external investment pools are excluded from this requirement.

Note 3: Cash and Investments (Continued)

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that no investment may have a maturity of more than five years without receiving prior City Council approval. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. Reserve funds associated with bond issues may have a maturity of more than five years. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2015, the City had the following investments and original maturities:

	Remaining Investment Maturities				
	6 months or less	6 months to 1 year	1 to 3 years	3 to 5 years	Fair Value
Local Agency Investment Fund	$ 28,379,962	$ -	$ -	$ -	$ 28,379,962
Certificates of Deposit	400,262	602,196	13,210,828	16,554,916	30,768,202
Money market mutual funds	1,530,152	-	-	-	1,530,152
Cash with Fiscal Agents:					
Money market mutual funds	13,029,891	-	-	-	13,029,891
Federal agency securities	-	-	5,988,260	2,998,509	8,986,769
Certificates of Deposit	40,017	241,609	246,517	242,778	770,921
	$ 43,380,284	$ 843,805	$ 19,445,605	$ 19,796,203	$ 83,465,897

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 1,319,536	$ -	$ -	$ 1,319,536
Construction-in-progress	473,263	860,040	-	1,333,303
Total Capital Assets Not Being Depreciated	1,792,799	860,040	-	2,652,839
Capital Assets, Being Depreciated:				
Land improvements	4,423,252	-	-	4,423,252
Buildings and structures	12,716,411	-	-	12,716,411
Machinery and equipment	8,006,491	398,983	-	8,405,474
Automotive equipment	3,194,624	347,502	(164,062)	3,378,064
Infrastructure	49,322,442	111,000	-	49,433,442
Total Capital Assets Being Depreciated	77,663,220	857,485	(164,062)	78,356,643
Less Accumulated Depreciation:				
Land improvements	2,971,120	125,094	-	3,096,214
Buildings and structures	5,620,259	299,507	-	5,919,766
Machinery and equipment	6,683,183	303,892	-	6,987,075
Automotive equipment	2,570,920	224,417	(108,409)	2,686,928
Infrastructure	31,651,106	756,138	-	32,407,244
Total Accumulated Depreciation	49,496,588	1,709,048	(108,409)	51,097,227
Total Capital Assets Being Depreciated, Net	28,166,632	(851,563)	(55,653)	27,259,416
Governmental Activities Capital Assets, Net	$ 29,959,431	$ 8,477	$ (55,653)	$ 29,912,255

Note 4: Capital Assets (Continued)

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	$ 2,988,973	$ -	$ -	$ -	$ 2,988,973
Construction-In-Progress	1,103,150	(1,458,450)	1,180,786	-	825,486
Total Capital Assets Not Being Depreciated	4,092,123	(1,458,450)	1,180,786	-	3,814,459
Capital Assets, Being Depreciated:					
Land improvements	1,212,318	-	-	-	1,212,318
Building and structures	22,635,772	-	-	-	22,635,772
Machinery and equipment	13,566,226	-	63,029	-	13,629,255
Automotive equipment	3,754,324	-	-	-	3,754,324
Infrastructure	154,019,721	1,458,450	957,984	-	156,436,155
Total Capital Assets Being Depreciated	195,188,361	1,458,450	1,021,013	-	197,667,824
Less Accumulated Depreciation:					
Land improvements	753,025	-	38,676	-	791,701
Building and structures	9,232,026	-	498,113	-	9,730,139
Machinery and equipment	10,197,191	-	479,743	-	10,676,934
Automotive equipment	3,349,456	-	114,799	-	3,464,255
Infrastructure	48,614,448	-	4,454,099	-	53,068,547
Total Accumulated Depreciation	72,146,146	-	5,585,430	-	77,731,576
Total Capital Assets Being Depreciated, Net	123,042,215	1,458,450	(4,564,417)	-	119,936,248
Business-Type Activities Capital Assets, Net	$ 127,134,338	$ -	$ (3,383,631)	$ -	$ 123,750,707

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

Governmental Activities:	
General government	$ 101,720
Public safety	113,161
Community development	16,143
Parks and recreation	279,925
Public works	1,047,283
Internal service funds	150,816
Total	$ 1,709,048
Business-Type Activities:	
Water	$ 3,725,639
Light	1,270,648
Sewer/Wastewater	485,675
Internal service funds	103,468
Total	$ 5,585,430

Note 5: Long-Term Debt

a. Long-Term Debt – Governmental Activities

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

	Beginning at July 1, 2014	Adjustments	Addition	Deletion	Ending June 30, 2015	Due within one year
City						
Compensated Absences	$ 3,534,747	$ -	$ 2,204,815	$ 2,219,926	$ 3,519,636	$ 2,210,436
Net OPEB Liability	10,383,609	-	1,903,493	-	12,287,102	-
Advance to the Successor Agency	8,208,833	-	-	-	8,208,833	-
2008 Taxable pension funding bonds	4,075,000	-	-	870,000	3,205,000	965,000
Obligation under developer					-	
agreements	10,700,656	-	334,630	11,035,286	-	-
	36,902,845	-	4,442,938	14,125,212	27,220,571	3,175,436
Public Financing Authority						
2003 Certificates of Participation	2,540,000	-	-	255,000	2,285,000	265,000
Internal Service Funds:						
Compensated Absences	175,515	-	109,651	99,876	185,290	102,851
Claims and Judgments payable	2,356,493	(104,784) *	1,535,057	2,356,493	1,430,273	1,430,273
Total Internal Service	2,532,008	(104,784)	1,644,708	2,456,369	1,615,563	1,533,124
Unamortized Premiums/Discounts						
Premiums	69,087	-	-	23,008	46,079	-
Discounts	(13,587)	-	2,130	-	(11,457)	-
Total Premiums/ Discounts	55,500	-	2,130	23,008	34,622	-
Total Governmental Long-term Debt	$ 42,030,353	$ (104,784)	$ 6,089,776	$ 16,859,589	$ 31,155,756	$ 4,973,560

*This amount represents the changes in IBNR.

Compensated Absences

The City's policies relating to compensated absences are described in Note 1 of the notes to financial statements. For the governmental activities, the liability will be paid in future years by the General Fund.

Net OPEB Liability

The City's policies relating to OPEB are described in Note 7 of the notes to financial statements. For governmental activities, the liability will be paid in future years by the General Fund.

Advance from the Successor Agency

In 2011, the City called repayment of the advances made to the former Redevelopment Agency. The former Redevelopment Agency approved in March 2011 to transfer property to the City as repayment of the loans. The property was transferred at cost, which exceeded the loan agreement balance; therefore, an advance to the Successor Agency was created in the amount of $8,032,773. In FY 2012 the advanced increased by the Price Club triple flip sales tax allocation owed to the Successor Agency in the amount of $176,060. Outstanding balance at June 30, 2015, is $8,208,833.

Note 5: Long-Term Debt (Continued)

2008 Taxable Pension Funding Bonds

In December 2008, the City issued $7,215,000 pension funding bonds to fund the City's actuarial accrued liability with respect to its public safety plan. The bonds bear interest at 6.50% and the principal matures in amounts ranging from $480,000 to $1,175,000 on January 1 each year from 2010 through 2018. The annual principal requirements to amortize the 2008 Pension Funding Bonds outstanding as of June 30, 2015, are as follows:

	Taxable Pension Funding Bonds Series 2008	
	Principal	Interest
2015-2016	$ 965,000	$ 208,325
2016-2017	1,065,000	145,600
2017-2018	1,175,000	76,375
Total	$ 3,205,000	$ 430,300

2003 Certificates of Participation

On August 7, 2003, the Azusa Public Financing Authority issued the 2003 Lease Revenue Refunding Certificates of Participation in the amount of $4,825,000 to refund the outstanding balance of the 1994 Certificates of Participation. The bonds are subject to optional and mandatory redemption prior to maturity and are payable from certain revenue consisting of certain base rental payments with respect to the lease agreement between the City and the Authority.

Debt covenants require that the Authority maintain a reserve account equal to the maximum annual debt service on all outstanding certificates. As of June 30, 2015, the reserve requirement of $482,500 was fully funded.

The certificates maturing from 2004 to 2020 are serial certificates payable in annual installments ranging from $200,000 to $845,000. Interest is payable semi-annually on each August 1 and February 1, commencing August 1, 2004, at rates ranging from 2.00% to 4.40% per annum. The outstanding principal balance as of June 30, 2015, was $2,285,000.

The annual requirements to repay the outstanding indebtedness at June 30, including interest, are shown in the schedule below:

	2003 Certificates of Participation	
	Principal	Interest
2015-2016	$ 265,000	$ 91,768
2016-2017	275,000	80,968
2017-2018	285,000	69,590
2018-2019	300,000	57,337
2019-2020	315,000	44,071
2020-2024	845,000	18,590
Total	$ 2,285,000	$ 362,324

Note 5: Long-Term Debt (Continued)

Obligation Under Developer Agreements

On October 4, 1988, the former Redevelopment Agency of the City of Azusa, a component unit of the City of Azusa, entered into a sales tax allocation note with the Price Company. In fiscal year 1988-1989, the Price Company advanced to the former Redevelopment Agency $4,558,300 for the purpose of redeveloping the Price Company site located in the West End Project Area.

Interest on the advance accrues at a rate of 9.5% per annum. Sales tax revenues received from the site have been pledged as security for the repayment of principal and interest. Annual repayments to Price Company are due on the last business day of December, March, June and September beginning December 31, 1989, based upon the following allocation of sales tax revenues:

First, $493,000 to the former Redevelopment Agency
Next, $490,000 to Price Company
Next, $178,000 to the former Redevelopment Agency
Next, $178,000 to Price Company
Then, balance divided 50% to the former Redevelopment Agency and 50% to Price Company

On May 15, 1989, the former Redevelopment Agency entered into an agreement with the City of Azusa to transfer all sales tax revenues received by the former Redevelopment Agency under the Price Company developer agreement to the City, except that required for repayment of the note or other required purposes.

Due to the dissolution of the former Redevelopment Agency, the City has elected to continue this agreement under the City of Azusa.

Payments were to continue for a period of 25 years through October 31, 2014, or until all accrued interest and principal are paid in full, whichever occurs first. In the event that the entire interest and principal not been repaid as of October 31, 2014, the unpaid balance was to be forgiven. The outstanding principal and matured unpaid interest balance was written off during the year ended June 30, 2015.

Note 5: Long-Term Debt (Continued)

b. Long-Term Debt – Business-Type Activities

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

	Beginning at July 1, 2014	Addition	Deletion	Ending June 30, 2015	Due within one year
Water Fund:					
Compensated Absences	$ 429,915	$ 337,663	$ 295,224	$ 472,354	$ 324,367
2006 Water Revenue Bonds	53,315,000	-	1,045,000	52,270,000	1,090,000
2012 Water Refunding Bonds, Series A	8,045,000	-	690,000	7,355,000	710,000
Total Water Fund	61,789,915	337,663	2,030,224	60,097,354	2,124,367
Light Fund:					
Compensated Absences	540,115	362,290	367,466	534,939	363,945
2003 Certificates of participation, Series B and C	1,985,000	-	585,000	1,400,000	620,000
2012 Electric Refunding Bonds, Series B	5,820,000	-	-	5,820,000	-
Total Light Fund	8,345,115	362,290	952,466	7,754,939	983,945
Sewer/Wastewater Fund:					
Compensated Absences	86,673	79,574	87,738	78,509	78,509
2011 Sewer Installment, Series A	1,225,000	-	160,000	1,065,000	165,000
2011 Sewer Installment, Series B	3,855,000	-	190,000	3,665,000	200,000
Total Sewer/Wastewater Fund	5,166,673	79,574	437,738	4,808,509	443,509
Internal Service Funds:					
Compensated Absences	266,716	245,253	227,978	283,991	242,744
Total Internal Service	266,716	245,253	227,978	283,991	242,744
Total Business-Type Funds	$ 75,568,419	$ 1,024,780	$ 3,648,406	72,944,793	$ 3,794,565
			Unamortized bond premiums	3,700,121	
				$ 76,644,914	

Compensated Absences

The City's policies relating to compensated absences are described in Note 1 of the notes to financial statements. For the business-type activities, the liability will be paid in future years by the proprietary funds and the Consumer Services internal service funds.

Note 5: Long-Term Debt (Continued)

2006 Water Revenue Bonds

On December 13, 2006, the Azusa Public Financing Authority, a component unit of the City of Azusa, issued $54,850,000 of 2006 Water Revenue Bonds. The proceeds were primarily used to finance certain improvements to the municipal water system of the City of Azusa. The bonds are payable from pledged revenues comprising primarily of installment payments received by the Authority from the City. Serial bonds mature in annual installments beginning on July 1, 2009 through July 1, 2017, in amounts ranging from $200,000 to $1,200,000. Interest ranges from 4.000% to 5.000% and is payable semi-annually on July 1 and January 1. Term bonds mature in various years ranging from July 1, 2019 through July 1, 2039, with amounts ranging from $2,595,000 to $13,230,000 and interest ranges from 3.920% to 4.380%.

The annual requirements to amortize the outstanding bonds as of June 30, 2015, including interest are as follows:

	2006 Water Revenue Bonds	
	Principal	Interest
2016	$ 1,090,000	$ 2,555,738
2017	1,145,000	2,504,313
2018	1,200,000	2,445,688
2019	1,265,000	2,384,063
2020	1,330,000	2,319,188
2021-2025	7,735,000	10,507,438
2026-2030	9,795,000	8,443,719
2031-2035	12,565,000	5,669,375
2036-2040	16,145,000	2,098,625
Totals	$ 52,270,000	$ 38,928,147

2012 Water Refunding Revenue Bonds

On May 23, 2012, the City issued $8,715,000 of 2012 Water System Refunding Revenue Bonds, Series A. The proceeds were primarily used to advance refund all of the City's obligations in connection with the Financing Authority for Resource Efficiency of California Certificates of Participation, 2003 Series A, which was issued for capital improvements. The bonds are payable solely from the Water net revenues, and the City is not obligated to pay them except from the applicable Water net revenues. Serial bonds mature in annual installments beginning on July 1, 2013 through July 1, 2023, in amounts ranging from $310,000 to $955,000. Interest ranges from 2.000% to 5.000% and is payable semi-annually on July 1 and January 1.

Note 5: Long-Term Debt (Continued)

The annual requirements to amortize the outstanding bonds as of June 30, 2015, including interest are as follows:

	2012 Water Refunding Revenue Bonds, Series A	
	Principal	Interest
2015-2016	$ 710,000	$ 282,600
2016-2017	735,000	260,925
2017-2018	755,000	238,575
2018-2019	780,000	211,650
2019-2020	810,000	182,975
2020-2025	3,565,000	362,450
Totals	$ 7,355,000	$ 1,539,175

Electric Certificates of Participation, 2003 Series C

On December 18, 2003, the Financing Authority for Resource Efficiency of California (FARECal) issued $6,525,000 of Certificates of Participation, 2003 Series C to finance the acquisition, construction, and installation of certain facilities to interconnect the electric system of Southern California Edison Company to the Kirkwall Substation, and together with the Series B Electric Project, to fund a reserve account for the Series C Electric Certificates and to pay costs associated with the execution and delivery of the Series C Electric Certificates. There are no Series A Electric Certificates.

Debt covenants require that the City maintain a reserve account equal to the maximum annual debt service on all outstanding certificates. As of June 30, 2015, the reserve requirement of $652,500 was fully funded.

The Series C Electric Certificates maturing 2004 to 2023 are serial certificates payable in annual installments of $565,000 to $915,000. Interest is payable semi-annually on each July 1 and January 1 of each year, commencing January 1, 2004, at rates ranging from 1.46% to 5.57% per annum. The outstanding principal balance at June 30, 2015, was $1,400,000.

The annual requirements to amortize the outstanding certificates of participation as of June 30, 2015, including interest, are as follows:

	Electric - Certificates of Participation, Series C	
	Principal	Interest
2015-2016	$ 620,000	$ 60,713
2016-2017	650,000	25,344
2017-2018	130,000	3,621
Totals	$ 1,400,000	$ 89,678

Note 5: Long-Term Debt (Continued)

2012 Electric Refunding Revenue Bonds

On May 23, 2012, the City issued $5,820,000 of 2012 Electric System Refunding Revenue Bonds, Series B. The proceeds were primarily used to advance refund all of the City's obligations in connection with the Financing Authority for Resource Efficiency of California Certificates of Participation, Series B. The bonds are payable solely from the Electric net revenues, and the City is not obligated to pay them except from the applicable Electric net revenues. Serial bonds mature in annual installments beginning on July 1, 2017 through July 1, 2023, in amounts ranging from $650,000 to $930,000. Interest ranges from 2.000% to 5.000% and is payable semi-annually on July 1 and January 1.

Debt covenants require that the City maintain a reserve account equal $582,000. As of June 30, 2015, the reserve requirement was fully funded.

The annual requirements to amortize the outstanding bonds as of June 30, 2015, including interest are as follows:

	2012 Electric Refunding Revenue Bonds, Series B	
	Principal	Interest
2016	$ -	$ 175,569
2017	-	175,569
2018	650,000	169,069
2019	795,000	150,644
2020	820,000	126,419
2021-2025	3,555,000	223,422
Totals	$ 5,820,000	$ 1,020,692

2011 Sewer Installment Agreement Series A and B

On November 29, 2011, the City of Azusa entered into an installment Sale Agreement with Capitol One Public Funding, LLC totaling $5,630,000. The proceeds were used to defease the 1994 Sewer System Certificates of Participation, which was used for improvements on the sewer system. The agreement specified the installments consisted of $1,490,000 of Series A installments and $4,140,000 of Series B installments.

The Series A installments have annual principal payments beginning on August 1, 2012 through August 1, 2020 ranging from $105,000 to $190,000. Interest rates on the Series A installments are 2.900%.

The Series B installments have annual principal payments beginning on August 1, 2012 through August 1, 2025 ranging from $120,000 to $505,000. Interest rates on the Series B installments are 3.600%.

Note 5: Long-Term Debt (Continued)

The annual requirements to amortize the outstanding installment agreements as of June 30, 2015, including interest are as follows:

	2011 Sewer Installment Series A		2011 Sewer Installment Series B	
	Principal	Interest	Principal	Interest
2015 - 2016	$ 165,000	$ 28,493	$ 200,000	$ 128,340
2016 - 2017	170,000	23,635	205,000	121,050
2017 - 2018	175,000	18,633	210,000	113,580
2018 - 2019	180,000	13,485	220,000	105,840
2019-2020	185,000	8,193	230,000	97,740
2020-2025	190,000	2,755	2,095,000	299,070
2025-2030	-	-	505,000	9,090
Totals	$1,065,000	$95,194	$3,665,000	$874,710

Note 6: Pension Plans

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

Additionally, the City of Azusa contributes to the Public Agency Retirement System (PARS), a defined contribution pension plan provided and administered by the Public Agency Retirement System Alternate Retirement System Plan and also contributes to the PARS Retirement Enhancement Plan.

The different plans' provisions, descriptions and benefits are described below.

a. Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan

I. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City of Azusa's Miscellaneous (all other than police and fire) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan is established by State statute and City resolution.

Note 6: Pension Plans (Continued)

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

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

Miscellaneous agent plans	Miscellaneous Classic	Miscellaneous PEPRA
Hire date	Prior to January 1, 2013	January 1, 2013 and after
Benefit formula	2% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible compensation	1.4% - 2%, 50 yrs - 55+ yrs, respectively	1% - 2%, 50 yrs - 62 yrs, respectively
Required employee contribution rates	7.000%	6.750%
Required employer contribution rates	13.645%	13.645%

Employees Covered – At June 30, 2015, the following employees were covered by the benefits for each Plan:

	Miscellaneous Plan
Inactive employees or beneficiaries currently receiving benefits	795
Inactive employees entitled to but not yet receiving benefits	267
Active employees	234
	1,296

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as 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.

Note 6: Pension Plans (Continued)

II. Net Pension Liability

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

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

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) 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.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for the Miscellaneous Agent Multiple Employer Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

Note 6: Pension Plans (Continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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

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

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

The table below reflects the 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 rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	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)

(1) An expected inflation of 2.5% used for this period
(2) An expected inflation of 3.0% used for this period

Note 6: Pension Plans (Continued)

III. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous Plan is detailed below:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2013 (Valuation Date) (1)	$ 116,677,935	$ 86,622,350	$ 30,055,585
Changes Recognized for the Measurement Period:			
Service Cost	2,375,239	-	2,375,239
Interest on the Total Pension Liability	8,658,209	-	8,658,209
Contribution from the Employer	-	2,434,002	(2,434,002)
Contributions from Employees	-	1,029,164	(1,029,164)
Net Investment Income (2)	-	14,908,401	(14,908,401)
Benefit Payments including Refunds of Employee Contributions	(4,845,540)	(4,845,540)	-
Net Changes During 2013-14	6,187,908	13,526,027	(7,338,119)
Balance at: 6/30/2014 (Measurement Date) (1)	$ 122,865,843	$ 100,148,377	$ 22,717,466

(1) The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.
(2) Net of administrative expenses.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage lower or 1-percentage point higher than the current rate:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.5%)	Discount Rate +1% (8.5%)
Plan's Net Pension Liability/(Assets)	$ 40,057,987	$ 22,717,466	$ 9,145,857

Pension Plan Fiduciary Net Position – Detailed information about the Plan's net position is available in the separately issued CalPERS financial reports.

Note 6: Pension Plans (Continued)

IV. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of $1,895,352. At June 30, 2015, the Local Government 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	$ 2,461,163	$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	6,799,469
Total	**$ 2,461,163**	**$ 6,799,469**

$2,461,163 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources
2016	$ (1,699,867)
2017	(1,699,867)
2018	(1,699,867)
2019	(1,699,868)

b. Safety Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

I. General Information about the Safety Pension Plans

Benefits Provided

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

Note 6: Pension Plans (Continued)

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

Safety Cost-Sharing Plans

	Safety Classic	Safety PEPRA
Hire date	Prior to January 1, 2013	January 1, 2013 and after
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible compensation	3.00%	2.70%
Required employee contribution rates	9.000%	12.25%
Required employer contribution rates	31.925%	12.25%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute th1e difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as a reduction to the net pension liability for each Plan were as follows:

	Safety Plans
Contributions - employer	2,074,024
Contributions - employee (paid by employer)	320,986
	2,395,010

Note 6: Pension Plans (Continued)

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

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Safety Classic Plan of $19,449,591.

