CITY OF AZUSA
CALIFORNIA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

CITY OF AZUSA, CALIFORNIA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Prepared by:
Finance Department

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For the year ended June 30, 2020

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STATISTICAL SECTION (Unaudited)

The Canyon City — Gateway to the American Dream

April 21, 2021

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, 2020 ("FY 2019-120"). 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 (July 1, 2019 – June 30, 2020).

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 misstatements. 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 Badawi and Associates Certified Public Accountants ("Badawi"). Badawi is an independent public accounting firm fully licensed and qualified to perform audits of public agencies within the State of California.

The data presented is believed to be accurate in all material aspects and is intended 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, 2020, are free of material misstatement. The City received an unmodified opinion from its independent auditor for the City's CAFR for the year ended June 30, 2020, which means Badawi believes the City's CAFR is presented fairly, in all material respects. 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.

Management's Discussion and Analysis ("MD&A") immediately follows the Independent Auditors' 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 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 is full-service except for its Fire Department which is contracted with Los Angeles County Fire Department. 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.

The City is strategically located off the 210 Freeway within a 30 minute drive to Pasadena, Orange County, Inland Empire, and the Ontario International Airport. In addition to its convenient freeway access, Azusa offers several major traffic corridors, including the renowned U.S. Route 66 (Foothill Boulevard) which runs east to west through the community. The California State Route 39 runs north to the newly designated San Gabriel Mountains National Monument and south to the beach.

The City covers approximately 10 square miles and boasts a diverse population of over 50,000. The estimated median household income has grown from over $57,000 to over $68,200 annually. Azusa is proud of its mix of small businesses, support services, manufacturers, and large institutional employers such as Azusa Pacific University. The City is home to two Metro Gold Line Light Rail Stations as part of the Foothill Gold Line from Pasadena to Azusa. The stations are located in the heart of downtown, Azusa Downtown Station, and adjacent to Azusa Pacific University and Citrus College, APU/Citrus College Station.

HISTORY

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.

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

Azusa has a diverse local economy and is less dependent on single source or cyclical revenues than most of the surrounding cities in the region, and thus, comparatively better insulated from major economic downturn. Investment in Azusa's downtown has continued revitalize the area in accordance with the Transit Oriented Development (TOD) Specific Plan. Construction of the Orchard project commenced in 2019, consisting of 163 residential units and 31,500 square feet of retail space and is still under construction with an anticipated completion date of Fall 2022. Also in the downtown, the City has entitled 127 residential units and an additional 12,000 square feet of retail currently under plan check review.

In addition to the Downtown projects: Canyon Commerce Park, a master-planned industrial park was completed and has leased six of the seven campus buildings totaling over 450,000 SF of space; Gladstone Senior Villas housing project has been completed with 60 Single Family Dwellings units (of which six are designated as affordable housing); 23 Single Family Dwellings and a new public park is under entitlement phase in the City's prominent Rosedale Community; Promenade at Citrus, a City-owned property, approximately 8,200 SF is currently under long-term lease negotiations with Los Angeles County Metropolitan Transportation Authority (LA Metro) - LA Metro proposes to occupy the building for use as a system security and law enforcement office to support the LA Metro Gold Line railway, functioning on a 24 hour, 7 day per week basis as a dispatch and training center; and One Legacy, the world's largest organ, eye and tissue recovery organization is relocating their headquarters from LA to Azusa acquiring a 98,000 SF building and plans to build a 50,000 SF a state-of-the-art transplant recovery and research center, a $60 million investment in the City, and is currently under construction with a targeted move in date end of 2022.

Unemployment rate in Azusa declined from 4.5% in FY 2018-19 to 4.2% in FY 2019-20. Continued development in Azusa is expected to improve the City's unemployment rate and is also expected to continue to generate sales and property tax revenues for the City in coming years.

Assessed valuation ("AV") of citywide properties for FY 2019-20 increased by 7.8% and is attributable to new homes sales in various housing developments, such as in Rosedale and other smaller tracts in the southern areas of the City. An improving housing market is also a factor in the higher AV. The AV in Azusa has risen for the eighth straight year after three years of decline. Future AV is expected to continue to rise with the construction and sale of the aforementioned condominiums and townhomes in several smaller vacant lots in the City.

Due to anticipated impacts surrounding the COVID-19 (Coronavirus) pandemic, discussed in Note 18 of this report, the General Fund adopted budget for FY 2020-21 forecasted a $2.1 million deficit, meaning adopted revenue projections of $46.7 million were expected to be lower than adopted expenditure appropriations of $48.8 million. While the City has an overall philosophy to balance the budget each year, the adopted budget took into account reduced revenues as a result of the COVID-19 pandemic and projected FY 2019-20 ending reserve levels being above the current General Fund Reserve Policy. Since FY 2020-21 budget adoption, mid-year revisions projects a surplus of $2.3 million.

Over the next five years, the General Fund budget is estimated to remain steady. Several prudent decisions by the City Council and proactive measures taken by Azusa residents puts the City in a better financial position than other surrounding cities and alleviates the need for drastic measures such as employee lay-offs or major service reductions at this time, in light of the economic impacts brought on by the nationwide pandemic. In addition to renegotiating several franchise agreements to increase revenues, on March 3, 2020, Azusa residents voted in favor of Measure Z, a ¾-cent transaction and use tax, which became effective July 1, 2020 and estimated to generate up to $4.5 million annually in additional revenues for the City.

In June 2018, the City expanded its 15% reserve policy, by adding three new designated reserve categories to internally restricted funds in order to address some of its long-term financial liabilities and potential areas of financial exposure, such as claims expenses, aging infrastructure, and for rising retiree benefits. Each budget year, Staff recommends the City Council reaffirms or updates the reserve policy given current financial forecasts. For the FY 2020-21 budget year, further increased the designated reserve amounts as follows:

1) Budget Stabilization and Catastrophic Event (from 15% to 20% of budget or $9.8 million)
2) Capital and Infrastructure Replacement ($1.5 million)
3) Insurance (from $1.0 million to $1.5 million)
4) Retiree Benefits (from $1.5 million to $2.0 million)

By end of FY 2020-21, total General Fund reserves is expected to be $7.7 million above the reserves target.

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. A five-year Capital Improvement Project Program is adopted each budget year and projects are maintained by project life. Therefore, the budget appropriation for these projects may need to be re-budgeted in subsequent accounting periods. Various other policies have been adopted related to debt, interfund loans, internal controls, and fiscal sustainability to guide the City to continued financial health.

The City's budget policy requires a balanced budget, meaning expenditures should not exceed revenues. In addition to a budget policy, the City has a General Fund Reserve Policy which is used as a benchmark tool to assess financial performance. The Reserve Policy consists of four categories to internally restrict funds in order to address some of the City's long-term financial liabilities and potential areas of financial exposure, such as claims expenses, aged infrastructure, and rising retiree benefits.

In total, restricted reserves amount to $9.8 million for the FY 2020-21 budget year and include: 1) Budget Stabilization and Catastrophic Event ($6.6 million); 2) Capital and Infrastructure Replacement ($1.5 million); 3) Insurance ($1.5 million); and 4) Retiree Benefits ($2.0 million). City Council authorization is required for use of these reserves.

The table below briefly outlines the purpose of each reserve category:

CATEGORY	PURPOSE
Budget Stabilization and Catastrophic Event Reserve	To mitigate costs due to annual budget revenue shortfalls as a result of changes in economic environment and/or one-time expenditures and

	unforeseen emergencies or catastrophic events
Capital Assets & Infrastructure Replacement Reserve	To use for replacement of capital assets and infrastructure such as facilities, IT upgrades, and fleet operations
Insurance Reserve	To fund unanticipated liability and worker's compensation claims up to City's $250K SIR per claim
Retiree Benefits	To mitigate impacts on City's future budgets due to rising retiree benefit costs (pension and medical) and reduce current $100+M long-term liabilities for these benefits

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.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City has significant long-term liabilities relating to pension and other post-employment benefits (OPEB) which increasingly strains the City's budget. These rising retirement related costs are a challenge for the City, while trying to maintain current service levels. Understanding the importance of addressing rising OPEB and pension liabilities, Council authorized Staff to set aside $2.0 million in reserves with adoption of the FY 2020-21 budget.

Cities, including Azusa, provide various benefits to employees which generally include pensions for retirement. The City of Azusa has contracted with California Public Employees' Retirement System (CalPERS) for pension benefits since 1949. Over the years, the plans offered to employees have changed in response to negotiations with the bargaining groups to remain competitive within the local government market. In addition to pension plans, cities also offer benefits to attract and retain quality employees and to promote longevity within the organization. Lifetime medical plans is one of those benefits that has helped Azusa stabilize its workforce and retain employees for tenures of 20 years or more.

While Azusa's pension and life-time medical benefits have helped the City maintain a quality workforce, these benefits over time have stressed the City's budget and are difficult to maintain status quo given the current revenue base.

The City's Annual pension payments are comprised of two components: 1) Normal Costs, which are equal to the pension benefits earned by employees in the current year. These payments are based on a percentage of payroll; and 2) Unfunded Accrued Liability (UAL), which represent payments for past due amount for the funding shortfall of benefits earned by current employees and retirees. UAL payments are fixed dollar payments.

Pension costs are calculated by actuaries at CalPERS based on various actuarial assumptions including: member information; benefit provisions in the Azusa contracts with CalPERS; actual experience with Azusa retirees; and actuarial assumptions and methods as approved by the CalPERS Board. CalPERS actuaries evaluate all of this information and provide the City an annual valuation update with the employer rates which are used in the preparation of the City's budget.

Pension costs continue to rise due to decisions adopted by the CalPERS Board of Administration. The passage of SB400 (1999) and AB616 (2001), which provided enhanced pension benefits with the assumption the Fund would always remain strong, earning over 8% annually, and suffer no losses, spearheaded the erosion of the CalPERS fund. Once the new enhanced plans were offered to State employee groups, local bargaining groups followed closely behind requesting the same benefit plans. Subsequently, dramatic market losses of the stock market turmoil in 2008 and 2009 contributed to further eroded value of the pension fund, where 30% of the portfolio was lost during the Great Recession.

Consequently, in April 2013, CalPERS approved an amortization and smoothing policy to 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. Following the amortization and smoothing policy changes, in December 2016, CalPERS announced they were lowering their discount rate from 7.5% to 7% by FY 2020-21, and most recently, in February 2018, CalPERS adopted a reduced amortization period for gains and losses to 20 years beginning with the June 30, 2019 valuation with no amortization for surpluses. All of these changes combined, results in significantly higher costs to the City.

CalPERS made these changes to address concerns that the funds confidence level was getting dangerously low to the point of paying more in retirement benefits than contributions and investment earnings could sustain. In essence, the fund would go broke if such adjustments were not made. CalPERS pension costs account for approximately 16% of the General Fund's total operating expense in FY 2019-20.

In an effort to mitigate the pension issues, the State legislature passed legislation referred to as the "Public Employees' Pension Reform Act of 2013 (PEPRA), which became effective January 1, 2013. PEPRA had several aspects to the law intended to cap costs. The most significant was all "new to CalPERS" employees would now have a lower pension plan benefit. The City currently has around 84 active employees under PEPRA plans. The savings from PEPRA are long term.

The City also took actions to mitigate increasing costs. One action was to implement a second tier pension plan for Safety employees that became effective July 2011; any new hire, considered a "classic" employee because they are already in CalPERS, are now in this second tier. There are currently 8 employees under the Tier 2 plan. The other action was to negotiate with the bargaining units that employees would pay for their own pension benefit contribution as provided in the law. Through successful negotiations, Miscellaneous employees pay 7% of their pension benefit and Safety employees pay 9%.

Employees agreeing to pick up a portion of their share helped to reduce the amount the City has to pay annually for normal costs and the reduced benefit tiers helped with the unfunded liability portion, however, significant unfunded liability still existed and annual payments were expected to continue to rise through Fiscal Year 2030-31 before beginning to fall slightly. In December 2019, Council authorized Staff to move forward with validation proceedings to consider issuing Pension Obligation Bonds (POBs) in order to provide additional cash flows to address rapidly rising health care costs and to stabilize the budget in future years for anticipated spikes in pension costs. The City completed issuance of the POBs September 30, 2020, saving Azusa residents over $54 million over the next 20 years.

Due to the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75), the City's Fiscal Year End June 30, 2019 financial statements reflect a $48.5 million OPEB liability, an increase of $7.3 million from 2018. The most recently updated OPEB actuarial study shows the liability increased to $63.8 million in 2020, a 31.5% increase.

Participation in CalPERS health plan programs contractually obligates the City to pay at least the PEMHCA minimum cost for each retiree. Furthermore, the City continues to offer 50-100% of paid retiree medical to employees with 10-20 years of service, including spousal coverage. City-paid medical benefit for employees and their spouses for the rest of the retirees' lives is extremely generous and financially unsustainable going forward, especially in light of rapidly increasing health-care costs and longer life spans.

To mitigate future costs, the City established a Health Reimbursement Arrangement (HRA) for its Executive Staff and all eight (8) of the City's bargaining groups to replace the lifetime medical benefit. Implementation of the HRA for most of the groups took effect after the 2019 fiscal year, and while implementation of the HRA reduced the City's future OPEB obligation by over $10 million, the liability increased because of market conditions surrounding the COVID-19 pandemic. Annual payments for those still under the lifetime medical benefit provision are still expected to rise and cause strain on the City's budget.

The City has a "pay-go" system for OPEB obligations. Meaning, we pay retiree medical costs annually as incurred. In Fiscal Year 2020, payments for retiree medical were $1,388,061, a 38.4% increase from the prior year. Annual retiree medical payments have increased 110% over the last five years and costs are expected to continue to rise with pending retirements and longer life expectancies. Cash flow savings from issuance of POBs could be used to establish an interest baring OPEB trust account, where the City would make deposits and have the ability to allow the account to grow over time or to set aside internally restricted funds as a budget stabilization tool.

The laws relating to the dissolution of the former Redevelopment Agency of the City of Azusa ("RDA") continue to be reflected on the City's financial statements. 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 DOF approved the reinstatement of one of the loans the City holds with SA, and began receiving annual installments for the repayment of that loan in FY 2016-17. In the future, the City may request reinstatement of other loans between the City and the SA in order to be repaid.

Despite the dissolution of the Redevelopment Agency and increasing retirement and medical costs, the City continues to pursue economic development to increase the City's tax base, revenue sources, and 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 maintains financial solvency while tackling tough long-term challenges. Financial results in recent years have helped the City meet and maintain at minimum its 15% General Fund Reserve Policy while continuing to maintain service levels.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Azusa for its comprehensive annual financial report for the fiscal year ended June 30, 2019 and the award is valid for a one year period. In order to be awarded, the government unit must publish an easily readable and efficiently organized comprehensive annual financial report in which the contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The City believes the current CAFR continues to meet program requirements and the City will submit to the GFOA to determine its eligibility for another award.

ACKNOWLEDGMENTS

Preparation and development of the CAFR could not have been accomplished without the unwavering efforts and dedication of Finance Staff, working in conjunction with the City's independent auditors, Badawi & Associates. Additionally, I would like to acknowledge and thank all City departments for their assistance in providing the data necessary to prepare this report amidst the challenging and unconventional times faced during a world-wide pandemic.

Lastly, a special recognition and thank is due the City Manager for his continued leadership and guidance in moving the goals and initiatives set by the Mayor, and City Council as they continue to express interest and support in planning and conducting the financial operations of the City in a responsible and professional manner.

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,

Talika M. Johnson

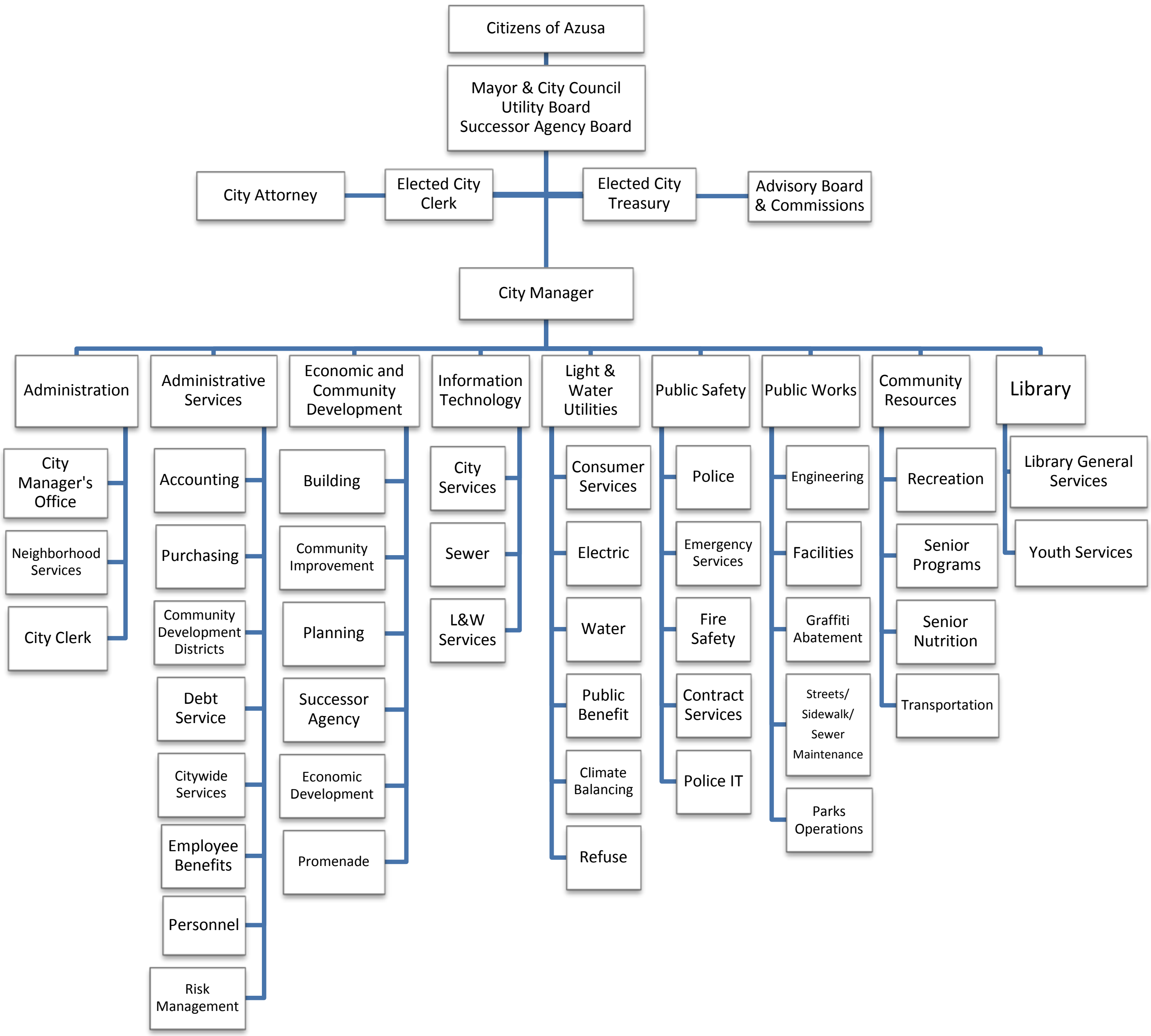
Talika M. Johnson
Director of Administrative Services

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

ELECTED OFFICIALS	TITLE	TERM EXPIRATION
Jeffrey L. Cornejo Jr.	City Clerk	March 2022
Art Vasquez	City Treasurer	March 2022
Robert Gonzales	Mayor	March 2022
Jesse Avila Jr.	Mayor Pro-Tem	March 2024
Uriel E. Macias	Councilmember	March 2024
Edward J. Alvarez	Councilmember	March 2022
Andrew N. Mendez	Councilmember	March 2022

DEPARTMENT HEADS	TITLE	PHONE NUMBER
Sergio Gonzalez	City Manager	626-812-5238
Nico DeAnda-Scaia	Deputy City Manager	626-812-5178
Robert Delgadillo	Director of Public Works/ City Engineer	626-812-5248
Matt Marquez	Director of Economic & Community Development	626-812-5236
Mike Bertelsen	Chief of Police	626-812-3250
Ann Graf	Director of Information Technology and Library	626-812-5024/5277
Miki Carpenter	Director of Community Resources	626-812-5220
Manny Robledo	Director of Utilities	626-812-5219
Talika M. Johnson	Director of Administrative Services	626-812-5203/5183
Daryl L. Osby	Fire Chief	626-974-8371
Marco Martinez	City Attorney (Best, Best, & Krieger)	949-263-2603

City of Azusa
Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Azusa
California

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

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BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
of the City of Azusa
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 the City of Azusa, California (City) as of and for the year ended June 30, 2020, 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.

Address: 2855 Telegraph Avenue, Suite 312 Berkeley, CA 94705 • Phone: 510.768.8251 • Fax: 510.768.8249

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension supplementary information, and other post employment benefits information on pages 5-18 and 108-119, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 122 to 168, 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 the budgetary comparison schedules on pages 122 to 168 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 budgetary comparison schedules on pages 122 to 168 are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members of the City Council
of the City of Azusa
Azusa, California
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The introductory section and statistical section 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 April 21, 2021, 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.

Badawi & Associates

Badawi and Associates
Certified Public Accountants
Berkeley, California
April 21, 2021

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City of Azusa
Management's Discussion and Analysis
June 30, 2020

As management of the City of Azusa, California, we offer this narrative overview and analysis of the financial activities of the City of Azusa for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages i through viii of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2020 by $89,648,626 (*net position*).

- Total City assets of $305,820,379 include $155,650,401 or 50.9% of non-current assets attributed to capital assets, net of depreciation.

- Total City liabilities of $244,556,861 include $212,767,958 or 87.0% of long-term liabilities attributed mainly to tax allocation bonds, certificates of participation, pension, and other post-employment liabilities.

- As of June 30, 2020, the City's governmental funds reported combined fund balances of $53,476,355.

- At the end of the current fiscal year, the total fund balance for the General Fund was increased by $6,302,560 (22.8%) (including prior year restatements) to $33,900,453.