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was 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 each Plan as of June 30, 2013 and 2014 was as follows:

	Safety Classic
Proportion - June 30, 2013	0.44347%
Proportion - June 30, 2014	0.42717%
Change - Increase (Decrease)	-0.01630%

For the year ended June 30, 2015, the City recognized a total pension expense of $1,833,913 for all safety plans. At June 30, 2015, the City reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 2,475,434	$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	5,872,474
Adjustment due to Difference in Proportions	146,439	-
Adjustment due to Difference in Proportions contribution	-	17,754
Total	**$ 2,621,873**	**$ 5,890,228**

$2,475,434 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported a deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources
2016	$ (1,420,492)
2017	(1,420,492)
2018	(1,430,950)
2019	(1,471,855)

Note 6: Pension Plans (Continued)

Actuarial Assumptions and Discount Rate

The same actuarial assumptions and discount rates are used in the Agent Miscellaneous and Cost-Sharing Safety Plans. Refer to assumptions detailed in the Agent Miscellaneous description.

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

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

Safety Plans Net Pension Liability	Discount Rate - 1% 6.50%	Current Rate - 1% 7.50%	Discount Rate + 1% 8.50%
Safety Classic	$ 33,470,228	$ 19,449,591	$ 7,897,192

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. Defined Contribution Pension Plan

The City of Azusa contributes to the PARS, a defined contribution pension plan provided and administered by the Public Agency Retirement System Alternate Retirement System Plan. Employees of the City not otherwise eligible to participate in PERS or eligible to opt not to participate in PERS, are eligible for participation in this plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Federal legislation requires contribution of at least 7.5% to a retirement plan. The plan is established by City ordinance. For the year ended June 30, 2015, the covered payroll for employees in the plan was $610,256. Total payroll for the City was $28,660,645. Under an adoption agreement dated January 1, 1992, both the employer and the employee are required to contribute 3.75% of each participant's compensation. For the year ended June 30, 2015, the employer and the employees each contributed an amount equal to $45,769. Under this plan, normal retirement age is 60 years of age. Plan assets are primarily invested in money market funds.

d. Retirement Enhancement Plan

The City of Azusa also contributes to the PARS Retirement Enhancement Plan. The plan provides pension benefits to 116 eligible covered positions in International Brotherhood of Electrical Workers (IBEW), Service Employees International Union Local 721 (SEIU), Azusa Middle Management Association (AMMA), and Executive Management. The plans are administered by Phase II Systems, PARS Trust Administration. Under adopted agreements approved in July and August 2007, both the employer and the employee are required to contribute the following contributions for each participant's compensation:

Note 6: Pension Plans (Continued)

Covered Positions	Employer Contribution	Employee Contribution
IBEW	5.44%	2.00%
SEIU	3.72%	4.00%
AMMA	9.97%	2.50%
Executive Management	14.00%	0.00%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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. The total plan contributions are determined by an independent pension actuary using information furnished by the City and by PARS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2015 (the measurement date), the employer's contribution rate is 17.04% of annual payroll, and no contributions were made by the employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the City to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2015 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2014 and the June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	3.00%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50%
Cost of Living Adjustments	2.00%
Mortality	Consistent with non-industrial rates used to value the Miscellaneous CalPERS Pension Plan
Retirement	Retirement rates of 20% per year for ages 55 to 69 and 100% at ages 70 and up
Maximum Benefits and Salary	Final compensation is subject to IRC 401(a)(17) limitations
Beneficiaries	85% of participants are assumed to have an eligible spouse or domestic partner. Beneficiaries are assumed to be the same age as participant.

Note 6: Pension Plans (Continued)

Discount Rate

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per actuarial investment consulting practice as of January 1, 2015.

The following assumptions detail out long-term expected rate of return for each PARS benefit plan:

SEIU Bargaining Unit

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Cash	BofA Merril Lynch 90-Day T-Bills	5.14%	0.53%	0.53%
Core Fixed Income	Barclays Aggregate	38.55%	2.03%	1.90%
Broad US Equities	Russell 3000	40.61%	5.64%	4.25%
Developed Foreign Equities	MSCI EAFE	12.08%	6.31%	4.58%
Emerging Market Equities	MSCI Emerging Markets	3.62%	8.56%	5.11%
Assumed Inflation - Mean			2.76%	2.74%
Assumed Inflation - Standard Deviation			1.85%	1.85%
Portfolio Real Mean Return			4.17%	3.75%
Portfolio Nominal Mean Return			6.93%	6.50%
Portfolio Standard Deviation				9.85%
Long-Term Expected Rate of Return				**7.00%**

Note 6: Pension Plans (Continued)

AMMA Bargaining Unit

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Cash	BofA Merril Lynch 90-Day T-Bills	4.62%	0.53%	0.53%
Core Fixed Income	Barclays Aggregate	38.76%	2.03%	1.90%
Broad US Equities	Russell 3000	40.83%	5.64%	4.25%
Developed Foreign Equities	MSCI EAFE	12.15%	6.31%	4.58%
Emerging Market Equities	MSCI Emerging Markets	3.64%	8.56%	5.11%
Assumed Inflation - Mean			2.76%	2.74%
Assumed Inflation - Standard Deviation			1.85%	1.85%
Portfolio Real Mean Return			4.19%	3.76%
Portfolio Nominal Mean Return			6.95%	6.51%
Portfolio Standard Deviation				9.90%
Long-Term Expected Rate of Return				**7.00%**

Executive/Contract Bargaining Group

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Cash	BofA Merril Lynch 90-Day T-Bills	3.83%	0.53%	0.53%
Core Fixed Income	Barclays Aggregate	39.08%	2.03%	1.90%
Broad US Equities	Russell 3000	41.17%	5.64%	4.25%
Developed Foreign Equities	MSCI EAFE	12.25%	6.31%	4.58%
Emerging Market Equities	MSCI Emerging Markets	3.67%	8.56%	5.11%
Assumed Inflation - Mean			2.76%	2.74%
Assumed Inflation - Standard Deviation			1.85%	1.85%
Portfolio Real Mean Return			4.22%	3.79%
Portfolio Nominal Mean Return			6.98%	6.54%
Portfolio Standard Deviation				9.99%
Long-Term Expected Rate of Return				**7.00%**

Note 6: Pension Plans (Continued)

IBEW Employees

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Cash	BofA Merril Lynch 90-Day T-Bills	5.36%	0.53%	0.53%
Core Fixed Income	Barclays Aggregate	38.46%	2.03%	1.90%
Broad US Equities	Russell 3000	40.51%	5.64%	4.25%
Developed Foreign Equities	MSCI EAFE	12.06%	6.31%	4.58%
Emerging Market Equities	MSCI Emerging Markets	3.61%	8.56%	5.11%
Assumed Inflation - Mean			2.76%	2.74%
Assumed Inflation - Standard Deviation			1.85%	1.85%
Portfolio Real Mean Return			4.16%	3.74%
Portfolio Nominal Mean Return			6.93%	6.49%
Portfolio Standard Deviation				9.83%
Long-Term Expected Rate of Return				**7.00%**

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

The following tables show the changes in net pension liability recognized over the measurement period for all the PARS plans.

SEIU Bargaining Group	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance as of June 30, 2014	$ 448,297	$ 259,568	$ 188,729
Changes for the year:			
Service Cost	18,174	-	18,174
Interest on the Total Pension Liability	32,199	-	32,199
Benefit Payments	(13,203)	(13,203)	-
Employer Contributions	-	12,890	(12,890)
Member Contributions	-	25,312	(25,312)
Net Investment Income	-	7,232	(7,232)
Administrative Expenses	-	(1,510)	1,510
Balance as of June 30, 2015	$ 485,467	$ 290,289	$ 195,178

Note 6: Pension Plans (Continued)

AMMA Bargaining Group	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance as of June 30, 2014	$ 2,898,784	$ 1,766,745	$ 1,132,039
Changes for the year:			
Service Cost	102,116	-	102,116
Interest on the Total Pension Liability	207,196	-	207,196
Benefit Payments	(83,368)	(83,368)	-
Employer Contributions	-	138,866	(138,866)
Member Contributions	-	46,205	(46,205)
Net Investment Income	-	47,672	(47,672)
Administrative Expenses	-	(8,240)	8,240
Balance as of June 30, 2015	$ 3,124,728	$ 1,907,880	$ 1,216,848

Executive/Contract Bargaining Group	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance as of June 30, 2014	$ 2,580,027	$ 1,021,390	$ 1,558,637
Changes for the year:			
Service Cost	176,286	-	176,286
Benefit Payments	(125,424)	(125,424)	-
Employer Contributions	-	78,751	(78,751)
Net Investment Income	-	26,218	(26,218)
Administrative Expenses	-	(5,569)	5,569
Balance as of June 30, 2015	$ 2,630,889	$ 995,366	$ 1,635,523

IBEW Employees	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance as of June 30, 2014	$ 2,782,999	$ 1,499,095	$ 1,283,904
Changes for the year:			
Service Cost	107,529	-	107,529
Interest on the Total Pension Liability	199,129	-	199,129
Benefit Payments	(93,243)	(93,243)	-
Employer Contributions	-	153,146	(153,146)
Member Contributions	-	82,044	(82,044)
Net Investment Income	-	41,194	(41,194)
Administrative Expenses	-	(7,492)	7,492
Balance as of June 30, 2015	$ 2,996,414	$ 1,674,744	$ 1,321,670

Note 6: Pension Plans (Continued)

TOTAL PARS PLANS	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance as of June 30, 2014	$ 8,710,107	$ 4,546,798	$ 4,163,309
Changes for the year:			
Service Cost	227,819	-	227,819
Interest on the Total Pension Liability	614,810	-	614,810
Benefit Payments	(315,238)	(315,238)	-
Employer Contributions	-	383,653	(383,653)
Member Contributions	-	153,561	(153,561)
Net Investment Income	-	122,316	(122,316)
Administrative Expenses	-	(22,811)	22,811
Balance as of June 30, 2015	$ 9,237,498	$ 4,868,279	$ 4,369,219

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

The following presents the net pension liability of the City of Azusa, calculated using the discount rate of 7.00%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.00%) or 1% point higher (8.00%) than the current rate.

Net Pension Liability	Discount Rate - 1% 6.00%	Current Discount Rate 7.00%	Discount Rate + 1% 8.00%
SEIU Bargaining Group	$ 260,326	$ 195,178	$ 140,486
AMMA Bargaining Group	1,570,747	1,216,848	833,402
Executive/Contract Bargaining Group	1,958,419	1,635,523	1,366,728
IBEW Employees	1,711,345	1,321,670	992,545

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

As of the start of the measurement period, July 1, 2014, the net pension liability was $4,163,309. For the measurement period ending June 30, 2015, the City incurred a pension expense of $427,312 for all the PARS Plan. As of the measurement date, June 30, 2015, the net pension liability is $4,369,219.

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

Note 6: Pension Plans (Continued)

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

	Deferred Outflows of Resources
Net difference between projected and actual earnings	$ 162,251
Adjustments due to difference in proportion contribution	37,171
Total	$ 199,422

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

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

Year Ended June 30,	Deferred Outflows of Resources
2016	$ 50,344
2017	50,344
2018	50,344
2019	48,390

Note 7: Post-Employment Benefits

Plan Description

The City provides other postemployment benefits (OPEB) through a single-employer defined benefit healthcare plan by contributing approximately one-half of all premiums charged under the health benefit plan for all eligible employees and qualified family members. These benefits are provided per contract between the City and the employee associations. A separate financial report is not available for the plan.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City, City Council, and/or employee associations. Currently, contributions are not required from plan members. A contribution of $563,455 was made during the 2014-2015 fiscal year and was not included in the June 30, 2015, actuarial study. The purpose of the contribution was to pay current year premiums for retirees.

Note 7: Post-Employment Benefits (Continued)

As a result, the City calculated and recorded a Net OPEB Liability, representing the difference between the Annual Required Contribution (ARC) and actual contributions, as presented below:

Annual required contribution (ARC)	$ 2,830,000
Interest on Net OPEB Obligation	102,538
Adjustment to ARC	(465,590)
Annual OPEB Cost	2,466,948
Contributions made	(563,455)
(Decrease) increase in Net OPEB obligation	1,903,493
Net OPEB obligation (asset) June 30, 2013	10,383,609
Net OPEB obligation (asset) June 30, 2014	$ 12,287,102

The contribution rate of 21.06% is based on the ARC of $2,830,000, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover the annual normal cost and the amortization of unfunded actuarial liabilities (or funding excess) over a thirty year period.

Annual OPEB Costs and Net OPEB Obligation (Asset)

For the fiscal year 2014-2015, the City's annual OPEB cost (expense) of $2,466,948 was less than the ARC. The last three year trend information on the annual OPEB cost, percentage of Annual OPEB cost contributed, and Net OPEB Obligation is presented below:

Fiscal Year End	Annual OPEB Cost	Actual Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2013	$ 1,595,294	$ 584,099	37%	$ 8,372,606
6/30/2014	2,596,922	585,919	23%	10,383,609
6/30/2015	2,466,948	563,455	23%	12,287,102

Note 7: Post-Employment Benefits (Continued)

Funded Status and Funding Progress

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

Type of Valuation	Actuarial Valuation Date	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as percent of Covered Payroll	Interest Rate
Actuarial	6/30/2009	$ -	$ 25,445,000	0.0%	$ 19,966,000	127%	3.50%
Actuarial	6/30/2012	-	17,553,231	0.0%	20,576,383	85%	4.00%
Actuarial	6/30/2013	-	32,567,000	0.0%	18,902,000	172%	4.00%

Actuarial Methods and Assumptions

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

In the July 5, 2015 actuarial valuation, the projected unit credit method was used. The actuarial assumptions include a 4.00% investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and annual healthcare cost trend rate of 11% beginning July 1, 2012, and reduced by decrements to an ultimate rate of 5% after six years. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2015, was twenty-seven years. The number of active participants is 327.

Note 8: Insurance

The City is self-insured for workers' compensation and general liability claims arising in the ordinary course of City operations. The City is a member of the Independent Cities Risk Management Authority (ICRMA) for general liability insurance coverage in excess of $500,000 up to a maximum of $5,000,000 per claim and for coverage of workers' compensation claims in excess of $350,000 up to a maximum of $5,000,000 per claim. In addition, the City also purchased excess liability insurance of $15,000,000 in excess of the $5,000,000 and excess worker's compensation insurance of $95,000,000 in excess of $5,000,000.

Note 8: Insurance (Continued)

For the past three years, no settlements or claims payments have exceeded the amount of the applicable insurance coverage. For the past two fiscal years, the changes in the City's liability for claims payable are summarized as follows:

	Beginning Balance	Claims Incurred and Changes in Estimates	Less Claim Payments	Ending Balance
2013-2014	$ 2,125,263	$ 816,616	$ (585,386)	$ 2,356,493
2014-2015	2,356,493	(419,136)	(507,084)	1,430,273

Additional losses may result from matters pending before the City. In the opinion of legal counsel and management, the resolution of these matters is not expected to have a material adverse effect on the financial condition of the City.

Note 9: Interfund Receivables, Payables and Transfers

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

Due To/From Other Funds

	Due to other funds		
	Nonmajor Governmental Funds	Internal Service	Total
Due from other funds:			
Water	$ 15,410	$ 34,216	$ 49,626

The due from other funds amounts listed above consisted of short-term loans to cover negative cash.

Advances To/From Other Funds

	Advances To Other Funds:		
Funds	Water Fund	Light Fund	Total
Advances From Other Funds:			
General	$ 4,006,427	$ 181,000	$ 4,187,427
Nonmajor Governmental Funds	-	750,000	750,000
Total	$ 4,006,427	$ 931,000	$ 4,937,427

The Light Fund advanced $181,000 to the General Fund and $750,000 to the Capital Projects Fund for various project expenditures.

Note 9: Interfund Receivables, Payables and Transfers (Continued)

Interfund Transfers

	Transfer In			
Transfer Out:	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
General Fund	$ -	$ 4,392,652	$ 852,394	$ 5,245,046
Nonmajor Governmental Funds	304,678	19,391	120	324,189
Light Fund	-	95,049	-	95,049
Nonmajor Proprietary Funds	685,865	-	129,660	815,525
Internal Service Funds	614,004	63,110	-	677,114
Total	$ 1,604,547	$ 4,570,202	$ 982,174	$ 7,156,923

The total transfers from the General Fund were for various operating, capital, and debt service transactions made throughout the year.

Transfers from the Non-Major Governmental Funds were for various operating transactions made throughout the year.

Note 10: Fund Equity and Net Position Restatements

Governmental Funds	General	Grants and Seizure
Fund Balance as previously reported, June 30, 2014	$ 20,417,948	$ 1,056,517
Reclass of prior period expenses related to 1% Cable Grant	(190,445)	-
Reclass of prior period activity between funds	25,963	(25,963)
Adjust for revenues related to prior years	-	201,339
Fund Balance, as restated, July 1, 2014	$ 20,253,466	$ 1,231,893

Enterprise Funds	Water	Light	Sewer/ Wastewater
Net position as previously reported, June 30, 2014	$ 57,696,506	$ 45,145,743	$ 10,304,489
Effect of retroactive application - GASB 68	(4,370,660)	(3,848,694)	(1,240,075)
Reclass of prior period expense paid in April 2015	(519,454)	-	-
Net position, as restated, July 1, 2014	$ 52,806,392	$ 41,297,049	$ 9,064,414

Internal Service Funds	Consumer Services	Self Insurance	Equipment Replacement	IT Services
Net position as previously reported, June 30, 2014	$ 1,559,009	$ (957,047)	$ 744,673	$ (32,276)
Effect of retroactive application - GASB 68	(4,073,814)	(81,579)	-	(1,927,048)
Restatement of improper capital asset recording	-	-	(275,248)	-
Net position, as restated, July 1, 2014	$ (2,514,805)	$ (1,038,626)	$ 469,425	$ (1,959,324)

Note 10: Fund Balance and Net Position Restatements (Continued)

As discussed in Note 1 to the financial statements, the City adopted Statement of Governmental Accounting Standards Board No. 68, *Accounting and financial Reporting for Pensions—an Amendment of GASB Statement No. 27*. The estimated net pension liability has been determined by CalPERS actuarial using benefit provisions and assumptions described in Note 6. As a result, there has been a total restatement of $62,664,729 for the City of Azusa relating to GASB 68 (PERS and PARS net pension liabilities); governmental activities $49,131,486 and Water Fund $4,370,660, Light Fund $3,848,694, Sewer/Wastewater Fund $1,240,075, and Consumer Services $4,073,814 included as part of business-type activities.

Government-wide	Governmental Activities	Business-type Activities
Net position as previously reported, June 30, 2014	$ 29,395,743	$ 114,485,516
General fund restatements	(164,482)	-
Grants and seizure fund restatements	175,376	-
Equipment Replacement fund restatement	(275,248)	-
Water fund restatement to reclass prior period expense	-	(519,454)
Effect of retroactive application - GASB 68	(49,131,486)	(13,533,243)
Restatement of Net Position	(49,395,840)	(14,052,697)
Net position, as restated, July 1, 2014	$ (20,000,097)	$ 100,432,819

Note 11: Grants and Seizure Fund

The Grants and Seizure special revenue fund include the following items in its fund balance:

Grants & Seizures	$ (8,942)
PEG Cable	175,376
Jack Williams Memorial	600
Grants & Seizures-Police	17
Asset Seizure Federal - Department of Justice	155,578
Asset Seizure County	24,495
Asset Seizure Drug and Gang	1,572
Office of Traffic Safety	2,762
Asset Seizure Federal - Department of Treasury	88
Inmate Welfare Fund	5,712
Workforce Invest	(19,850)
2014 JAG Grant	(11,673)
OTS-SEL Traffic Enforcement	(8,784)
Cities & Specified Excess Funding	(21,246)
AQMD Tree Planting	3,131
Sr Cntr Cyn City Grant	4,241
Senior Restricted Donations	98
Public Library Grant	247,127
Library Restricted Donations	63,623
Gates Foundation	497
Broadband Grant (Lib)	7,556
Family Place Grant	1,926
Book Clubs	467
Youth Programs	689
Summer Reading	3,481
Special Programs	75
General Plan Surcharge	609,256
Metro TOD Planning Grant	(83,878)
AB29X Meters	86,607
Oil Block Grant	6,635
Beverage Container Recycling	44,332
Technology Grant	60,666
Safe Routes to Schools Grant	(51,257)
CIP-Recreation Grants	(269,879)
Rehab of Zacatecas Park	516
CIP-AZ Intermododal Transit	(26,923)
LSTA-Inspired Citizens	(5,071)
ABC Grant	(3,928)
Total	$ 995,692

Note 12: Segments of Enterprise Activities

The City issued Sewer System Certificates of Participation to refinance a portion of the 1990 Local Agency Revenue Bonds. The sewer department is accounted for in the Other Enterprise Funds as the Sewer/Wastewater Fund. Summary information for the Sewer/Wastewater Fund for the year ended June 30, 2015, is as follows:

Condensed Statement of Net Position

Assets:	
Current assets	$ 3,078,945
Restricted assets	1,453,852
Capital assets	10,832,707
Total assets	15,365,504
Deferred Outflows of Resources:	
Deferred pension related items	87,495
Total Deferred Outflows of Resources	87,495
Liabilities:	
Current liabilities	543,467
Noncurrent liabilities	5,425,530
Total liabilities	5,968,997
Deferred Inflows of Resources:	
Deferred pension related items	261,207
Total Deferred Inflows of Resources	261,207
Net position:	
Net Investment in capital assets	7,556,559
Unrestricted	1,666,236
Total net position	$ 9,222,795

Note 12: Segments of Enterprise Activities (Continued)

Condensed Statement of Revenues, Expenses and Changes in Net Position

Sewer charges	$	2,649,440
Depreciation expense		(485,676)
Other operating expenses		(1,660,413)
Operating income		503,351
Nonoperating revenues (expenses):		
Investment earnings		9,930
Interest expense		(168,562)
Special franchise fees		(53,473)
Transfers out		(132,865)
Change in net Position		158,381
Beginning net position, as originally reported		10,304,489
Restatement		(1,240,075)
Ending net position	$	9,222,795

Condensed Statement of Cash Flows

Net cash provided by (used in):		
Operating activities	$	1,013,599
Noncapital financing activities		(591,456)
Capital and related financing activities		(572,036)
Investing activities		9,071
Net decrease in cash		(140,822)
Beginning cash and cash equivalents		4,365,010
Ending cash and cash equivalents	$	4,224,188

Note 13: Summary Financial Data for Joint Ventures

Southern California Public Power Authority

The City of Azusa is a member of the Southern California Public Power Authority (SCPPA), a public entity organized under the laws of the State of California. The SCPPA was formed by a Joint Powers Agreement dated as of November 1, 1980, pursuant to the Joint Exercise of Powers Act of the State of California. The SCPPA's participant membership consists of ten Southern California cities each operating an electric and one public district of the State of California. The SCPPA was formed for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation and transmission of electric energy for sale to its participants. The Joint Powers Agreement has a term of 50 years. Complete financial statements may be obtained from 1160 Nicole Court, Glendora, California 91740.

As of June 30, 2015, the City's ownership of significant projects of SCPPA includes the following: 1% of SCPPA's $726,982,000 investment (at cost) in the Palo Verde Nuclear Generating Station (with related SCPPA indebtedness of $47,460,000), 1% of SCPPA's $57,555,000 investment (at cost) in the Mead – Phoenix Transmission Project (with related SCPPA indebtedness of $38,390,000), 2.2% of SCPPA's $173,574,000 investment (at cost) in the Mead - Adelanto Transmission Project (with related SCPPA indebtedness of $126,170,000), 14.7% of SCPPA's $257,963,000 investment (at cost) in

Note 13: Summary Financial Data for Joint Ventures (Continued)

the San Juan Generating Station (with related indebtedness of $71,880,000), and 4.2% of SCPPA's $21,000 investment (at cost) in the Hoover Uprating Green Power Project (with related SCPPA indebtedness of $7,930,000).

Note 14: Rate Stabilization Fund

The City of Azusa has provided for a rate stabilization fund in the amount of $10,054,506 (presented in the accompanying balance sheet as cash held for rate stabilization) to cover the difference between the City's cost to provide electricity to its customers (including power charges for power purchased from other utilities in which the City has a joint venture interest) and the local market price for electricity as established by a regional power pool approved by the Federal Energy Regulatory Commission.

Note 15: Commitments and Contingencies

The City of Azusa has been named as a defendant in numerous lawsuits and claims arising in the course of operations. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable financial loss to the City, such loss has been accrued in the accompanying combined financial statements.

Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Azusa that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 17, 2012, the City Council elected not to become the Successor Agency for the former redevelopment agency's housing functions in accordance with the Bill as part of City resolution number 12-C7.

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

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

The Bill directed the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers was not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller was required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private purpose trust fund) in the financial statements of the City.

a. Cash and investments

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

Cash and Investments pooled with the City	$ 2,989,105
Restricted cash and Investments pooled with the City	2,319,605
Total Cash and Investments	$ 5,308,710

b. Capital Assets

An analysis of capital assets as of June 30, 2015, follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Nondepreciable Assets:				
Land	$ 410,420	$ -	$ -	$ 410,420
Depreciable Assets:				
Land Improvements	1,427,803	-	-	1,427,803
Infrastructure	718,430	-	-	718,430
Total Capital Assets being depreciated	2,146,233	-	-	2,146,233
Less Accumulated Depreciation				
Land Improvements	746,536	58,400	-	804,936
Infrastructure	85,698	23,948	-	109,646
Total Accumulated Depreciation	832,234	82,348	-	914,582
Total Capital Assets being depreciated, net	1,313,999	(82,348)	-	1,231,651
Capital Assets	$ 1,724,419	$ (82,348)	$ -	$ 1,642,071

Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

c. Long-Term Debt

The following debt was transferred from the Redevelopment Agency to the Successor Agency as of February 1, 2012, as a result of the dissolution.

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2015, follows:

	Balance July 1, 2014	Additions*	Repayments	Balance June 30, 2015	Due Within One Year
Fiduciary Funds:					
2003 Refunding TABs	$ 6,870,000	$ -	$ (6,870,000)	$ -	$ -
2005 TABS, Series A	9,811,409	108,319 *	-	9,919,728	-
2007 TABs, Series A	13,400,000	-	(480,000)	12,920,000	505,000
2007 TABs, Series B	4,255,000	-	(105,000)	4,150,000	110,000
2008 TABs, Series A	6,305,000	-	(6,305,000)	-	-
2008 TABs, Series B	10,710,000	-	(145,000)	10,565,000	155,000
2014 Refunding TAB	-	10,470,000	-	10,470,000	755,000
Total Fiduciary Funds	$ 51,351,409	$ 10,578,319	$ (13,905,000)	48,024,728	$ 1,525,000
			Unamortized Premiums (Discounts)	512,895	
			Total Long-term Debt	$ 48,537,623	

*Addition of $108,319 related to accreted interest

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is $81,755,129, with annual debt service requirements as indicated below. For the current year, the total property tax revenue (net of pass through payments prior to the dissolution of the former RDA) recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was $4,817,379, and the debt service obligation on the bonds was $4,220,963.

Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

Tax Allocation Bonds Payable

Tax Allocation Bonds

2003 Tax Allocation Refunding Bonds, Series A

The Azusa Redevelopment Agency issued $11,580,000 Merged Project Area Tax Allocation Refunding Bonds, 2003 Series A, dated December 1, 2003 to refund the 1994 Series A Merged Project Area Tax Allocation Bonds. Principal payments ranging from $425,000 to $1,235,000 are due annually on August 1 beginning in the year 2004 through the year 2023, interest rates ranging from 3.00% to 4.60% per annum are due and payable on February 1 and August 1 and are secured by tax increment revenues. Debt service payments on the bonds are payable from pledged tax increment revenues. This bond was refunded during the current year with the issuance of the 2014 Refunding Tax Allocation Bonds.

2005 Tax Allocation Bonds, Series A

The Azusa Redevelopment Agency issued $9,022,800 Merged Project Area Tax Allocation Bonds, 2005 Series A, dated February 17, 2005, to finance redevelopment projects. The issue consists of $7,765,000 Current Interest Bonds which are subject to annual sinking fund installment payments ranging from $715,000 to $1,170,000 beginning August 1, 2027 through August 1, 2034, bearing interest at 4.50% per annum: and Capital Appreciation Bonds of $1,257,800 due beginning August 1, 2024 through August 1, 2027, bearing interests rates ranging from 5.16% to 5.33% per annum. Debt service payments on the bonds are secured by tax increment revenues. Debt service payments on the bonds are payable from pledged tax increment revenues. The outstanding principal balance at June 30, 2015, was $9,919,728.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2015, including interest are as follows:

	2005 Tax Allocation Refunding Bonds	
	Principal	Interest
2015-2016	$ -	$ 349,425
2016-2017	-	349,425
2017-2018	-	349,425
2018-2019	-	349,425
2019-2020	-	349,425
2021-2025	1,023,994	1,747,125
2026-2030	4,135,734	2,104,077
2031-2034	4,760,000	2,491,464
Totals	$ 9,919,728	$ 8,089,791

Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

2007 Tax Allocation Bonds, Series A

The Azusa Redevelopment Agency issued $15,780,000 Series A Merged Project Area Tax Allocation Bonds, dated July 31, 2007 to finance redevelopment projects. Current Interest Bonds are subject to annual sinking fund installment payments ranging from $340,000 to $365,000 beginning August 1, 2008 through August 1, 2009, bearing interest rates ranging from 5.27% to 5.30% per annum.

Term Bonds are due beginning August 1, 2010 through August 1, 2035, with installment payments ranging from $385,000 to $1,625,000, bearing interest rates ranging from 5.77% to 6.15% per annum. Debt service payments on the bonds are payable from pledged tax increment revenues. The outstanding principal balance at June 30, 2015, was $12,920,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2015, including interest are as follows:

	2007 Tax Allocation Bonds, Series A	
	Principal	Interest
2015-2016	$ 505,000	$ 767,084
2016-2017	535,000	737,106
2017-2018	565,000	705,399
2018-2019	605,000	671,114
2019-2020	635,000	634,224
2021-2025	2,940,000	2,582,868
2026-2030	2,025,000	1,898,044
2031-2035	3,485,000	1,010,906
2036-2039	1,625,000	49,969
Totals	$ 12,920,000	$ 9,056,714

2007 Tax Allocation Refunding Bonds, Series B

The Azusa Redevelopment Agency issued $4,790,000 Series A Merged Project Area Tax Allocation Bonds, dated July 31, 2007 to refund the 1997 tax allocation bonds. Current Interest Bonds are subject to annual sinking fund installment payments ranging from $80,000 to $140,000 due beginning August 1, 2008 through August 1, 2021, bearing interest rates ranging from 4.00% to 5.00% per annum. Term Bonds are due beginning August 1, 2022 through August 1, 2036, with installment payments ranging from $150,000 to $305,000, bearing interest rates ranging from 5.25% to 5.30% per annum. Debt service payments on the bonds are payable from pledged tax increment revenues. The outstanding principal balance at June 30, 2015, was $4,150,000.

Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2015, including interest are as follows:

	2007 Tax Allocation Bonds, Series B	
	Principal	Interest
2015-2016	$ 110,000	$ 212,513
2016-2017	110,000	207,439
2017-2018	120,000	202,075
2018-2019	125,000	196,286
2019-2020	130,000	190,198
2021-2025	745,000	844,288
2026-2030	970,000	620,734
2031-2035	1,245,000	329,263
2036-2039	595,000	31,933
Totals	$ 4,150,000	$ 2,834,729

2008 Tax Allocation Bonds, Series A

The Azusa Redevelopment Agency issued $6,715,000 Series A Merged Project Area Tax Allocation Bonds, dated December 18, 2008 to finance redevelopment projects, satisfy reserve requirements, and pay costs incurred with the bond issuance. The bonds consist of serial bonds due in annual installments ranging from $70,000 to $140,000 maturing on August 1, 2009 through August 1, 2018, and term bonds of $1,850,000 due August 1, 2023 and $1,815,000 due August 1, 2028 and $2,045,000 due August 1, 2034. Serial bonds have interest rates ranging from 4.5% through 6.75%. The term bonds carry interest rates of 7.5% and 8.2%. Debt service payments on the bonds are payable from pledged tax increment revenues. This bond was refunded in the current year with the issuance of the 2014 Tax Allocation Refunding Bond.

2008 Housing Tax Allocation Bonds, Series B

The Azusa Redevelopment Agency issued $11,580,000 of Housing Tax Allocation Bonds, Series B, dated November 25, 2008. Proceeds of the bonds were to provide funds to finance low and moderate income housing within or of benefit to the project area, satisfy the reserve requirement for the bonds, and pay costs incurred in connection with the issuance. The bonds consist of serial bonds due in annual installments ranging from $125,000 to $355,000 maturing on August 1, 2009 through August 1, 2020; and term bonds of $1,075,000 due August 1, 2024 and $8,420,000 due August 1, 2038. Serial bonds have interest rates ranging from 3.5% through 6.6%. The term bonds carry interest rates of 6.75% and 7.0%. Debt service payments on the bonds are payable from pledged tax increment revenues. The outstanding principal balance at June 30, 2015, was $10,565,000.

Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2015, including interest are as follows:

	2008 Tax Allocation Bonds, Series B	
	Principal	Interest
2015-2016	$ 155,000	$ 724,689
2016-2017	160,000	715,433
2017-2018	170,000	705,320
2018-2019	185,000	694,088
2019-2020	195,000	681,830
2021-2025	1,280,000	3,194,571
2026-2030	3,000,000	2,450,700
2031-2035	3,765,000	1,245,475
2036-2039	1,655,000	127,575
Totals	$ 10,565,000	$ 10,539,681

2014 Subordinate Tax Allocation Refunding Bonds, Series A

The Azusa Redevelopment Agency issued $10,470,000 of Subordinate Tax Allocation Refunding Bonds, Series A, dated September 30, 2014. Proceeds of the bonds were to provide funds to refinance outstanding bonds of the Successor Agency, satisfy the Reserve Requirement for the bond, and pay costs incurred in connection with the issuance, sale and delivery of the Bonds. The bonds are due in annual installments ranging from $180,000 to $1,900,000 maturing on August 1, 2015 through August 1, 2034. The bonds carry interest rates of 2.00% and 5.00%. The outstanding principal balance at June 30, 2015, was $10,470,000. The economic gain on refunding was $2,288,197. The difference in cash flow is $2,075,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2015, including interest are as follows:

	2014 Tax Allocation Refunding Bonds, Series A	
	Principal	Interest
2015-2016	$ 755,000	$ 428,094
2016-2017	690,000	410,194
2017-2018	705,000	385,744
2018-2019	730,000	353,394
2019-2020	780,000	315,644
2021-2025	4,660,000	920,219
2026-2030	1,250,000	291,066
2031-2035	900,000	105,131
Totals	$ 10,470,000	$ 3,209,486

Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

d. Insurance.

The Successor Agency is covered under the City of Azusa's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 8.

e. Extraordinary Item

The City was required to transfer land held for resale to the Successor Agency as part of the dissolution of the former redevelopment activities. The City had purchased the property but was subsequently ordered by the California State Controller Office to return the properties.

f. Restatement of Net Position

The Successor Agency net position has been restated by $1,215,248 in order to correct the accrual of interest on long-term debt.

g. Subsequent Events

On September 30, 2015, the Successor Agency to the Redevelopment Agency of the City of Azusa issued $30,530,000 of Subordinate Tax Allocation Refunding Bonds to provide funds to refinance outstanding bonds of the Successor Agency.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF AZUSA

AGENT MULTIPLE-EMPLOYER MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015
Total Pension Liability	
Service cost	$ 2,375,239
Interest on total pension liability	8,658,209
Benefit payments, including refunds of employee contributions	(4,845,540)
Net change in total pension liability	**6,187,908**
Total pension liability - beginning	**116,677,935**
Total pension liability - ending (a)	**$ 122,865,843**
Plan Fiduciary Net Position	
Contributions - employer	$ 2,434,002
Contributions - employee	1,029,164
Net investment income	14,908,401
Benefit payments	(4,845,540)
Net change in plan fiduciary net position	**13,526,027**
Plan fiduciary net position - beginning	**86,622,350**
Plan fiduciary net position - ending (b)	**$ 100,148,377**
Net pension liability - ending (a)-(b)	**$ 22,717,466**
Plan fiduciary net position as a percentage of the total pension liability	81.51%
Covered-employee payroll	$ 14,720,772
Net pension liability as a percentage of covered-employee payroll	154.32%

Notes to Schedule:

Benefit Changes: None.

Changes of Assumptions: None.

(1) Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

CITY OF AZUSA

AGENT MULTIPLE-EMPLOYER MISCELLANEOUS PLAN
SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015
MISCELLANEOUS CLASSIC:	
Actuarially Determined Contribution	$ 2,461,163
Contribution in Relation to the Actuarially Determined Contributions	(2,461,163)
Contribution Deficiency (Excess)	$ -
Covered-Employee Payroll	$ 14,429,034
Contributions as a Percentage of Covered-Employee Payroll	17.06%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

Note to Schedule:

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers	Entry age normal
Amortization method	Level Percent of Payroll
Remaining amortization period	29 Years as of the Valuation Date
Assets valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary Increases	3.00%
Investment rate of return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	RP-2000 Heath Annuitant Mortality Table

CITY OF AZUSA

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

		2015
SAFETY CLASSIC:		
Proportion of the Net Pension Liability		0.31257%
Proportionate Share of the Net Pension Liability	$	19,449,591
Covered-Employee Payroll	$	6,343,000
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll		306.63%
Plan Fiduciary Net Position	$	85,223,017
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		81.42%

Notes to Schedule:

Benefit Changes: None.

Changes of Assumptions: None.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

CITY OF AZUSA

COST-SHARING MULTIPLE EMPLOYER SAFETY PLANS
SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

		2015
SAFETY CLASSIC:		
Actuarially Determined Contribution	$	2,475,434
Contribution in Relation to the Actuarially Determined Contributions		(2,475,434)
Contribution Deficiency (Excess)	$	-
Covered-Employee Payroll	$	6,649,731
Contributions as a Percentage of Covered-Employee Payroll		37.23%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

Note to Schedule:

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 Years as of the Valuation Date
Assets valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment
Investment rate of return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement age	50 and 57 years
Mortality	RP-2000 Heath Annuitant Mortality Table

CITY OF AZUSA

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
AZUSA RETIREMENT ENHANCEMENT PLANS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

MEASUREMENT PERIOD	SEIU Bargaining Group	AMMA Bargaining Group	Executive/ Contract Bargaining Group	IBEW Employees
TOTAL PENSION LIABILITY				
Service Cost	$ 18,174	$ 102,116	$ -	$ 107,529
Interest on Total Pension Liability	32,199	207,196	176,286	199,129
Benefit Payments	(13,203)	(83,368)	(125,424)	(93,243)
Net Change in Total Pension Liability	**$ 37,170**	**$ 225,944**	**$ 50,862**	**$ 213,415**
Total Pension Liability - Beginning	**448,297**	**2,898,784**	**2,580,027**	**2,782,999**
Total Pension Liability - Ending (a)	**$ 485,467**	**$ 3,124,728**	**$ 2,630,889**	**$ 2,996,414**
PLAN FIDUCIARY NET POSITION				
Benefit Payments	$ (13,203)	$ (83,368)	$ (125,424)	$ (93,243)
Employer Contributions	12,890	138,866	78,751	153,146
Member Contributions	25,312	46,205	-	82,044
Net Investment Income	7,232	47,672	26,218	41,194
Administrative Expenses	(1,510)	(8,240)	(5,569)	(7,492)
Net Change in Fiduciary Net Position	**$ 30,721**	**$ 141,135**	**$ (26,024)**	**$ 175,649**
Plan Fiduciary Net Position - Beginning	**259,568**	**1,766,745**	**1,021,390**	**1,499,095**
Plan Fiduciary Net Position - Ending (b)	**$ 290,289**	**$ 1,907,880**	**$ 995,366**	**$ 1,674,744**
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	**$ 195,178**	**$ 1,216,848**	**$ 1,635,523**	**$ 1,321,670**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**59.80%**	**61.06%**	**37.83%**	**55.89%**
Covered-Employee Payroll	**$ 600,978**	**$ 2,061,252**	**$ 959,103**	**$ 3,932,745**
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	**32.48%**	**59.03%**	**170.53%**	**33.61%**

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, additional years will be added as they become available in the future.

(2) Net of administrative expenses.

Notes to Schedule:

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

Changes of Assumptions: There were no changes in assumptions.

CITY OF AZUSA

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
AZUSA RETIREMENT ENHANCEMENT PLANS
SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	SEIU Bargaining Group	AMMA Bargaining Group	Executive/ Contract Bargaining Group	IBEW Employees
Actuarially Determined Contribution	$ 12,890	$ 138,866	$ 115,922	$ 153,146
Contribution in Relation to the Actuarially Determined Contribution	(12,890)	(138,866)	(115,922)	(153,146)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Actual Contributions as a Percentage of Actuarial Determined Contributions	100.00%	100.00%	100.00%	100.00%
Covered-Employee Payroll (3) (4)	$ 620,510	$ 2,128,243	$ 990,274	$ 4,060,559
Contributions as a Percentage of Covered-Employee Payroll (3)	2.08%	6.52%	11.71%	3.77%

(1) Historical information is required only for measurement for which GASB 68 is applicable.
Fiscal Year 2015 was the first year of implementation, additional years will be added as they

Note to Schedule:

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	6 years
Assets valuation method	None
Inflation	3.00%
Salary Increases	Varies by entry age and service
Investment rate of return	7.50%
Retirement age	Retirement rates of 20% per year for ages 55-69 and 100% at ages 70 and up
Mortality	Consistent with non-industrial rates used to value the Miscellaneous CalPERS Pension Plans

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
AZUSA RETIREMENT ENHANCEMENT PLANS
SCHEDULE OF INVESTMENT RETURNS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	SEIU Bargaining Group	AMMA Bargaining Group	Executive/ Contract Bargaining Group	IBEW Employees
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.66%	2.64%	2.60%	2.64%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, additional years will be added as they become available in the future.

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1, as restated	$ 20,253,466	$20,253,466	$ 20,253,466	$ -
Resources (Inflows):				
Taxes	27,285,945	27,392,345	29,245,228	1,852,883
Assessments	1,666,880	1,704,880	1,299,713	(405,167)
Licenses and permits	1,057,250	1,165,250	1,600,109	434,859
Intergovernmental	250,300	398,600	728,188	329,588
Charges for services	2,350,510	2,290,510	2,438,210	147,700
Use of money and property	80,000	80,000	291,173	211,173
Fines and forfeitures	1,200,000	1,170,000	1,343,809	173,809
Contributions	21,000	21,000	10,798,039	10,777,039
Miscellaneous	88,700	88,700	293,383	204,683
Transfers in	1,649,870	1,649,870	1,604,547	(45,323)
Amounts Available for Appropriations	**55,903,921**	**56,214,621**	**69,895,865**	**13,681,244**
Charges to Appropriations (Outflow):				
General government				
City council	134,130	134,130	123,036	11,094
City Attorney	250,000	250,000	236,078	13,922
Administration	368,460	352,310	351,986	324
Promotion / Membership	169,770	165,770	155,706	10,064
City Clerk	479,585	498,930	484,268	14,662
Library Services - General	983,090	983,090	975,097	7,993
Library Services - Youth	31,430	31,430	31,520	(90)
Finance - Accounting	778,780	791,635	790,109	1,526
Cash Management	149,285	140,295	140,288	7
Purchasing	213,475	219,785	219,764	21
Printing Services	10,200	9,500	8,597	903
Human Resources	349,275	363,075	298,901	64,174
City-wide	2,398,210	2,424,940	2,261,623	163,317
Admin Services / Business Lic	1,550	1,550	-	1,550
Business License	312,340	327,340	300,105	27,235
Public safety				
Police	16,069,455	16,079,455	15,956,404	123,051
Emergency Services	15,780	15,780	11,467	4,313
Police Department Contracts	734,370	869,370	857,124	12,246
Area D	100,000	215,100	115,075	100,025
Pension Safety	5,000	5,000	3,850	1,150
INF	391,130	361,280	284,221	77,059
Community development				
Planning	442,075	432,675	357,356	75,319
Building Regulation	732,105	697,905	647,450	50,455
Code Enforcement	488,335	487,135	474,869	12,266
Parks and recreation				
Recreation	1,349,805	1,394,685	1,394,374	311
Parks Maintenance	1,553,010	1,588,810	1,488,678	100,132
Senior Programs	154,030	163,630	135,120	28,510
Women's Club	24,550	24,550	17,928	6,622
Public works				
Engineering Services	55,820	60,490	58,469	2,021
Graffiti Removal	77,015	77,015	41,573	35,442
Facilities Maintenance	432,185	488,910	488,226	684
Capital outlay	122,465	114,135	109,777	4,358
Debt service:				
Principal retirement	1,070,000	1,070,000	11,905,286	(10,835,286)
Interest and fiscal charges	280,235	280,235	266,247	13,988
Transfers out	4,918,400	5,618,400	5,245,046	373,354
Extraordinary loss	-	-	4,113,065	(4,113,065)
Total Charges to Appropriations	**35,645,345**	**36,738,340**	**50,348,683**	**(13,610,343)**
Budgetary Fund Balance, June 30	**$ 20,258,576**	**$19,476,281**	**$ 19,547,182**	**$ 70,901**

Budget Information

General Budget Policies

The City adheres to the following procedures in establishing the budgetary data reflected in its financial statements:

1. In May of each year, the City Manager submits to the City Council a proposed financial plan with an annual operating budget for the upcoming fiscal year commencing July 1. The operating budget includes proposed expenditures and the sources of financing.