- Total General Fund revenues received for the year were $46,394,361 and total General Fund expenditures for the year were $34,631,211, an excess of revenues over expenditures amounting to $11,763,150 (25.3%). This does not include capital lease financing, transfers, and proceeds from the sale of capital assets. 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 and liabilities, with the difference between the two 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, Public Works, and Grants & Seizures. 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 legally separate Successor Agency to the former Redevelopment Agency of the City of Azusa ("Successor Agency") and 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 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund 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 are considered unrestricted. Data from the other 25 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, and Information Technology 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 Fiduciary funds are offset by a liability; the accrual basis of accounting is used to recognize receivables and payables.

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.

Summary of Net Position (Deficits) for the year ended June 30

	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	$ 60,681,535	$ 51,785,854	$ 89,488,443	$ 92,245,501	$ 150,169,978	$ 144,031,355
Capital assets, net	38,610,254	37,099,707	117,040,147	111,151,902	155,650,401	148,251,609
Total assets	99,291,789	88,885,561	206,528,590	203,397,403	305,820,379	292,282,964
Deferred charge on refunding	-	-	1,333,974	1,419,951	1,333,974	1,419,951
Deferred OPEB related items	14,223,106	4,224,249	748,585	222,328	14,971,691	4,446,577
Deferred pension related items	12,676,775	13,388,503	2,813,436	3,374,992	15,490,211	16,763,495
Total deferred outflows of resources	26,899,881	17,612,752	4,895,995	5,017,271	31,795,876	22,630,023
Current liabilities	14,252,132	11,184,726	17,536,771	16,040,268	31,788,903	27,224,994
Long-term liabilities	138,385,013	119,406,272	74,382,945	75,821,531	212,767,958	195,227,803
Total liabilities	152,637,145	130,590,998	91,919,716	91,861,799	244,556,861	222,452,797
Deferred pension related items	2,997,846	2,199,628	412,922	593,283	3,410,768	2,792,911
Total deferred inflows of resources	2,997,846	2,199,628	412,922	593,283	3,410,768	2,792,911
Net investment in capital assets	37,408,295	35,457,264	62,764,524	53,360,644	100,172,819	88,817,908
Restricted	15,197,634	13,301,354	16,991,779	16,784,663	32,189,413	30,086,017
Unrestricted	(82,049,250)	(75,050,931)	39,335,644	45,814,285	(42,713,606)	(29,236,646)
Total net position (deficits)	**$ (29,443,321)**	**$ (26,292,313)**	**$ 119,091,947**	**$ 115,959,592**	**$ 89,648,626**	**$ 89,667,279**

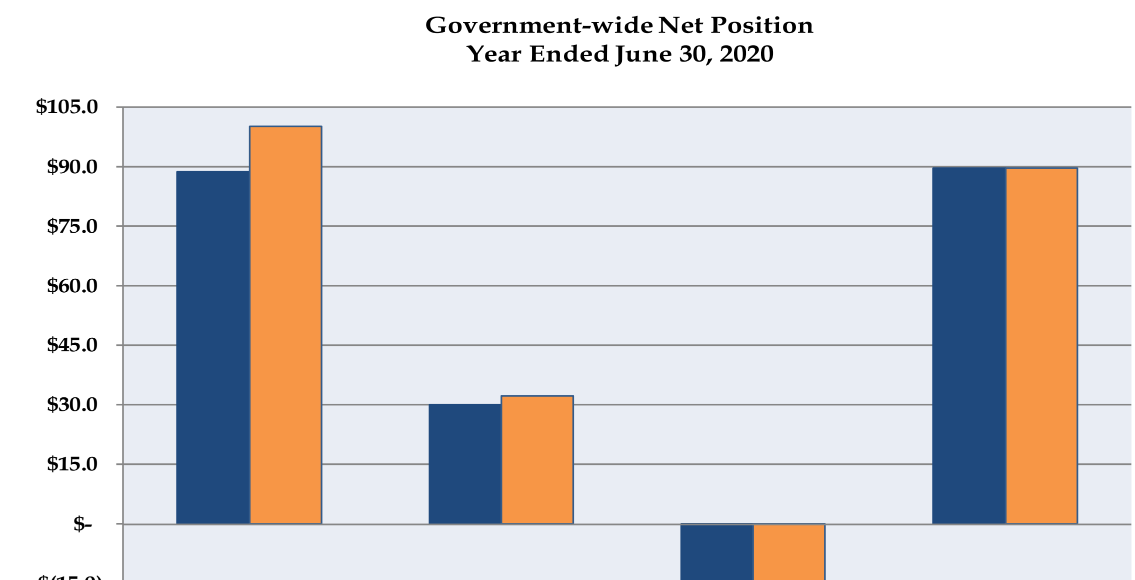
As of June 30, 2020, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $89,648,626, representing a decrease of $18,653 (.02%) from the prior year. The decrease is mainly attributed to the increase liabilities including OPEB, pension, claims and judgements payable, and accounts payable, offset by increases in capital assets, pooled cash and investments, accounts receivable.

The largest portion of the net position reflects the City's $100,172,819 net investment in capital assets. 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 funds may be used. As of June 30, 2020, the restricted assets were $32,189,413 of the total net position, of this amount, $10,941,541 is for a rate stabilization fund, $6,585,553 for debt service related activities, $8,494,425 is restricted for community development projects such as transportation projects and $5,827,173 for capital projects such as street repair and maintenance. The remaining amount relates to Police grants.

At June 30, 2020, the unrestricted net position was a negative $42,713,606. The negative net position is largely due to the implantation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* in fiscal year 2014-15 and the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Pension Other Than Pensions* (GASB 75) in fiscal year 2016-17. GASB 75, however, has had the largest material impact on the City's financial statements, representing an increase of $7.3 million in the City's reported other postemployment benefits (OPEB) liability in fiscal year 2018-19 and $15.3 million in fiscal year 2019-20 . The primary objective of GASB 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions or OPEB. It also improves information provided by state and local governmental employers about financial support for OPEB provided by other entities. See Notes 1 and 8 of the financial statements for further detail.

The following chart shows the comparison of the three components of net position for Fiscal Years 2018-19 and 2019-20 (in millions):



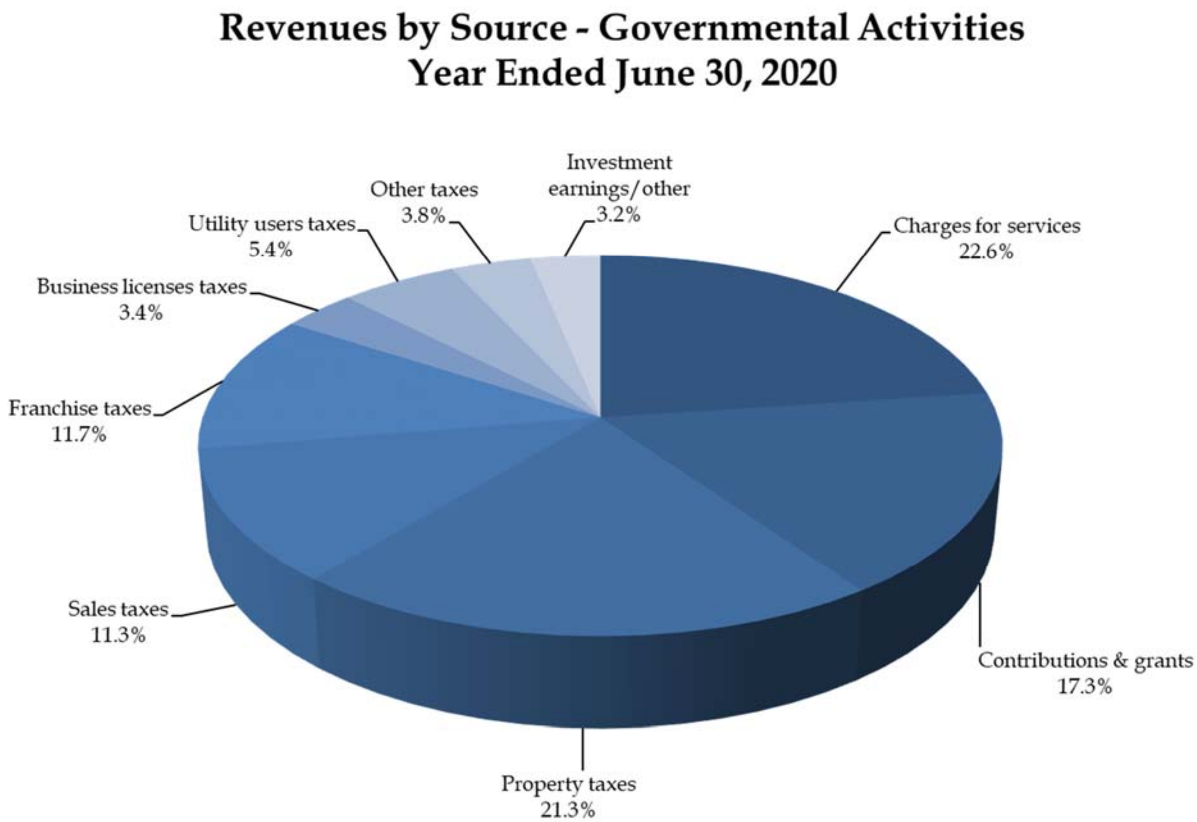
	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
FY 18/19	$88.8	$30.1	$(29.2)	$89.7
FY 19/20	$100.2	$32.2	$(42.7)	$89.7

Governmental activities. The following condensed summary of activities of the City's governmental activities for the year ended June 30, 2020 shows total net position is a negative $29,443,321 a decrease of $3,151,008 (12.0%) from prior year as restated and primarily attributable to increases in current and long-term liabilities, offset by increased current and other assets.

Business type activities. Business type activities net position totaled $119,091,947, an increase of $3,132,355 (2.7%) from the prior year, restated and attributed to positive operating results.

Summary of Changes in Net Position (Deficits) for the year ended June 30						
	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for services	$ 13,744,806	$ 12,475,216	$ 71,736,440	$ 70,527,240	$ 85,481,246	$ 83,002,456
Operating contributions and grants	7,986,715	6,114,947	763,180	714,750	8,749,895	6,829,697
Capital contributions and grants	2,424,903	2,094,896	-	-	2,424,903	2,094,896
General Revenues:						
Taxes	33,986,373	32,868,263	-	-	33,986,373	32,868,263
Investment earnings	859,705	609,862	1,221,072	1,087,005	2,080,777	1,696,867
Miscellaneous	1,086,770	1,034,504	-	-	1,086,770	1,034,504
Total Revenues	60,089,272	55,197,688	73,720,692	72,328,995	133,809,964	127,526,683
Expenses:						
General Government	14,858,996	14,252,142	-	-	14,858,996	14,252,142
Public Safety	33,034,073	28,234,043	-	-	33,034,073	28,234,043
Community Development	3,892,609	3,355,295	-	-	3,892,609	3,355,295
Parks and Recreation	5,077,503	4,761,394	-	-	5,077,503	4,761,394
Public Works	9,015,108	7,954,532	-	-	9,015,108	7,954,532
Interest on long-term debt	225,826	253,667	-	-	225,826	253,667
Water	-	-	24,608,822	23,608,977	24,608,822	23,608,977
Light	-	-	36,579,394	34,562,979	36,579,394	34,562,979
Sewer/Wastewater	-	-	2,705,943	2,344,737	2,705,943	2,344,737
Refuse Contract	-	-	4,086,865	3,734,667	4,086,865	3,734,667
Total Expenses	66,104,115	58,811,073	67,981,024	64,251,360	134,085,139	123,062,433
Increase/(decrease) in net position before transfers	(6,014,843)	(3,613,385)	5,739,668	8,077,635	(275,175)	4,464,250
Transfers	2,607,313	1,866,900	(2,607,313)	(1,866,900)	-	-
Change in Net Position	(3,407,530)	(1,746,485)	3,132,355	6,210,735	(275,175)	4,464,250
Net Position (Deficits) - Beginning	(26,035,791)	(24,694,641)	115,959,592	109,733,284	89,923,801	85,038,643
Restatement	-	148,813	-	15,573	-	164,386
Net Position (Deficits) - Ending	**$ (29,443,321)**	**$ (26,292,313)**	**$ 119,091,947**	**$ 115,959,592**	**$ 89,648,626**	**$ 89,667,279**

The City's total revenues were $133,809,964 and the costs of all programs and services were $134,085,139. Fiscal year 2019-20 revenues increased by $6,283,281 (4.9%) and expenses increased by $11,022,706 (9.0%) from prior year. Highlights of key revenue factors and program costs for governmental and business type activities are noted later in this report.



In comparison to prior fiscal year, total Governmental revenues increased by $4,891,584 (8.9%). Key elements of this year's summary of activities are as follows:

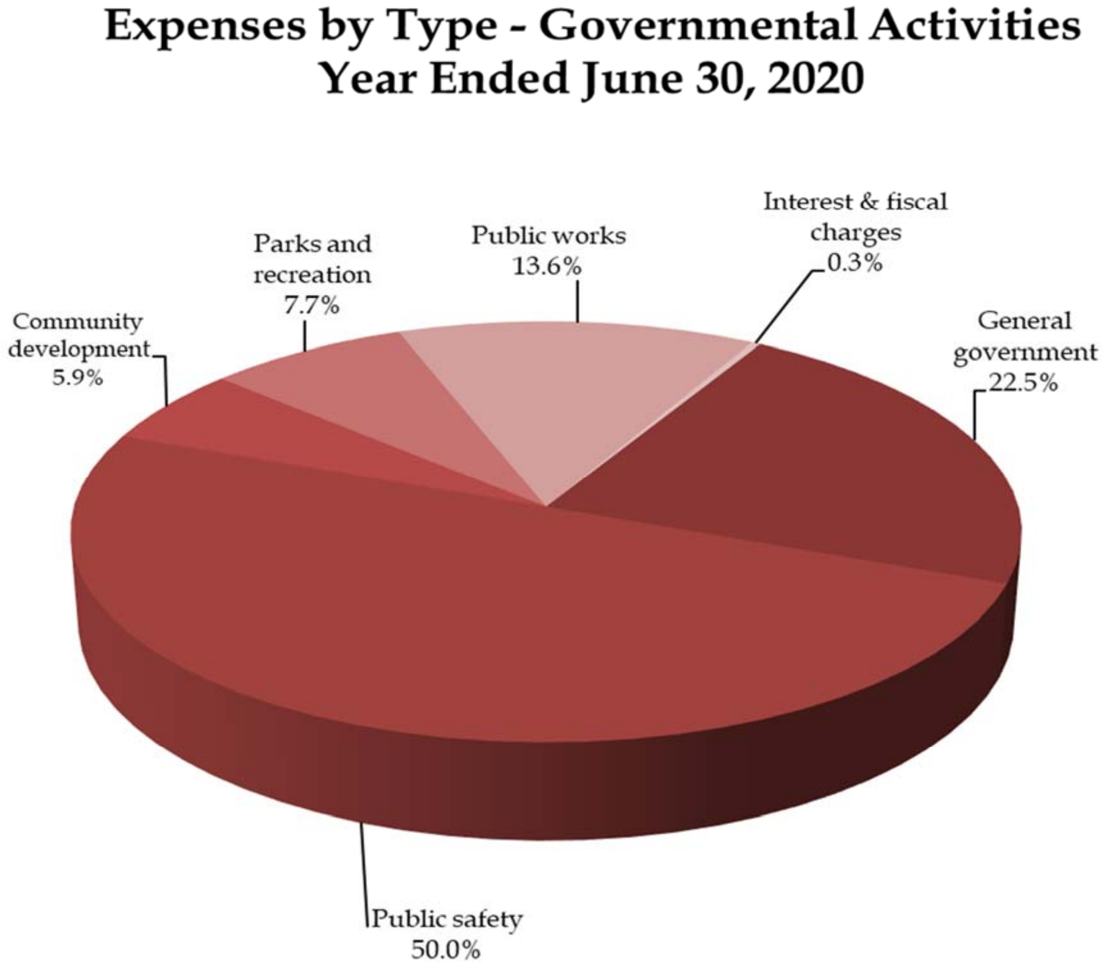
- Charges for services increased by $1,269,590 (10.2%), mainly attributable to increased fire safety fees of $1.1M relating to LA County fire fee changes and backlogged service requests and the increased value of water rights by $115K.

- Property tax revenue of $12,520,153 increased by $797,550 (6.8%) primarily due to increased assessed value of homes.

- Contributions and Grants of $10,411,618 increased by $2,201,775 (26.8%) due to higher reportable sales transactions by businesses that have franchise agreements with the City as well as collections of special revenues from LA County such as Measure M and Measure W proceeds.

- Investment earnings and miscellaneous revenue increased by $302,109 (18.4%) primarily due to higher cash balances.

- Sales tax revenue increased by $501,598 (7.9%) due to new business developments within the City.



In comparison to prior fiscal year, total Governmental Activities increased by $7,293,042 (12.4%). Key elements of this year's summary of activities are:

- General Government expenses increased $606,854 (4.3%) compared to prior year. The increase is a result of year-end adjustments to record changes in net pension liability and total OPEB liability as well as internal service fund expense allocations.

- Public Safety expenses increased by $4,800,030 (17.0%) primarily due to increased LA County Fire Safety contract costs, capital purchases of patrol vehicles and armored truck, year-end adjustments to record changes in net pension liability and total OPEB liability, and internal service fund expense allocations.

  Public Works expenditures increased by $1,060,576 (13.3%) as a result of year-end adjustments to record changes in net pension liability and total OPEB liability as well as capital asset acquisitions, and internal service fund expense allocations.

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, unreserved 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 $53,476,355, an increase of $7,600,314 (16.7%) in comparison with the prior year's revised fund balance. The increase is attributed to positive operating results (revenues exceeding expenditures).

The General Fund is the chief operating fund of the City of Azusa. During fiscal year 2019-20, its ending fund balance of $33,900,453 increased by $6,549,138 (23.9%) from prior year. Revenues from taxes, use of money and property, and other miscellaneous sources were higher than last year by nearly $1,463,349 (3.3%) attributable to higher assessed property values, increased activities from developed businesses, and higher interest rate returns on investments. Overall, General Fund expenditures decreased by $747,605 (2.1%) as a result lower personnel costs from vacancies and lower capital outlays which were delayed to the next budget year.

This year, the Fire Safety Special Revenue Fund was added to the Governmental Funds financial statements due to its ending fund balance. The Fire Safety Funds records all expenses and revenues relating to the City's contract with LA County for fire services. During fiscal year 2019-20, its ending fund balance of $934,019 increased by $258,354 (38.2%) in comparison with the prior year's revised fund balance attributable to revenue collections from increase

Non-Major Governmental Funds consist of 23 special revenue, capital project, and debt service funds. In total, these funds reported a combined ending 2019-20 fund balance of $18,641,883, an increase of $728,878 (4.4%) from prior year (as restated). Activities by fund can be found starting on page 124 of this report.

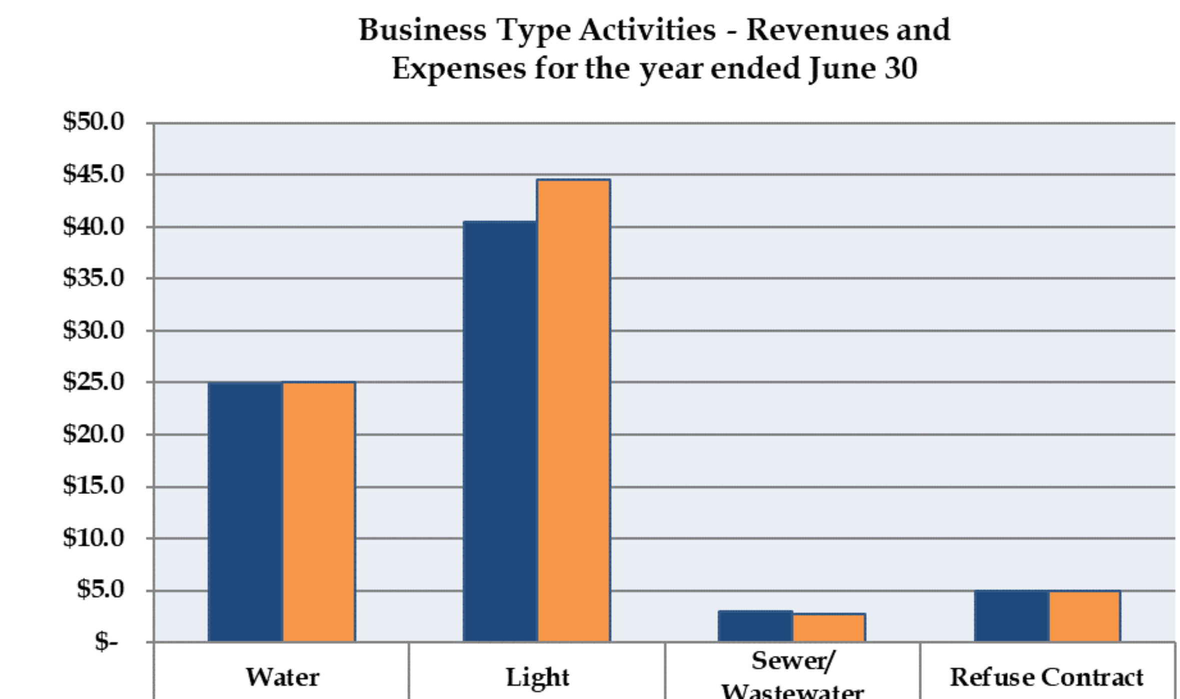
Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the City's Enterprise funds (Business-Type Activities) at the end of the year amounted to $45,569,190. Total unrestricted net position decreased by $4,419,427 (8.8%) and total net position increased by $4,597,108 (3.8%) from the previous fiscal year as restated.

Unrestricted net position of the City's Water Utility at the end of the year amounted to $19,557,265, a decrease of $5,391,235 (21.6%). However, total net position decreased only by $228,060 (-0.4%) from prior year as restated, due to use of cash to fund capital improvements. Water operating revenues, Including transfers, were up by $2,099,000 (9.4%) expenses, excluding transfers, increased by $1,334,565, (6.2%). The increase in revenues is largely due to $2,016,181 in increased water supply costs passed down to customers through rates, although overall consumption was down as a result of the COVID-19 pandemic (discussed in Note 18 of the Notes to the Basic Financial Statements) and conservation efforts. Conversely, expenses increased mainly due to higher source of water supply costs.