2. Public hearings are conducted at City Council meetings to obtain taxpayer comments.

3. On or before July 1, the financial plan for the fiscal year is adopted by Council action.

4. The City Manager is authorized to transfer funds appropriated with respect to those classifications designated as other services and material and supplies within the same department. The City Manager may transfer appropriated funds from any classification within other expenditure categories to the capital outlay classification within the same department only; however, any revisions that alter the total expenditures of any department must be approved by the City Council. Activities of the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds are included in the annual appropriated budget. As an additional internal control mechanism, project-length financial plans are adopted for the Capital Improvement Program. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level within the General Fund and at the fund level for total expenditures and transfers out for all other budgeted funds.

5. Formal budgetary integration is employed as a management control device during the year for the governmental funds.

6. Legally adopted budgets for all governmental funds are established on a basis consistent with generally accepted accounting principles (GAAP). For the current fiscal year, the COPS Universal Hiring special revenue, Supplemental Law Enforcement special revenue, Rosedale Traffic Mitigation special revenue and Capital Projects funds had no adopted budgets.

Excess of Expenditures Over Appropriation

For purposes of evaluating legal compliance at the budgetary level of control (that is, the level at which expenditures cannot legally exceed the appropriated amount), control is established at the department level within the General Fund and at the fund level for total expenditures and transfers out for all other budgeted funds.

Budget Information (Continued)

Fund	Expenditures	Appropriations	Excess
General Fund:			
General Government:			
Library Services - Youth	$ 31,520	$ 31,430	$ (90)
Debt Service			
Principal Retirement	11,905,286	1,070,000	(10,835,286)

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds			
	State Gasoline Tax	Proposition A	Proposition C	Community Development Block Grant
Assets:				
Pooled cash and investments	$ 142,226	$ 808,661	$ 1,872,745	$ -
Receivables:				
Accounts	-	27,521	3,655	37,922
Taxes	-	-	-	-
Notes and loans	-	-	-	57,237
Accrued interest	19	217	607	-
Prepaid costs	-	-	-	-
Deposits	-	-	466	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 142,245**	**$ 836,399**	**$ 1,877,473**	**$ 95,159**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ 94,596	$ 28,860	$ 34,558	$ 25,982
Accrued liabilities	30,294	13,866	9,738	2,102
Unearned revenues	-	24,610	-	3,970
Deposits payable	-	-	-	-
Due to other funds	-	-	-	7,388
Advances from other funds	-	-	-	-
Total Liabilities	**124,890**	**67,336**	**44,296**	**39,442**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	61,235
Total Deferred Inflows of Resources	**-**	**-**	**-**	**61,235**
Fund Balances:				
Restricted for:				
Community development projects	17,355	769,063	1,833,177	-
Public safety	-	-	-	-
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	(5,518)
Fund Balance Total	**17,355**	**769,063**	**1,833,177**	**(5,518)**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 142,245**	**$ 836,399**	**$ 1,877,473**	**$ 95,159**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015 **(CONTINUED)**

	Special Revenue Funds			
	Senior Nutrition	**Public Benefit Program**	**Air Quality Improvement**	**Grants and Seizure**
Assets:				
Pooled cash and investments	$ 7,442	$ 474,636	$ 112,133	$ 1,016,014
Receivables:				
Accounts	1,878	75,965	15,752	624,515
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	111	33	-
Prepaid costs	-	190	-	3,105
Deposits	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 9,320**	**$ 550,902**	**$ 127,918**	**$ 1,643,634**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ 19,072	$ 3,486	$ 76,837
Accrued liabilities	9,320	5,178	-	44,884
Unearned revenues	-	-	-	435,315
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	**9,320**	**24,250**	**3,486**	**557,036**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	90,906
Total Deferred Inflows of Resources	**-**	**-**	**-**	**90,906**
Fund Balances:				
Restricted for:				
Community development projects	-	526,652	-	-
Public safety	-	-	-	995,692
Capital Projects	-	-	124,432	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Fund Balance Total	**-**	**526,652**	**124,432**	**995,692**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 9,320**	**$ 550,902**	**$ 127,918**	**$ 1,643,634**

CITY OF AZUSA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds			
	Supplemental Law Enforcement	Fire Safety	COPS Universal Hiring	Monrovia Nursery
Assets:				
Pooled cash and investments	$ 131,957	$ -	$ -	$ 765,559
Receivables:				
Accounts	2	-	-	1,553
Taxes	-	-	-	6,086
Notes and loans	-	-	-	-
Accrued interest	-	-	-	274
Prepaid costs	-	-	6,600	-
Deposits	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 131,959**	**$ -**	**$ 6,600**	**$ 773,472**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 14,977
Accrued liabilities	-	-	-	5,343
Unearned revenues	91,052	-	-	-
Deposits payable	-	-	-	12,550
Due to other funds	-	-	6,600	-
Advances from other funds	-	-	-	-
Total Liabilities	**91,052**	**-**	**6,600**	**32,870**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	40,907	-	-	-
Capital Projects	-	-	-	740,602
Debt service	-	-	-	-
Unassigned	-	-	-	-
Fund Balance Total	**40,907**	**-**	**-**	**740,602**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 131,959**	**$ -**	**$ 6,600**	**$ 773,472**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015 **(CONTINUED)**

	Special Revenue Funds			
	Employee Benefits	Utility Mitigation	Highway 39	LACMTA
Assets:				
Pooled cash and investments	$ -	$ 342,849	$ 1,512,421	$ -
Receivables:				
Accounts	1,395	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	481	-
Prepaid costs	-	-	-	-
Deposits	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 1,395**	**$ 342,849**	**$ 1,512,902**	**$ -**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ 20,309	$ -	$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	1,395	-	-	27
Advances from other funds	-	-	-	-
Total Liabilities	**1,395**	**20,309**	**-**	**27**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Restricted for:				
Community development projects	-	-	1,512,902	-
Public safety	-	-	-	-
Capital Projects	-	322,540	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	(27)
Fund Balance Total	**-**	**322,540**	**1,512,902**	**(27)**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 1,395**	**$ 342,849**	**$ 1,512,902**	**$ -**

CITY OF AZUSA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds			Capital Projects Funds
	Measure R	AB939 Fee	Rosedale Traffic Mitigation	Park In-lieu
Assets:				
Pooled cash and investments	$ 1,691,485	$ 394,137	$ 501,068	$ 76,500
Receivables:				
Accounts	-	7,496	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	518	-	159	23
Prepaid costs	-	70	-	-
Deposits	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 1,692,003**	**$ 401,703**	**$ 501,227**	**$ 76,523**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ 22,457	$ 11,183	$ -	$ -
Accrued liabilities	3,364	1,862	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	**25,821**	**13,045**	**-**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Capital Projects	1,666,182	388,658	501,227	76,523
Debt service	-	-	-	-
Unassigned	-	-	-	-
Fund Balance Total	**1,666,182**	**388,658**	**501,227**	**76,523**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 1,692,003**	**$ 401,703**	**$ 501,227**	**$ 76,523**

CITY OF AZUSA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Capital Projects Funds		Debt Service Funds	
	Capital Projects	Public Works Endowment	Public Financing Authority	Total Nonmajor Governmental Funds
Assets:				
Pooled cash and investments	$ 719,166	$ 521,467	$ 14	$ 11,090,480
Receivables:				
Accounts	-	-	-	797,654
Taxes	-	-	-	6,086
Notes and loans	-	-	2,285,000	2,342,237
Accrued interest	-	166	25	2,633
Prepaid costs	-	-	-	9,965
Deposits	-	-	-	466
Restricted assets:				
Cash and investments	30,501	-	-	30,501
Cash and investments with fiscal agents	-	-	482,612	482,612
Total Assets	**$ 749,667**	**$ 521,633**	**$ 2,767,651**	**$ 14,762,634**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ 17,345	$ -	$ 369,662
Accrued liabilities	-	-	-	125,951
Unearned revenues	-	-	-	554,947
Deposits payable	-	-	-	12,550
Due to other funds	-	-	-	15,410
Advances from other funds	750,000	-	-	750,000
Total Liabilities	**750,000**	**17,345**	**-**	**1,828,520**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	2,285,000	2,437,141
Total Deferred Inflows of Resources	**-**	**-**	**2,285,000**	**2,437,141**
Fund Balances:				
Restricted for:				
Community development projects	-	504,288	-	5,163,437
Public safety	-	-	-	1,036,599
Capital Projects	-	-	-	3,820,164
Debt service	-	-	482,651	482,651
Unassigned	(333)	-	-	(5,878)
Fund Balance Total	**(333)**	**504,288**	**482,651**	**10,496,973**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 749,667**	**$ 521,633**	**$ 2,767,651**	**$ 14,762,634**

CITY OF AZUSA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	State Gasoline Tax	Proposition A	Proposition C	Community Development Block Grant
Revenues:				
Taxes	$ -	$ 841,572	$ 697,759	$ -
Intergovernmental	1,231,176	150,290	-	436,189
Charges for services	-	18,134	68,863	-
Use of money and property	600	3,410	11,423	-
Contributions	-	-	-	-
Miscellaneous	202	-	218	1,531
Total Revenues	**1,231,978**	**1,013,406**	**778,263**	**437,720**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	324,368
Parks and recreation	58,991	-	-	-
Public works	1,305,702	587,615	433,331	-
Capital outlay	48,000	-	137,049	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	928	-	-	-
Total Expenditures	**1,413,621**	**587,615**	**570,380**	**324,368**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(181,643)	425,791	207,883	113,352
Other Financing Sources (Uses):				
Transfers in	55,583	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	**55,583**	**-**	**-**	**-**
Net Change in Fund Balances	(126,060)	425,791	207,883	113,352
Fund Balances, Beginning of Year	143,415	343,272	1,625,294	(118,870)
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	143,415	343,272	1,625,294	(118,870)
Fund Balances, End of Year	**$ 17,355**	**$ 769,063**	**$ 1,833,177**	**$ (5,518)**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2015

(CONTINUED)

	Special Revenue Funds			
	Senior Nutrition	**Public Benefit Program**	**Air Quality Improvement**	**Grants and Seizure**
Revenues:				
Taxes	$ -	$ -	$ -	$ 6,315
Intergovernmental	167,454	-	77,633	1,756,537
Charges for services	-	1,162,171	13,782	89,890
Use of money and property	-	1,267	1,343	5,488
Contributions	63,511	-	-	2,935
Miscellaneous	13,790	-	-	12,750
Total Revenues	**244,755**	**1,163,438**	**92,758**	**1,873,915**
Expenditures:				
Current:				
General government	-	163,864	-	92,162
Public safety	-	-	-	182,492
Community development	-	512,859	-	47,423
Parks and recreation	325,244	-	-	169,617
Public works	-	-	27,176	414,835
Capital outlay	-	-	200,261	1,203,587
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**325,244**	**676,723**	**227,437**	**2,110,116**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80,489)	486,715	(134,679)	(236,201)
Other Financing Sources (Uses):				
Transfers in	99,879	-	-	-
Transfers out	(19,390)	-	-	-
Total Other Financing Sources (Uses)	**80,489**	**-**	**-**	**-**
Net Change in Fund Balances	-	486,715	(134,679)	(236,201)
Fund Balances, Beginning of Year	-	39,937	259,111	1,056,517
Restatements	-	-	-	175,376
Fund Balances, Beginning of Year, as Restated	-	39,937	259,111	1,231,893
Fund Balances, End of Year	**$ -**	**$ 526,652**	**$ 124,432**	**$ 995,692**

CITY OF AZUSA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Supplemental Law Enforcement	Fire Safety	COPS Universal Hiring	Monrovia Nursery
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	59,805	-	-	-
Charges for services	-	58,079	-	592,693
Use of money and property	638	-	-	4,548
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	**60,443**	**58,079**	**-**	**597,241**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	59,806	4,308,630	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	224,790
Capital outlay	-	-	-	14,201
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**59,806**	**4,308,630**	**-**	**238,991**
Excess (Deficiency) of Revenues Over (Under) Expenditures	637	(4,250,551)	-	358,250
Other Financing Sources (Uses):				
Transfers in	-	4,250,551	-	-
Transfers out	-	-	-	(304,678)
Total Other Financing Sources (Uses)	**-**	**4,250,551**	**-**	**(304,678)**
Net Change in Fund Balances	637	-	-	53,572
Fund Balances, Beginning of Year	40,270	-	-	687,030
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	40,270	-	-	687,030
Fund Balances, End of Year	**$ 40,907**	**$ -**	**$ -**	**$ 740,602**

CITY OF AZUSA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015 (CONTINUED)

	Special Revenue Funds			
	Employee Benefits	Utility Mitigation	Highway 39	LACMTA
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	14,916
Charges for services	-	-	-	-
Use of money and property	-	-	9,556	(27)
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	**-**	**-**	**9,556**	**14,889**
Expenditures:				
Current:				
General government	46,995	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	36,856	-	14,916
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**46,995**	**36,856**	**-**	**14,916**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,995)	(36,856)	9,556	(27)
Other Financing Sources (Uses):				
Transfers in	46,995	64,031	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	**46,995**	**64,031**	**-**	**-**
Net Change in Fund Balances	-	27,175	9,556	(27)
Fund Balances, Beginning of Year	-	295,365	1,503,346	-
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	-	295,365	1,503,346	-
Fund Balances, End of Year	**$ -**	**$ 322,540**	**$ 1,512,902**	**$ (27)**

CITY OF AZUSA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			Capital Projects Funds
	Measure R	AB939 Fee	Rosedale Traffic Mitigation	Park In-lieu
Revenues:				
Taxes	$ 523,665	$ -	$ -	$ -
Intergovernmental	-	-	-	52,500
Charges for services	-	205,433	-	-
Use of money and property	9,806	-	3,165	354
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	**533,471**	**205,433**	**3,165**	**52,854**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	255,372	121,082	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**255,372**	**121,082**	**-**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	278,099	84,351	3,165	52,854
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**-**	**-**	**-**
Net Change in Fund Balances	278,099	84,351	3,165	52,854
Fund Balances, Beginning of Year	1,388,083	304,307	498,062	23,669
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	1,388,083	304,307	498,062	23,669
Fund Balances, End of Year	**$ 1,666,182**	**$ 388,658**	**$ 501,227**	**$ 76,523**

CITY OF AZUSA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Capital Projects Funds		Debt Service Funds	
	Capital Projects	Public Works Endowment	Public Financing Authority	Total Nonmajor Governmental Funds
Revenues:				
Taxes	$ -	$ -	$ -	$ 2,069,311
Intergovernmental	-	-	-	3,946,500
Charges for services	-	-	-	2,209,045
Use of money and property	6	3,374	142	55,093
Contributions	-	-	-	66,446
Miscellaneous	-	-	356,749	385,240
Total Revenues	**6**	**3,374**	**356,891**	**8,731,635**
Expenditures:				
Current:				
General government	-	-	4,625	307,646
Public safety	-	-	-	4,550,928
Community development	233	-	-	884,883
Parks and recreation	-	-	-	553,852
Public works	-	23,409	-	3,445,084
Capital outlay	-	12,301	-	1,615,399
Debt service:				
Principal retirement	-	-	255,000	255,000
Interest and fiscal charges	-	-	150,284	151,212
Total Expenditures	**233**	**35,710**	**409,909**	**11,764,004**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(227)	(32,336)	(53,018)	(3,032,369)
Other Financing Sources (Uses):				
Transfers in	-	-	53,163	4,570,202
Transfers out	-	-	(121)	(324,189)
Total Other Financing Sources (Uses)	**-**	**-**	**53,042**	**4,246,013**
Net Change in Fund Balances	(227)	(32,336)	24	1,213,644
Fund Balances, Beginning of Year	(106)	536,624	482,627	9,107,953
Restatements	-	-	-	175,376
Fund Balances, Beginning of Year, as Restated	(106)	536,624	482,627	9,283,329
Fund Balances, End of Year	**$ (333)**	**$ 504,288**	**$ 482,651**	**$ 10,496,973**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
STATE GASOLINE TAX
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 143,415	$ 143,415	$ 143,415	$ -
Resources (Inflows):				
Intergovernmental	1,274,530	1,274,530	1,231,176	(43,354)
Use of money and property	5,000	5,000	600	(4,400)
Miscellaneous	-	-	202	202
Transfers in	37,055	37,055	55,583	18,528
Amounts Available for Appropriations	**1,460,000**	**1,460,000**	**1,430,976**	**(29,024)**
Charges to Appropriations (Outflow):				
Parks and recreation	59,000	59,000	58,991	9
Public works	1,300,235	1,388,315	1,305,702	82,613
Capital outlay	-	48,000	48,000	-
Debt service:				
Interest and fiscal charges	-	-	928	(928)
Total Charges to Appropriations	**1,359,235**	**1,495,315**	**1,413,621**	**81,694**
Budgetary Fund Balance, June 30	**$ 100,765**	**$ (35,315)**	**$ 17,355**	**$ 52,670**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
PROPOSITION A
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 343,272	$ 343,272	$ 343,272	$ -
Resources (Inflows):				
Taxes	833,260	833,260	841,572	8,312
Intergovernmental	105,000	105,000	150,290	45,290
Charges for services	20,900	20,900	18,134	(2,766)
Use of money and property	11,655	11,655	3,410	(8,245)
Amounts Available for Appropriations	**1,314,087**	**1,314,087**	**1,356,678**	**42,591**
Charges to Appropriations (Outflow):				
Public works	747,875	885,075	587,615	297,460
Total Charges to Appropriations	**747,875**	**885,075**	**587,615**	**297,460**
Budgetary Fund Balance, June 30	**$ 566,212**	**$ 429,012**	**$ 769,063**	**$ 340,051**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
PROPOSITION C
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,625,294	$ 1,625,294	$ 1,625,294	$ -
Resources (Inflows):				
Taxes	691,170	691,170	697,759	6,589
Charges for services	96,235	96,235	68,863	(27,372)
Use of money and property	16,570	16,570	11,423	(5,147)
Miscellaneous	-	-	218	218
Amounts Available for Appropriations	**2,429,269**	**2,429,269**	**2,403,557**	**(25,712)**
Charges to Appropriations (Outflow):				
Public works	609,340	722,890	433,331	289,559
Capital outlay	-	1,420,000	137,049	1,282,951
Total Charges to Appropriations	**609,340**	**2,142,890**	**570,380**	**1,572,510**
Budgetary Fund Balance, June 30	**$ 1,819,929**	**$ 286,379**	**$ 1,833,177**	**$ 1,546,798**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ (118,870)	$ (118,870)	$ (118,870)	$ -
Resources (Inflows):				
Intergovernmental	781,240	781,240	436,189	(345,051)
Miscellaneous	2,600	2,600	1,531	(1,069)
Amounts Available for Appropriations	**664,970**	**664,970**	**318,850**	**(346,120)**
Charges to Appropriations (Outflow):				
Community development	781,240	781,240	324,368	456,872
Total Charges to Appropriations	**781,240**	**781,240**	**324,368**	**456,872**
Budgetary Fund Balance, June 30	**$ (116,270)**	**$ (116,270)**	**$ (5,518)**	**$ 110,752**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
SENIOR NUTRITION
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Intergovernmental	115,100	117,678	167,454	49,776
Contributions	58,500	58,500	63,511	5,011
Miscellaneous	16,500	16,500	13,790	(2,710)
Transfers in	145,880	145,880	99,879	(46,001)
Amounts Available for Appropriations	**335,980**	**338,558**	**344,634**	**6,076**
Charges to Appropriations (Outflow):				
Parks and recreation	335,980	338,558	325,244	13,314
Transfers out	-	-	19,390	(19,390)
Total Charges to Appropriations	**335,980**	**338,558**	**344,634**	**(6,076)**
Budgetary Fund Balance, June 30	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
PUBLIC BENEFIT PROGRAM
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 39,937	$ 39,937	$ 39,937	$ -
Resources (Inflows):				
Charges for services	1,094,890	1,094,890	1,162,171	67,281
Use of money and property	3,000	3,000	1,267	(1,733)
Amounts Available for Appropriations	**1,137,827**	**1,137,827**	**1,203,375**	**65,548**
Charges to Appropriations (Outflow):				
General government	267,255	267,255	163,864	103,391
Community development	728,500	728,500	512,859	215,641
Total Charges to Appropriations	**995,755**	**995,755**	**676,723**	**319,032**
Budgetary Fund Balance, June 30	**$ 142,072**	**$ 142,072**	**$ 526,652**	**$ 384,580**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 259,111	$ 259,111	$ 259,111	$ -
Resources (Inflows):				
Intergovernmental	57,100	57,100	77,633	20,533
Charges for services	43,000	43,000	13,782	(29,218)
Use of money and property	1,500	1,500	1,343	(157)
Amounts Available for Appropriations	**360,711**	**360,711**	**351,869**	**(8,842)**
Charges to Appropriations (Outflow):				
Public works	48,705	48,705	27,176	21,529
Capital outlay	209,280	225,280	200,261	25,019
Total Charges to Appropriations	**257,985**	**273,985**	**227,437**	**46,548**
Budgetary Fund Balance, June 30	**$ 102,726**	**$ 86,726**	**$ 124,432**	**$ 37,706**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
GRANTS AND SEIZURE
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1, as restated	$ 1,231,893	$ 1,231,893	$ 1,231,893	$ -
Resources (Inflows):				
Taxes	-	32,000	6,315	(25,685)
Intergovernmental	14,320,410	14,516,875	1,756,537	(12,760,338)
Charges for services	-	-	89,890	89,890
Use of money and property	-	-	5,488	5,488
Contributions	-	-	2,935	2,935
Miscellaneous	19,560	19,560	12,750	(6,810)
Transfers in	-	93,580	-	(93,580)
Amounts Available for Appropriations	**15,571,863**	**15,893,908**	**3,105,808**	**(12,788,100)**
Charges to Appropriations (Outflow):				
General government	322,000	322,000	92,162	229,838
Public safety	-	294,780	182,492	112,288
Community development	-	48,671	47,423	1,248
Parks and recreation	11,285	191,929	169,617	22,312
Public works	389,960	451,575	414,835	36,740
Capital outlay	452,785	2,270,010	1,203,587	1,066,423
Total Charges to Appropriations	**1,176,030**	**3,578,965**	**2,110,116**	**1,468,849**
Budgetary Fund Balance, June 30	**$14,395,833**	**$12,314,943**	**$ 995,692**	**$(11,319,251)**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
FIRE SAFETY
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Charges for services	90,000	90,000	58,079	(31,921)
Transfers in	4,252,195	4,252,195	4,250,551	(1,644)
Amounts Available for Appropriations	**4,342,195**	**4,342,195**	**4,308,630**	**(33,565)**
Charges to Appropriations (Outflow):				
Public safety	4,342,195	4,342,195	4,308,630	33,565
Total Charges to Appropriations	**4,342,195**	**4,342,195**	**4,308,630**	**33,565**
Budgetary Fund Balance, June 30	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
MONROVIA NURSERY
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 687,030	$ 687,030	$ 687,030	$ -
Resources (Inflows):				
Charges for services	550,000	550,000	592,693	42,693
Use of money and property	4,800	4,800	4,548	(252)
Amounts Available for Appropriations	**1,241,830**	**1,241,830**	**1,284,271**	**42,441**
Charges to Appropriations (Outflow):				
Public works	238,940	238,940	224,790	14,150
Capital outlay	14,210	14,210	14,201	9
Transfers out	304,000	304,000	304,678	(678)
Total Charges to Appropriations	**557,150**	**557,150**	**543,669**	**13,481**
Budgetary Fund Balance, June 30	**$ 684,680**	**$ 684,680**	**$ 740,602**	**$ 55,922**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
EMPLOYEE BENEFITS
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Transfers in	46,690	46,690	46,995	305
Amounts Available for Appropriations	**46,690**	**46,690**	**46,995**	**305**
Charges to Appropriations (Outflow):				
General government	46,690	46,690	46,995	(305)
Total Charges to Appropriations	**46,690**	**46,690**	**46,995**	**(305)**
Budgetary Fund Balance, June 30	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
UTILITY MITIGATION
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 295,365	$ 295,365	$ 295,365	$ -
Resources (Inflows):				
Transfers in	150,000	150,000	64,031	(85,969)
Amounts Available for Appropriations	**445,365**	**445,365**	**359,396**	**(85,969)**
Charges to Appropriations (Outflow):				
Public works	300,000	300,000	36,856	263,144
Total Charges to Appropriations	**300,000**	**300,000**	**36,856**	**263,144**
Budgetary Fund Balance, June 30	**$ 145,365**	**$ 145,365**	**$ 322,540**	**$ 177,175**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
HIGHWAY 39
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,503,346	$ 1,503,346	$ 1,503,346	$ -
Resources (Inflows):				
Use of money and property	-	10,500	9,556	(944)
Miscellaneous	-	-	-	-
Amounts Available for Appropriations	**1,503,346**	**1,513,846**	**1,512,902**	**(944)**
Budgetary Fund Balance, June 30	**$ 1,503,346**	**$ 1,513,846**	**$ 1,512,902**	**$ (944)**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
LACMTA
YEAR ENDED JUNE 30, 2015

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Intergovernmental	-	-	14,916	14,916
Use of money and property	-	-	(27)	(27)
Miscellaneous	849,670	849,670	-	(849,670)
Amounts Available for Appropriations	**849,670**	**849,670**	**14,889**	**(834,781)**
Charges to Appropriations (Outflow):				
Public works	-	320,000	14,916	305,084
Capital outlay	524,000	524,000	-	524,000
Total Charges to Appropriations	**524,000**	**844,000**	**14,916**	**829,084**
Budgetary Fund Balance, June 30	**$ 325,670**	**$ 5,670**	**$ (27)**	**$ (5,697)**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
MEASURE R
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,388,083	$ 1,388,083	$ 1,388,083	$ -
Resources (Inflows):				
Taxes	518,380	644,880	523,665	(121,215)
Use of money and property	-	-	9,806	9,806
Amounts Available for Appropriations	**1,906,463**	**2,032,963**	**1,921,554**	**(111,409)**
Charges to Appropriations (Outflow):				
Public works	218,850	527,289	255,372	271,917
Capital outlay	24,680	24,680	-	24,680
Total Charges to Appropriations	**243,530**	**551,969**	**255,372**	**296,597**
Budgetary Fund Balance, June 30	**$ 1,662,933**	**$ 1,480,994**	**$ 1,666,182**	**$ 185,188**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
AB939 FEE
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 304,307	$ 304,307	$ 304,307	$ -
Resources (Inflows):				
Charges for services	203,000	203,000	205,433	2,433
Amounts Available for Appropriations	**507,307**	**507,307**	**509,740**	**2,433**
Charges to Appropriations (Outflow):				
Public works	192,440	192,440	121,082	71,358
Total Charges to Appropriations	**192,440**	**192,440**	**121,082**	**71,358**
Budgetary Fund Balance, June 30	**$ 314,867**	**$ 314,867**	**$ 388,658**	**$ 73,791**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
PARK IN-LIEU
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 23,669	$ 23,669	$ 23,669	$ -
Resources (Inflows):				
Intergovernmental	2,000	2,000	52,500	50,500
Use of money and property	20	20	354	334
Amounts Available for Appropriations	**25,689**	**25,689**	**76,523**	**50,834**
Budgetary Fund Balance, June 30	**$ 25,689**	**$ 25,689**	**$ 76,523**	**$ 50,834**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
PUBLIC WORKS ENDOWMENT
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 536,624	$ 536,624	$ 536,624	$ -
Resources (Inflows):				
Use of money and property	-	4,000	3,374	(626)
Amounts Available for Appropriations	**536,624**	**540,624**	**539,998**	**(626)**
Charges to Appropriations (Outflow):				
Public works	21,750	30,050	23,409	6,641
Capital outlay	91,500	120,086	12,301	107,785
Total Charges to Appropriations	**113,250**	**150,136**	**35,710**	**114,426**
Budgetary Fund Balance, June 30	**$ 423,374**	**$ 390,488**	**$ 504,288**	**$ 113,800**

CITY OF AZUSA

BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 482,627	$ 482,627	$ 482,627	$ -
Resources (Inflows):				
Use of money and property	100	100	142	42
Miscellaneous	-	-	356,749	356,749
Transfers in	361,475	361,475	53,163	(308,312)
Amounts Available for Appropriations	**844,202**	**844,202**	**892,681**	**48,479**
Charges to Appropriations (Outflow):				
General government	4,625	4,625	4,625	-
Debt service:				
Principal retirement	255,000	255,000	255,000	-
Interest and fiscal charges	101,850	150,284	150,284	-
Transfers out	-	-	121	(121)
Total Charges to Appropriations	**361,475**	**409,909**	**410,030**	**(121)**
Budgetary Fund Balance, June 30	**$ 482,727**	**$ 434,293**	**$ 482,651**	**$ 48,358**

CITY OF AZUSA

COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer/ Wastewater	**Refuse Contract**	**Totals**
Assets and Deferred Outflows of Resources:			
Assets:			
Current:			
Cash and investments	$ 2,770,336	$ 218,516	$ 2,988,852
Receivables:			
Accounts	307,716	414,041	721,757
Accrued interest	893	-	893
Restricted:			
Cash with fiscal agent	1,453,852	-	1,453,852
Total Current Assets	**4,532,797**	**632,557**	**5,165,354**
Noncurrent:			
Capital assets - net of accumulated depreciation	10,832,707	-	10,832,707
Total Noncurrent Assets	**10,832,707**	**-**	**10,832,707**
Total Assets	**15,365,504**	**632,557**	**15,998,061**
Deferred Outflows of Resources:			
Deferred pension related items	87,495	-	87,495
Total Deferred Outflows of Resources	**87,495**	**-**	**87,495**
Total Assets and Deferred Outflows of Resources	**$ 15,452,999**	**$ 632,557**	**$ 16,085,556**
Liabilities, Net Position and Deferred Inflows of Resources:			
Liabilities:			
Current:			
Accounts payable	$ 70,188	$ 491,849	$ 562,037
Accrued liabilities	29,770	-	29,770
Accrued compensated absences	78,509	-	78,509
Bonds, notes, and capital leases	365,000	-	365,000
Total Current Liabilities	**543,467**	**491,849**	**1,035,316**
Noncurrent:			
Bonds, notes, and capital leases	4,365,000	-	4,365,000
Net pension liability	1,060,530	-	1,060,530
Total Noncurrent Liabilities	**5,425,530**	**-**	**5,425,530**
Total Liabilities	**5,968,997**	**491,849**	**6,460,846**
Deferred Inflows of Resources:			
Deferred pension related items	261,207	-	261,207
Total Deferred Inflows of Resources	**261,207**	**-**	**261,207**
Net Position:			
Net investment in capital assets	7,556,559	-	7,556,559
Unrestricted	1,666,236	140,708	1,806,944
Total Net Position	**9,222,795**	**140,708**	**9,363,503**
Total Liabilities, Net Position and Deferred Inflows of Resources	**$ 15,452,999**	**$ 632,557**	**$ 16,085,556**

CITY OF AZUSA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION NON-MAJOR PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer/ Wastewater	Refuse Contract	Totals
Operating Revenues:			
Sales and service charges	$ 2,636,707	$ 3,145,396	$ 5,782,103
Miscellaneous	12,733	6,361	19,094
Total Operating Revenues	**2,649,440**	**3,151,757**	**5,801,197**
Operating Expenses:			
Administration and general	1,143,215	-	1,143,215
Treatment	517,198	-	517,198
Refuse collection	-	3,042,337	3,042,337
Depreciation expense	485,675	-	485,675
Total Operating Expenses	**2,146,088**	**3,042,337**	**5,188,425**
Operating Income (Loss)	503,352	109,420	612,772
Nonoperating Revenues (Expenses):			
Taxes	-	574,179	574,179
Interest revenue	9,930	-	9,930
Interest expense	(168,563)	-	(168,563)
Special franchise fees	(53,473)	-	(53,473)
Total Nonoperating Revenues (Expenses)	**(212,106)**	**574,179**	**362,073**
Income (Loss) Before Transfers	291,246	683,599	974,845
Transfers out	(132,865)	(682,660)	(815,525)
Changes in Net Position	158,381	939	159,320
Net Position:			
Beginning of Year, as originally reported	10,304,489	139,769	10,444,258
Restatements	(1,240,075)	-	(1,240,075)
Beginning of Fiscal Year, as restated	9,064,414	139,769	9,204,183
End of Fiscal Year	**$ 9,222,795**	**$ 140,708**	**$ 9,363,503**

CITY OF AZUSA

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer/ Wastewater	Refuse Contract	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	$ 2,655,693	$ 3,146,469	$ 5,802,162
Cash paid to suppliers for goods and services	(484,882)	(3,005,492)	(3,490,374)
Cash paid to employees for services	(1,157,212)	-	(1,157,212)
Net Cash Provided by (Used in) Operating Activities	**1,013,599**	**140,977**	**1,154,576**
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	(132,865)	(682,660)	(815,525)
Repayment made to other funds	(458,591)	-	(458,591)
Net Cash Used in Non-Capital Financing Activities	**(591,456)**	**(682,660)**	**(1,274,116)**
Cash Flows from Capital and Related Financing Activities:			
Principal paid on capital debt	(350,000)	-	(350,000)
Interest paid on capital debt	(168,563)	-	(168,563)
Special franchise fees	(53,473)	-	(53,473)
Taxes	-	574,179	574,179
Net Cash Provided by (Used in) Capital and Related Financing Activities	**(572,036)**	**574,179**	**2,143**
Cash Flows from Investing Activities:			
Interest received	9,071	-	9,071
Net Cash Provided by Investing Activities	**9,071**	**-**	**9,071**
Net Decrease in Cash and Cash Equivalents	**(140,822)**	**32,496**	**(108,326)**
Cash and Cash Equivalents at Beginning of Year	4,365,010	186,020	4,551,030
Cash and Cash Equivalents at End of Year	**$ 4,224,188**	**$ 218,516**	**$ 4,442,704**
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	$ 503,352	$ 109,420	$ 612,772
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	485,675	-	485,675
(Increase) decrease in accounts receivable	6,253	(5,288)	965
(Increase) decrease in prepaid expense	4,424	-	4,424
(Increase) decrease in deferred pension related outflows	(87,495)	-	(87,495)
Increase (decrease) in accounts payable	21,675	36,845	58,520
Increase (decrease) in accrued liabilities	6,217	-	6,217
Increase (decrease) in compensated absences	(8,164)	-	(8,164)
Increase (decrease) in net pension liability	(179,545)	-	(179,545)
Increase (decrease) in deferred pension related inflows	261,207	-	261,207
Total Adjustments	**510,247**	**31,557**	**541,804**
Net Cash Provided by (Used in) Operating Activities	**$ 1,013,599**	**$ 140,977**	**$ 1,154,576**

There were no Non-Cash Investing, Capital, and Financing Activities

CITY OF AZUSA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015

	Governmental Activities - Internal Service Funds			
	Consumer Services	Self Insurance	Central Services	Equipment Replacement
Assets and Deferred Outflows of Resources:				
Assets:				
Current:				
Cash and investments	$ 1,719,204	$ 2,490,641	$ -	$ 9,823
Receivables:				
Accounts	188,922	-	96	-
Notes and loans	3,951	537	-	-
Accrued interest	9,947	569	-	3
Prepaid costs	4,390	999	-	-
Total Current Assets	**1,926,414**	**2,492,746**	**96**	**9,826**
Noncurrent:				
Capital assets - net of accumulated depreciation	527,129	-	31,172	442,457
Total Noncurrent Assets	**527,129**	**-**	**31,172**	**442,457**
Total Assets	**2,453,543**	**2,492,746**	**31,268**	**452,283**
Deferred Outflows of Resources:				
Deferred pension related items	356,165	9,368	-	-
Total Deferred Outflows of Resources	**356,165**	**9,368**	**-**	**-**
Total Assets and Deferred Outflows of Resources	**$ 2,809,708**	**$ 2,502,114**	**$ 31,268**	**$ 452,283**
Liabilities, Net Position and Deferred Inflows of Resources:				
Liabilities:				
Current:				
Accounts payable	$ 94,724	$ 664,950	$ -	$ -
Accrued liabilities	515,820	23,184	561	-
Due to other funds	-	-	34,216	-
Accrued compensated absences	242,744	4,337	-	-
Accrued claims and judgments	-	1,430,273	-	-
Total Current Liabilities	**853,288**	**2,122,744**	**34,777**	**-**
Noncurrent:				
Accrued compensated absences	41,247	1,444	-	-
Net pension liability	3,513,437	67,095	-	-
Total Noncurrent Liabilities	**3,554,684**	**68,539**	**-**	**-**
Total Liabilities	**4,407,972**	**2,191,283**	**34,777**	**-**
Deferred Inflows of Resources:				
Deferred pension related items	835,723	20,082	-	-
Total Deferred Inflows of Resources	**835,723**	**20,082**	**-**	**-**
Net Position:				
Net investment in capital assets	527,129	-	31,172	442,457
Unrestricted	(2,961,116)	290,749	(34,681)	9,826
Total Net Position	**(2,433,987)**	**290,749**	**(3,509)**	**452,283**
Total Liabilities, Net Position and Deferred Inflows of Resources	**$ 2,809,708**	**$ 2,502,114**	**$ 31,268**	**$ 452,283**

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015

	Governmental Activities - Internal Service Funds	
	IT Services	Totals
Assets and Deferred Outflows of Resources:		
Assets:		
Current:		
Cash and investments	$ 192,629	$ 4,412,297
Receivables:		
Accounts	-	189,018
Notes and loans	-	4,488
Accrued interest	-	10,519
Prepaid costs	70,274	75,663
Total Current Assets	**262,903**	**4,691,985**
Noncurrent:		
Capital assets - net of accumulated depreciation	-	1,000,758
Total Noncurrent Assets	**-**	**1,000,758**
Total Assets	**262,903**	**5,692,743**
Deferred Outflows of Resources:		
Deferred pension related items	101,377	466,910
Total Deferred Outflows of Resources	**101,377**	**466,910**
Total Assets and Deferred Outflows of Resources	**$ 364,280**	**$ 6,159,653**
Liabilities, Net Position and Deferred Inflows of Resources:		
Liabilities:		
Current:		
Accounts payable	$ 96,397	$ 856,071
Accrued liabilities	34,166	573,731
Due to other funds	-	34,216
Accrued compensated absences	98,514	345,595
Accrued claims and judgments	-	1,430,273
Total Current Liabilities	**229,077**	**3,239,886**
Noncurrent:		
Accrued compensated absences	80,995	123,686
Net pension liability	1,757,050	5,337,582
Total Noncurrent Liabilities	**1,838,045**	**5,461,268**
Total Liabilities	**2,067,122**	**8,701,154**
Deferred Inflows of Resources:		
Deferred pension related items	250,559	1,106,364
Total Deferred Inflows of Resources	**250,559**	**1,106,364**
Net Position:		
Net investment in capital assets	-	1,000,758
Unrestricted	(1,953,401)	(4,648,623)
Total Net Position	**(1,953,401)**	**(3,647,865)**
Total Liabilities, Net Position and Deferred Inflows of Resources	**$ 364,280**	**$ 6,159,653**

CITY OF AZUSA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS YEAR ENDED JUNE 30, 2015

	Governmental Activities - Internal Service Funds			
	Consumer Services	Self Insurance	Central Services	Equipment Replacement
Operating Revenues:				
Sales and service charges	$ 6,361,701	$ 2,341,154	$ -	$ -
Miscellaneous	-	-	-	-
Total Operating Revenues	**6,361,701**	**2,341,154**	**-**	**-**
Operating Expenses:				
Administration and general	4,910,027	1,502,258	-	2,002
Source of supply	134,581	-	-	-
Claims expense	585,353	216,856	-	-
Depreciation expense	103,468	-	2,599	148,217
Total Operating Expenses	**5,733,429**	**1,719,114**	**2,599**	**150,219**
Operating Income (Loss)	628,272	622,040	(2,599)	(150,219)
Nonoperating Revenues (Expenses):				
Interest revenue	-	7,335	-	(316)
Gain (loss) on disposal of capital assets	-	-	571	(17,092)
Total Nonoperating Revenues (Expenses)	**-**	**7,335**	**571**	**(17,408)**
Income (Loss) Before Transfers	628,272	629,375	(2,028)	(167,627)
Transfers in	129,660	700,000	2,029	150,485
Transfers out	(677,114)	-	-	-
Changes in Net Position	80,818	1,329,375	1	(17,142)
Net Position:				
Beginning of Year, as originally reported	1,559,009	(957,047)	(3,510)	744,673
Restatements	(4,073,814)	(81,579)	-	(275,248)
Beginning of Fiscal Year, as restated	(2,514,805)	(1,038,626)	(3,510)	469,425
End of Fiscal Year	**$ (2,433,987)**	**$ 290,749**	**$ (3,509)**	**$ 452,283**

CITY OF AZUSA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS YEAR ENDED JUNE 30, 2015

	Governmental Activities - Internal Service Funds	
	IT Services	**Totals**
Operating Revenues:		
Sales and service charges	$ 1,367,255	$ 10,070,110
Miscellaneous	13,123	13,123
Total Operating Revenues	**1,380,378**	**10,083,233**
Operating Expenses:		
Administration and general	1,235,800	7,650,087
Source of supply	138,655	273,236
Claims expense	-	802,209
Depreciation expense	-	254,284
Total Operating Expenses	**1,374,455**	**8,979,816**
Operating Income (Loss)	5,923	1,103,417
Nonoperating Revenues (Expenses):		
Interest revenue	-	7,019
Gain (loss) on disposal of capital assets	-	(16,521)
Total Nonoperating Revenues (Expenses)	**-**	**(9,502)**
Income (Loss) Before Transfers	5,923	1,093,915
Transfers in	-	982,174
Transfers out	-	(677,114)
Changes in Net Position	5,923	1,398,975
Net Position:		
Beginning of Year, as originally reported	(32,276)	1,310,849
Restatements	(1,927,048)	(6,357,689)
Beginning of Fiscal Year, as restated	(1,959,324)	(5,046,840)
End of Fiscal Year	**$ (1,953,401)**	**$ (3,647,865)**