Unrestricted net position of the City's Light Utility at the end of the year amounted to $20,621,379. Total unrestricted net position decreased by $26,620 (.13%) and total net position increased by $4,032,629 (7.2%) from the previous fiscal year as restated. Operating revenues, including transfers, decreased by $1,227,076 (3.0%) and expenses, including transfers, increased by $1,577,406 (5%), from prior year. The decrease in revenues primarily reflects a decrease in sales and services, interdepartmental and miscellaneous charges in the commercial sector in fiscal year 2019-20 as a result of the COVID-19 pandemic. The increase in expenses primarily reflects an increase in the cost of power.

The following chart highlights total revenue and total expenses, including transfers, for each of the business type activities for fiscal year end June 30, 2020:



	Water	Light	Sewer/ Wastewater	Refuse Contract
Revenue	$24.9	$40.5	$3.0	$4.9
Expenses	$25.1	$44.6	$2.7	$4.9

General Fund Budgetary Highlights

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

General Fund Budgetary Summary
Revenues, Expenditures, and Changes in Fund Balance
June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 34,452,866	$ 34,352,866	$ 35,864,262	$ 1,511,396
Charges for services	1,967,063	1,847,063	3,123,002	1,275,939
Assessments	3,459,193	3,459,193	2,547,233	(911,960)
Other revenue	3,333,248	3,537,248	4,868,480	1,331,232
Total revenue	43,212,370	43,196,370	46,402,977	3,206,607
Expenditures:				
Operations	38,223,227	37,667,077	34,422,102	(3,244,975)
Capital Outlay	110,395	110,395	107,475	(2,920)
Debt Service	634,809	665,332	101,632	(563,700)
Total expenditures	38,968,431	38,442,804	34,631,209	(3,811,595)
Excess/(Deficiency) of revenues over expenditures	4,243,939	4,753,566	11,771,768	7,018,202
Other Financing Sources/(Uses):				
Transfers in	1,497,450	1,497,450	1,497,450	-
Transfers out	6,966,658	6,966,658	6,966,658	-
Total other financing sources (uses)	(5,469,208)	(5,469,208)	(5,469,208)	-
Net change in fund balance	(1,225,269)	(715,642)	6,302,560	7,018,202
Fund balance beginning of year	27,597,893	27,597,893	27,597,893	-
Fund balance end of year	**$26,372,624**	**$26,882,251**	**$33,900,453**	**$7,018,202**

The final amended expenditure budget was less than the original adopted budget by $525,627. Salary savings as a result of vacant positions was the main driver of the lower amended budget, offset by increased plan check consulting fees also due to vacancies.

Capital Asset and Debt Administration

Capital assets. The City's net investment in capital assets for its governmental and business type activities as of June 30, 2020 amounted to $155,650,401. This investment includes land, construction in progress, land improvements, buildings and structures, machinery and equipment, automotive equipment, and infrastructure.

Capital Assets for the year ended June 30
(Net of Accumulated Depreciation)

	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$ 3,562,016	$ 3,562,016	$ 2,988,973	$ 2,988,973	$ 6,550,989	$ 6,550,989
Construction in Progress	3,443,308	2,023,805	7,664,943	2,627,605	11,108,251	4,651,410
Land Improvements	722,362	843,780	228,969	266,764	951,331	1,110,544
Buildings and Structures	6,414,172	6,306,436	11,096,833	10,926,027	17,511,005	17,232,463
Machinery and Equipment	919,770	938,227	1,878,263	1,910,934	2,798,033	2,849,161
Automotive Equipment	978,738	448,324	473,210	406,183	1,451,948	854,507
Infrastructure	22,569,888	22,977,119	92,708,956	92,025,416	115,278,844	115,002,535
Total	**$ 38,610,254**	**$ 37,099,707**	**$ 117,040,147**	**$ 111,151,902**	**$ 155,650,401**	**$ 148,251,609**

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 $141,955,140. Of this amount, $81,666,485 is a liability of the Governmental Activities and $60,288,655 is a liability of the Business Type Activities.

Outstanding Debt for the year ended June 30

	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Employee Leave Benefits	$ 3,655,212	$ 3,503,051	$ 1,489,703	$ 1,302,142	$ 5,144,915	$ 4,805,193
Net OPEB Liability	60,597,752	46,082,050	3,189,355	2,425,372	63,787,107	48,507,422
Advance from the Successor Agency	8,208,833	8,208,833	-	-	8,208,833	8,208,833
2003 COPS	845,000	1,160,000	-	-	845,000	1,160,000
2011 Sewer Installment Loan	-	-	2,790,000	3,205,000	2,790,000	3,205,000
2012 Electric Refunding Bond	-	-	3,555,000	4,375,000	3,555,000	4,375,000
2012 Water Refunding Bonds	-	-	3,565,000	4,375,000	3,565,000	4,375,000
2015 Water Refunding Bonds	-	-	42,850,000	44,160,000	42,850,000	44,160,000
2016 T.R.I.P Installment Sale	3,170,000	3,280,000	-	-	3,170,000	3,280,000
Claims and Judgments Payable	4,995,341	3,578,014 (1)	-	-	4,995,341	3,578,014
Capital Lease	40,943	83,496	-	-	40,943	83,496
Unamortized Premium/(Discount)	153,404	154,946	2,849,597	3,096,209	3,003,001	3,251,155
Total	**$ 81,666,485**	**$ 66,050,390**	**$ 60,288,655**	**$ 62,938,723**	**$ 141,955,140**	**$ 128,989,113**

(1) Restated

Additional information on the City's long-term debt and OPEB liability can be found in Notes 5, 6 and 8, of the Notes to the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The City has an overall budget philosophy of balancing the annual budget, meaning matching expenditures to revenues, while maintaining high quality services for the Azusa Community. In anticipation of growing annual budget deficits, starting in fiscal year 2018-19, and through fiscal year 2019-20, the City underwent an extensive fiscal sustainability assessment, including soliciting Community input on service priorities. In addition to prioritizing services, the City had to address growing long-term liabilities. The General Fund Reserve Policy is one mechanism used to address long-term obligations.

The General Fund Reserve Policy consists of four categories to mitigate risk in high liability exposure areas: 1) Budget Stabilization and Catastrophic Event (20% of budget or $10.1 million of the FY 2020-21 revised budget); 2) Capital and Infrastructure Replacement ($1.5 million); 3) Insurance ($1.5 million); and 4) Retiree Benefits ($2.0 million). City Council authorization is required for use of these reserves.

Actions taken by the Council, such as, issuing Pension Obligation Bonds to pay-off the City's unfunded pension liability, re-negotiating franchise revenue agreements, allowing residents to vote on additional revenue generating measures, and continuing to run city operations as efficient as possible, has resulted in the City being in a healthy financial position, reversing projected annual deficits up to $2.7 million annually over the next five years to projected surpluses up to $2.6 million; the projected surpluses included anticipated impacts of the COVID-19 pandemic. Still, throughout the upcoming year's budget process, further direction is needed to address the City's growing $63.8 million OPEB liability, new layers of pension debt, aging infrastructure, and evolving community growth and needs.

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 Administrative Services Department - Finance, 213 E. Foothill Blvd., Azusa, CA 91702.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Azusa
Statement of Net Position
June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 41,443,129	$ 57,044,630	$ 98,487,759
Restricted assets:			
Cash with fiscal agent	3,007,388	6,050,238	9,057,626
Cash held for rate stabilization	-	10,941,541	10,941,541
Receivables:			
Accounts, net	5,023,081	8,196,578	13,219,659
Taxes	3,435,099	-	3,435,099
Notes and loans	60,824	40,139	100,963
Accrued interest	61,280	73,127	134,407
Prepaid costs	1,020,830	14,375	1,035,205
Inventories	146,762	1,950,670	2,097,432
Total current assets	54,198,393	84,311,298	138,509,691
Noncurrent assets:			
Internal balances	(2,561,133)	2,561,133	-
Due from Successor Agency	7,041,408	2,616,012	9,657,420
Land held for resale	2,002,867	-	2,002,867
Capital assets:			
Non-depreciable	7,005,324	10,653,916	17,659,240
Depreciable, net	31,604,930	106,386,231	137,991,161
Total capital assets	38,610,254	117,040,147	155,650,401
Total noncurrent assets	45,093,396	122,217,292	167,310,688
TOTAL ASSETS	99,291,789	206,528,590	305,820,379
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding of debt	-	1,333,974	1,333,974
Deferred outflows related to OPEB	14,223,106	748,585	14,971,691
Deferred outflows related to pension	12,676,775	2,813,436	15,490,211
TOTAL DEFERRED OUTFLOWS OF RESOURCES	26,899,881	4,895,995	31,795,876
LIABILITIES			
Current liabilities:			
Accounts payable	3,422,166	7,493,950	10,916,116
Accrued liabilities	1,217,539	601,356	1,818,895
Accrued interest	27,841	1,024,078	1,051,919
Unearned revenue	2,781,493	35,158	2,816,651
Deposits payable	16,207	3,854,525	3,870,732
Due to other governments	1,903	24,943	26,846
Compensated absences - due within one year	2,576,081	1,022,761	3,598,842
Claims and judgements - due within one year	3,207,959	-	3,207,959
Long term debt- due within one year	1,000,943	3,480,000	4,480,943
Total current liabilities	14,252,132	17,536,771	31,788,903
Noncurrent liabilities:			
Due to Successor Agency	8,208,833	-	8,208,833
Total OPEB liability	60,597,750	3,189,357	63,787,107
Net pension liabilities	63,503,513	18,597,049	82,100,562
Compensated absences - due in more than one year	1,079,131	466,942	1,546,073
Claims and judgements - due in more than one year	1,787,382	-	1,787,382
Long term debt- due in more than one year	3,208,404	52,129,597	55,338,001
Total noncurrent liabilities	138,385,013	74,382,945	212,767,958
TOTAL LIABILITIES	152,637,145	91,919,716	244,556,861
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	2,997,846	412,922	3,410,768
NET POSITION			
Net investment in capital assets	37,408,295	62,764,524	100,172,819
Restricted for:			
Community development projects	8,494,425	-	8,494,425
Public safety	340,721	-	340,721
Capital projects	5,827,173	-	5,827,173
Debt service	535,315	6,050,238	6,585,553
Rate stabilization	-	10,941,541	10,941,541
Total restricted	15,197,634	16,991,779	32,189,413
Unrestricted	(82,049,250)	39,335,644	(42,713,606)
TOTAL NET POSITION	$ (29,443,321)	$ 119,091,947	$ 89,648,626

See accompanying Notes to Basic Financial Statements.

City of Azusa
Statement of Activities
For the year ended June 30, 2020

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Total
Primary Government:					
Governmental activities:					
General government	$ 14,858,996	$ 7,609,852	$ 265,417	$ -	$ 7,875,269
Public safety	33,034,073	2,343,224	1,082,111	-	3,425,335
Community development	3,892,609	2,569,245	508,111	-	3,077,356
Parks and recreation	5,077,503	344,432	291,714	-	636,146
Public works	9,015,108	878,053	5,839,362	2,424,903	9,142,318
Interest on long-term debt (unallocated)	225,826	-	-	-	-
Total governmental activities	66,104,115	13,744,806	7,986,715	2,424,903	24,156,424
Business-type activities:					
Water	24,608,822	24,348,594	-	-	24,348,594
Light	36,579,394	39,975,498	-	-	39,975,498
Sewer/Wastewater	2,705,943	3,292,951	-	-	3,292,951
Refuse Contract	4,086,865	4,119,397	763,180	-	4,882,577
Total business-type activities	67,981,024	71,736,440	763,180	-	72,499,620
Total primary government	$ 134,085,139	$ 85,481,246	$ 8,749,895	$ 2,424,903	$ 96,656,044

General Revenues and Transfers:

Taxes:

Property taxes

Transient occupancy tax

Sales taxes

Franchise taxes

Business license tax

Utility users tax

Other taxes

Total taxes

Use of money and property

Other

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as restated

Net position - end of year

Net (Expense) Revenue and Changes in Net position		
Governmental Activities	Business-Type Activities	Total
$ (6,983,727)	$ -	$ (6,983,727)
(29,608,738)	-	(29,608,738)
(815,253)	-	(815,253)
(4,441,357)	-	(4,441,357)
127,210	-	127,210
(225,826)	-	(225,826)
(41,947,691)	-	(41,947,691)
-	(260,228)	(260,228)
-	3,396,104	3,396,104
-	587,008	587,008
-	795,712	795,712
-	4,518,596	4,518,596
(41,947,691)	4,518,596	(37,429,095)
12,520,153	-	12,520,153
765,096	-	765,096
6,817,957	-	6,817,957
7,059,663	-	7,059,663
2,067,693	-	2,067,693
3,267,346	-	3,267,346
1,488,465	-	1,488,465
33,986,373	-	33,986,373
859,705	1,221,072	2,080,777
1,086,770	-	1,086,770
2,607,313	(2,607,313)	-
38,540,161	(1,386,241)	37,153,920
(3,407,530)	3,132,355	(275,175)
(26,035,791)	115,959,592	89,923,801
$ (29,443,321)	$ 119,091,947	$ 89,648,626

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements
Proprietary Fund Financial Statements
Fiduciary Fund Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund

General Fund is the general operating fund of the City. This fund accounts for all financial resources and activities not required to be accounted for in other funds.

Fire Safety Special Revenue Fund

This fund is used to account for monies collected and restricted for fire safety activities.

Non-Major Governmental Funds

To account for other governmental programs funded by restricted or committed monies, and also to account for debt service and capital project expenditures.

City of Azusa
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Fire Safety Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Pooled cash and investments	$ 21,016,698	$ 934,019	$ 19,268,988	$ 41,219,705
Receivables:				
Accounts	868,733	-	3,859,460	4,728,193
Taxes	3,417,744	-	17,355	3,435,099
Notes and loans	3,361	-	57,463	60,824
Accrued interest	44,295	-	16,985	61,280
Prepaid costs	33,861	-	6,666	40,527
Due from other funds	4,482,701	-	-	4,482,701
Inventories	146,762	-	-	146,762
Land held for resale	2,002,867	-	-	2,002,867
Restricted assets:				
Cash and investments with fiscal agents	-	-	3,007,388	3,007,388
Advances to Successor Agency	7,041,408	-	-	7,041,408
Total assets	$ 39,058,430	$ 934,019	$ 26,234,305	$ 66,226,754
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 748,349	$ -	$ 2,082,594	$ 2,830,943
Accrued liabilities	1,014,268	-	151,360	1,165,628
Unearned revenues	278,464	-	2,503,029	2,781,493
Deposits payable	-	-	16,207	16,207
Due to other governments	1,903	-	-	1,903
Due to other funds	-	-	1,319,305	1,319,305
Advances from other funds	3,082,153	-	-	3,082,153
Total liabilities	5,125,137	-	6,072,495	11,197,632
DEFERRED INFLOW OF RESOURCES				
Unavailable revenues	32,840	-	1,519,927	1,552,767
Total deferred inflow of resources	32,840	-	1,519,927	1,552,767
FUND BALANCES				
Nonspendable:				
Inventories	146,762	-	-	146,762
Prepaid costs	33,861	-	6,666	40,527
Land held for resale	2,002,867	-	-	2,002,867
Notes and loans	3,361	-	-	3,361
Advances to Successor Agency	7,041,408	-	-	7,041,408
Restricted for:				
Community development projects	-	-	8,494,425	8,494,425
Public safety	-	-	340,721	340,721
Capital projects	-	-	8,834,561	8,834,561
Debt service	-	-	535,315	535,315
Committed for:				
Employee benefits	-	-	532,601	532,601
Public safety	-	934,019	-	934,019
Unassigned	24,672,194	-	(102,406)	24,569,788
Total fund balances	33,900,453	934,019	18,641,883	53,476,355
Total liabilities, deferred inflows of resources, and fund balances	$ 39,058,430	$ 934,019	$ 26,234,305	$ 66,226,754

See accompanying Notes to Basic Financial Statements.

City of Azusa

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position

June 30, 2020

Total Fund Balances - Total Governmental Funds			$ 53,476,355
Amounts reported for governmental activities in the Statement of Net Position were different because:			
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:			
	Government-Wide Statement of Net Position	Internal Service Funds	
- Non-depreciable	$ 7,005,324	$ -	7,005,324
- Depreciable, net	31,604,930	550,961	31,053,969
Total capital assets	$ 38,610,254	$ 550,961	38,059,293
In the Government-Wide Financial Statements, certain differences between actuarial estimates and actual results are deferred and amortized over a period of time, however these differences do not impact the Governmental Funds Balance Sheet	Government-Wide Statement of Net Position	Internal Service Funds	
Deferred outflow of resources - OPEB	$ 14,223,106	$ -	
Deferred outflow of resources - pension	12,676,775	(439,246)	
Deferred inflow of resources - pension	(2,997,846)	66,552	23,529,341
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.			(27,841)
Deferred inflows of resources recorded in the Fund Financial Statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in the Government-Wide Financial Statements.			1,552,767
Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds were included in governmental activities in the Government-Wide Statement of Net Position.			(8,994,903)
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.	Wide Statement of Net Position	Internal Service Funds	
- Compensated absences - due within one year	$ (2,576,081)	$ 98,233	(2,477,848)
- Claims and judgements - due within one year	(3,207,959)	3,207,959	-
- Long term debt - due within one year	(1,000,943)	-	(1,000,943)
- Due to Successor Agency	(8,208,833)	-	(8,208,833)
- Total OPEB liability	(60,597,750)	-	(60,597,750)
- Net pension liabilities	(63,503,513)	2,946,549	(60,556,964)
- Compensated absences - due in more than one year	(1,079,131)	91,540	(987,591)
- Claims and judgements - due in more than one year	(1,787,382)	1,787,382	-
- Long term debt - due in more than one year	(3,208,404)	-	(3,208,404)
Total long-term liabilities	$ (145,169,996)	$ 8,131,663	(137,038,333)
Net Position of Governmental Activities			$ (29,443,321)

City of Azusa
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2020

	General Fund	Fire Safety Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	$ 35,864,262	$ -	$ 3,069,788	$ 38,934,050
Assessments	2,547,233	-	-	2,547,233
Licenses and permits	741,943	-	44,850	786,793
Intergovernmental	508,616	-	5,605,158	6,113,774
Charges for services	3,123,002	1,516,094	1,746,106	6,385,202
Use of money and property	1,087,499	-	484,960	1,572,459
Fines and forfeitures	1,383,846	-	-	1,383,846
Contributions	3,936	-	75,804	79,740
Miscellaneous	1,134,024	-	12,966	1,146,990
Total revenues	46,394,361	1,516,094	11,039,632	58,950,087
EXPENDITURES:				
Current:				
General government	8,105,253	-	1,223,135	9,328,388
Public safety	19,822,431	6,954,085	422,644	27,199,160
Community development	2,193,739	-	1,225,786	3,419,525
Parks and recreation	3,453,630	-	531,202	3,984,832
Public works	847,051	-	3,781,204	4,628,255
Capital outlay	107,475	-	4,857,172	4,964,647
Debt service:				
Principal retirement	42,553	-	425,000	467,553
Interest and fiscal charges	59,079	-	170,787	229,866
Total expenditures	34,631,211	6,954,085	12,636,930	54,222,226
REVENUES OVER (UNDER) EXPENDITURES	11,763,150	(5,437,991)	(1,597,298)	4,727,861
OTHER FINANCING SOURCES (USES):				
Transfers in	1,497,450	5,696,345	2,728,876	9,922,671
Transfers out	(6,966,658)	-	(348,700)	(7,315,358)
Proceeds from sale of capital assets	8,618	-	-	8,618
Total other financing sources (uses)	(5,460,590)	5,696,345	2,380,176	2,615,931
Net change in fund balances	6,302,560	258,354	782,878	7,343,792
FUND BALANCES:				
Beginning of year, as restated	27,597,893	675,665	17,859,005	46,132,563
End of year	$ 33,900,453	$ 934,019	$ 18,641,883	$ 53,476,355

City of Azusa
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities
For the year ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds	$ 7,343,792
Amounts reported for governmental activities in the Statement of Activities were different because:	
Governmental funds reported additions of capital assets as capital outlay and program expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets purchased in the current period.	3,308,607
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in governmental funds.	(1,888,928)
Disposals of capital assets are not reported in governmental funds, but in the Government-Wide Statement of Activities, the loss on the disposal of capital assets is reported.	(128,856)
Pension expense does not require the use of current financial resources, and therefore is not reported as expenditures in goverrnmental funds.	(12,383,124)
Employer contributions for pension were recorded as expenditures in the governmental funds. However in the Government-Wide Financial Statements, these contributions are deferred	6,183,213
Revenues that have not met the revenue recognition criteria in the Fund Financial Statements are recognized as revenue in the Government-Wide Statement of Activities.	1,120,159
Long-term debt premium and discount was recorded as an other financing source or (use) in the governmental funds, but the payment was treated as an increase (decrease) in long-term liabilities and will be amortized over the life of the bonds in the Government-Wide Statement of Net Position	1,542
OPEB expense does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	(5,733,993)
Benefit payments are reported as expenditures in the governmental funds, however these payments are reflected as reductions to the Total OPEB liability on the government-wide statement of net position.	1,217,150
Accrued vacation payable was an expenditure in governmental funds, but payoff of accrued leave time decreased liabilities in the Government-Wide Statement of Net Position.	(165,656)
Repayment of debt principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	467,553
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in governmental funds. The following amount represented the change in accrued interest from the prior year.	2,500
Internal service funds were used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds was reported with governmental activities.	(2,751,489)
Change in Net Position of Governmental Activities	$ (3,407,530)

See accompanying Notes to Basic Financial Statements.

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PROPRIETARY FUND FINANCIAL STATEMENTS

Water Fund

To account for the costs of labor and material used in the maintenance, construction, and consumption of water services within the City's water service area.