CITY OF AZUSA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015

	Governmental Activities - Internal Service Funds			
	Consumer Services	Self Insurance	Central Services	Equipment Replacement
Cash Flows from Operating Activities:				
Cash received from customers and users	$ 7,666,499	$ 2,348,387	$ 571	$ -
Cash paid to suppliers for goods and services	(642,720)	(897,567)	-	(17,092)
Cash paid to employees for services	(4,973,571)	(1,502,413)	-	(2,002)
Net Cash Provided by (Used in) Operating Activities	**2,050,208**	**(51,593)**	**571**	**(19,094)**
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	(677,114)	-	-	-
Cash transfers in	129,660	700,000	2,029	150,485
Repayment made to other funds	-	-	(2,600)	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	**(547,454)**	**700,000**	**(571)**	**150,485**
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(18,571)	-	-	(129,334)
Net Cash Provided (Used) by Capital and Related Financing Activities	**(18,571)**	**-**	**-**	**(129,334)**
Cash Flows from Investing Activities:				
Repayment received on loans	(2,600)	-	-	-
Interest received	(2,809)	7,000	-	(317)
Net Cash Provided by (Used in) Investing Activities	**(5,409)**	**7,000**	**-**	**(317)**
Net Increase (Decrease) in Cash and Cash Equivalents	**1,478,774**	**655,407**	**-**	**1,740**
Cash and Cash Equivalents at Beginning of Year	240,430	1,835,234	-	8,083
Cash and Cash Equivalents at End of Year	**$ 1,719,204**	**$ 2,490,641**	**$ -**	**$ 9,823**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	$ 628,272	$ 622,040	$ (2,599)	$ (150,219)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	103,468	-	2,599	148,217
Gain (loss) on sale of capital assets	-	-	571	(17,092)
(Increase) decrease in accounts receivable	1,309,188	6,420	-	-
(Increase) decrease in prepaid expense	(4,390)	813	-	-
(Increase) decrease in deferred pension related outflows	(356,165)	(9,368)		
Increase (decrease) in accounts payable	(19,133)	224,461	-	-
Increase (decrease) in accrued liabilities	96,347	21,048	-	-
Increase (decrease) in claims and judgments	-	(926,220)	-	-
Increase (decrease) in compensated absences	17,275	3,615	-	-
Increase (decrease) in net pension liability	(560,377)	(14,484)	-	-
Increase (decrease) in deferred pension related inflows	835,723	20,082	-	-
Total Adjustments	**1,421,936**	**(673,633)**	**3,170**	**131,125**
Net Cash Provided by (Used in) Operating Activities	**$ 2,050,208**	**$ (51,593)**	**$ 571**	**$ (19,094)**

CITY OF AZUSA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015

	Governmental Activities - Internal Service Funds	
	IT Services	**Totals**
Cash Flows from Operating Activities:		
Cash received from customers and users	$ 1,310,104	$ 11,325,561
Cash paid to suppliers for goods and services	(83,180)	(1,640,559)
Cash paid to employees for services	(1,250,456)	(7,728,442)
Net Cash Provided by (Used in) Operating Activities	**(23,532)**	**1,956,560**
Cash Flows from Non-Capital Financing Activities:		
Cash transfers out	-	(677,114)
Cash transfers in	-	982,174
Repayment made to other funds	-	(2,600)
Net Cash Provided by (Used in) Non-Capital Financing Activities	**-**	**302,460**
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	-	(147,905)
Net Cash Provided (Used) by Capital and Related Financing Activities	**-**	**(147,905)**
Cash Flows from Investing Activities:		
Repayment received on loans	-	(2,600)
Interest received	-	3,874
Net Cash Provided by (Used in) Investing Activities	**-**	**1,274**
Net Increase (Decrease) in Cash and Cash Equivalents	**(23,532)**	**2,112,389**
Cash and Cash Equivalents at Beginning of Year	216,161	2,299,908
Cash and Cash Equivalents at End of Year	**$ 192,629**	**$ 4,412,297**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	$ 5,923	$ 1,103,417
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:		
Depreciation	-	254,284
Gain (loss) on sale of capital assets	-	(16,521)
(Increase) decrease in accounts receivable	-	1,315,608
(Increase) decrease in prepaid expense	(70,274)	(73,851)
(Increase) decrease in deferred pension related outflows	(101,377)	(466,910)
Increase (decrease) in accounts payable	49,647	254,975
Increase (decrease) in accrued liabilities	5,828	123,223
Increase (decrease) in claims and judgments	-	(926,220)
Increase (decrease) in compensated absences	6,160	27,050
Increase (decrease) in net pension liability	(169,998)	(744,859)
Increase (decrease) in deferred pension related inflows	250,559	1,106,364
Total Adjustments	**(29,455)**	**853,143**
Net Cash Provided by (Used in) Operating Activities	**$ (23,532)**	**$ 1,956,560**

CITY OF AZUSA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2015

	Balance 7/1/2014	Additions	Deductions	Balance 6/30/2015
Deposit Trust				
Assets:				
Pooled cash and investments	$ 4,059,151	$ 5,579,923	$ 4,522,964	$ 5,116,110
Receivables:				
Accounts	105,355	116,631	210,710	11,276
Taxes	106,456	166,157	212,910	59,703
Total Assets	**$ 4,270,962**	**$ 5,862,711**	**$ 4,946,584**	**$ 5,187,089**
Liabilities:				
Accounts payable	$ 239,008	$ 4,542,229	$ 4,592,252	$ 188,985
Accrued liabilities	12,695	35,538	14,788	33,445
Deposits payable	4,002,864	951,667	9,567	4,944,964
Due to other governments	16,395	3,300	-	19,695
Total Liabilities	**$ 4,270,962**	**$ 5,532,734**	**$ 4,616,607**	**$ 5,187,089**

CITY OF AZUSA

SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Water
Operating Revenues:	
Residential sales	$ 9,878,211
Commercial sales	3,877,869
Industrial sales	2,305,504
Other sales	1,152,660
Fees	399,699
Other revenue	3,974,384
Total Operating Revenues	**21,588,327**
Operating Expenses:	
Production	7,541,026
Transmission and distribution	2,384,800
Customer accounting and sales	4,072,337
Uncollectible accounts	35,856
Administrative and general	787,818
Depreciation	3,725,639
Total Operating Expenses	**18,547,476**
Operating Income (Loss)	3,040,851
Nonoperating Revenues (Expenses):	
Interest revenue	156,905
Interest expense	(2,695,460)
Franchise and in-lieu-tax	(359,078)
Contributions to the Successor Agency	(303,634)
Total Nonoperating Revenues (Expenses)	**(3,201,267)**
Net Income	**(160,416)**
Net Position:	
Beginning of Fiscal Year	57,696,506
Restatements	(4,890,114)
Beginning of Fiscal Year, as restated	52,806,392
End of Fiscal Year	**$ 52,645,976**

CITY OF AZUSA

SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
LIGHT - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Light
Operating Revenues:	
Sale/electricity - residential	$ 12,995,948
Sale/electricity - commercial and industrial	24,356,790
Sale/electricity - other	1,516,934
Sale/electricity - resale	7,287,845
Other revenue	211,803
Total Operating Revenues	**46,369,320**
Operating Expenses:	
Purchase power	28,834,815
Transmission/dispatching	4,018,091
Operation and maintenance	2,486,322
Uncollectible accounts	56,636
Administration general expenditures	3,720,352
Depreciation	1,270,648
Total Operating Expenses	**40,386,864**
Operating Income	5,982,456
Nonoperating Revenues (Expenses):	
Interest income	197,478
Interest expense	(259,708)
Franchise and in-lieu-tax	(3,902,002)
Total Nonoperating Revenues (Expenses)	**(3,964,232)**
Net Income Before Transfers	2,018,224
Transfers Out	(95,049)
Net Income	**1,923,175**
Net Position:	
Beginning of Fiscal Year	45,145,743
Restatements	(3,848,694)
Beginning of Fiscal Year, as restated	41,297,049
End of Fiscal Year	**$ 43,220,224**

CITY OF AZUSA
Statistical Section

This part of the City of Azusa's comprehensive annual financial report presents detailed information as a context to aid the reader in understanding the information presented in the financial statements, and the required supplementary information and the City's overall financial health.

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CITY OF AZUSA
Table 1 - Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Invest in capital assets, net of related debt	$ 21,364,755	$ 20,192,108	$ 18,385,294	$ 19,090,231	$ 19,372,237	$ 19,297,862	$ 28,862,696	$ 29,086,566	$ 29,959,431	$ 28,121,302
Restricted	15,245,722	21,624,059	38,694,105	60,470,894	55,734,821	35,312,033	5,306,039	8,800,537	9,222,166	10,502,851
Unrestricted	(11,464,340)	(18,347,943)	(31,815,388)	(58,874,825)	(67,047,309)	(50,982,746)	23,447,281	18,107,479	(7,774,851)	(46,260,277)
Total governmental activities net position	$ 25,146,137	$ 23,468,224	$ 25,264,011	$ 20,686,300	$ 8,059,749	$ 3,627,149	$ 57,616,016	$ 55,994,582	$ 31,406,746	$ (7,636,124)
Business-type activities:										
Invest in capital assets, net of related debt	$ 53,207,811	$ 57,312,869	$ 57,372,662	$ 57,578,956	$ 58,696,499	$ 35,160,311	$ 60,564,169	$ 55,086,846	$ 58,465,869	$ 53,700,812
Restricted	5,426,232	5,228,056	5,045,495	5,049,234	5,069,361	3,192,561	10,845,193	11,554,302	9,845,901	15,085,506
Unrestricted	64,855,723	69,437,708	67,473,534	64,014,418	61,221,682	85,047,584	53,464,644	55,694,676	46,533,746	34,009,398
Total business-type activities net position	$ 123,489,766	$ 131,978,633	$ 129,891,691	$ 126,642,608	$ 124,987,542	$ 123,400,456	$ 124,874,006	$ 122,335,824	$ 114,845,516	$ 102,795,716
Primary government:										
Invest in capital assets, net of related debt	$ 74,572,566	$ 77,504,977	$ 75,757,956	$ 76,669,187	$ 78,068,736	$ 54,458,173	$ 89,426,865	$ 84,173,412	$ 88,425,300	$ 81,822,114
Restricted	20,671,954	26,852,115	43,741,600	65,520,128	60,804,182	38,504,594	16,151,232	20,354,839	19,068,067	25,588,357
Unrestricted	53,391,383	51,089,765	35,656,146	5,139,593	(5,825,627)	34,064,838	76,911,925	73,802,155	38,758,895	(12,250,879)
Total primary government net position	$ 148,635,903	$ 155,446,857	$ 155,155,702	$ 147,328,908	$ 133,047,291	$ 127,027,605	$ 182,490,022	$ 178,330,406	$ 146,252,262	$ 95,159,592

The City of Azusa implemented GASB 34 for the fiscal year ended June 30, 2003.
Information prior to the implementation of GASB 34 is not available.

Source: City of Azusa Finance Department

CITY OF AZUSA
Table 2 - Changes in Net Position
Last Ten Fiscal Years (accrual basis)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenue:										
Governmental activities:										
Charges for services										
General government	$ 2,923,478	$ 3,553,435	$ 3,930,106	$ 3,418,393	$ 3,760,159	$ 3,855,810	$ 3,090,304	$ 2,304,290	$ 3,919,876	$ 3,517,810
Public Safety	482,386	620,542	755,186	681,943	871,900	713,846	721,032	705,140	829,054	741,551
Community development	1,370,152	1,596,453	1,697,467	1,358,872	1,659,057	1,915,741	2,615,631	2,831,860	3,296,987	3,044,683
Parks and recreation	651,025	625,955	685,468	1,127,077	1,179,080	997,277	1,046,584	1,090,771	1,181,561	1,226,392
Public Works	217,389	168,218	168,657	203,280	368,275	364,910	838,958	476,506	525,343	961,875
Operating grants and contributions	2,701,410	3,054,171	2,731,195	5,307,696	3,261,472	3,651,491	3,267,287	2,121,638	3,836,479	13,916,073
Capital grants and contributions	820,744	497,905	468,279	286,875	654,467	109,226	137,102	2,988,760	442,727	408,905
Total governmental activities program revenues	9,166,584	10,116,679	10,436,358	12,384,136	11,754,410	11,608,301	11,716,898	12,518,965	14,032,027	23,817,289
Business-type activities:										
Charges for services										
Water	14,925,757	17,254,963	16,501,434	14,805,241	16,144,130	17,779,417	20,062,118	21,604,435	21,762,242	21,515,397
Light	38,050,462	34,932,840	35,998,389	34,496,805	35,192,941	39,189,980	40,962,648	42,377,694	45,001,748	46,222,264
Sewer/Wastewater	1,361,125	1,398,925	1,470,452	1,508,325	1,557,758	1,615,840	2,223,876	2,480,008	2,566,676	2,636,707
Refuse contract	2,587,410	2,812,595	2,996,275	2,968,742	2,933,390	3,062,700	2,976,946	2,954,842	3,058,956	3,145,396
Operating grants and contributions	-	-	-	-	84	-	-	-	-	-
Total business-type activities program revenues	56,924,754	56,399,323	56,966,550	53,779,113	55,828,303	61,647,937	66,225,588	69,416,979	72,389,622	73,519,764
Total primary government program revenues	$ 66,091,338	$ 66,516,002	$ 67,402,908	$ 66,163,249	$ 67,582,713	$ 73,256,238	$ 77,942,486	$ 81,935,944	$ 86,421,649	$ 97,337,053
Expenses:										
Governmental activities:										
General government	$ 12,430,022	$ 9,966,734	$ 11,582,357	$ 15,047,013	$ 16,368,337	$ 12,198,991	$ 10,537,722	$ 7,168,707	$ 7,169,710	$ 7,834,391
Public safety	15,442,417	17,101,215	18,772,865	20,459,265	19,458,795	20,187,914	20,449,077	20,077,868	21,082,420	21,279,643
Community development	2,951,307	10,467,848	4,178,449	5,690,458	4,041,516	3,472,237	3,272,401	3,053,950	2,569,284	2,384,308
Parks and recreation	3,192,373	3,412,918	3,737,791	4,083,565	3,950,786	4,184,626	4,146,245	3,453,469	3,752,518	3,878,961
Public works	2,902,189	3,418,493	5,494,887	4,577,435	4,688,537	5,539,866	8,818,083	4,173,502	5,356,694	5,019,152
Interest on long-term debt	2,756,978	3,437,231	4,757,068	6,224,638	7,274,723	7,380,598	2,244,315	471,835	1,330,555	699,155
Total governmental activities expenses	39,675,286	47,804,439	48,523,417	56,082,374	55,782,694	52,964,232	49,467,843	38,399,331	41,261,181	41,095,610
Business-type activities:										
Water	12,192,788	15,681,384	18,473,689	17,225,088	19,114,843	19,680,719	19,364,355	19,199,120	18,345,227	21,497,271
Electric	36,578,602	34,713,270	38,827,637	36,939,301	39,803,690	40,083,680	39,115,161	44,040,193	45,011,550	44,328,679
Sewer/Wastewater	1,267,327	1,604,557	1,653,043	1,995,785	1,986,142	1,982,241	2,083,756	4,828,680	2,434,295	2,368,124
Refuse contract	2,642,780	2,918,732	3,247,734	3,028,270	2,924,303	2,962,395	2,851,882	2,835,041	2,938,255	3,042,337
Total business-type activities expenses	52,681,497	54,917,943	62,202,103	59,188,444	63,828,978	64,709,035	63,415,154	70,903,034	68,729,327	71,236,411
Total primary government program expenses	92,356,783	102,722,382	110,725,520	115,270,818	119,611,672	117,673,267	112,882,997	109,302,365	109,990,508	112,332,021
Net revenues (expenses):										
Governmental activities	(30,508,702)	(37,687,760)	(38,087,059)	(41,491,520)	(44,028,284)	(41,355,931)	(37,750,945)	(25,880,366)	(27,229,154)	(17,278,321)
Business-type activities	4,243,257	1,481,380	(5,235,553)	(5,409,331)	(8,000,675)	(3,061,098)	2,810,434	(1,486,055)	3,660,295	2,283,353
Total net revenues (expenses)	(26,265,445)	(36,206,380)	(43,322,612)	(46,900,851)	(52,028,959)	(44,417,029)	(34,940,511)	(27,366,421)	(23,568,859)	(14,994,968)

CITY OF AZUSA
Table 2 - Changes in Net Position *(Continued)*
Last Ten Fiscal Years (accrual basis)

(Continued)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes, general purpose	$ 9,737,041	$ 11,044,335	$ 10,372,529	$ 13,518,253	$ 10,032,979	$ 12,108,155	$ 9,856,354	$ 8,312,351	$ 8,023,547	$ 8,531,515
Transient occupancy taxes	242,581	234,427	243,261	226,268	200,840	192,659	210,923	224,359	223,675	261,815
Sales tax	5,452,652	6,025,756	6,328,962	6,202,335	4,716,305	5,678,177	6,234,614	6,904,400	7,183,809	7,530,257
Franchise taxes	5,275,972	5,544,594	5,654,896	5,821,976	5,595,423	6,222,537	6,355,828	6,526,496	6,757,708	7,328,977
Business licenses taxes	1,537,442	1,637,775	1,640,425	1,755,831	1,829,503	1,822,102	1,865,195	1,983,634	1,922,139	2,008,916
Utility Users tax	3,086,589	3,289,210	3,302,442	3,260,191	3,059,121	3,160,788	3,250,469	3,305,545	3,441,178	3,594,092
Other taxes	4,504,355	4,798,699	1,397,618	1,131,885	1,102,339	2,678,727	1,272,967	1,963,904	1,763,038	2,058,967
Motor vehicle in lieu-unrestricted	95,470	326,101	232,989	157,012	137,557	143,401	420,126	25,224	20,876	-
Investment income	2,489,094	4,322,594	3,932,540	3,967,549	2,914,790	2,540,133	1,284,484	166,674	(423,898)	353,285
Other general revenues	131,917	373,063	2,702,680	707,536	441,956	854,945	(50,068)	279,447	759,132	629,507
Extraordinary gain/(loss on dissolution of redevelopment agency	-	-	-	-	-	-	59,933,832	-	-	(4,113,065)
Transfers	664,206	700,000	4,392,846	2,249,387	1,386,380	1,326,374	1,082,262	1,309,808	1,535,996	1,458,028
Total governmental activities	33,217,319	38,296,554	40,201,188	38,998,223	31,417,193	36,727,998	91,716,986	31,001,842	31,207,200	29,642,294
Business-type activities:										
Property taxes, general purpose	638,821	594,065	631,036	586,254	555,121	571,036	555,225	556,161	542,409	574,179
Investment income	2,619,090	4,236,645	4,954,367	2,579,973	6,201,289	1,626,291	257,653	115,380	300,515	378,713
Gain on sale of assets	183,829	-	(38,373)	797	2,306	1,350	(1,966,003)	(3,690)	-	-
Transfers	(664,206)	(700,000)	(4,392,846)	(2,249,387)	(1,386,380)	(1,326,374)	(1,082,262)	(1,309,808)	(1,535,996)	(1,458,028)
Miscellaneous	273,296	2,676,882	1,841,306	1,230,835	1,336,168	358,891	884,535	359,573	399,293	224,680
Total business-type activities	3,050,830	6,807,592	2,995,490	2,148,472	6,708,504	1,231,194	(1,350,852)	(282,384)	(293,779)	(280,456)
Total general revenues	36,268,149	45,104,146	43,196,678	41,146,695	38,125,697	37,959,192	90,366,134	30,719,458	30,913,421	29,361,838
Changes in net position:										
Governmental activities	2,708,617	608,794	2,114,129	(2,493,297)	(12,611,091)	(4,627,933)	53,966,041	5,121,476	3,978,046	12,363,973
Business-type activities	7,294,087	8,288,972	(2,240,063)	(3,260,859)	(1,292,171)	(1,829,904)	1,459,582	(1,768,439)	3,366,516	2,002,897
Total primary government	$ 10,002,704	$ 8,897,766	$ (125,934)	$ (5,754,156)	$ (13,903,262)	$ (6,457,837)	$ 55,425,623	$ 3,353,037	$ 7,344,562	$ 14,366,870

The City of Azusa implemented GASB 34 for the fiscal year ended June 30, 2003.
Information prior to the implementation of GASB 34 is not available.

Source: City of Azusa Finance Department

CITY OF AZUSA
Table 3 - Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis)

	Fiscal Year				
	2006	2007	2008	2009	2010
General fund:					
Reserved	$ 150,700	$ 142,136	$ 196,095	$ 500,389	$ 5,827,294
Unreserved	11,644,387	14,225,783	13,753,667	11,914,867	3,777,753
Total general fund	$ 11,795,087	$ 14,367,919	$ 13,949,762	$ 12,415,256	$ 9,605,047
All other governmental funds:					
Reserved	$ 3,236,097	$ 17,873,011	$ 23,069,640	$ 43,489,276	$ 47,472,564
Unreserved, reported in:					
Special revenue funds	13,120,059	13,671,472	15,616,841	21,491,624	13,022,299
Capital projects funds	3,010,074	2,487,655	1,904,457	1,320,550	1,045,279
Debt service funds	502,223	493,188	502,244	482,915	482,548
Redevelopment agency	(6,084,383)	(30,748,209)	(23,307,890)	(36,129,562)	(42,709,359)
Unassigned					
Total all other governmental funds:	$ 13,784,070	$ 3,777,117	$ 17,785,292	$ 30,654,803	$ 19,313,331

	Fiscal Year				
	2011	2012	2013	2014	2015
General fund:					
Nonspendable	$ 21,615,263	$ 20,951,468	$ 20,993,673	$ 20,927,944	$ 16,794,925
Unassigned	(5,311,304)	(5,817,312)	(4,690,928)	(509,996)	2,752,257
Total general fund:	$ 16,303,959	$ 15,134,156	$ 16,302,745	$ 20,417,948	$ 19,547,182
All other governmental funds:					
Nonspendable	$ 14,892,551	$ 8,038	$ 23,729	$ 11,363	$ -
Restricted	23,297,599	11,062,074	9,005,070	9,222,166	10,502,851
Unassigned	(32,625,038)	(187,467)	(376,870)	(125,576)	(5,878)
Total all other governmental funds:	$ 5,565,112	$ 10,882,645	$ 8,651,929	$ 9,107,953	$ 10,496,973

GASB Statement No. 54 - Fund Balance Reporting and Government Fund Type Definition, was implemented in fiscal year 2010-2011.