Light Fund

To account for the costs of labor and materials used in the maintenance, construction, and consumption of electric services throughout the City.

Non-Major Enterprise Funds

To account for the costs of labor and materials used in the maintenance, construction, and consumption of sewer and refuse services throughout the City.

Internal Service Funds

To account for the financing of goods or services provided by one deparment or agency to other departments or agencies of the City and to other governmental units, on a cost-reimbursement basis.

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City of Azusa
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental
	Water Fund	Light Fund	Non-Major Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
ASSETS					
Current:					
Cash and investments	$ 29,538,878	$ 20,737,644	$ 6,768,108	$ 57,044,630	$ 223,424
Receivables:					
Accounts	2,633,073	3,874,441	993,791	7,501,305	990,161
Notes and loans	-	40,000	-	40,000	139
Accrued interest	-	-	8,416	8,416	64,711
Prepaid costs	1,515	12,104	756	14,375	980,303
Inventories	-	1,950,670	-	1,950,670	-
Restricted cash with fiscal agent	3,173,419	1,501,306	1,375,513	6,050,238	-
Restricted cash held for rate stabilization	-	10,941,541	-	10,941,541	-
Total current assets	35,346,885	39,057,706	9,146,584	83,551,175	2,258,738
Noncurrent:					
Advances to Successor Agency	2,616,012	-	-	2,616,012	-
Advances to other funds	3,001,153	3,581,000	-	6,582,153	-
Capital assets - net of accumulated depreciation	76,920,292	30,640,604	8,451,256	116,012,152	1,578,956
Total noncurrent assets	82,537,457	34,221,604	8,451,256	125,210,317	1,578,956
Total assets	117,884,342	73,279,310	17,597,840	208,761,492	3,837,694
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	1,074,090	259,884	-	1,333,974	-
Deferred OPEB related items	299,434	149,717	-	449,151	299,434
Deferred pension related items	918,771	777,887	258,334	1,954,992	1,297,690
Total deferred outflows of resources	2,292,295	1,187,488	258,334	3,738,117	1,597,124
LIABILITIES					
Current:					
Accounts payable	5,317,476	1,337,192	719,925	7,374,593	710,580
Accrued liabilities	195,404	207,569	32,443	435,416	217,851
Accrued interest	963,419	60,659	-	1,024,078	-
Deposits payable	1,429,134	2,425,338	53	3,854,525	-
Unearned revenue	-	35,158	-	35,158	-
Due to other governments	14,378	10,565	-	24,943	-
Due to other funds	-	-	-	-	3,163,396
Compensated absences - due within one year	347,725	334,766	89,529	772,020	348,974
Claims and judgements - due within one year	-	-	-	-	3,207,959
Bonds and notes payable - due within one year	2,210,000	845,000	425,000	3,480,000	-
Total current liabilities	10,477,536	5,256,247	1,266,950	17,000,733	7,648,760
Noncurrent:					
Advances from other funds	3,500,000	-	-	3,500,000	-
Compensated absences - due in more than one year	159,363	265,880	-	425,243	133,239
Bonds and notes payable - due in more than one year	47,014,698	2,749,899	2,365,000	52,129,597	-
Claims and judgements - due in more than one year	-	-	-	-	1,787,382
Total OPEB liability	1,275,742	637,873	-	1,913,615	1,275,742
Net pension liability	6,112,196	5,076,098	1,756,623	12,944,917	8,598,681
Total noncurent liabilities	58,061,999	8,729,750	4,121,623	70,913,372	11,795,044
Total liabilities	68,539,535	13,985,997	5,388,573	87,914,105	19,443,804
DEFERRED INFLOWS OF RESOURCES					
Deferred pension related items	136,734	110,986	40,286	288,006	191,468
Total deferred inflows of resources	136,734	110,986	40,286	288,006	191,468
NET POSITION					
Net investment in capital assets	28,769,684	27,305,589	5,661,256	61,736,529	1,578,956
Restricted for debt service	3,173,419	1,501,306	1,375,513	6,050,238	-
Restricted for rate stabilization	-	10,941,541	-	10,941,541	-
Unrestricted	19,557,265	20,621,379	5,390,546	45,569,190	(15,779,410)
Total net position	$ 51,500,368	$ 60,369,815	$ 12,427,315	124,297,498	$ (14,200,454)

Reconciliation of net position to the Business-Type Activities Statement of Net Position

Prior years' accumulated adjustment to reflect the consolidation of internal service funds' activities related to the enterprise funds	(3,740,798)
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	(1,464,753)
Net position per Business-Type Activities Statement of Net Position	$ 119,091,947

See accompanying Notes to Basic Financial Statements.

City of Azusa
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2020

	Business-Type Activities - Enterprise Funds				
	Water Fund	Light Fund	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:					
Sales and service charges	$ 23,804,558	$ 37,964,988	$ 7,412,347	$ 69,181,893	$ 10,270,309
Interdepartmental charges	506,868	515	-	507,383	-
Miscellaneous	26,168	-	1	26,169	257,937
Other restricted revenues	-	2,009,995	-	2,009,995	-
Lease revenue	11,000	-	-	11,000	-
Total operating revenues	24,348,594	39,975,498	7,412,348	71,736,440	10,528,246
OPERATING EXPENSES:					
Administration and general	6,793,787	10,235,297	1,196,618	18,225,702	10,076,850
Source of supply	2,787,600	16,415,384	-	19,202,984	429,507
Pumping	-	-	-	-	-
Transmission/collection	2,364,232	4,183,532	-	6,547,764	-
Treatment	1,400	-	782,523	783,923	-
Refuse collection	-	-	3,977,345	3,977,345	-
Cost of sales and services	6,416,836	39,530	-	6,456,366	-
Claims expense	-	-	-	-	3,782,097
Depreciation expense	3,811,721	1,334,443	489,347	5,635,511	121,159
Total operating expenses	22,175,576	32,208,186	6,445,833	60,829,595	14,409,613
OPERATING INCOME (LOSS)	2,173,018	7,767,312	966,515	10,906,845	(3,881,367)
NONOPERATING REVENUES (EXPENSES):					
Taxes	-	-	763,180	763,180	-
Interest revenue	548,344	550,712	122,016	1,221,072	-
Interest expense	(1,766,514)	(121,243)	(59,523)	(1,947,280)	-
Intergovermernmental	-	-	-	-	19,024
Special franchise fees	(443,650)	(3,579,745)	(66,229)	(4,089,624)	-
Loss on disposal of capital assets	-	-	-	-	(6,180)
Gain on disposal of capital assets	326	-	-	326	2,183
Total nonoperating revenues (expenses)	(1,661,494)	(3,150,276)	759,444	(4,052,326)	15,027
INCOME (LOSS) BEFORE TRANSFERS	511,524	4,617,036	1,725,959	6,854,519	(3,866,340)
Transfer in	-	-	-	-	132,335
Transfer out	(739,584)	(584,407)	(933,420)	(2,257,411)	(482,237)
Change in net position	(228,060)	4,032,629	792,539	4,597,108	(4,216,242)
Net position:					
Beginning of year	51,728,428	56,337,186	11,634,776	119,700,390	(9,984,212)
End of year	$ 51,500,368	$ 60,369,815	$ 12,427,315	$ 124,297,498	$ (14,200,454)

Reconciliation of change in net position to the Business-Type Activities Statement of Activities

Change in net position per Statement of Net Position - Proprietary Funds	$ 4,597,108
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	(1,464,753)
Change in net position per Business-Type Activities Statement of Net Pos	$ 3,132,355

City of Azusa
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental
	Water Fund	Light Fund	Non-Major Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	$ 24,475,135	$ 40,328,950	$ 7,384,092	$ 72,188,177	$ 9,915,228
Cash received from/(paid to) interfund service provided	506,868	515	-	507,383	-
Cash paid to suppliers for goods and services	(15,061,768)	(27,591,605)	(5,094,255)	(47,747,628)	(8,890,860)
Cash paid to employees for services	(2,026,921)	(2,645,920)	(631,746)	(5,304,587)	(3,431,469)
Net cash provided by (used in) operating activities	7,893,314	10,091,940	1,658,091	19,643,345	(2,407,101)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash disbursed to other funds	(739,584)	(584,407)	(933,420)	(2,257,411)	(349,902)
Cash received from other funds	3,500,000	-	-	3,500,000	1,884,244
Cash received from grants			-	-	540,044
Net cash provided by noncapital financing activities	2,760,416	(584,407)	(933,420)	1,242,589	2,074,386
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(6,648,231)	(4,284,473)	-	(10,932,704)	(941,524)
Principal paid on capital debt	(2,120,000)	(820,000)	(415,000)	(3,355,000)	-
Interest paid on capital debt	(1,969,253)	(127,895)	(59,523)	(2,156,671)	-
Special franchise fees paid	(443,650)	(3,579,745)	(66,229)	(4,089,624)	-
Repayment made for advances	-	(3,500,000)	-	(3,500,000)	-
Taxes	-	-	763,180	763,180	-
Proceeds from sale of capital assets	326	-	-	326	2,183
Net cash provided by (used in) capital and related financing activities	(11,180,808)	(12,312,113)	222,428	(23,270,493)	(939,341)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	548,344	550,712	139,815	1,238,871	210,848
Net cash provided by (used in) investing activities	548,344	550,712	139,815	1,238,871	210,848
Net increase (decrease) in cash and cash equivalents	21,266	(2,253,868)	1,086,914	(1,145,688)	(1,061,208)
CASH AND CASH EQUIVALENTS:					
Beginning of year	32,691,031	35,434,359	7,056,707	75,182,097	1,284,632
End of year	$ 32,712,297	$ 33,180,491	$ 8,143,621	$ 74,036,409	$ 223,424
FINANCIAL STATEMENT PRESENTATION:					
Cash and investments	$ 29,538,878	$ 20,737,644	$ 6,768,108	57,044,630	$ 223,424
Cash with fiscal agent	3,173,419	1,501,306	1,375,513	6,050,238	-
Cash held for rate stabilization	-	10,941,541	-	10,941,541	-
Total	$ 32,712,297	$ 33,180,491	$ 8,143,621	$ 74,036,409	$ 223,424
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	$ 2,173,018	$ 7,767,312	$ 966,515	$ 10,906,845	$ (3,881,367)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	3,811,721	1,334,443	489,347	5,635,511	121,159
Changes in current assets and liabilities:					
(Increase) decrease in accounts receivable	129,949	(42,404)	(28,309)	59,236	(613,018)
(Increase) decrease in inventories	-	(14,545)	-	(14,545)	-
(Increase) decrease in prepaid expense	6,387	80,865	(246)	87,006	(402,310)
(Increase) decrease in deferred OPEB related outflows	(210,503)	(105,251)	-	(315,754)	(210,503)
(Increase) decrease in deferred pension related outflows	171,527	175,252	36,676	383,455	252,688
Increase (decrease) in accounts payable	1,051,423	(4,460)	11,935	1,058,898	50,757
Increase (decrease) in accrued liabilities	(489,258)	1,494	(4,614)	(492,378)	30,145
Increase (decrease) in deposits payable	503,460	396,371	53	899,884	-
Increase (decrease) in due to other governments	3,045	(882)	-	2,163	-
Increase (decrease) in claims and judgements	-	-	-	-	1,417,327
Increase (decrease) in compensated absences	37,401	107,765	37,802	182,968	(8,902)
Increase (decrease) in total OPEB liability	305,594	152,797	-	458,391	305,594
Increase (decrease) in net pension liability	446,108	313,853	149,999	909,960	607,934
Increase (decrease) in deferred pension related inflows	(46,558)	(70,670)	(1,067)	(118,295)	(76,605)
Total adjustments	5,720,296	2,324,628	691,576	8,736,500	1,474,266
Net cash provided by (used in) by operating activities	$ 7,893,314	$ 10,091,940	$ 1,658,091	$ 19,643,345	$ (2,407,101)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Amortization of premiums	$ (233,314)	$ (13,298)	$ -	$ (246,612)	$ -
Amortization of deferred charge on refunding	67,414	18,563	-	85,977	-

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

Resources held and administered by the City when acting in a fiduciary capacity for other organizations or governments are accounted for in fiduciary funds. The activities of these funds are excluded from the government-wide financial statements. The City's reports activity in the following fiduciary funds:

RDA Successor Agency Private Purpose Trust Funds

To account for property taxes that would have been redevelopment property tax increment had the Redevelopment Agency not been dissolved. The property taxes are distributed semi-annually by the County Auditor-Controller's Office and are used to pay enforceable obligations and Successor Agency administrative costs. This fund also accounts for all non-housing assets transferred from the dissolved Redevelopment Agency.

Agency Fund

To account for assets held by the City as trustee or agent for individuals, private organizations, and other governmental agencies.

City of Azusa
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Agency Fund	Private Purpose Trust Fund RDA Successor Agency Fund
ASSETS		
Pooled cash and investments	$ 4,161,872	$ 3,958,176
Receivables:		
Accounts	414,909	-
Taxes	113,148	-
Notes and loans	-	36,863
Advances to City	-	8,208,833
Land held for resale	-	6,786,378
Restricted:		
Cash and investments with fiscal agents	12,340,741	33,829
Capital assets:		
Capital assets, not being depreciated	-	410,420
Capital assets, net of accumulated depreciation	-	843,315
Total assets	$ 17,030,670	20,277,814
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding		2,708,535
Total deferred outflows of resources		2,708,535
LIABILITIES		
Accounts payable	$ 213,447	158,446
Accrued liabilities	981	-
Accrued interest	-	635,533
Deposits payable	16,816,242	-
Due to other governments	-	-
Long-term liabilities:		
Due in one year	-	2,050,000
Due in more than one year	-	39,333,423
Due to City of Azusa	-	9,657,420
Total liabilities	$ 17,030,670	51,834,822
NET POSITION		
Held in trust for other purposes		(28,848,473)
Total net position		$ (28,848,473)

City of Azusa
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2020

	Private-Purpose Trust Fund
	RDA Successor Agency Fund
ADDITIONS:	
Taxes	$ 4,598,833
Interest and change in fair value of investments	3,410
Proceeds from sale of assets	181,758
Total additions	4,784,001
DEDUCTIONS:	
Administration expenses	20,414
Contractual services	22,148
Interest expense	1,838,444
Depreciation expense	129,152
Loss on sale of assets	(75,456)
Contributions to other governments	659,365
Total deductions	2,594,067
Change in net position	2,189,934
Net position:	
Beginning of year	(31,038,407)
End of year	$ (28,848,473)

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Azusa, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The City of Azusa (City) was incorporated as a general law city in September 29, 1898. The City operates under the Council-Manager form of government and provides the following services: public safety, light, sewer/wastewater, water, recreation, public improvements, planning and zoning, building inspections, and general administration services.

These basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. All of the City's component units are considered to be blended component units, although legally separate entities, are, in substance, part of the City's operation and so data from these are reported with interfund data of the City. The blended component unit has a June 30 year-end. The following entity is reported as a blended component unit:

Azusa Public Financing Authority (Authority) was established solely 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 (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 by the Authority because it has no activity to report. The Authority is financially interdependent and provides financial benefit/burden to the City.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity with its own self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, fund equity, revenues and expenditures or expenses. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column.

These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liabilities are incurred.

Certain types of transactions reported as program revenues for the City are reported in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated, except for interdepartmental service charges and those transactions between governmental and business-type activities. The following interfund activities have been eliminated:

- Due to/from other funds
- Transfers in/out

The City applies all applicable GASB pronouncements including all NCGA Statements and Interpretations currently in effect.

Government Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that meet specific qualifications.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government Fund Financial Statements, Continued

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

The City reports the following funds as major governmental funds of the City.

General Fund accounts for resources traditionally associated with governmental activities that are not required legally or by sound financial management to be accounted for in another fund.

Fire Safety Special Revenue Fund accounts for fees that are restricted for fire safety activities. In addition, the activities are also supplemented by general fund monies that are committed for the fund's purpose.

The City reports the following funds as non-major governmental funds of the City.

Special Revenue Funds accounts for revenues which are restricted for specific purposes.

Capital Project 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.

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 considered 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 judgements, 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 measureable and available only when cash is received by the government.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government Fund Financial Statements, Continued

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.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows for all proprietary funds.

A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements, except for the Consumer Services Internal Service Fund, which is combined with business-type activities.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which a liability is incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements, Continued

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following funds as major proprietary funds of the City.

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.

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

Internal service fund balances and activities have been combined with governmental and business-type activities in the Government-Wide Financial Statements. These funds account for consumer services, self insurance, central services, equipment replacement, and I.T. services.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City reports two types of fiduciary funds which are a private-purpose trust fund and an Agency Fund. Private-purpose trust funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e. unclaimed property/escheat property). Agency funds account for assets held by the City as trustee or agent for individuals, private organizations, and other governmental units. Fiduciary funds are accounted for using the accrual basis of accounting. The City reports the following fiduciary funds:

Successor Agency to the Redevelopment Agency Private Purpose Trust Fund - accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future.

Agency Funds – accounts for various deposits made by individuals, private organizations, or other governments.

The financial activities of the funds are excluded from the Government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash, Cash Equivalents and Investments

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures* (*Amendment of GASB No. 3*), certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City does not have any investments that are measured using Level 1 and 3 inputs.

The City participates in an investment pool managed by the State of California entitled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to the change in interest rates.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as "Cash and Investments" in the accompanying Basic Financial Statements.

For the purpose of the statement of cash flows, the City considers and cash equivalents because investments meet the criteria for cash equivalents defined above. all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Restricted Cash and Investments

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.

E. 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.

F. 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 acquisition 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 the useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of the 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:

Land Improvements	20 years
Buildings and Improvements	30– 50 years
Machinery and Equipment	8 – 30 years
Automobiles and Trucks	5 – 15 years
Infrastructure	30–65 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Interest Payable

In the Government-Wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred for governmental fund types and proprietary fund types.

In the Fund Financial Statements, proprietary fund types recognize the interest payable when the liability is incurred.

H. Unearned revenue

Unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the Government-Wide Financial Statements are prepaid charges for services.

I. 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.

J. Long-Term Debt

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Property Taxes

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 or expected to be collected soon 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 takes 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.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet 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.

In addition to liabilities, the statement of net position or balance sheet 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.

M. Net Position

Net Position is the excess of all the City's assets and deferred outflow of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net Position is divided into three captions under GASB Statement 34. These captions apply only to Net Position, which is determined only at the Government-wide and proprietary funds level, and are described below:

Net investment in capital assets, describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and other restrictions imposed by laws and regulations.

Unrestricted describes the portion of Net Position which is not restricted to use.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. The City Council, through resolution, is able to commit funds for specific purposes. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for resale are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the City Council (Resolution) which may be altered only by formal action by Resolution of the City Council. Encumbrances and nonspendable amounts subject to Council commitments are included along with spendable resources. 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 balances are amounts constrained by the City's intent to be used for a specific purpose, but 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. This category includes encumbrances when applicable.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. 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.

P. 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.

Q. Use of Estimates

The accompanying basic financial statements have been prepared on the modified accrual basis of accounting in accordance with generally accepted accounting principles. This requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

R. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

S. Pension

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 and the PARS Retirement Enhancement Plan (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and PARS. 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. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

T. Other Postemployment Benefits Other Than Pensions (OPEB)

For purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of Azusa Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net positon have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

U. New Pronouncements

In 2020, the City did not adopt any new accounting standards.

2. CASH AND INVESTMENTS

A. Summary of Cash and Investments

The City maintains a cash and investments pool for all funds. Certain restricted funds that are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include cash and investments held by trustees.

The following is a summary of cash and investments at June 30, 2020

	Government-Wide Statement of Net Position			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	$ 41,443,129	$ 57,044,630	$ 8,120,048	$ 106,607,807
Cash with fiscal agent:				
Cash with fiscal agent for debt service	3,007,388	6,050,238	12,374,570	21,432,196
Cash held for rate stabilization	-	10,941,541	-	10,941,541
Total cash with fiscal agent	3,007,388	16,991,779	12,374,570	32,373,737
Total cash and investments	$ 44,450,517	$ 74,036,409	$ 20,494,618	$ 138,981,544

Cash and investments as of June 30, 2020 consist of the following:

Cash on hand	$ 500
Deposits with financial institution	13,890,653
Total cash on hand and deposits	13,891,153
Local Agency Investment Funds	40,003,055
Government Obligations:	
Federal Farm Credit Bank	4,057,098
Federal Home Loan Bank	1,351,472
Federal Home Loan Mortgage Corp.	5,424,866
Federal National Mortgage Association	2,009,540
Certificates of Deposit	8,611,149
Corporate Bonds	9,786,131
Money market mutual funds	21,473,343
Total investments	92,716,654
Total City Treasury	106,607,807
Cash with fiscal agent	21,432,196
Cash held for rate stabilization	10,941,541
Total cash and investments	$ 138,981,544

2. CASH AND INVESTMENTS, Continued

B. Deposits

The carrying amount of the City's cash deposit was $13,890,653 at June 30, 2020. Bank balances before reconciling items were a positive amount of $14,608,558 at June 30, 2020. Cash deposits are fully insured up to $250,000 by the Federal Deposit Insurance Corporation, the remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.

The California Government Code (Section 53655) requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor.

The fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investments balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

C. Investments

Authorized Investments by the City

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)

Authorized Investments by the Debt Agreements

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy.

2. CASH AND INVESTMENTS, Continued

Investments in Local Agency Investment Fund (LAIF)

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. The City's investments with LAIF at June 30, 2020, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes – are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities – the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2020, the City had $40,003,055 invested in LAIF, which had invested 3.77% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 1.77% in the previous year. The LAIF fair value factor of 1.004912795 was used to calculate the fair value of the investments in LAIF.

D. *Risk Disclosures*

Interest Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

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

	Investment Maturities (in years)				
Investment Type	**12 months or less**	**13 to 24 months**	**25 to 60 months**	**60 months+**	**Total**
Local Agency Investment Fund	$ 40,003,055	$ -	$ -	$ -	$ 40,003,055
Federal Farm Credit Bank	-	-	-	4,057,098	4,057,098
Federal Home Loan Bank	-	-	-	1,351,472	1,351,472
Federal Home Loan Mortgage Corp.	-	-	-	5,424,866	5,424,866
Federal National Mortgage Assoic.	-	-	-	2,009,540	2,009,540
Certificates of Deposit	942,890	2,286,079	2,056,747	3,325,433	8,611,149
Corporate Bonds	-	-	1,310,790	8,475,341	9,786,131
Money Market Mutual Funds	21,473,343	-	-	-	21,473,343
Total Investments	$ 62,419,288	$ 2,286,079	$ 3,367,537	$ 24,643,750	$ 92,716,654

2. CASH AND INVESTMENTS, Continued

D. Risk Disclosures, Continued

Credit Risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits investments in medium term notes (MTNs) to those rated "A" or higher by Standard and Poor's (S&P) or by Moody's. At June 30, 2020, the City's investments in Federal Agency securities consisted of investments with Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association. At June 30, 2020, all Federal Agency Securities were rated "AA+" by Standard and Poor's. All securities were investment grade and were legal under State and City law. As of June 30, 2020, the City's investments in external investment pools and money market mutual funds were unrated.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 105% to 150% of the City's cash on deposit. All of the City's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions in the City's name.

Concentration Risk: The City's investment policy imposes restrictions 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, 2020, the City had the following investments in a single issuer that comprised more than 5% of total investments:

Issuer	Reported Amount	Percentage
Federal Home Loan Mortgage Corp.	$ 5,424,866	5.85%
	$ 5,424,866	5.85%

Interest Rate Risk: The City does not have a formal policy relating to interest rate risk.

2. CASH AND INVESTMENTS, Continued

E. Investment Valuation

Investments (except for money market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2020 are described on the following.

Investments included in restricted cash and investments included money market accounts and guaranteed investment contracts are not subject to fair value measurement.

		Not Subject	Fair Value Measurement Using		
Investment Type	**Total**	**to Disclosure**	**Level 1**	**Level 2**	**Level 3**
U.S. Government Agency Obligations	$ 12,842,976	$ -	$ -	$ 12,842,976	$ -
Corporate bonds	9,786,131	-	-	9,786,131	-
Certificates of deposit	8,611,149	-	-	8,611,149	-
Money market funds	21,473,343	21,473,343	-	-	-
Local Agency Investment Fund	40,003,055	40,003,055	-	-	-
Total investments	$ 92,716,654	$ 61,476,398	$ -	$ 31,240,256	$ -

U.S. government agency obligation, corporate bonds, and certificates of deposit categorized as Level 2 are valued based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuations for which all significant assumptions are observable or can be corroborated by observable market data.

3. INTERFUND TRANSACTIONS

A. Due To/From Other Funds

At June 30, 2020, the City had the following due to/from other funds:

	Due from other funds		
	Non-Major Governmental Funds	Internal Service Funds	Total
Due To General Fund	$ 1,319,305	$ 3,163,396	$ 4,482,701
Total	$ 1,319,305	$ 3,163,396	$ 4,482,701

3. INTERFUND TRANSACTIONS, Continued

B. Advance To/From Other Funds

At June 30, 2020, the City had the following advance to/from other funds:

Funds	Advances To Other Funds: Water Fund	Advances To Other Funds: Light Fund	Total
Advances From Other Funds			
General Fund	$ 3,001,153	$ 81,000	$ 3,082,153
Water Fund	-	3,500,000	3,500,000
Total	$ 3,001,153	$ 3,581,000	$ 6,582,153

The General Fund had previously informally borrowed monies from the Water Fund and Light Fund during the economic downturn; no repayment is required on the loan until the General Fund accumulates $3.5 million in cash reserves. In fiscal year 2020, the City Council adopted Resolution No. 2020-UB-01 authorizing the General Fund to pay approximate $3 million of the Water Fund's estimated $6.4 million unfunded accrued liability for pensions to CalPERS, and forgiving the interfund advance between the General Fund and Water Fund after such payment is made on the Water Fund's behalf, which is expected to occur in fiscal year 2021.

On March 23, 2020, the City Council adopted Resolution No. 2020-UB-01 approving an agreement for the Electric Fund to loan $3.5 million to the Water Fund to pay for a portion of the Water Fund's estimated $6.4 million unfunded accrued liability for pensions to CalPERS. The City plans to make the payment to CalPERS upon issuance of Pension Obligation Bonds expected to occur in fiscal year 2021.

C. Transfers

At June 30, 2020, the City had the following transfers in/out which arise in the normal course of operations.

Transfers Out	Transfers In: General	Transfers In: Non-Major Governmental Funds	Transfers In: Non-Major Governmental Funds	Transfers In: Internal Service Funds	Total
General Fund	$ -	$ 5,696,345	$ 1,270,313	$ -	$ 6,966,658
Non-major Govtl Funds	348,700	-	-	-	348,700
Water Fund	-	-	739,584	-	739,584
Light Fund	-	-	584,407	-	584,407
Non-major Enterprise Funds	801,085	-	-	132,335	933,420
Internal Service Funds	347,665	-	134,572	-	482,237
Total	$ 1,497,450	$ 5,696,345	$ 2,728,876	$ 132,335	$ 10,055,006

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. Transfers made from the Water and Light Funds included providing funding for employee benefits. Transfers from Non-Major Enterprise Funds consisted mainly of payment of franchise fees payable to the General Fund.

4. CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2020, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	$ 3,562,016	$ 2,988,973	$ 6,550,989
Construction in progress	3,443,308	7,664,943	11,108,251
Total non-depreciable assets	7,005,324	10,653,916	17,659,240
Depreciable assets:			
Land Improvements	4,423,252	1,212,318	5,635,570
Building and improvements	13,887,905	23,301,926	37,189,831
Machinery and equipment	9,159,982	14,639,599	23,799,581
Automotive equipment	3,811,230	4,110,596	7,921,826
Infrastructure	59,906,956	168,237,141	228,144,097
	91,189,325	211,501,580	302,690,905
Less accumulated depreciation:			
Land Improvements	3,700,890	983,349	4,684,239
Building and improvements	7,473,733	12,205,093	19,678,826
Machinery and equipment	8,240,212	12,761,336	21,001,548
Automotive equipment	2,832,492	3,637,386	6,469,878
Infrastructure	37,337,068	75,528,185	112,865,253
Total accumulated depreciation	59,584,395	105,115,349	164,699,744
Total depreciable assets, net	31,604,930	106,386,231	137,991,161
	$ 38,610,254	$ 117,040,147	$ 155,650,401

4. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

The following is a summary of changes in the capital assets for the governmental activities during the fiscal year:

	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020
Governmental activities				
Non-depreciable assets:				
Land	$ 3,562,016	$ -	$ -	$ 3,562,016
Construction in progress	2,023,805	3,125,255	(1,705,752)	3,443,308
Total non-depreciable assets	5,585,821	3,125,255	(1,705,752)	7,005,324
Depreciable assets:				
Land improvements	4,423,252	-	-	4,423,252
Building and improvements	13,450,733	437,172	-	13,887,905
Machinery and equipment	8,955,165	204,817	-	9,159,982
Automotive equipment	3,212,014	714,009	(114,793)	3,811,230
Infrastructure	59,210,994	834,150	(138,188)	59,906,956
	89,252,158	2,190,148	(252,981)	91,189,325
Less accumulated depreciation:				
Land improvements	3,579,472	122,170	(752)	3,700,890
Building and improvements	7,144,296	329,437	-	7,473,733
Machinery and equipment	8,016,939	232,369	(9,096)	8,240,212
Automotive equipment	2,763,690	176,898	(108,096)	2,832,492
Infrastructure	36,233,875	1,103,193	-	37,337,068
Total accumulated depreciation	57,738,272	1,964,067	(117,944)	59,584,395
Total depreciable assets, net	31,513,886	226,080	(135,036)	31,604,930
Governmental activities capital assets, net	**$ 37,099,707**	**$ 3,351,335**	**$ (1,840,788)**	**$ 38,610,254**

Depreciation expense by program for capital assets for the year ended June 30, 2020 was as follows:

General government	$ 107,005
Public safety	119,040
Community development	16,981
Parks and recreation	294,468
Public works	1,351,435
Internal service funds	75,138
Total Governmental Activities	**$ 1,964,067**

4. CAPITAL ASSETS, Continued

A. *Government-Wide Financial Statements, Continued*

The following is a summary of changes in the capital assets for business-type activities during the fiscal year:

	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020
Non-depreciable assets:				
Land	$ 2,988,973	$ -	$ -	$ 2,988,973
Construction in progress	2,627,605	10,058,261	(5,020,923)	7,664,943
Total non-depreciable assets	5,616,578	10,058,261	(5,020,923)	10,653,916
Depreciable assets:				
Land improvements	1,212,318	-	-	1,212,318
Building and improvements	22,635,773	666,153	-	23,301,926
Machinery and equipment	14,289,780	349,819	-	14,639,599
Automotive equipment	3,990,901	159,456	(39,761)	4,110,596
Infrastructure	162,880,129	5,357,012	-	168,237,141
Total depreciable assets	205,008,901	6,532,440	(39,761)	211,501,580
Less accumulated depreciation:				
Land improvements	945,554	37,795	-	983,349
Building and improvements	11,709,746	495,347	-	12,205,093
Machinery and equipment	12,378,846	382,490	-	12,761,336
Automotive equipment	3,584,718	92,429	(39,761)	3,637,386
Infrastructure	70,854,713	4,673,472	-	75,528,185
Total accumulated depreciation	99,473,577	5,681,532	(39,761)	105,115,349
Total depreciable assets, net	105,535,324	850,908	-	106,386,231
Business-type activity capital assets, net	$111,151,902	$ 10,909,169	$ (5,020,923)	$117,040,147

Depreciation expense for the year ended June 30, 2020 was as follows:

Water	$ 3,811,721
Light	1,334,443
Sewer/Wastewater	489,347
Internal service funds	46,021
Total Business-Type Activities	$ 5,681,532

5. LONG-TERM DEBT

A. Governmental Activities

The following is a summary of long-term debt transactions including amortization for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Deletion	Balance June 30, 2020	Due Within One Year	Due in More Than One Year
2016 TRIP Installment Sale	$ 3,280,000	$ -	$ (110,000)	$ 3,170,000	$ 115,000	$ 3,055,000
PFA 2003 Certificates of Participation	1,160,000	-	(315,000)	845,000	845,000	-
Capital Lease	83,496	-	(42,553)	40,943	40,943	-
Unamortized Premiums	157,883	-	(3,672)	154,211	-	154,211
Unamortized Discounts	(2,937)	2,130	-	(807)	-	(807)
Subtotal	4,678,442	2,130	(471,225)	4,209,347	1,000,943	3,208,404
Note payable - Successor Agency	8,208,833	-	-	8,208,833	-	8,208,833
Total long-term debt	$ 12,887,275	$ 2,130	$ (471,225)	$ 12,418,180	$ 1,000,943	$ 11,417,237

2016 Local Measure R Sales Tax Revenue (Installment Sale) Certificates of Participation

On March 17, 2016, California Communities issued Local Measure R Sales Tax Revenue (Installment Sale) Certificates of Participation (T.R.I.P. – Total Road Improvement Program) in the amount of $6,355,000 to the City of San Fernando ($2,785,000) and the City of Azusa ($3,570,000). The proceeds will be used to pay the costs of acquisition and construction of the Project and to pay the incidental costs and expenses related thereto as provided in the Trust Agreement. The certificates of participation mature in annual installments beginning on June 1, 2017 through June 1, 2039, in amounts ranging from $80,000 to $220,000. Interest ranges from 2.000% to 5.000% and is payable semi-annually on June 1 and December 1. The outstanding principal balance at June 30, 2020, was $3,170,000.

The annual requirements to amortize the outstanding certificates of participation as of June 30, 2020, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 115,000	$ 113,794	$ 228,794
2022	120,000	109,194	229,194
2023	125,000	104,394	229,394
2024	130,000	99,384	229,384
2025	135,000	92,894	227,894
2026-2030	775,000	365,919	1,140,919
2031-2035	925,000	222,981	1,147,981
2035-2039	845,000	69,463	914,463
Total	$ 3,170,000	$ 1,178,023	$ 4,348,023

5. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

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, 2020, was $845,000.

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

Year Ending June 30,	Principal	Interest	Total
2021	$ 845,000	$ 18,590	$ 863,590
Total	$ 845,000	$ 18,590	$ 863,590

Capital Lease

The City entered into a lease agreement for the purchase of four vehicles and emergency equipment in October 2017 for the Azusa Police Department. The lease was for $162,000 to be repaid in sixteen quarterly installments of $10,897. Total minimum lease payments as of June 30, 2020 equal $43,588 ($40,943 to be applied to principal and $2,645 to be recognized as interest expense).

5. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Note Payable – 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 advance 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, 2020 is $8,208,833.

B. Business-Type Activities

The City's debt issues and transactions of business-type activities are summarized below and discussed in detail thereafter.

	Balance June 30, 2019	Deletion	Balance June 30, 2020	Due Within One Year	Due in More Than One Year
2012 Water Refunding Bonds, Series A	$ 4,375,000	$ (810,000)	$ 3,565,000	$ 835,000	$ 2,730,000
2015 Water System Refunding Revenue Bonds	44,160,000	(1,310,000)	42,850,000	1,375,000	41,475,000
2012 Electric Refunding Revenue Bonds, Series B	4,375,000	(820,000)	3,555,000	845,000	2,710,000
2011 Sewer Installment, Series A	375,000	(185,000)	190,000	190,000	-
2011 Sewer Installment, Series B	2,830,000	(230,000)	2,600,000	235,000	2,365,000
Unamortized Premiums	3,096,209	(246,612)	2,849,597	-	2,849,597
Total long-term debt	$ 59,211,209	$ (3,601,612)	$ 55,609,597	$ 3,480,000	$ 52,129,597

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.

5. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

2012 Water Refunding Revenue Bonds, Continued

The annual requirements to amortize the outstanding bonds as of June 30, 2020, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 835,000	$ 153,200	$ 988,200
2022	865,000	114,875	979,875
2023	910,000	70,500	980,500
2024	955,000	23,875	978,875
Total	$ 3,565,000	$ 362,450	$ 3,927,450

2015 Water System Refunding Revenue Bonds

On July 23, 2015, the City issued $47,740,000 of 2015 Water System Refunding Revenue Bonds. The proceeds were used to refinance all of the City's obligations in connection with the Azusa Public Financing Authority Parity Revenue Bonds (Water System Capital Improvements Program) Series 2006, and pay costs of issuance incurred in connection with the issuance of the 2015 Bonds. 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. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $625,426, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by $3,440,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $14,486,840. Serial bonds mature in annual installments beginning on July 1, 2016 through July 1, 2039, in amounts ranging from $1,150,000 to $3,035,000. Interest ranges from 3.000% to 5.000% and is payable semi-annually on July 1 and January 1.

The annual requirements to amortize the outstanding bonds as of June 30, 2020, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 1,375,000	$ 1,722,563	$ 3,097,563
2022	1,445,000	1,652,063	3,097,063
2023	1,520,000	1,577,938	3,097,938
2024	1,600,000	1,499,938	3,099,938
2025	1,680,000	1,417,938	3,097,938
2026-2030	9,590,000	5,892,888	15,482,888
2031-2035	11,595,000	3,885,719	15,480,719
2036-2040	14,045,000	1,442,013	15,487,013
Total	$ 42,850,000	$ 19,091,060	$ 61,941,060

5. LONG-TERM DEBT, Continued

B. Business-Type Activities, 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, 2020, the reserve requirement was fully funded.

The annual requirements to amortize the outstanding bonds as of June 30, 2020, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 845,000	$ 99,331	$ 944,331
2022	875,000	69,231	944,231
2023	905,000	40,909	945,909
2024	930,000	13,950	943,950
Total	$ 3,555,000	$ 223,422	$ 3,778,422

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%.

5 LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

2011 Sewer Installment Agreement Series A and B, Continued

The annual requirements to amortize the outstanding installment agreements as of June 30, 2020, including interest are as follows:

Year Ending	2011 Sewer Installment, Series A			2011 Sewer Installment, Series B		
June 30,	Principal	Interest	Total	Principal	Interest	Total
2021	$ 190,000	$ 2,755	$ 192,755	$ 235,000	$ 89,370	$ 324,370
2022	-	-	-	440,000	77,220	517,220
2023	-	-	-	455,000	61,110	516,110
2024	-	-	-	475,000	44,370	519,370
2025	-	-	-	490,000	27,000	517,000
2026	-	-	-	505,000	9,090	514,090
Subtotal	$ 190,000	$ 2,755	$ 192,755	2,600,000	$ 308,160	$ 2,908,160

C. Debt without City Commitment

The City of Azusa has authorized the formation of the City of Azusa – Community Facilities District No. 2002-1 (Mountain Cove) and the City of Azusa – Community Facilities District No. 2005-1 (Rosedale) Improvement Area No. 1, acting through its eligible landowner voters, and the issuance of bonds under the public improvement act (Mello-Roos Community Facilities Act of 1982) of the State of California to finance certain costs of acquisition and construction of certain water, sewer, reservoir, pump station and bike trail improvements generally related to development within the Mountain Cove District, and to finance eligible public facilities necessary to be owned and maintained by the City as well as public facilities for the Azusa Unified School District, the Los Angeles Pasadena Metro Blue Line Construction Authority, and the City of Glendora. The bonds are secured by annual special tax levies or liens placed on the property within the respective districts.

The City of Azusa is not liable for repayment and acts only as an agent for the property owners in collecting the special taxes or assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings when necessary. Accordingly, the special tax bonds are not reported as liabilities in the City's basic financial statements. As of June 30, 2020, the total outstanding balances of the special tax bonds were $51,200,000.

6. COMPENSATED ABSENCES

Compensated absences comprise unpaid vacation, unpaid compensatory leave balances, and the vested portion of sick leave, which are accrued as earned. The City's liability for compensated absences is recorded in various governmental funds or proprietary funds as appropriate. The liability for compensated absences is determined annually. Compensated absences are reported in governmental funds only if they have matured. For all governmental funds, amounts expected to be permanently liquidated are recorded as fund liabilities; the long-term portion is recorded in the Statement of Net Position. Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

Employees accrue vacation, annual leave, earned time off, and holiday leave up to certain maximums, based on the employee’s bargaining unit. Employees may elect to be paid a portion of these leaves at various times according to the applicable Memorandum of Understanding. Sick leave may be accumulated without limit.

The City accrues the liability for compensated leave as it is earned by employees. The amount of compensated leaves payable outstanding was $5,144,915 as of June 30, 2020.

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year	Due in More Than One Year
Governmental Activities						
Compensated Leaves Payable	$ 3,503,051	$ 2,523,768	$ (2,371,607)	$ 3,655,212	$ 2,576,081	$ 1,079,131
Business-Type Activities						
Compensated Leaves Payable	$ 1,302,142	$ 1,102,528	$ (914,967)	$ 1,489,703	$ 1,022,761	$ 466,942

7. RETIREMENT 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) defined contribution plan and the PARS Retirement Enhancement Plans defined benefit plans (AMMA, Executives, IBEW, and SEIU). These plans are provided and administered by the Public Agency Retirement System Alternate Retirement System Plan.

7. RETIREMENT PLANS, Continued

The following schedule provides a summary of deferred outflows of resources, liabilities, deferred inflows of resources, and pension expense for the City's pension plans.

	Deferred Outflows Related to Pension	Net Pension Liability	Deferred Inflows Related To Pension	Pension Expense
CalPERS Miscellaneous Agent Multiple Employer Plan	$ 5,881,941	$ 40,317,320	$ 932,811	$ 8,631,263
CALPERS Cost Sharing Plan - Safety	8,602,941	37,495,554	2,184,664	7,560,681
PARS Agent Multiple Employer Plan - AMMA	349,742	971,369	187,434	165,503
PARS Agent Multiple Employer Plan - Executives	188,693	2,047,514	6,170	166,057
PARS Agent Multiple Employer Plan - IBEW	409,142	1,116,607	59,681	169,434
PARS Agent Multiple Employer Plan - SEIU	57,752	152,198	40,008	18,499
Total	$ 15,490,211	$ 82,100,562	$ 3,410,768	$ 16,711,437

A. *CalPERS Plans*

Plan Description

The City of Azusa contributes to the California Public Employees Retirement System (PERS); to both a miscellaneous agent multiple-employer and safety cost-sharing multiple employer defined benefit pension plans. 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.

The cost sharing plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors three safety rate plans. Benefit provisions under the Plan are established by State statute and City ordinance. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

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 55 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 Employee's Retirement Law.

7. RETIREMENT PLANS, Continued

A. *CalPERS Plans, Continued*

Benefits Provided, Continued

The miscellaneous agent multiple employer plan's provisions and benefits in effect at June 30, 2020 are summarized as follows:

	Classic	PEPRA
Hire date	Prior to January 1, 2013	January 1, 2013 and after
Benefit vesting schedule	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits, as a % of annual salary	2.50%	2.0%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	9.743%	9.743%
Required UAL payment	$ 2,703,386	$ -

The safety cost sharing plan rate plan's provisions and benefits in effect at June 30, 2020 are summarized as follows:

	Classic	Tier 2	PEPRA
Hire date	Prior to October 15, 2012	October 15, 2012 to December 31, 2012	January 1, 2013 and after
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	57
Monthly benefits, as a % of annual salary	3.00%	2.00%	2.70%
Required employee contribution rates	9.00%	9.00%	12.75%
Required employer contribution rates	26.150%	24.087%	13.786%
Required UAL payment	$ 2,276,235	$ 5,356	$ 1,190

Employees Covered – As of the measurement date, the following employees were covered by the benefit terms for the Miscellaneous Agent Multiple-Employer Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	359
Inactive employees entitled to but not yet receiving benefits	260
Active employees	236
Total	855

7. RETIREMENT PLANS, Continued

A. CalPERS Plans, Continued

Benefits Provided, Continued

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 actuarial basis, annually and is effective on July 1 following notice of a change in the rate. Funding contributions for the Plan 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.