Source: City of Azusa Finance Department

CITY OF AZUSA
Table 4 - Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	$ 26,387,805	$ 28,984,072	$ 29,190,305	$ 31,265,067	$ 27,033,859	$ 32,206,954	$ 29,353,626	$ 29,180,382	$ 29,266,387	$ 31,314,539
Assessments	2,166,435	2,638,293	2,661,618	2,930,897	3,027,016	3,098,219	2,201,117	1,605,028	2,216,830	1,299,713
Licenses and permits	433,673	481,994	532,775	381,993	472,389	610,298	1,270,221	1,369,901	1,586,117	1,600,109
Intergovernmental	3,617,152	3,609,169	3,387,074	5,960,103	4,064,951	3,829,513	3,482,499	2,856,210	4,469,748	4,674,688
Charges for services	2,484,513	2,565,974	3,008,524	2,734,773	3,185,660	3,059,369	3,399,276	3,288,109	4,396,994	4,647,255
Developer participation	-	-	-	-	-	1,297,580	-	-	-	-
Investment income	1,294,508	3,205,561	2,765,219	1,859,424	1,335,922	994,621	872,118	157,022	131,515	346,266
Fines and forfeitures	556,776	815,558	897,816	967,012	1,104,715	119,111	978,829	989,616	1,343,318	1,343,809
Contributions	154,636	106,592	99,211	106,450	113,363	157,930	109,255	64,461	84,870	10,864,485
Miscellaneous	166,677	422,313	3,001,938	713,547	573,008	-	1,492,038	384,382	870,199	678,623
Total Revenues	37,262,175	42,829,526	45,544,480	46,919,266	40,910,883	45,373,595	43,158,979	39,895,111	44,365,978	56,769,487
Expenditures:										
Current:										
General government	9,701,352	9,070,967	11,136,420	12,490,585	14,248,881	10,623,623	10,070,713	7,168,707	6,762,467	6,684,724
Public safety	15,111,854	16,813,699	18,534,126	26,948,793	19,144,169	19,824,369	20,379,672	20,077,868	20,877,090	21,779,069
Community development	2,948,683	10,455,704	4,166,223	5,191,932	3,271,672	3,423,224	3,223,201	3,053,950	2,564,915	2,364,558
Parks and recreation	2,902,603	3,054,964	3,388,218	3,607,838	3,519,626	3,729,125	3,770,465	3,453,469	3,561,491	3,589,952
Public Works	2,772,437	2,964,749	3,666,010	3,847,822	3,963,820	4,204,180	7,358,644	4,173,502	4,245,273	4,033,352
Capital Outlay	2,982,756	3,333,934	4,847,786	3,493,096	2,804,345	2,762,698	1,554,151	2,348,624	2,204,482	1,725,176
Debt service:										
Principal retirement	1,085,000	1,100,000	915,000	1,355,000	2,020,000	2,494,212	2,615,717	1,479,367	1,706,996	12,160,286
Interest and fiscal charges	2,624,113	3,319,471	4,392,178	5,298,820	7,115,425	7,295,680	2,537,665	471,835	401,265	417,459
Pass-through agreement payments	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	718,237	878,581	-	-	-	-	-	-
Total Expenditures	40,128,798	50,113,488	51,764,198	63,112,467	56,087,938	54,357,111	51,510,228	42,227,322	42,323,979	52,754,576
Excess (Deficiency) of revenues over (under) expenditures	(2,866,623)	(7,283,962)	(6,219,718)	(16,193,201)	(15,177,055)	(8,983,516)	(8,351,249)	(2,332,211)	2,041,999	4,014,911
Other Financing Sources (Uses):										
Transfer in	12,513,835	8,891,433	51,422,808	25,925,067	10,710,775	24,569,629	5,900,632	6,003,156	6,310,394	6,174,749
Transfer out	(11,849,629)	(9,208,303)	(47,179,912)	(23,675,680)	(9,362,595)	(23,841,239)	(4,818,370)	(4,705,827)	(4,777,269)	(5,569,235)
Notes and loans issued	232,038	166,711	20,820,182	25,879,924	391,867	986,314	1,305,892	-	-	-
Other financing sources	-	-	(4,935,000)	(323,410)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	896,244	(150,159)	20,128,078	27,805,901	1,740,047	1,714,704	2,388,154	1,297,329	1,533,125	605,514
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-	-	-	10,087,999	-	-	(4,113,065)
Net change in fund balances	$ (1,970,379)	$ (7,434,121)	$ 13,908,360	$ 11,612,700	$ (13,437,008)	$ (7,268,812)	$ 4,124,904	$ (1,034,882)	$ 3,575,124	$ 507,360
Debt service as a percentage of noncapital expenditures	10.0%	9.4%	11.3%	11.2%	17.1%	19.0%	10.3%	4.9%	5.3%	24.6%

Source: City of Azusa Finance Department

City of Azusa
Table 5 - Light Department
Electricity Sold by Type of Customer
Last Ten Fiscal Years

	Type of Customer			
Fiscal Year	Residential	Commercial/ Industrial	Other	Total
2006	$ 8,658,939	$ 17,607,907	$ 1,147,509	$ 27,414,355
2007	9,664,916	18,376,638	1,250,079	29,291,633
2008	10,070,006	19,258,199	1,202,641	30,530,846
2009	10,180,795	19,429,530	1,136,677	30,747,002
2010	10,055,529	19,362,315	1,141,500	30,559,344
2011	10,605,804	21,041,098	1,238,881	32,885,783
2012	11,769,253	22,392,573	1,272,683	35,434,509
2013	12,191,958	22,259,074	1,422,284	35,873,316
2014	11,970,815	22,893,681	1,595,780	36,460,276
2015	12,995,948	24,356,790	1,516,934	38,869,672

Source: City of Azusa Light & Water Department

City of Azusa
Table 6 - Electricity Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Monthly Base Rate	Rate per 0 - 250 kWh	Rate per >250 kWh
07/05-09/05	$ 3.18	$ 0.0966	$ 0.1239
10/05-06/06	3.34	0.1014	0.1301
2007	3.34	0.1014	0.1301
2008	3.49	0.1061	0.1360
2009	3.49	0.1061	0.1360
07/09-11/09	3.49	0.1061	0.1360
12/09-06/10	3.81	0.1160	0.1487
2011	3.81	0.1160	0.1487
2012	3.81	0.1160	0.1487
2013	3.81	0.1160	0.1487
2014	3.81	0.1160	0.1487
2015	3.81	0.1160	0.1487

NOTE:
Rates are based on residential meter, which is the standard household meter size. There is an additional charge for excess-use rate above normal demand.

Source: City of Azusa Light & Water Department

City of Azusa
Table 7 - 10 Largest Electrical Customers
Last Seven Fiscal Years

	2009		2010		2011		2012		2013		2014		2015	
Light Customer:	Light Charges	Percentage of Total Light Revenues	Light Charges	Percentage of Total Light Revenues	Light Charges	Percentage of Total Light Revenues	Light Charges	Percentage of Total Light Revenues	Light Charges	Percentage of Total Light Revenues	Light Charges	Percentage of Total Light Revenues	Light Charges	Percentage of Total Light Revenues
APU Foundation	$ 1,686,278	5.484%	$ 1,907,792	6.243%	$ 2,104,018	6.398%	$ 1,741,024	4.913%	$ 1,780,989	4.965%	$ 1,802,237	4.943%	$ 1,825,551	4.697%
Archcom Technology	-	0.000%	-	0.000%	-	0.000%	223,383	0.630%	-	0.000%	-	0.000%	-	0.000%
Artisan Screen Process	244,353	0.795%	289,808	0.948%	319,455	0.971%	301,378	0.851%	-	0.000%	546,126	1.498%	477,290	1.228%
Azusa MRFTS	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	597,615	1.537%
Azusa USD	851,020	2.768%	848,494	2.777%	954,045	2.901%	896,318	2.530%	856,373	2.387%	883,569	2.423%	902,905	2.323%
Azusa Western	259,979	0.846%	187,312	0.613%	241,542	0.734%	232,823	0.657%	-	0.000%	-	0.000%	-	0.000%
Buena Vista Food Prod	-	0.000%	-	0.000%	312,836	0.951%	329,687	0.930%	333,594	0.930%	357,445	0.980%	382,480	0.984%
California Amforge Corp	300,181	0.976%	246,842	0.808%	213,367	0.649%	295,442	0.834%	651,233	1.815%	-	0.000%	-	0.000%
City of Azusa	1,050,852	3.418%	1,099,736	3.599%	1,112,047	3.382%	1,045,326	2.950%	1,206,165	3.362%	1,347,507	3.696%	1,228,641	3.161%
City of Glendora	514,909	1.675%	630,202	2.062%	575,089	1.749%	72,098	0.203%	679,753	1.895%	613,336	1.682%	479,889	1.235%
Costco Wholesale Corp.	617,698	2.009%	605,910	1.983%	612,630	1.863%	613,230	1.731%	642,560	1.791%	646,887	1.774%	-	0.000%
Criterion Catalyst & Tech LP	823,604	2.679%	876,881	2.869%	181,832	0.553%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
Hansen's Juices (Naked Juice)	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
Morris Partnership	234,419	0.762%	247,137	0.809%	156,898	0.477%	226,681	0.640%	-	0.000%	-	0.000%	-	0.000%
Northrop Grumman Sys.	507,168	1.649%	485,763	1.590%	504,436	1.534%	468,774	1.323%	366,623	1.022%	482,780	1.324%	466,673	1.201%
Rainbird Corp./CA Div.	876,034	2.849%	913,206	2.988%	933,722	2.839%	193,342	0.546%	-	0.000%	-	0.000%	-	0.000%
S & S Foods LLC	1,310,363	4.262%	1,377,385	4.507%	1,444,281	4.392%	1,386,170	3.912%	1,584,047	4.416%	1,679,420	4.606%	1,645,159	4.233%
Stater Bros Market	-	0.000%	-	0.000%	-	0.000%	145,484	0.411%	-	0.000%	-	0.000%	-	0.000%
Target Corporation	-	0.000%	-	0.000%	-	0.000%	301,707	0.851%	-	0.000%	-	0.000%	-	0.000%
T H Molding Corporation	-	0.000%	-	0.000%	-	0.000%	401,075	1.132%	-	0.000%	-	0.000%	-	0.000%
Thermal Remediation Solutions	-	0.000%	187,845	0.615%	195,798	0.595%	154,795	0.437%	-	0.000%	-	0.000%	-	0.000%
Verizon Wireless Inc	528,635	1.719%	543,655	1.779%	601,882	1.830%	894,493	2.524%	1,064,241	2.967%	1,205,326	3.306%	1,357,641	3.493%
Total	$ 9,805,493	31.891%	$ 10,447,968	34.190%	$ 10,463,878	31.818%	$ 9,923,230	28.005%	$ 9,165,578	25.550%	$ 9,564,633	26.232%	$ 9,363,844	24.092%

City of Azusa
Table 8 - Water Sold by Type of Customer
Last Ten Fiscal Years

Fiscal Year	Type of Customer				
	Residential	Commercial	Industrial	Other (2)	Total
2006	$ 8,084,959	$ 3,147,304	$ 2,274,028	$ 831,254	$ 14,337,545
2007	9,145,318	3,260,316	2,697,339	900,043	16,003,016
2008	9,218,162	3,155,962	2,360,731	811,672	15,546,527
2009	7,740,102	2,770,336	2,551,733	746,171	13,808,342
2010	8,932,609	3,082,179	2,630,635	921,332	15,566,755
2011	9,640,301	3,461,006	2,532,726	1,018,571	16,652,604
2012	9,883,807	3,553,448	2,555,016	1,082,702	17,074,973
2013	10,434,389	3,815,664	2,621,551	1,267,068	18,138,672
2014	10,324,448	3,822,126	2,486,936	1,223,852	17,857,362
2015	9,878,211	3,877,869	2,305,504	1,152,660	17,214,244

Source: City of Azusa Light & Water Department

City of Azusa
Table 9 - Water Rates
Last Ten Fiscal Years

Fiscal Year Ended Activity	Monthly Base Rate	Tier 1 Rate per CCF	Tier 2 Rate per CCF	Tier 3 Rate per CCF
		0-17 CCF	>17 CCF	
07/05-10/05	$ 11.22	$ 0.798	$ 1.260	
11/05-06/06	11.56	0.822	1.300	
2007	11.56	0.822	1.300	
2008	12.50	0.870	1.380	
2009	12.50	0.870	1.380	
		0-12 CCF	>12 CCF	
2010	14.74	0.871	1.690	
2011	17.03	1.007	1.953	
2012	17.03	1.007	1.953	
2013	17.03	1.007	1.953	
		0-12 CCF	13-36 CCF	>36 CCF
07/13-04/14	17.03	1.007	1.953	
05/14-06/14	17.03	1.007	2.129	3.031
2015	17.03	1.007	2.129	3.031

NOTE:
(1) Rates are based on 3/4" meter, which is the standard household meter size. There is an additional charge for excess-use rate above normal demand.

(2) Tiers changed from 17 to 12 in July 2009.

(3) A Phase III Drought was declared effective May 1, 2014, where a third tier was implemented.

Source: City of Azusa Light & Water Department

City of Azusa
Table 10 - Largest Water Customers
Last Eight Fiscal Years

Water Customer:	2008 Water Charges	2008 Percentage of Total Water Revenues	2009 Water Charges	2009 Percentage of Total Water Revenues	2010 Water Charges	2010 Percentage of Total Water Revenues	2011 Water Charges	2011 Percentage of Total Water Revenues	2012 Water Charges	2012 Percentage of Total Water Revenues	2013 Water Charges	2013 Percentage of Total Water Revenues	2014 Water Charges	2014 Percentage of Total Water Revenues	2015 Water Charges	2015 Percentage of Total Water Revenues
APU Foundation	$ 105,514	0.613%	$ 119,322	0.864%	$ 131,298	0.843%	$ 212,880	1.278%	$ 126,737	0.742%	$ 130,761	0.721%	$ 138,644	0.776%	$ 121,552	0.706%
Azusa Carefree Association	42,915	0.249%	44,259	0.321%	43,429	0.279%	52,285	0.314%	65,984	0.386%	-	0.000%	-	0.000%	52,656	0.306%
Azusa Greens Country Club	105,103	0.611%	115,081	0.833%	119,771	0.769%	114,596	0.688%	131,809	0.772%	163,455	0.901%	157,909	0.884%	163,734	0.951%
Azusa Unified School District	252,836	1.469%	293,496	2.125%	263,852	1.695%	304,265	1.827%	285,883	1.674%	390,372	2.152%	380,303	2.130%	309,041	1.795%
Azusa Western	226,896	1.318%	419,714	3.040%	328,989	2.113%	244,528	1.468%	259,555	1.520%	262,656	1.448%	251,656	1.409%	277,779	1.614%
Calmat Site #1055-A	27,141	0.158%	-	0.000%	-	0.000%	54,439	0.327%	36,368	0.213%	-	0.000%	-	0.000%	-	0.000%
Citrus College	47,877	0.278%	44,088	0.319%	43,123	0.277%	45,507	0.273%	47,347	0.277%	49,133	0.271%	-	0.000%	-	0.000%
City of Azusa	78,263	0.455%	86,393	0.626%	94,955	0.610%	141,459	0.849%	137,730	0.807%	150,954	0.832%	157,052	0.879%	116,061	0.674%
Covina Valley USD	78,162	0.454%	84,487	0.612%	74,237	0.477%	42,644	0.256%	110,587	0.648%	167,684	0.924%	142,356	0.797%	145,329	0.844%
Hector Perales	-	0.000%	-	0.000%	280,785	1.804%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
Lovin Oven	-	0.000%	43,537	0.315%	-	0.000%	47,099	0.283%	52,250	0.306%	-	0.000%	-	0.000%	-	0.000%
Mike Nijjar-060	-	0.000%	-	0.000%	71,217	0.457%	-	0.000%	79,676	0.467%	-	0.000%	-	0.000%	-	0.000%
Miller Brewery	974,421	5.661%	1,371,278	9.931%	1,280,978	8.229%	1,149,331	6.902%	1,126,387	6.597%	1,155,227	6.369%	1,068,819	5.985%	957,677	5.563%
Mountain Cove	-	0.000%	-	0.000%	72,707	0.467%	-	0.000%	68,138	0.399%	-	0.000%	-	0.000%	-	0.000%
NCI	-	0.000%	48,432	0.351%	56,389	0.362%	64,368	0.387%	68,253	0.400%	-	0.000%	-	0.000%	-	0.000%
Ready Pac	450,547	2.617%	371,827	2.693%	431,649	2.773%	499,358	2.999%	533,105	3.122%	556,493	3.068%	546,810	3.062%	438,847	2.549%
S&S Foods LLC	76,160	0.442%	69,207	0.501%	83,896	0.539%	113,343	0.681%	122,666	0.718%	132,658	0.731%	129,093	0.723%	173,338	1.007%
Southern California Edison	-	0.000%	-	0.000%	-	0.000%	-	0.000%	34,983	0.205%	-	0.000%	-	0.000%	-	0.000%
Villa Azusa Association	-	0.000%	-	0.000%	-	0.000%	-	0.000%	59,898	0.351%	-	0.000%	-	0.000%	-	0.000%
Vulcan Materials	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	51,760	0.290%	-	0.000%
Total	$ 2,465,835	14.325%	$3,111,121	22.531%	$3,377,275	21.694%	$3,086,102	18.532%	$3,347,356	19.604%	$3,159,393	17.417%	$3,024,402	16.936%	$2,756,014	16.010%

Historical information not available for 10 year comparison.

Source: City of Azusa Light & Water Department

CITY OF AZUSA
Table 11 - Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousand of dollars)

Fiscal Year Ended June 30	Residential Property	Commercial Property	Other Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2006	$ 1,665,689,906	$ 222,919,189	$ 690,365,185	$ 2,578,974,280	0.34461	$ 2,578,974,280	100.0%
2007	1,853,668,928	232,834,227	948,903,799	3,035,406,954	0.33843	3,035,406,954	100.0%
2008	2,039,800,874	252,133,001	935,399,744	3,227,333,619	0.31890	3,227,333,619	100.0%
2009	2,261,284,832	265,286,427	1,020,131,857	3,546,703,116	0.32698	3,546,703,116	100.0%
2010	2,149,538,213	282,164,446	1,008,117,565	3,439,820,224	0.33638	3,439,820,224	100.0%
2011	1,989,337,299	285,686,418	967,335,236	3,242,358,953	0.34228	3,242,358,953	100.0%
2012	2,006,514,504	284,699,041	907,262,608	3,198,476,153	0.34311	3,198,476,153	100.0%
2013	2,065,151,644	276,567,248	900,529,536	3,242,248,428	0.33678	3,242,248,428	100.0%
2014	2,239,991,812	284,125,347	904,950,465	3,429,067,624	0.13976	3,429,067,624	100.0%
2015	2,486,788,064	285,681,045	907,790,565	3,680,259,674	0.13976	3,680,259,674	100.0%

NOTES:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed 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 date 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.

Exempt assessed values are not included in assessed value.

Source: HdL Coren & Cone

CITY OF AZUSA
Table 12 - Direct and Overlapping Property Tax Rates
(rate per $100 of assessed value)
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Direct Rates:										
General City	# $ 0.14921	$ 0.14921	$ 0.14921	$ 0.14921	$ 0.14921	$ 0.14921	$ 0.14921	$ 0.14921	$ 0.14921	$ 0.14921
Redevelopment Agency	1.04953	0.10421	1.02976	1.01800	1.01800	1.01800	1.01800	(1)	(1)	(1)
Total Direct Rate	0.34461	0.33843	0.31890	0.32698	0.33638	0.34228	0.34311	0.33678	0.13976	0.13976
Overlapping Rates:										
Azusa Unified School District	0.07256	0.07896	0.06042	0.03603	0.03909	0.05695	0.05628	0.04641	0.03765	0.04468
Citrus Community College District	0.01763	0.00356	0.01611	0.02441	0.02397	0.02516	0.02447	0.02590	0.02226	0.02327
County Detention Fac 1987 Debt	0.00080	0.00066	-	-	-	-	-	-	-	-
Covina Valley Unified School District	0.03793	0.08419	0.07870	0.07863	0.08592	0.09003	0.08999	0.09500	0.11472	0.11426
Duarte Unified School District	0.06218	0.06633	0.06063	0.06739	0.07256	0.07542	0.11237	0.12657	0.12283	0.14263
Los Angeles County Flood Control	0.00005	0.00005	-	-	-	-	-	-	-	-
Metropolitan Water District	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350
Mt. San Antonio College	0.02122	0.02530	0.01750	0.02333	0.02571	0.02636	0.02642	0.02896	0.02023	0.02129
SGV MWD State Water Bond	0.03310	0.03310	0.03310	0.02910	0.02910	0.02910	0.02910	0.02910	0.02910	0.02910
Total Tax Rate	0.39988	0.44606	0.42017	0.41240	0.42986	0.45593	0.49154	0.50465	0.49950	0.52794

(1) The Redevelopment Agency dissolution by the State of California caused the tax allocation bonds to be transferred to the Successor Agency and is a fiduciary fund.