For governmental activities, the General Fund has typically been used in prior years to liquidate pension liabilities.

Net Pension Liability

The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position.

For the Safety Plan, net pension liability 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, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City's proportion of the net pension liability (Safety Plan) was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Safety Plan as of the measurement dates June 30, 2018 and June 30, 2019 were as follows:

	City Cost Sharing Plan
Proportion - June 30, 2018	0.35940%
Proportion - June 30, 2019	0.36592%
Change - Increase (Decrease)	0.00652%

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7. RETIREMENT PLANS, Continued

A. CalPERS Plans, Continued

Net Pension Liability, Continued

A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions - The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous Agent Multiple Employer Plan	Safety Cost Sharing Plan
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Salary Increases	Varies by Entry Age and Service	
Investment Rate of Return (1)	7.15%	7.15%
Mortality (2)	Derived using CalPERS' Membership Data for all Funds	
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter	

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

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality, and retirement rates. The experience study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for each Plan. This rate includes investment expenses and inflation. 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 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 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.

7. RETIREMENT PLANS, Continued

A. CalPERS Plans, Continued

Net Pension Liability, Continued

Discount Rate (Continued) - 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[(a)]	Real Return Years 11+[(b)]
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) An expected inflation of 2.0% used for this period.
(b) An expected inflation of 2.92% used for this period.

7. RETIREMENT PLANS, Continued

A. CalPERS Plans, Continued

Changes in Net Pension Liability

The change in the Net Pension Liability for the Miscellaneous Plan is as follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	$ 150,017,209	$ 113,322,627	$ 36,694,582
Changes in the year:			
Service cost	2,642,631	-	2,642,631
Interest on the total pension liability	10,746,822	-	10,746,822
Differences between actual and expected experience	2,523,996	-	2,523,996
Changes in assumptions	-	-	-
Plan to Plan Resource Movement	-	19,282	(19,282)
Contribution - employer	-	3,622,928	(3,622,928)
Contribution - employee	-	1,282,651	(1,282,651)
Net investment income	-	7,446,456	(7,446,456)
Administrative expenses	-	(80,869)	80,869
Other miscellaneous expense	-	263	(263)
Benefit payments , including refunds of employee contributions	(7,114,634)	(7,114,634)	-
Net changes	8,798,815	5,176,077	3,622,738
Balance at June 30, 2019	$ 158,816,024	$ 118,498,704	$ 40,317,320

CalPERS Cost Sharing Plan - The City contributed $3,294,240 for the measurement period ended June 30, 2019 and $3,716,215 for the fiscal year ended June 30, 2020. The City's contribution of $3,716,215 is reflected as a deferred outflow of resources in the City's basic financial statements as of June 30, 2020.

As of June 30, 2020, the City reported net pension liabilities for its proportionate share of the net pension liability of the Cost Sharing Plan of $37,495,554.

7. RETIREMENT PLANS, Continued

A. CalPERS Plans, Continued

Changes in Net Pension Liability, Continued

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 point lower or 1-percentage point higher than the current rate:

	CalPERS Miscellaneous Agent Multiple Employer Plan	CalPERS Safety Cost Sharing Plan	Total CalPERS' Plans
1% Decrease			
Net Pension Liability	$ 61,850,532	$ 56,143,134	$ 117,993,666
Current Discount Rate			
Net Pension Liability	$ 40,317,320	$ 37,495,554	$ 77,812,874
1% Increase			
Net Pension Liability	$ 22,596,222	$ 22,207,460	$ 44,803,682

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. Reports may be obtained from www.calpers.ca.gov.

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

For the year ended June 30, 2020, the City recognized pension expense of $8,631,263 for the Miscellaneous Agent Multiple Employer Plan and $7,560,681 for the Safety Cost Sharing Plan.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source for the Miscellaneous Agent Multiple Employer Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 4,199,277	$ -
Differences between actual and expected experience	1,682,664	(175,111)
Changes in assumptions	-	(182,181)
Net differences between projected and actual earnings on plan investments	-	(575,519)
Total	$ 5,881,941	$ (932,811)

7. RETIREMENT PLANS, Continued

A. CalPERS Plans, Continued

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

$4,199,277 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 ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	
2021	$ 937,441
2022	(108,489)
2023	(191,265)
2024	112,166

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source for the Safety Cost Sharing Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 3,716,215	$ -
Differences between actual and expected experience	2,448,121	-
Changes in assumptions	1,536,877	(299,920)
Changes in employer's proportion	901,728	(91,815)
Differences between the employer's contribution and the employer's proportionate share of contributions	-	(1,277,114)
Net differences between projected and actual earnings on plan investments	-	(515,815)
Total	$ 8,602,941	$ (2,184,664)

7. RETIREMENT PLANS, Continued

A. CalPERS Plans, Continued

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

$3,716,215 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 ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:		
2021	$	2,470,298
2022		(196,523)
2023		327,926
2024		100,361

Payables to the Pension Plan

At June 30, 2020, the City reported no payables for outstanding amounts of contributions for both the CalPERS Miscellaneous Agent Multiple-Employer Plan or the CalPERS Safety Cost Sharing Multiple-Employer Plan.

B. PARS Retirement Enhancement Plans

Plan Descriptions

The plans provide pension benefits to 133 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. PARS is a 401(a) tax-qualified agent multiple-employer defined benefit plan made up of California governmental agencies. PARS 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 City ordinance.

7. RETIREMENT PLANS, Continued

B. PARS Retirement Enhancement Plans, Continued

Benefits Provided

The PARS Retirement Enhancement Plans' provisions and benefits in effect at June 30, 2020 are summarized as follows:

	AMMA	Executive	IBEW	SEIU
Hire date	July 1, 2007 and after	July 1, 2006 and after	July 1, 2006 and after	July 1, 2006 and after
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	55	55	55
Monthly benefits, as a % of annual salar	0.50%	0.50%	0.50%	0.50%
Required employee contribution rates	2.50%	0.00%	2.00%	4.00%
Required employer contribution rates	9.97%	14.00%	5.44%	3.72%

Employees Covered – As of the June 30, 2020, the following employees were covered by the PARS Retirement Enhancement Plans were as follows:

	AMMA	Executive	IBEW	SEIU
Inactive employees or beneficiaries currently receiving benefits	6	5	15	2
Inactive employees entitled to but not yet receiving benefits	7	3	14	6
Active employees	20	4	42	9
Total	33	12	71	17

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. Employer contribution rates may change if plan contracts are amended.

7. RETIREMENT PLANS, Continued

B. PARS Retirement Enhancement Plans, Continued

Net Pension Liability

For the measurement period ended June 30, 2019 (the measurement date), the employer and employee contribution rates were as follows:

	AMMA	Executive	IBEW	SEIU
Employer contribution rate	9.97%	14.00%	5.44%	3.72%
Employee contribution rate	2.50%	0.00%	2.00%	4.00%

For governmental activities, the General Fund has typically been used in prior years to liquidate pension liabilities.

The City's net pension liabilities for the PARS Retirement Enhancement Plans are measured as the total pension liability, less the pension plan's fiduciary net position.

A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions - The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	AMMA	Executive	IBEW	SEIU
Valuation Date	June 30, 2018	June 30, 2018	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method			
Actuarial Assumptions:				
Discount Rate	6.50%	6.50%	6.50%	6.50%
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	Varies by Entry Age and Service			
Investment Rate of Return	6.50%	6.50%	6.50%	6.50%
Mortality [1]	Derived using CalPERS' Membership Data for all Funds			
Post Retirement Benefit Increase	2.75%	2.75%	2.75%	2.75%

Discount Rate - The plans' fiduciary net positons were 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 for each plan.

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.

7. RETIREMENT PLANS, Continued

B. PARS Retirement Enhancement Plans, Continued

Net Pension Liability, Continued

The following assumptions detail out long-term expected rate of return for each PARS Retirement Enhancement Plan:

AMMA

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Mon Tbill	2.91%	0.71%	0.71%
US Core Fixed Income	Barclays Aggregate	36.19%	1.83%	1.73%
US Equity Market	Russell 3000	46.16%	4.71%	3.52%
Foreign Developed Equity	MSCI EAFE NR	6.84%	6.06%	4.55%
Emerging Markets Equity	MSCI EM NR	5.18%	8.23%	5.43%
US REITs	FTSE NAREIT Equity REIT	2.72%	5.05%	3.42%
Assumed Inflation - Mean			2.21%	2.20%
Assumed Inflation - Standard Deviation			1.65%	1.65%
Portfolio Real Mean Return			3.84%	3.36%
Portfolio Nominal Mean Return			6.05%	5.63%
Portfolio Standard Deviation				9.62%
Long-Term Expected Rate of Return				**6.50%**

Executive

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Mon Tbill	6.93%	0.71%	0.71%
US Core Fixed Income	Barclays Aggregate	34.69%	1.83%	1.73%
US Equity Market	Russell 3000	44.25%	4.71%	3.52%
Foreign Developed Equity	MSCI EAFE NR	6.55%	6.06%	4.55%
Emerging Markets Equity	MSCI EM NR	4.97%	8.23%	5.43%
US REITs	FTSE NAREIT Equity REIT	2.61%	5.05%	3.42%
Assumed Inflation - Mean			2.21%	2.20%
Assumed Inflation - Standard Deviation			1.65%	1.65%
Portfolio Real Mean Return			3.71%	3.26%
Portfolio Nominal Mean Return			5.92%	5.53%
Portfolio Standard Deviation				9.92%
Long-Term Expected Rate of Return				**6.50%**

7. RETIREMENT PLANS, Continued

B. PARS Retirement Enhancement Plans, Continued

Net Pension Liability, Continued

IBEW

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Mon Tbill	2.67%	0.71%	0.71%
US Core Fixed Income	Barclays Aggregate	36.28%	1.83%	1.73%
US Equity Market	Russell 3000	46.28%	4.71%	3.52%
Foreign Developed Equity	MSCI EAFE NR	6.85%	6.06%	4.55%
Emerging Markets Equity	MSCI EM NR	5.19%	8.23%	5.43%
US REITs	FTSE NAREIT Equity REIT	2.73%	5.05%	3.42%
Assumed Inflation - Mean			2.21%	2.20%
Assumed Inflation - Standard Deviation			1.65%	1.65%
Portfolio Real Mean Return			3.84%	3.36%
Portfolio Nominal Mean Return			6.06%	5.63%
Portfolio Standard Deviation				9.64%
Long-Term Expected Rate of Return				**6.50%**

SEIU

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Mon Tbill	2.67%	0.71%	0.71%
US Core Fixed Income	Barclays Aggregate	36.28%	1.83%	1.73%
US Equity Market	Russell 3000	46.28%	4.71%	3.52%
Foreign Developed Equity	MSCI EAFE NR	6.85%	6.06%	4.55%
Emerging Markets Equity	MSCI EM NR	5.19%	8.23%	5.43%
US REITs	FTSE NAREIT Equity REIT	2.73%	5.05%	3.42%
Assumed Inflation - Mean			2.21%	2.20%
Assumed Inflation - Standard Deviation			1.65%	1.65%
Portfolio Real Mean Return			3.84%	3.36%
Portfolio Nominal Mean Return			6.06%	5.63%
Portfolio Standard Deviation				9.61%
Long-Term Expected Rate of Return				**6.50%**

7. RETIREMENT PLANS, Continued

B. PARS Retirement Enhancement Plans, Continued

Changes in Net Pension Liability

The changes in the Net Pension Liabilities for the PARS Retirement Enhancement Plans are as follows:

AMMA Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	$ 3,794,220	$ 2,791,391	$ 1,002,829
Changes in the year:			
Service cost	123,963	-	123,963
Interest on the total pension liability	250,344	-	250,344
Changes in assumptions	-	-	-
Economic/demographic gains or losses	-	-	-
Contribution - employer	-	195,062	(195,062)
Contribution - employee	-	41,008	(41,008)
Net investment income	-	178,824	(178,824)
Administrative expenses	-	(9,127)	9,127
Benefit payments , including refunds of employee contributions	(135,620)	(135,620)	-
Net changes	238,687	270,147	(31,460)
Balance at June 30, 2019	$ 4,032,907	$ 3,061,538	$ 971,369

Executive Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	$ 3,150,748	$ 1,054,300	$ 2,096,448
Changes in the year:			
Interest on the total pension liability	198,591	-	198,591
Changes in assumptions	-	-	-
Economic/demographic gains or losses	-		-
Contribution - employer	-	188,693	(188,693)
Net investment income	-	64,229	(64,229)
Administrative expenses	-	(5,397)	5,397
Benefit payments , including refunds of employee contributions	(194,071)	(194,071)	-
Net changes	4,520	53,454	(48,934)
Balance at June 30, 2019	$ 3,155,268	$ 1,107,754	$ 2,047,514

7. RETIREMENT PLANS, Continued

B. PARS Retirement Enhancement Plans, Continued

Changes in Net Pension Liability, Continued

IBEW Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	$ 3,741,580	$ 2,503,251	$ 1,238,329
Changes in the year:			
Service cost	98,500	-	98,500
Interest on the total pension liability	244,368	-	244,368
Changes in assumptions	-	-	-
Economic/demographic gains or losses	-	-	-
Contribution - employer	-	247,341	(247,341)
Contribution - employee	-	61,521	(61,521)
Net investment income	-	164,679	(164,679)
Administrative expenses	-	(8,951)	8,951
Benefit payments , including refunds of employee contributions	(163,726)	(163,726)	-
Net changes	179,142	300,864	(121,722)
Balance at June 30, 2019	$ 3,920,722	$ 2,804,115	$ 1,116,607

SEIU Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	$ 626,969	$ 458,839	$ 168,130
Changes in the year:			
Service cost	21,002	-	21,002
Interest on the total pension liability	41,101	-	41,101
Changes in assumptions	-	-	-
Economics/Demographic gains or losses	-	-	-
Contribution - employer	-	27,081	(27,081)
Contribution - employee	-	23,319	(23,319)
Net investment income	-	30,060	(30,060)
Administrative expenses	-	(2,425)	2,425
Benefit payments , including refunds of employee contributions	(31,800)	(31,800)	-
Net changes	30,303	46,235	(15,932)
Balance at June 30, 2019	$ 657,272	$ 505,074	$ 152,198

7. RETIREMENT PLANS, Continued

B. PARS Retirement Enhancement Plans, Continued

Changes in Net Pension Liability, Continued

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 point lower or 1-percentage point higher than the current rate:

	AMMA	Executive	IBEW	SEIU	Total PARS' Plans
1% Decrease Net Pension Liability	$ 1,451,647	$ 2,415,769	$ 1,630,878	$ 234,431	$ 5,732,725
Current Discount Rate Net Pension Liability	$ 971,369	$ 2,047,514	$ 1,116,607	$ 152,198	$ 4,287,688
1% Increase Net Pension Liability	$ 540,328	$ 1,712,741	$ 658,481	$ 78,566	$ 2,990,116

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued PARS financial reports.

Payables to the Pension Plan

At June 30, 2020, the City reported no payables for outstanding amounts of contributions for the PARS Retirement Enhancement Plans.

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

For the year ended June 30, 2020, the City recognized pension expense for each PARS Retirement Enhancement Plan as follows:

	Pension Expense
PARS Agent Multiple Employer Plan - AMMA	$ 165,503
PARS Agent Multiple Employer Plan - Executives	166,057
PARS Agent Multiple Employer Plan - IBEW	169,434
PARS Agent Multiple Employer Plan - SEIU	18,499
Total	$ 519,493

7. RETIREMENT PLANS, Continued

B. PARS Retirement Enhancement Plans, Continued

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each of the PARS Retirement Enhancement Plans:

	AMMA		Executive	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 195,062	$ -	$ 188,693	$ -
Differences between actual and expected experience	-	(169,408)	-	-
Changes in assumptions	154,680	-	-	-
Net differences between projected and actual earnings on plan investments	-	(18,026)	-	(6,170)
Total	$ 349,742	$ (187,434)	$ 188,693	$ (6,170)

	IBEW		SEIU	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 247,341	$ -	$ 27,081	$ -
Differences between actual and expected experience	-	(41,045)	7,722	(36,652)
Changes in assumptions	161,801	-	22,949	-
Net differences between projected and actual earnings on plan investments	-	(18,636)	-	(3,356)
Total	$ 409,142	$ (59,681)	$ 57,752	$ (40,008)

$195,062, $188,693, $247,341, and $27,081 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 ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows for each PARS Retirement Enhancement Plan:

Fiscal Year Ending June 30:	AMMA	Executive	IBEW	SEIU
2021	$ (8,405)	$ 4,479	$ 32,531	$ 5,282
2022	(25,476)	(10,359)	7,057	(8,696)
2023	21	(1,082)	25,389	(5,479)
2024	1,106	792	30,674	(444)
2025	-	-	6,469	-
Thereafter	-	-	-	-

7. RETIREMENT PLANS, Continued

C. PARS Defined Contribution 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, 2020, the covered payroll for employees in the plan was $8,516,320. Total payroll for the City was $31,976,275. 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, 2020, the employer and the employees each contributed an amount equal to $450,064. Under this plan, normal retirement age is 60 years of age. Plan assets are primarily invested in money market funds.

8. POST-EMPLOYMENT BENEFITS

B. Plan Description

The City administers a single-employer defined-benefit post-employment healthcare plan. Participants are eligible for benefits upon Service or Disability Retirement. Benefits vary by hire date and employment status and benefits continue to surviving spouses.

C. Benefits Provided

Benefits are dependent on bargaining unit and hire date. Participants may receive up to 100% of the monthly single premium (ACEA, CAPP, SEIU, IBEW, APOA with 20 years of service) or 100% of the monthly dual premium (Executives, APMA with 20 years of service).Participants between 10 to 20 years of service may receive between 50% to 75% of the monthly single premium. Percentages vary by bargaining unit.

Participants not meeting the above requirements who remain enrolled in a City plan receive the PEMHCA minimum payment, currently $136 per month. Other benefit provisions apply.

D. Employees Covered by Benefit Terms

As of June 30, 2020, the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	140
Active employees	200
Total	340

8. POST-EMPLOYMENT BENEFITS, Continued

E. 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. The City pays benefits as they come due.

F. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date.

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	3.50%
Inflation	2.75%
Salary Increases	3%. Individual salary increases based on CalPERS
Mortality	Derived using CalPERS' Membership Data for all Funds
Healthcare cost trend rates:	7.25% to 4.0%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as of the valuation date.

8. POST-EMPLOYMENT BENEFITS, Continued

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	$ 48,507,422
Changes in the year:	
Service cost	1,847,881
Interest on the total OPEB liability	1,740,015
Differences between actual and expected experience	-
Changes in assumptions	12,972,999
Benefit payments, including refunds of employee contributions	(1,281,210)
Net changes	15,279,685
Balance at June 30, 2020	$ 63,787,107

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

1% Decrease - 2.50%		
Total OPEB liability	$	77,369,655
Current Discount Rate - 3.50%		
Total OPEB liability	$	63,787,107
1% Increase - 4.50%		
Total OPEB liability	$	53,371,714

Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rate – The following presents the total OPEB liability of the City for the Plan, calculated using the healthcare cost trend rate for the Plan, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease - 6.25% Decreasing to 3.00%		
Total OPEB liability	$	51,271,588
Current Discount Rate - 7.25% Decreasing to 4.00%		
Total OPEB liability	$	63,787,107
1% Increase - 8.25% Decreasing to 5.00%		
Total OPEB liability	$	80,709,959

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8. POST-EMPLOYMENT BENEFITS, Continued

G. Changes in the Total OPEB Liability, Continued

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

For the year ended June 30, 2020, the City recognized OPEB expense of $6,050,636. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,430,823	$ -
Changes in assumptions	13,540,868	-
Total	$ 14,971,691	$ -

Amounts reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ending June 30:	
2021	$ 2,447,885
2022	2,447,885
2023	2,447,885
2024	2,447,885
2025	2,447,885
Thereafter	2,732,266

9. RISK MANAGEMENT

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

The City of Azusa became a member of the California Joint Powers Insurance Authority (Authority) during the fiscal year. The Authority is composed of 116 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee. The City has not had claims settlements exceeding insurance coverage for each of the past three fiscal years.

9. RISK MANAGEMENT, Continued

B. Self-Insurance Programs of the Authority

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

Liability

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

For 2016-17, the Authority's pooled retention is $2 million per occurrence, with reinsurance to $20 million, and excess insurance to $50 million. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) $2.5 million annual aggregate deductible in the $3 million x/s $2 million layer, and (b) $3 million annual aggregate deductible in the $5 million x/s $10 million layer. There is a third annual aggregate deductible in the amount of $2.5 million in the $5 million x/s $5 million layer, however, it is fully covered under a separate policy and therefore, not retained by the Authority.

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

Workers' Compensation

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

9. RISK MANAGEMENT, Continued

B. Self-Insurance Programs of the Authority, Continued

For 2019-20 the Authority's pooled retention is $1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to $1 million. Coverage from $1 million to $5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from $5 million to $10 million are pooled among members.

C. Independent Cities Risk Management Authority (ICRMA)

Prior to July 1, 2017, the City was a member of Independent Cities Risk Management Authority (ICRMA) for general liability and worker's compensation claims. The City retains responsibility for its self-insured portion of claims incurred prior to July 1, 2016.

D. Claim Liability

The City's claims activity is recorded in its internal service funds. Estimated liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims that have been incurred but not reported (IBNRs) are also included in the liability estimates. A summary of the changes in claims liabilities for the past three fiscal years follows.

For the Years Ended June 30,	Claims Payable July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30	Due Within One Year
2018	$ 3,232,622	$ 1,049,005	$ (1,494,245)	$ 2,787,382	$ 1,000,000
2019	2,787,382	2,371,449	(1,580,817)	3,578,014	1,790,632
2020	3,578,014	3,423,783	(2,006,456)	4,995,341	3,207,959

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2019-20.