General fund tax rates are representative and based upon the direct and overlapping rates for the largest General Fund tax

Total Direct Rate is the weighted average of all individual direct rates applied by the City. The Direct Rate percentages presented in the columns above is not the sum of the General

RDA rate is based on the largest RDA tax rate area and includes only rates from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are

In 1978, California voters passed Proposition 13 which set 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

Source: L.A. County Assessor 2005/06 - 2014/15 Tax Rate Table

City of Azusa
Table 13 - Principal Property Tax Payers (Top Ten)
Current Year and Nine Years Ago

	2015			2006	
Taxpayer	Taxable Assessed Value	Percentage of City Taxable Assessed Value		Taxable Assessed Value	Percentage of City Taxable Assessed Value
Northrop Grumman Systems Corporation	$ 106,862,867	2.90%	1	$ 128,498,609	4.98%
Rainbird Corp/CA Div.	42,014,013	1.14%	2	35,007,317	1.36%
PPF Industrial 823 8th Street	32,361,715	0.88%	4	28,126,500	1.09%
Azusa Pacific University	31,153,343	0.85%		-	0.00%
Citrus Crossing Properties Fee	24,057,536	0.65%		-	0.00%
S & S Foods LLC	22,312,364	0.61%		-	0.00%
VPM Soldano Senior Village LP	20,084,070	0.55%		-	0.00%
Costco Wholesale Corporation	19,376,965	0.53%	5	17,245,739	0.67%
Public Storage Properties IV LTD	14,881,252	0.40%		-	0.00%
MCS Edgewood Center LLC	14,420,518	0.39%		-	0.00%
Sam Menlo Trust	-	0.00%	7	16,618,743	0.64%
Coastal Pacific Glen LLC	-	0.00%	3	31,770,701	1.23%
Criterion Catalyst Company LP	-	0.00%	6	17,164,259	0.66%
Reichhold Inc	-	0.00%	9	14,660,224	0.57%
JAR Azusa Association LTD	-	0.00%	8	16,474,962	0.64%
Azusa Land Partners LLC	-	0.00%	10	14,502,069	0.56%
	$ 327,524,643	8.90%		$ 320,069,123	12.40%

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

Source: HdL Coren & Cone

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Amount collected within the Fiscal Year of Levy	Percent of Levy	Collections in Subsequent Years	Total Collections to Date	Percent of Levy to Date
2006	$ 2,729,217	$ 2,531,014	92.7%	$ 91,595	$ 2,622,609	96.1%
2007	3,236,313	2,944,985	91.0%	(7,502)	2,937,483	90.8%
2008	3,569,732	3,200,874	89.7%	(20,189)	3,180,685	89.1%
2009	3,841,664	3,519,967	91.6%	(3,643)	3,516,324	91.5%
2010	3,815,354	3,622,701	95.0%	(29,760)	3,592,941	94.2%
2011	3,492,186	3,261,283	93.4%	(3,421)	3,257,862	93.3%
2012	3,447,405	3,192,697	92.6%	16,662	3,209,360	93.1%
2013	3,506,941	3,404,604	97.1%	84,623	3,489,227	99.5%
2014	3,743,370	3,632,433	97.0%	74,318	3,706,751	99.0%
2015	4,006,854	3,891,541	97.1%	47,305	3,938,847	98.3%

Source: County of Los Angeles Auditor-Controller and
City of Azusa Finance Department

CITY OF AZUSA
Table 15 - Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

		Governmental Activities				Business-type Activities						
Fiscal Year Ended June 30	Loans	Certificate of Participation	Tax Allocation Bonds (1)	Taxable Pension Funding Bonds (2)	Total Governmental Activities	Loans (7)	Certificate of Participation (3)	Revenue Bonds (4)	Total Business-type Activities	Total Primary Governmental	Percentage of Assessed Values	Percentage of Personal Income
2006	$9,002,355	$ 4,325,000	$ 24,824,506	$ -	$ 38,151,861	$ -	$ 32,355,000	$ -	$ 32,355,000	$ 70,506,861	2.73%	8.64%
2007	8,899,066	4,120,000	24,271,206	-	37,290,272	-	31,110,000	54,850,000	85,960,000	123,250,272	4.06%	14.49%
2008	8,879,247	3,910,000	39,546,698	-	52,335,945	-	29,825,000	54,850,000	84,675,000	137,010,945	4.25%	15.89%
2009	8,974,172	3,695,000	57,056,201	7,215,000	76,940,373	-	28,500,000	54,850,000	83,350,000	160,290,373	4.52%	19.00%
2010	9,366,038	3,480,000	55,814,889	6,735,000	75,395,927	-	27,125,000	54,570,000	81,695,000	157,090,927	4.57%	18.02%
2011	9,685,015	3,255,000	54,768,014	6,180,000	73,888,029	-	25,690,000	54,275,000	79,965,000	153,853,029	4.75%	18.00%
2012	10,005,461	3,025,000	- (6)	5,555,000	18,585,461	5,630,000	3,070,000	68,500,000	77,200,000	95,785,461	2.99%	10.85%
2013	10,403,644	2,785,000	- (6)	4,855,000	18,043,644	5,405,000	2,540,000	68,180,000	76,125,000	94,168,644	2.90%	11.12%
2014	10,700,656	2,540,000	-	4,075,000	17,315,656	5,080,000	1,985,000	67,380,000	74,445,000	91,760,656	2.68%	10.85%
2015	- (8)	2,285,000	-	3,205,000	5,490,000	4,730,000	1,400,000	65,445,000	71,575,000	77,065,000	2.09%	(5)

(1) The Redevelopment Agency issued $9,051,416 of new TABS in 2005, $15,780,000 2007 Series A Merged Project Area TABS and $4,790,000 Series B Merged Project area TABS,$6,715,000 2008 Series A Merges Project Area TABS, and $11,580,000 2008 Housing Tax Allocation Bonds Series B.
(2) The City issued $7,215,000 of taxable pension funding bonds in 2008
(3) The Light Fund issued $11,995,000 of new Certificates of Participation in 2003; issued refunding revenue bonds of $5,820,000 in 2012.
(4) The Water Fund replaced its Revenue Bond with Certificates of Participation in December 2003; issued refunding revenue bonds of $8,715,000 in 2012;
(5) Information not available
(6) The Redevelopment Agency dissolution by the State of California caused the tax allocation bonds to be transferred to the Successor Agency and is a fiduciary fund.
(7) The Sewer Fund acquired an installment sale agreement loan of $5,630,000 in 2011 that includes the refunding of 1994 COPs.
(8) The term of the loan expired and the remaining balance was forgiven.

Source: City of Azusa Finance Department

CITY OF AZUSA
Table 16 - Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	Certificates of Participation	Tax Allocation Bonds	Total	Percentage of Assessed Values	Debt per City Capita
2006	$ 4,325,000	$ 24,824,506	$ 29,149,506	1.13%	606
2007	4,120,000	24,271,206	28,391,206	0.94%	589
2008	3,910,000	39,546,698	43,456,698	1.35%	898
2009	3,695,000	57,056,201	60,751,201	1.71%	1,246
2010	3,480,000	55,814,889	59,294,889	1.72%	1,205
2011	3,255,000	54,768,014	58,023,014	1.79%	1,245
2012	3,025,000	(1)	3,025,000	0.09%	64
2013	2,785,000	(1)	2,785,000	0.09%	58
2014	2,540,000	(1)	2,540,000	0.07%	53
2015	2,285,000	(1)	2,285,000	0.06%	47

(1) The Redevelopment Agency dissolution by the State of California caused the tax allocation bonds to be transferred to the Successor Agency and is a fiduciary fund.

Source: City of Azusa Finance Department

City of Azusa
Table 17 - Direct and Overlapping Debt
June 30, 2015

	Gross Bonded Debt Balance	Percentage Applicable To City	Net Bonded Debt
APFA 2003 Lease Revenue COP	$ 2,285,000	100	$ 2,285,000
Pension Bonds	3,205,000	100	3,205,000
Total Direct Debt			5,490,000
Metropolitan Water District	$ 53,296,395	0.110	$ 58,450
Citrus CCD DS 2004 Series 2014D	77,687,251	15.567	12,093,541
Citrus CCD DS 2013 Refunding	12,320,000	15.567	1,917,849
Citrus CCD DS 2004 Series 2007B	2,750,000	15.567	428,091
Citrus CCD DS 2004 2009 Series C	7,105,302	15.567	1,106,079
Mount San Antonio Comm. College District 2001, 2006 Ser C	1,975,000	0.024	467
Mount San Antonio Comm. College District 2001, 2008 Ser D	21,706,654	0.024	5,133
Mount San Antonio Comm. College District 2008 Series 13A	203,861,691	0.024	48,204
Mount San Antonio Comm. College District 2008 Series 2013B	10,640,000	0.024	2,516
Mount San Antonio Comm. College District 2013 Ref Series A	73,910,000	0.024	17,476
Mount San Antonio Comm. College District 2013 Ref Series B	47,085,000	0.024	11,133
Azusa Unified School District 2002 Series 2007	2,078,763	64.406	1,338,848
Azusa Unified School District 2002 Series 2011	58,548,585	64.406	37,708,811
Covina Valley Unified School District 2001 Series B	15,402,411	0.226	34,863
Covina Valley Unified School District 2006, 07 Series B	14,673,731	0.226	33,214
Covina Valley Unified School District 2001 Ref 2010 Series A	12,215,000	0.226	27,649
Covina Valley Unified School District 2012 Series A	28,750,000	0.226	65,076
Covina Valley Unified School District 2013 Ref Bonds	39,805,000	0.226	90,099
Duarte Unified School District 1998 Series B	3,694,374	0.383	14,148
Duarte Unified School District 1998 Series C	4,794,734	0.383	18,361
Duarte Unified School District 1998 Series D	3,614,534	0.355	13,842
Duarte Unified School District Refunding 1998, 2010 Series A	12,527,314	0.383	47,973
Duarte Unified School District 2010 Series A	2,110,000	0.383	8,080
Duarte Unified School District 2010 Series B	19,512,780	0.383	74,724
Duarte Unified School District 2010 Series C	8,000,000	0.383	30,636
Duarte Unified School District 2013 Ref Bonds	2,030,000	0.383	7,774
Total Overlapping Debt			55,203,037
Total Direct and Overlapping Debt			$ 60,693,037

2014/15 Assessed Valuation: $2,865,858,608 after deducting $814,401,066 Incremental Value.

Debt to Assess Valuation Ratios:		
	Direct Debt	0.19%
	Overlapping Debt	1.93%
	Total Debt	2.12%

Note: 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 Azusa
Table 18 - Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed valuation	$ 1,782,378,184	$ 2,375,554,778	$ 2,588,959,025	$ 2,548,482,077	$ 2,292,870,440	$ 2,252,687,451	$ 2,297,922,448	$ 2,459,261,962	$ 2,661,768,903	$ 2,854,295,927
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	445,594,546	593,888,695	647,239,756	637,120,519	573,217,610	563,171,863	574,480,612	614,815,491	665,442,226	713,573,982
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Legal debt limit	66,839,182	89,083,304	97,085,963	95,568,078	85,982,642	84,475,779	86,172,092	92,222,324	99,816,334	107,036,097
Amount of debt applicable to debt limit (1)	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 66,839,182	$ 89,083,304	$ 97,085,963	$ 95,568,078	$ 85,982,642	$ 84,475,779	$ 86,172,092	$ 92,222,324	$ 99,816,334	$ 107,036,097

(1) Total Bonded debt issued by the City, excluding certificates of participation, tax allocation bonds, special assignment bonds, revenue bonds payable from enterprise funds, and pledge mortgage revenues and revenue bonds issued by

Source: City of Azusa - Finance Department

REVENUE BONDS - WATER FUND(1)

Fiscal Year Ended June 30	Operating Revenues(2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
2006	$ 16,596,978	$ 9,278,285	$ 7,318,693	$ 735,000	$ 801,758	$ 1,536,758	4.76
2007	21,229,600	11,935,540	9,294,060	750,000	794,258	1,544,258	6.02
2008	19,722,623	13,123,066	6,599,557	765,000	3,549,732	4,314,732	1.53
2009	16,273,690	11,945,339	4,328,351	790,000	3,444,146	4,234,146	1.02
2010	21,214,733	12,359,569	8,855,164	1,095,000	3,412,433	4,507,433	1.96
2011	18,326,599	12,413,196	5,913,403	1,135,000	3,370,921	4,505,921	1.31
2012	20,537,532	12,835,963	7,701,569	1,180,000	3,325,671	4,505,671	1.71
2013	21,761,836	12,206,073	9,555,763	320,000	2,819,064	3,139,064	3.04
2014	22,025,412	11,743,258	10,282,154	1,000,000	2,963,039	3,963,039	2.59
2015	21,745,232	14,821,837	6,923,395	1,735,000	2,871,805	4,606,805	1.50

(1) Calculation of debt coverage is in accordance with covenants set for in 2012 Series A Refunding Revenue Bonds.
(2) Includes interest revenue. Revenues restated from Fiscal Year 2012/13 CAFR to reflect calculation set forth in bond covenants.
(3) Excludes depreciation expense. Expenses restated from Fiscal Year 2012/13 CAFR to reflect calculation set forth in bond covenants.

CERTIFICATES OF PARTICIPATION AND REVENUE BONDS - ELECTRIC FUND (1)

Fiscal Year Ended June 30	Operating Revenues(2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
2006	$ 39,514,991	$ 32,070,850	$ 7,444,141	$ 400,000	$ 101,658	$ 501,658	14.84
2007	37,681,632	30,045,117	7,636,515	410,000	562,810	972,810	7.85
2008	39,123,270	34,104,940	5,018,330	425,000	527,038	952,038	5.27
2009	36,672,695	32,060,936	4,611,759	435,000	504,544	939,544	4.91
2010	37,562,799	34,960,983	2,601,816	455,000	481,021	936,021	2.78
2011	40,332,068	35,017,007	5,315,061	480,000	468,614	948,614	5.60
2012	41,587,035	34,151,821	7,435,214	505,000	443,151	948,151	7.84
2013	42,617,624	39,000,890	3,616,734	530,000	246,108	776,108	4.66
2014	45,422,351	39,977,366	5,444,985	555,000	300,680	855,680	6.36
2015	46,566,798	39,116,215	7,450,583	585,000	254,443	839,443	8.88

(1) Calculation of debt coverage in accordance with covenants set for in 2003 Certificates of Participation Series C and 2012 Series B Refunding Revenue Bonds.
(2) Includes interest revenue. Revenues restated from Fiscal Year 2012/13 CAFR to reflect calculation set forth in bond covenants.
(3) Excludes depreciation expense. Expenses restated from Fiscal Year 2012/13 CAFR to reflect calculation set forth in bond covenants.

Source: City of Azusa Administrative Services-Finance Department

REVENUE BONDS - SEWER FUND

Fiscal Year Ended June 30	Gross Revenues	Operating and Non-Operating Expenses [1]	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	$ 1,523,761	$ 822,814	$ 700,947	$ 80,000	$ 101,658	$ 181,658	3.86
2007	1,586,403	1,141,303	445,100	85,000	139,604	224,604	1.98
2008	1,671,968	1,195,146	476,822	95,000	123,547	218,547	2.18
2009	1,636,336	1,518,931	117,405	100,000	120,611	220,611	0.53
2010	1,642,481	1,545,220	97,261	105,000	123,892	228,892	0.42
2011	1,672,986	1,543,754	129,232	115,000	106,313	221,313	0.58
2012	2,225,335	1,888,871	336,464	-	33,110	33,110	10.16
2013	2,500,116	4,573,251	(2,073,135)	225,000	188,568	413,568	(5.01)
2014	2,577,662	2,202,296	375,366	325,000	179,595	504,595	0.74
2015	2,659,370	1,713,886	945,484	350,000	168,565	518,565	1.82

[1] Excludes interest and depreciation expense

Source: City of Azusa Finance Department

Table 20 - Pledged Revenue Coverage
Tax Allocation Bonds - Redevelopment Agency (Successor Agency)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Increment	Debt Service Requirements Principal	Interest	Total	Coverage
2006	$ 6,895,119	$ 610,000	$1,068,422	$ 1,678,422	4.11
2007	7,544,968	625,000	1,005,250	1,630,250	4.63
2008 (1)	7,556,563	435,000	812,271	1,247,271	6.06
2009	7,934,351	865,000	2,184,552	3,049,552	2.60
2010	7,981,654	1,325,000	3,224,999	4,549,999	1.75
2011	7,910,942	1,714,212	3,179,684	4,893,896	1.62
2012	5,454,067	1,180,000	2,978,211	4,158,211	1.31
2013	4,660,561	1,235,000	3,091,833	4,326,833	1.08
2014	5,097,292	1,295,000	2,925,110	4,220,110	1.21
2015	4,817,379	1,355,000	2,994,924	4,349,924	1.11

Source: City of Azusa Finance Department

CITY OF AZUSA
Table 21 - Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	City Population	County Population (1)	Personal Income	Per Capita Personal Income	Unemployment Rate(1)
2006	48,127	10,245,572	$ 815,960,000	$ 16,954	5.2%
2007	48,191	10,331,939	850,576,000	17,650	5.5%
2008	48,399	10,363,850	862,032,000	17,811	8.1%
2009	48,755	10,393,185	843,804,000	17,307	12.6%
2010	49,207	10,441,080	871,702,000	17,715	13.7%
2011	46,618	9,889,520	854,741,000	18,335	13.3%
2012	47,586	9,958,091	882,863,000	18,553	10.1%
2013	48,385	10,017,068	847,221,000	17,510	8.3%
2014	48,015	10,053,995	845,345,000	17,464	6.2%
2015	48,799	10,116,705	(2)	(2)	5.5%

Sources: HdL Coren & Cone, Los Angeles County Assessor
(1) U.S. Department of Census and State Department of Finance
(2) Data unavailable.

City of Azusa
Table 22 - Principal Employers
Current Year and Ten Years Ago

	2014-15			2005-06		
Employer	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Azusa Pacific University	1433	1	6.60%	900	3	4.37%
Azusa Unified School District	1250	2	5.76%	1600	1	7.77%
Northrop Grumman	859	3	3.96%	1400	2	6.80%
City of Azusa	383	4	1.76%	530	4	2.57%
Costco Wholesale Corporation	295	5	1.36%	290	7	1.41%
S & S Foods LLC	285	6	1.31%	200	9	0.97%
Hanson Distributing Company	195	7	0.90%	[2]		
Buena Vista Food Products	186	8	0.86%	[2]		
Target Store	142	9	0.65%	[2]		
Artisan Screen	140	10	0.65%	80	10	0.39%
Morris National Candy				240	6	1.17%
Pacific Precision Metals				250	8	1.21%
Perkin Elmer Optoelectronics				300	5	1.46%
Total of Top Employers	3,735			4,890		
Total Employees in City	22,300 [1]			20,600 [1]		

Sources:
Data from City of Azusa Business License Division unless noted.

[1] California Employment Development Department
[2] Data not available

City of Azusa
Table 23 - Full-time and Part-time Employees
by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	43.745	42.236	44.698	50.348	49.261	48.411	30.934	33.593	31.146	31.946
Public safety	91.978	93.800	96.530	99.035	98.945	97.395	88.750	97.570	91.750	91.750
Community development	13.502	14.927	15.441	15.985	16.376	16.196	14.197	14.651	15.533	14.300
Parks and recreation	55.354	56.169	48.211	51.650	55.306	56.557	48.023	45.407	49.317	48.635
Public works	20.800	21.884	23.132	31.115	31.115	31.115	30.058	30.265	27.181	27.271
Water	39.220	36.425	36.350	44.425	44.025	43.775	42.625	43.275	46.617	47.297
Electric	30.280	31.425	32.350	36.125	37.725	36.475	37.625	37.975	32.492	31.888
Sewer/Wastewater	6.250	6.000	6.000	10.000	10.250	10.250	10.230	9.570	7.540	6.740
Total	301.129	302.866	302.712	338.683	343.003	340.174	302.442	312.306	301.576	299.827

Source: City of Azusa Finance Department
Assigned Full-Time Equivalent (FTE) Totals

CITY OF AZUSA
Table 24 - Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Calls for service	51,353	52,000	56,166	56,610	54,896	54,734	57,210	57,637	54,363	44,842
Parking citations issued	4,136	4,691	4,833	9,881	9,801	8,188	6,515	7,680	6,846	5,057
Public Works:										
Street resurfacing (lineal miles)	12.8	15.0	13.3	14.3	2.5	6.0	4.2	4.3	5.3	3.0
Parks and recreation:										
Number of recreation classes	84	84	84	196	310	56	73	101	211	177
Number of facility rentals	1,510	1,497	1,492	706	827	829	868	874	809	866
Water:										
Number of service connections	23,126 (2)	22,895 (2)	22,868 (2)	23,014 (2)	23,036 (2)	23,100 (2)	23,104 (2)	23,302 (2)	23,597 (2)	23,871 (2)
Average daily consumption (hundred cubic feet)	25,067	27,319	23,296	22,832	21,517	20,230	20,819	22,179	21,974	19,438
Light:										
Number of service connections	15,358	15,531	15,650	15,403	15,276 (2)	15,362 (2)	15,567 (2)	15,749 (2)	15,955 (2)	16,466 (2)
Average daily consumption (kWh)	707,965	700,167	691,070	693,469	672,920	654,050	648,020	677,871	685,699	705,100
Sewer:										
Number of service connections	14,183 (2)	14,344 (2)	14,402 (2)	14,073 (2)	14,335 (2)	14,071 (2)	15,235 (2)	15,374 (2)	15,374 (2)	16,074 (2)
Refuse:										
Number of residential customers	11,206 (2)	11,296 (2)	12,053 (2)	11,127 (2)	11,254 (2)	11,123 (2)	11,293 (2)	11,652 (2)	11,866 (2)	12,128 (2)
Average daily collection (thousands of pounds)	158	109	114	122	184	177	178	179	180	185

(1) Information not available
(2) Restated number of service connections beginning in FY 2006 to number of billed accounts and accounted for customers outside the City that are billed every 2 months.

Source: City of Azusa Police Department
City of Azusa Light & Water Department
City of Azusa Recreation Department
City of Azusa Public Works Department

CITY OF AZUSA
Table 25 - Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Streets (lineal miles)	170	170	170	170	171	170	174	176	177	178
Traffic signals	52	52	52	52	53	52	53	53	55	56
Parks and recreation:										
Parks	10	10	13	13	13	13	15	16	17	20
Park acreage	58	58	60	61	61	61	64	64	77	84
Community centers	2	2	3	3	3	3	3	3	3	3
Water:										
Water mains (miles)	305	308	311	312	315	315	315	315	315	315
Number of fire hydrant	2,525	2,575	2,585	2,594	2,594	2,600	2,810	2,815	2,820	2,820
Maximum daily capacity (hundred cubic feet)	40,000	40,000	40,000	40,000	40,000	40,000	70,500	70,500	70,500	70,500
Light:										
Streetlights	64	65	65	65	65	65	65	65	65	65
Maximum daily consumption (kWh)	153	169	169	169	169	162	162	162	162	162
Sewer:										
Sanitary sewers (miles)	61	61	61	61	61	61	80	80	80	80
Storm sewers (miles)	15	15	15	15	15	15	15	16	16	16
Maximum daily treatment capacity (cubic feet per second)	48	48	48	48	48	48	48	60	60	60

Source: City of Azusa Police Department
City of Azusa Light & Water Department
City of Azusa Recreation Department
City of Azusa Public Works Department

Susan Paragas	General Overview
Director of Finance	Letter of Transmittal
	Management's Discussion and Analysis
	Charts
	Statistical Section
Richard Lam	General Fund
Budget Analyst	Footnotes
Naomi Narvaez	
Senior Administrative Technician	Statistical Section
Dave Nguyen	General Overview
Senior Accountant	Overall Coordination
	Proprietary Funds
	Non-Major Proprietary Funds
	Capital Projects
	Fixed Assets Accounting
Henry Quintero	Non-Major Governmental Funds
Senior Accountant	Internal Service Funds
	Grants Funds (Single Audit)
	Successor Agency