10. SEGMENT 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, 2020, is as follows:

Condensed Statement of Net Position

Assets:		
Current assets	$	6,845,145
Restricted assets		1,375,513
Capital assets		8,451,256
Total assets		16,671,914
Deferred outflows of resources:		
Deferred pension related items		258,334
Total deferred outflows of resources		258,334
Liabilities:		
Current liabilities		616,951
Noncurrent liabilities		4,121,623
Total liabilities		4,738,574
Deferred inflows of resources		
Deferred pension related items		40,286
Total deferred inflows of resources		40,286
Net position:		
Net investment in capital assets		5,661,256
Restricted		1,375,513
Unrestricted		5,114,619
Total net position	$	12,151,388

Condensed Statement of Revenues, Expenses and Changes in Net Position

Sewer charges	$	3,292,951
Depreciation expense		(489,347)
Other operating expenses		(1,979,141)
Operating income		824,463
Nonoperating revenues(expenses):		
Investment earnings		122,016
Interest expense		(59,523)
Special franchise fees		(66,229)
Transfers out		(61,000)
Change in net position		759,727
Beginning net position, as restated		11,391,661
Ending net position	$	12,151,388

10. SEGMENTS OF ENTERPRISE ACTIVITIES, Continued

Condensed Statement of Cash Flows

Net cash provided by (used in):		
Operating activities	$	1,494,420
Noncapital financing activities		(61,000)
Capital and related financing activities		(540,752)
Investing activities		139,815
Net increase in cash		1,032,483
Beginning cash and cash equivalents		6,772,621
Ending cash and cash equivalents	$	7,805,104

11. 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, 2020, the City's entitlement of significant projects of SCPPA includes the following: 1% of SCPPA's $877,646,000 investment (at cost) in the Palo Verde Nuclear Generating Station (with related SCPPA indebtedness of $0), 1% of SCPPA's $58,463,000 investment (at cost) in Mead - Phoenix Transmission Project (with related SCPPA indebtedness of $46,150), and 2.21% of SCPPA's $174,056,000 investment (at cost) in Mead - Adelanto Transmission Project (with related SCPPA indebtedness of $342,108. Per SCCPA Joint Powers Agreement, the distribution of any residual equity at event of SCCPA liquidation will be determined by the SCCPA Board of Directors, as such no investment in joint venture in SCCPA is reported for the above mentioned projects.

12. RATE STABILIZATION FUND

The City of Azusa has provided for a rate stabilization fund in the amount of $10,941,541 (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.

13. RDA OBLIGATION RETIREMENT TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES

A. Redevelopment Dissolution

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies as of January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

ABxl 26 and AB1484 allowed three regulatory oversight authorities, the Successor Authority's Oversight Board, State Controller and Department of Finance (DOF), to review the former Authority's asset transfer, obligation payments and wind down activities. ABxl 26 specifically directs the State Controller to review the activities of all redevelopment agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller completed its review in April 2016. The City subsequently brought the asset transfer review to the Oversight Board. The transfer identified as required to be returned in the asset transfer review was made during the FY 2016.

Effective January 31, 2012, all California redevelopment agencies were dissolved. Certain assets of the Authority's Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining Authority assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City could elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on January 24, 2012, and on February 1, 2012 certain housing assets were transferred to the City's Housing Successor Special Revenue Fund.

Cash and investments of the Successor Agency are discussed in Note 2 above.

B. Capital Assets

The Successor Agency assumed the capital assets of the former Redevelopment Agency as of February 1, 2012. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. The Successor Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

13. RDA OBLIGATION RETIREMENT TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES, Continued

B. Capital Assets, Continued

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of capital assets.

Depreciation is provided using the straight line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Successor Agency has assigned the useful lives and capitalization thresholds listed below to capital assets.

Buildings and Improvements	7 – 50 years
Furniture, Fixtures and Equipment	5 – 20 years
Automobiles and Trucks	2 – 10 years
Infrastructure	25–65 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Capital assets recorded at June 30 comprise:

	Balance at June 30, 2019	Additions	Retirements	Balance at June 30, 2020
Non Depreciable Assets:				
Land	$ 410,420	$ -	$ -	$ 410,420
Capital assets being depreciated:				
Land Improvements	1,427,803	-	-	1,427,803
Building and Structures	468,042	-	-	468,042
Infrastructure	718,430	-	-	718,430
Total capital assets being depreciated	2,614,275	-	-	2,614,275
Less accumulated depreciation for:				
Land Improvements	1,038,536	58,400	-	1,096,936
Building and Structures	397,831	46,803	-	444,634
Infrastructure	205,441	23,949	-	229,390
Total accumulated depreciation	1,641,808	129,152	-	1,770,960
Net capital assets being depreciated	972,467	(129,152)	-	843,315
Capital Assets, net	$ 1,382,887	$ (129,152)	$ -	$ 1,253,735

13. RDA OBLIGATION RETIREMENT TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES, Continued

C. *Long-Term Debt*

Tax Allocations Bonds and Loans

All of the long-term debt of the Successor Agency is comprised of Tax Allocation Bonds issued by the Redevelopment Agency. The Bonds are special obligations of the Agency and are secured only by the Agency's tax increment revenues. Tax Allocation Bond and loan transactions were as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Fiduciary Funds					
2014 Refunding TAB	$ 7,590,000	$ -	$ (780,000)	$ 6,810,000	$ 820,000
2015 Refunding TAB, Series A	14,315,000	-	-	14,315,000	-
2015 Refunding TAB, Series B	15,065,000	-	(330,000)	14,735,000	330,000
2017 Refunding TABS, Series A	2,815,000	-	(675,000)	2,140,000	690,000
2017 Refunding TABS, Series B	3,385,000	-	(205,000)	3,180,000	210,000
Unamortized premium (discount)	217,603	-	(14,180)	203,423	-
Total Fiduciary Funds	$ 43,387,603	$ -	$ (2,004,180)	$ 41,383,423	$ 2,050,000

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 economic gain on refunding was $2,288,197. The difference in cash flow was $2,075,000. The outstanding principal balance at June 30, 2020, was $6,810,000.

13. RDA OBLIGATION RETIREMENT TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES, Continued

C. Long-Term Debt, Continued

2014 Subordinate Tax Allocation Refunding Bonds, Series A, Continued

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2020, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 820,000	$ 275,644	$ 1,095,644
2022	855,000	233,769	1,088,769
2023	905,000	189,769	1,094,769
2024	1,900,000	130,894	2,030,894
2025	180,000	90,144	270,144
2026-2030	1,250,000	291,066	1,541,066
2031-2035	900,000	105,131	1,005,131
Total	$ 6,810,000	$ 1,316,417	$ 8,126,417

2015 Subordinate Tax Allocation Refunding Bonds, Series A & B

The Successor Agency to the Redevelopment Agency of the City of Azusa issued $30,530,000 of Subordinate Tax Allocation Refunding Bonds, Series A & B, dated September 8, 2015. 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 refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $3,080,678, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the debt. The City completed the refunding to reduce its total debt service payments by $2,755,111 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $4,413,928. The bonds are due in annual installments ranging from $315,000 to $2,635,000 maturing on August 1, 2016 through August 1, 2036. The bonds carry interest rates of 1.00% and 4.50%.

13. RDA OBLIGATION RETIREMENT TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES, Continued

C. Long-Term Debt, Continued

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2020, including interest are as follows:

Year Ending	2015 Subordinate Bond, Series A			2015 Subordinate Bond, Series B		
June 30,	Principal	Interest	Total	Principal	Interest	Total
2021	$ -	$ 504,213	$ 504,213	$ 330,000	$ 589,806	$ 919,806
2022	-	504,213	504,213	350,000	580,019	930,019
2023	-	504,213	504,213	355,000	569,000	924,000
2024	-	504,213	504,213	295,000	558,069	853,069
2025	-	504,213	504,213	2,000,000	515,406	2,515,406
2026-2030	2,535,000	2,479,869	5,014,869	8,785,000	1,336,366	10,121,366
2031-2035	8,985,000	1,442,906	10,427,906	2,620,000	67,950	2,687,950
2036-2040	2,795,000	72,581	2,867,581	-	-	-
Total	$ 14,315,000	$ 6,516,421	$ 20,831,421	$ 14,735,000	$ 4,216,616	$ 18,951,616

2017 Tax Allocation Refunding Bonds, Series A & B

The Successor Agency to the Redevelopment Agency of the City of Azusa issued $7,125,000 of Tax Allocation Bonds, Series A & B dated November 2, 2017. Proceeds of the bonds were used 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 refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $151,451, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the debt. The City completed the refunding to achieve approximately $1,441,324 in net savings (economic gain on refunding) over the remaining life of the bonds.

The bonds are due in annual installments ranging from $50,308 to $1,114,626 maturing on February 1, 2018 through August 1, 2032. The bonds carry interest rates of 3.13% and 2.59%.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2020, including interest are described on the following page.

13. RDA OBLIGATION RETIREMENT TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES, Continued

C. Long-Term Debt, Continued

2017 Tax Allocation Refunding Bonds, Series A & B, Continued

Year Ending June 30,	2017 Tax Allocation Refunding Bonds, Series A Principal	Interest	Total	2017 Tax Allocation Refunding Bonds, Series B Principal	Interest	Total
2021	$ 690,000	$ 56,184	$ 746,184	$ 210,000	$ 79,643	$ 289,643
2022	715,000	34,195	749,195	210,000	74,204	284,204
2023	735,000	11,503	746,503	220,000	68,635	288,635
2024	-	-	-	225,000	62,872	287,872
2025	-	-	-	230,000	56,980	286,980
2026-2030	-	-	-	1,255,000	190,300	1,445,300
2031-2033	-	-	-	830,000	32,634	862,634
Total	$ 2,140,000	$ 101,882	$ 2,241,882	$ 3,180,000	$ 565,267	$ 3,745,267

14. NEGATIVE FUND BALANCE

At June 30, 2020, the following funds reported negative fund balances:

LACMTA Special Revenue Fund	$95,334
Capital Projects Fund	$541
Consumer Services Internal Service Fund	$5,205,551
Self Insurance Internal Service Fund	$6,276,284
Equipment Replacement Internal Service Fund	$305,307
IT Services Internal Service Fund	$2,439,867

The City believes the above noted deficits will be eliminated by and future service charges and/or interfund transfers.

15. FUND BALANCE/NET POSITION DEFICIT AND EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds had expenditures in excess of appropriations:

Major Funds		
Fire Safety Special Revenue Fund	$	1,257,740
Non-Major Governmental Funds:		
Special Revenue Funds:		
Senior Nutrition		67,445
Monrovia Nursery		1,674
Measure R		153,354

The expenditures in excess of appropriations for Fire Safety was due to the recording of credits against expenditures as revenues thus grossing up the expenditures. The Fire Safety expenditures net of credits was $5,437,991, resulting in a net amount of $258,354 under budget. Senior Nutrition was over in meals and payroll due to the pandemic. Monrovia Nursery was increased payroll and landscaping costs. And Measure R was related to a late transfer of gas tax.

16. COMITTMENTS 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 have been accrued in the accompanying combined financial statements.

Encumbrances outstanding as of June 30, 2020, were as listed below:

		Amount
Major Governmental Fund:		
General Fund	$	330,955
Total Major Governmental Funds		330,955
Non-Major Governmental Funds:		
Special Revenue Funds:		
Measure R		782,863
Measure M		8,266
Proposition A		10,230
Proposition C		645,360
Community Development Block Grant		15,100
Energy Efficient Program		99,354
Grant & Seizure Fund		487,713
MTA Grant		526,857
Total Non-Major Governmental Funds		2,575,743
Total Governmental Fund Encumbrances	$	2,906,698

17. PRIOR PERIOD ADJUSTMENTS

The City recorded a prior period adjustments to adjust prior year receivables and to reclassify unearned fees collected in advance.

Government-Wide Statements

	Net Position as Previously Reported	Prior Period Adjustment Receivables	Net Position as Restated
Government-Wide Statements			
Governmental Activities	$ (26,292,313)	$ 256,522	$ (26,035,791)

Fund Statements

	Fund Balance, as Previously Reported	Prior Period Adjustments Receivables	Fund Balance, as Restated
Fund Statements			
Governmental Funds			
General Fund	$ 27,351,315	$ 246,578	$ 27,597,893
Non-Major Governmental Funds*	17,849,061	9,944	17,859,005

18. COVID-19 PANDEMIC

During December 2019, the Novel Corona Virus Disease (COVID-19) was discovered. The World Health Organization subsequently declared the COVID-19 a worldwide pandemic on March 11, 2020. On March 4, 2020, California State Governor Gavin Newsom proclaimed a State of Emergency because of the threat of the COVID-19 in the State of California, leading to the County of Los Angeles Health Officer issuing a stay-at-home directive on March 18, 2020. This halted all business within the County of Angeles, including the City of Azusa outside of essential activities.

The COVID-19 pandemic had minimal impact on the City's overall revenues. Third quarter revenues citywide were impacted by discontinuance of late fees and penalties for multiple services in an effort to provide community financial relief. However, upon issuance of the stay-at-home directive, the City quickly pivoted to providing virtual and enhanced online services, took advantage of grant opportunities used for city operations and residential and business assistance, and applied for state and federal relief funding, which mitigated the impact to revenues. Additionally, sales tax and property tax revenues were stronger than anticipated and so overall revenue collections were in line with projections.

19. SUBSEQUENT EVENTS

On September 17, 2020, the City issued Taxable Pension Obligation Bonds, Series 2020 by and between the City and Wilmington Trust, National Association, as trustee of par value $70,075,000 to refund the City's obligation to pay its unfunded actuarial liability to the California Public Employees' Retirement System (PERS) under the PERS Contract for the benefit of the City's employees.

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REQUIRED SUPPLEMENTARY INFORMATION

1. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – CALPERS AGENT MULTIPLE-EMPLOYER PLAN – LAST 10 YEARS*

Measurement Period	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
TOTAL PENSION LIABILITY						
Service Cost	$ 2,642,631	$ 2,632,487	$ 2,520,416	$ 2,295,028	$ 2,302,623	$ 2,375,239
Interest	10,746,822	10,139,454	9,773,270	9,381,992	8,989,759	8,658,209
Difference Between Expected and Actual Experience	2,523,996	(525,331)	(454,282)	(892,890)	(1,723,872)	-
Changes of Assumptions	-	(546,545)	8,401,425	-	(2,292,502)	-
Benefit Payments, Including Refunds of Employee Contributions	(7,114,634)	(6,498,070)	(5,814,688)	(5,561,682)	(4,975,226)	(4,845,540)
Net Change in Total Pension Liability	8,798,815	5,201,995	14,426,141	**5,222,448**	**2,300,782**	**6,187,908**
Total Pension Liability - Beginning	**150,017,209**	**144,815,214**	**130,389,073**	**125,166,625**	**122,865,843**	**116,677,935**
Total Pension Liability - Ending (a)	$ 158,816,024	$ 150,017,209	$ 144,815,214	**$ 130,389,073**	**$125,166,625**	**$122,865,843**
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	$ 3,622,928	$ 3,137,989	$ 2,602,264	$ 2,381,498	$ 1,979,679	$ 2,043,584
Contributions - Employee	1,282,651	1,336,844	1,191,434	1,066,129	1,032,337	1,029,164
Difference in projected and actual earnings	-	-	-	-	-	-
Plan to plan resource movement	19,282	(263)	(20)	-	(145)	-
Net Investment Income	7,446,456	9,044,754	10,722,195	522,172	2,198,171	14,908,401
Benefit Payments, Including Refunds of Employee Contributions	(7,114,634)	(6,498,070)	(5,814,688)	(5,561,682)	(4,975,226)	(4,845,540)
Other Changes in Fiduciary Net Position	(80,606)	(482,393)	(145,026)	(60,872)	(112,413)	-
Net Change in Fiduciary Net Position	**5,176,077**	**6,538,861**	**8,556,159**	**(1,652,755)**	**122,403**	**13,135,609**
Plan Fiduciary Net Position - Beginning	**113,322,627**	**106,783,766**	**98,227,607**	**99,880,362**	**99,757,959**	**86,622,350**
Plan Fiduciary Net Position - Ending (b)	**$ 118,498,704**	**$ 113,322,627**	**$ 106,783,766**	**$ 98,227,607**	**$ 99,880,362**	**$ 99,757,959**
Plan Net Position Liability/(Asset) - Ending (a) - (b)	**$ 40,317,320**	**$ 36,694,582**	**$ 38,031,448**	**$ 32,161,466**	**$ 25,286,263**	**$ 23,107,884**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**74.61%**	**75.54%**	**73.74%**	**75.33%**	**79.80%**	**81.19%**
Covered Payroll	**$ 15,853,565**	**$ 15,617,508**	**$ 14,940,224**	**$ 15,065,169**	**$ 15,305,919**	**$ 14,720,773**
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	**254.31%**	**234.96%**	**254.56%**	**213.48%**	**165.21%**	**156.97%**

Notes to Schedule:

* Intended to display information for ten years, additional years' information will be displayed as it becomes available.

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. 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: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

2. SCHEDULE OF CONTRIBUTIONS – CALPERS AGENT MULTIPLE-EMPLOYER PLAN – LAST 10 YEARS*

Fiscal year:	2020	2019	2018	2017	2016	2015	2014
Misellaneous							
Actuarially Required Contributions	$ 4,199,277	$ 3,628,442	$ 3,143,487	$ 2,602,264	$ 2,381,498	$ 1,979,679	$ 2,043,584
Contribution in Relation to the							
Actuarially Required Contributions	(4,199,277)	(3,628,442)	(3,143,487)	(2,602,264)	(2,381,498)	(1,979,679)	(2,043,584)
Contribution Deficiency(Excess)	-	-	-	-	-	-	-
Covered Payroll	$16,687,339	$15,396,189	$14,947,756	$15,065,169	$14,113,224	$14,429,034	$15,121,206
Contributions as a Percentage of Covered Payroll	25.16%	23.57%	21.03%	17.27%	16.87%	13.72%	13.51%

Note to Schedules

*Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

Methods and assumptions used to determine contribution rates:

Valuation date :	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011
Actuarial cost method:	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method:	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Assets valuation method:	Market Value	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market Method	15 Year Smoothed Market Method
Inflation:	2.63%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases:	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return:	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%	7.50%
Retirement age:	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Mortality:	(4)	(4)	(4)	(4)	(4)	(4)	(4)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) 50 for all plans, with the exception of 52 for Miscellaneous PEPRA 2%@62

(4) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

3. SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – COST SHARING MULTIPLE-EMPLOYER PLAN – LAST 10 YEARS*

Measurement date:	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	0.36592%	0.35940%	0.34445%	0.34338%	0.33263%	0.31257%
Proportionate share of the net pension liability	$ 37,495,554	$ 34,632,337	$ 34,160,281	$ 29,713,239	$ 22,831,275	$ 19,449,591
Covered payroll	$ 4,698,150	$ 4,561,311	$ 3,648,273	$ 5,940,696	$ 6,649,731	$ 6,343,000
Proportionate share of the net pension liability as a percentage of covered payroll	798.09%	759.26%	936.34%	500.16%	343.34%	306.63%
Plan's share of fiduciary net position as a percentage of total pension liability	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

3. SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – COST SHARING MULTIPLE-EMPLOYER PLAN – LAST 10 YEARS, Continued

Notes to Schedule:

* Intended to display information for ten years, additional years' information will be displayed as it becomes available.

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. 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: The discount rate was changed from 7.5 percent (net of administration expense) to 7.65 percent.

4. SCHEDULE OF CONTRIBUTIONS – COST SHARING MULTIPLE-EMPLOYER PLAN – LAST 10 YEARS*

	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 3,716,215	$ 3,294,240	$ 3,080,129	$ 2,711,578	$ 2,408,176	$ 2,475,434
Contribution in relation to the actuarially determined contributions	(3,716,215)	(3,294,240)	(3,080,129)	(2,711,578)	(2,408,176)	(2,475,434)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 5,858,623	$ 4,698,150	$ 4,561,311	$ 3,648,273	$ 5,940,696	$ 6,649,731
Contributions as a percentage of covered payroll	63.43%	70.12%	67.53%	74.32%	40.54%	37.23%

Note to Schedules

*Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Methods and assumptions used to determine contribution rates:

Valuation date :	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Actuarial cost method:	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method:	(1)	(1)	(1)	(1)	(1)	(1)
Assets valuation method:	Market Value	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market Method
Inflation:	2.63%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases:	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return:	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age:	(3)	(3)	(3)	(3)	(3)	(3)
Mortality:	(4)	(4)	(4)	(4)	(4)	(4)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) 50 for all plans, with the exception of 52 for Miscellaneous PEPRA 2%@62

(4) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

5. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – AMMA PARS RETIREMENT ENHANCEMENT PLAN – LAST 10 YEARS*

Measurement Period	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY					
Service Cost	$ 123,963	$ 120,352	$ 91,040	$ 88,388	$ 102,116
Interest	250,344	233,644	232,756	216,255	207,196
Effect of Economic/Demographics Gains or Losses	-	(191,660)	-	(221,832)	-
Effect of Assumption Changes or Inputs	-	204,190	-	131,142	-
Benefit Payments, Including Refunds of Employee Contributions	(135,620)	(91,529)	(75,963)	(67,291)	(83,368)
Net Change in Total Pension Liability	**238,687**	**274,997**	**247,833**	**146,662**	**225,944**
Total Pension Liability - Beginning	**3,794,220**	**3,519,223**	**3,271,390**	**3,124,728**	**2,898,784**
Total Pension Liability - Ending (a)	**$ 4,032,907**	**$ 3,794,220**	**$ 3,519,223**	**$ 3,271,390**	**$ 3,124,728**
PLAN FIDUCIARY NET POSITION					
Benefit Payments, Including Refunds of Employee Contributions	$ (135,620)	$ (91,529)	$ (75,963)	$ (67,291)	$ (83,368)
Contributions - Employer	195,062	205,227	201,498	172,625	138,866
Contributions - Employee	41,008	49,912	48,741	43,558	46,205
Net Investment Income	178,824	182,437	250,204	(6,961)	47,672
Administrative Expenses	(9,127)	(8,933)	(8,505)	(11,509)	(8,240)
Net Change in Fiduciary Net Position	**270,147**	**337,114**	**415,975**	**130,422**	**141,135**
Plan Fiduciary Net Position - Beginning	**2,791,391**	**2,454,277**	**2,038,302**	**1,907,880**	**1,766,745**
Plan Fiduciary Net Position - Ending (b)	**$ 3,061,538**	**$ 2,791,391**	**$ 2,454,277**	**$ 2,038,302**	**$ 1,907,880**
Plan Net Position Liability/(Asset) - Ending (a) - (b)	**$ 971,369**	**$ 1,002,829**	**$ 1,064,946**	**$ 1,233,088**	**$ 1,216,848**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**75.91%**	**73.57%**	**69.74%**	**62.31%**	**61.06%**
Covered Payroll	**$ 1,640,350**	**$ 2,233,000**	**$ 1,937,372**	**$ 1,880,944**	**$ 2,128,243**
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	**59.22%**	**44.91%**	**54.97%**	**65.56%**	**57.18%**

* Intended to display information for ten years, additional years' information will be displayed as it becomes available.

6. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – EXECUTIVE PARS RETIREMENT ENHANCEMENT PLAN – LAST 10 YEARS*

Measurement Period	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY					
Interest	$ 198,591	$ 194,748	$ 206,088	$ 201,357	$ 176,286
Effect of Economic/Demographics Gains or Losses	-	(131,702)	-	201,732	-
Effect of Assumption Changes or Inputs	-	177,244	-	106,795	-
Benefit Payments, Including Refunds of Employee Contributions	(194,071)	(168,659)	(139,808)	(127,936)	(125,424)
Net Change in Total Pension Liability	**4,520**	**71,631**	**66,280**	**381,948**	**50,862**
Total Pension Liability - Beginning	**3,150,748**	**3,079,117**	**3,012,837**	**2,630,889**	**2,580,027**
Total Pension Liability - Ending (a)	**$ 3,155,268**	**$ 3,150,748**	**$ 3,079,117**	**$ 3,012,837**	**$ 2,630,889**
PLAN FIDUCIARY NET POSITION					
Benefit Payments, Including Refunds of Employee Contributions	$ (194,071)	$ (168,659)	$ (139,808)	$ (127,936)	$ (125,424)
Contributions - Employer	188,693	110,296	124,997	97,284	78,751
Net Investment Income	64,229	75,114	112,249	(5,857)	26,218
Administrative Expenses	(5,397)	(5,416)	(4,982)	(8,348)	(5,569)
Net Change in Fiduciary Net Position	**53,454**	**11,335**	**92,456**	**(44,857)**	**(26,024)**
Plan Fiduciary Net Position - Beginning	**1,054,300**	**1,042,965**	**950,509**	**995,366**	**1,021,390**
Plan Fiduciary Net Position - Ending (b)	**$ 1,107,754**	**$ 1,054,300**	**$ 1,042,965**	**$ 950,509**	**$ 995,366**
Plan Net Position Liability/(Asset) - Ending (a) - (b)	**$ 2,047,514**	**$ 2,096,448**	**$ 2,036,152**	**$ 2,062,328**	**$ 1,635,523**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**35.11%**	**33.46%**	**33.87%**	**31.55%**	**37.83%**
Covered Payroll	**$ 769,086**	**$ 747,000**	**$ 692,804**	**$ 672,625**	**$ 990,274**
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	**266.23%**	**280.65%**	**293.90%**	**306.61%**	**165.16%**

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7. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – IBEW PARS RETIREMENT ENHANCEMENT PLAN – LAST 10 YEARS*

Measurement Period	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY					
Service Cost	$ 98,500	$ 95,631	$ 103,488	$ 100,474	$ 107,529
Interest	244,368	220,449	223,883	210,235	199,129
Effect of Economic/Demographics Gains or Losses	-	(18,551)	-	(61,026)	-
Effect of Assumption Changes or Inputs	-	219,186	-	28,545	-
Benefit Payments, Including Refunds of Employee Contributions	(163,726)	(139,841)	(113,110)	(124,197)	(93,243)
Net Change in Total Pension Liability	**179,142**	**376,874**	**214,261**	**154,031**	**213,415**
Total Pension Liability - Beginning	**3,741,580**	**3,364,706**	**3,150,445**	**2,996,414**	**2,782,999**
Total Pension Liability - Ending (a)	**$ 3,920,722**	**$ 3,741,580**	**$ 3,364,706**	**$ 3,150,445**	**$ 2,996,414**
PLAN FIDUCIARY NET POSITION					
Benefit Payments, Including Refunds of Employee Contributions	$ (163,726)	$ (139,841)	$ (113,110)	$ (124,197)	$ (93,243)
Contributions - Employer	247,341	199,529	207,056	214,921	153,146
Contributions - Employee	61,521	72,702	76,124	79,015	82,044
Net Investment Income	164,679	163,582	225,263	(4,679)	41,194
Administrative Expenses	(8,951)	(8,682)	(8,238)	(10,938)	(7,492)
Net Change in Fiduciary Net Position	**300,864**	**287,290**	**387,095**	**154,122**	**175,649**
Plan Fiduciary Net Position - Beginning	**2,503,251**	**2,215,961**	**1,828,866**	**1,674,744**	**1,499,095**
Plan Fiduciary Net Position - Ending (b)	**$ 2,804,115**	**$ 2,503,251**	**$ 2,215,961**	**$ 1,828,866**	**$ 1,674,744**
Plan Net Position Liability/(Asset) - Ending (a) - (b)	**$ 1,116,607**	**$ 1,238,329**	**$ 1,148,745**	**$ 1,321,579**	**$ 1,321,670**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**71.52%**	**66.90%**	**65.86%**	**58.05%**	**55.89%**
Covered Payroll	**$ 3,076,052**	**$ 3,635,000**	**$ 3,805,104**	**$ 4,117,972**	**$ 4,060,559**
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	**36.30%**	**34.07%**	**30.19%**	**32.09%**	**32.55%**

* Intended to display information for ten years, additional years' information will be displayed as it becomes available.

8. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – SEIU PARS RETIREMENT ENHANCEMENT PLAN – LAST 10 YEARS*

Measurement Period	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY					
Service Cost	$ 21,002	$ 20,390	$ 16,140	$ 15,670	$ 18,174
Interest	41,101	40,393	40,470	37,853	32,199
Effect of Economic/Demographics Gains or Losses	-	(60,298)	-	38,614	-
Effect of Assumption Changes or Inputs	-	34,766	-	9,089	-
Benefit Payments, Including Refunds of Employee Contributions	(31,800)	(18,354)	(16,780)	(16,451)	(13,203)
Net Change in Total Pension Liability	**30,303**	**16,897**	**39,830**	**84,775**	**37,170**
Total Pension Liability - Beginning	**626,969**	**610,072**	**570,242**	**485,467**	**448,297**
Total Pension Liability - Ending (a)	**$ 657,272**	**$ 626,969**	**$ 610,072**	**$ 570,242**	**$ 485,467**
PLAN FIDUCIARY NET POSITION					
Benefit Payments, Including Refunds of Employee Contributions	$ (31,800)	$ (18,354)	$ (16,780)	$ (16,451)	$ (13,203)
Contributions - Employer	27,081	26,688	26,555	24,410	12,890
Contributions - Employee	23,319	28,696	28,554	26,100	25,312
Net Investment Income	30,060	29,408	39,629	(863)	7,232
Administrative Expenses	(2,425)	(2,193)	(1,808)	(5,041)	(1,510)
Net Change in Fiduciary Net Position	**46,235**	**64,245**	**76,150**	**28,155**	**30,721**
Plan Fiduciary Net Position - Beginning	**458,839**	**394,594**	**318,444**	**290,289**	**259,568**
Plan Fiduciary Net Position - Ending (b)	**$ 505,074**	**$ 458,839**	**$ 394,594**	**$ 318,444**	**$ 290,289**
Plan Net Position Liability/(Asset) - Ending (a) - (b)	**$ 152,198**	**$ 168,130**	**$ 215,478**	**$ 251,798**	**$ 195,178**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**76.84%**	**73.18%**	**64.68%**	**55.84%**	**59.80%**
Covered Payroll	**$ 582,987**	**$ 649,000**	**$ 561,325**	**$ 544,976**	**$ 620,510**
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	**26.11%**	**25.91%**	**38.39%**	**46.20%**	**31.45%**

* Intended to display information for ten years, additional years' information will be displayed as it becomes available.

9. SCHEDULE OF CONTRIBUTIONS –PARS RETIREMENT ENHANCEMENT PLANS – LAST 10 YEARS*

	2020	2019	2018	2017	2016	2015
AMMA Bargaining Group						
Actuarially determined contribution	$ 256,816	$ 188,640	$ 246,301	$ 213,675	$ 173,709	$ 212,245
Contribution in relation to the actuarially determined contributio	(195,062)	(189,833)	(205,227)	(201,498)	(172,526)	(138,866)
Contribution deficiency (excess)	$ 61,754	$ (1,193)	$ 41,074	$ 12,177	$ 1,183	$ 73,379
Covered payroll	$ 2,233,183	$ 1,640,350	$ 2,233,183	$ 1,937,372	$ 1,880,944	$ 2,128,243
Contributions as a percentage of covered payroll	8.73%	11.57%	9.19%	10.40%	9.17%	6.52%
Executive/ Contract Bargaining Group						
Actuarially determined contribution	$ 185,999	$ 191,579	$ 188,891	$ 175,353	$ 91,425	$ 138,680
Contribution in relation to the actuarially determined contributio	(188,693)	(197,377)	(110,296)	(124,997)	(97,284)	(78,751)
Contribution deficiency (excess)	$ (2,694)	$ (5,798)	$ 78,595	$ 50,356	$ (5,859)	$ 59,929
Covered payroll	$ 746,686	$ 769,086	$ 746,686	$ 692,804	$ 672,625	$ 990,274
Contributions as a percentage of covered payroll	25.27%	25.66%	14.77%	18.04%	14.46%	7.95%
IBEW Employees						
Actuarially determined contribution	$ 268,796	$ 228,858	$ 199,203	$ 208,580	$ 214,921	$ 220,708
Contribution in relation to the actuarially determined contributio	(247,341)	(259,694)	(199,529)	(207,056)	(214,921)	(153,146)
Contribution deficiency (excess)	$ 21,455	$ (30,836)	$ (326)	$ 1,524	$ -	$ 67,562
Covered payroll	$ 3,612,855	$ 3,076,052	$ 3,635,100	$ 3,805,104	$ 4,117,972	$ 4,060,559
Contributions as a percentage of covered payroll	6.85%	8.44%	5.49%	5.44%	5.22%	3.77%
SEIU Bargaining Group						
Actuarially determined contribution	$ 30,688	$ 27,575	$ 36,975	$ 31,990	$ 19,683	$ 23,063
Contribution in relation to the actuarially determined contributio	(27,081)	(27,039)	(26,688)	(26,555)	(24,410)	(12,890)
Contribution deficiency (excess)	$ 3,607	$ 536	$ 10,287	$ 5,435	$ (4,727)	$ 10,173
Covered payroll	$ 648,802	$ 582,987	$ 648,802	$ 561,325	$ 544,976	$ 620,510
Contributions as a percentage of covered payroll	4.17%	4.64%	4.11%	4.73%	4.48%	2.08%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable

Note to Schedule

Valuation date:	6/30/2017
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	9.5 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	12.2% for 0 years of service, reduced as the years of service increased, to 3.5% for 30 or more years of services
Investment rate of return	6.50%
Retirement age	67 yrs.
Mortality	**Pre-retiremen**t: Consistent with the Non-Industrial Rates used to value the Misc Public Agency CalPERS Pension Plans **Post-retirement:** CalPERS 1997-2011 Healthy Retiree Tables

* Intended to display information for ten years, additional years' information will be displayed as it becomes available.

10. SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS – LAST 10 YEARS*

	2020	2019	2018	2017
Total OPEB liability				
Service cost	$ 1,847,881	$ 1,809,103	$ 1,756,411	$ 1,705,253
Interest on the total pension liability	1,740,015	1,485,140	1,348,787	1,275,916
Differences between actual and expected experience	-	1,960,757	-	-
Changes in assumptions	12,972,999	3,180,597		
Changes in benefit terms	-	-	-	-
Benefit payments	(1,281,210)	(1,103,260)	(933,743)	(864,576)
Net changes	15,279,685	7,332,337	2,171,455	2,116,593
Total OPEB liability - beginning of year	48,507,422	41,175,085	39,003,630	36,887,037
Total OPEB liability - end of year	63,787,107	48,507,422	41,175,085	$ 39,003,630
Covered-employee payroll	$ 30,787,234	$ 26,654,981	$ 20,340,713	$ 20,340,713
City's total OPEB liability as a percentage of covered-employee payroll	207.19%	181.98%	202.43%	191.75%

Notes to Schedule:

* Intended to display information for ten years, additional years' information will be displayed as it becomes available.

Benefit Changes: None.

Changes of Assumptions: The inflation assumption was updated from 2.50% to 2.75%, healthcare cost trend rate was updated using the Society of Actuaries Getzen Model of Long-Run Medical Cost Trends, demographic assumptions were updated to CalPERS 1997-2015 Experience Study, mortality improvement scale was updated to Scale MP-2018, and participation assumption was updated for some bargaining groups in fiscal year 2019. The discount rate was changed from 3.50 percent to 2.21 percent in fiscal year 2020.

11. 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).

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.

City of Azusa
Required Supplementary Information
General Fund Budgetary Comparison Schedule by Department
For the year ended June 30, 2020

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1, as restated	$ 27,597,893	$ 27,597,893	$ 27,597,893	$ -
Resources (Inflows):				
Taxes	34,452,866	34,352,866	35,864,262	1,511,396
Assessments	3,459,193	3,459,193	2,547,233	(911,960)
Licenses and permits	1,037,962	867,962	741,943	(126,019)
Intergovernmental	240,336	314,336	508,616	194,280
Charges for services	1,967,063	1,847,063	3,123,002	1,275,939
Use of money and property	574,750	774,750	1,087,499	312,749
Fines and forfeitures	1,274,200	1,374,200	1,383,846	9,646
Contributions	6,000	6,000	3,936	(2,064)
Miscellaneous	200,000	200,000	1,134,022	934,022
Transfers in	1,497,450	1,497,450	1,497,450	-
Proceeds from sale of capital assets	-	-	8,618	8,618
Amounts available for appropriations	72,307,713	72,291,713	75,498,320	3,206,607
Charges to Appropriations (Outflows):				
General government				
City Council	145,145	145,145	138,736	6,409
City Attorney	275,000	275,000	266,362	8,638
Administration	434,721	434,721	323,663	111,058
Promotion/Membership	177,092	202,092	200,082	2,010
City Clerk	663,330	671,252	673,935	(2,683)
Library Services - General	1,370,105	1,370,105	1,230,173	139,932
Library Services - Youth	31,430	161,330	68,152	93,178
Finance - Accounting	1,315,885	1,315,885	1,192,119	123,766
Cash Management	190,365	190,365	130,767	59,598
Purchasing	240,735	240,735	251,974	(11,239)
Printing Services	8,600	8,600	5,889	2,711
Human Resources	482,395	482,395	432,335	50,060
City-wide	3,156,656	2,046,656	3,015,275	(968,619)
Admin Services / Business Lic	5,404	5,404	2,086	3,318
Business License	227,195	227,195	173,705	53,490
Public Safety				
Police	19,870,791	19,870,791	18,262,506	1,608,285
Emergency Services	9,190	9,190	55,434	(46,244)
Police Department Contracts	1,180,200	1,180,200	1,020,207	159,993
INF	518,336	538,836	484,283	54,553
Community development				
Planning	665,701	807,561	395,588	411,973
Building regulation	874,746	1,024,746	819,499	205,247
Code Enforcement	934,091	934,091	897,178	36,913
Other	155,200	223,868	81,473	142,395
Parks and recreation				
Recreation	1,818,996	1,818,996	1,337,962	481,034
Parks and maintenance	2,223,168	2,223,168	1,992,303	230,865
Senior programs	227,185	227,185	116,437	110,748
Women's Club	-	-	6,928	(6,928)
Public works				
Engineering Services	188,285	198,285	72,193	126,092
Graffiti Removal	123,025	123,025	139,325	(16,300)
Facilities Maintenance	710,255	710,255	635,533	74,722
Capital outlay	110,395	110,395	107,475	2,920
Debt service:				
Principal retirement	593,946	593,946	42,553	551,393
Interest and fiscal charges	40,863	71,386	59,079	12,307
Transfers out	6,966,658	6,966,658	6,966,658	-
Total charges to appropriations	45,935,089	45,409,462	41,597,867	3,811,595
Budgetary fund balance, June 30	$ 26,372,624	$ 26,882,251	$ 33,900,453	$ 7,018,202

City of Azusa
Required Supplementary Information
Fire Safety Special Revenue Fund Budgetary Comparison Schedule
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 675,665	$ 675,665	$ 675,665	$ -
Resources (Inflows):				
Charges for services	100,000	100,000	1,516,094	1,416,094
Transfers in	5,696,345	5,696,345	5,696,345	-
Amounts available for appropriations	6,472,010	6,472,010	7,888,104	1,416,094
Charges to Appropriations (Outflows):				
Public safety	5,696,345	5,696,345	6,954,085	(1,257,740)
Total charges to appropriations	5,696,345	5,696,345	6,954,085	(1,257,740)
Budgetary fund balance, June 30	$ 775,665	$ 775,665	$ 934,019	$ 158,354

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SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to acount for revenues that are legally restricted to expenditures for particular purposes

Grant and Seizure Special Revenue Fund

To account for various federal, state, and local grants which the City receives.

State Gasoline Tax

To account for Highways Users Tax funds received. The State imposes excise taxes on transportation fuels. Taxes on fuel used for motor vehicles is transferred to the Highways Users Tax Account and is apportioned to cities under population-based formulas contained in the State Streets and Highways code. These funds are used for street maintenance and construction.

Proposition A

This fund is used to account for restricted Proposition A monies and related expenditures.

Proposition C

This fund is used to account for restricted Proposition C monies and related expenditures.

Community Development Block Grant

This fund accounts for grants received indirectly from the U.S. Department of Housing and Urban Development's Community Block Grant Program. The grant funds are used to provide housing rehabilitation loans to qualified homeowners and to provide support for community service organizations.

Senior Nutrition

This fund is used to account for grant monies received from the County of Los Angeles for the aging program and other related activities.

Public Benefit Program

This fund is used to account for monies related to the City's electric utility that are restricted for benefit programs.

Air Quality Improvement

This fund is used to account for monies received from the State and other sources that are restricted for air quality management activities.

Supplemental Law Enforcement

This fund is used to account for monies received as part of the State Supplemental Law Enforcement program that are restricted for public safety purposes.

Monrovia Nursery

This fund is used to account for activities of the Monrovia Nursery.

Employee Benefits

This fund is used to account for monies that have been committed by City Council to be set aside to provide funding for employee benefits.

Utility Mitigation

This fund is used to account for federal monies collected for utility mitigation activities.

SPECIAL REVENUE FUNDS, Continued:

Highway 39
This fund is used to account for monies collected for Highway 39.

LACMTA
To account for activities related to the Los Angeles County Metro Transportation Authority.

Measure R
This fund is used to account for restricted Measure R monies and related expenditures.

AB939 Fee
This fund is used to account for restricted AB939 monies and related expenditures.

Rosedale Traffic Mitigation
To account for traffic mitigation fees related to the Rosedale district area.

RMR SB1
This fund is used to account for restricted State SB1 monies and related expenditures.

Measure M
This fund is used to account for restricted Los Angeles County Measure M monies and related expenditures.

CAPITAL PROJECT FUNDS:

Capital project funds are used to account for the acquisition, construction and improvements to major capital facilities

Park In-Lieu
To account for park in lieu fees and related capital project expenditures.

Capital Projects
To account for capital project expenditures.

Public Works Endowment
To account for capital project expenditures funded by donations and other monies restricted for public works projects.

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Public Financing Authority
To account for debt service expenditures of debt issued by the City of Azusa Public Financing Authority.

City of Azusa
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020

	Special Revenue Funds				
	Grant and Seizure Fund	State Gasoline Tax	Proposition A	Proposition C	Community Development Block Grant
ASSETS					
Pooled cash and investments	$ 2,303,371	$ 122,984	$ 2,495,515	$ 2,483,003	$ -
Receivables:					
Accounts	2,655,258	565	11,319	16	888,285
Taxes	-	-	-	-	-
Notes and loans	-	-	-	-	57,237
Accrued interest	-	-	3,239	3,352	-
Prepaid costs	3,666	-	-	3,000	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
Total assets	$ 4,962,295	$ 123,549	$ 2,510,073	$ 2,489,371	$ 945,522
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 1,012,016	$ 81,144	$ 12,919	$ 14,907	$ 36,944
Accrued liabilities	3,328	41,880	33,184	20,404	5,119
Unearned revenues	1,986,058	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	462,877
Total liabilities	3,001,402	123,024	46,103	35,311	504,940
DEFERRED INFLOW OF RESOURCES					
Unavailable revenues	1,061,537	-	11,277	-	447,113
Total deferred inflow of resources	1,061,537	-	11,277	-	447,113
FUND BALANCES					
Nonspendable:					
Prepaid costs	3,666	-	-	3,000	-
Restricted for:					
Community development projects	708,567	-	2,452,693	2,451,060	-
Public safety	187,123	-	-	-	-
Capital projects	-	525	-	-	-
Debt service	-	-	-	-	-
Committed for:					
Employee benefits		-	-	-	-
Unassigned	-	-	-	-	(6,531)
Total fund balances	899,356	525	2,452,693	2,454,060	(6,531)
Total liabilities, deferred inflows of resources, and fund balances	$ 4,962,295	$ 123,549	$ 2,510,073	$ 2,489,371	$ 945,522

Special Revenue Funds							
Senior Nutrition	Public Benefit Program	Air Quality Improvement	Supplemental Law Enforcement	Monrovia Nursery	Employee Benefits	Utility Mitigation	Highway 39
$ 70,451	$ 1,211,378	$ 241,492	$ 582,694	$ 363,554	$ 539,228	$ 2,957,603	$ 1,610,351
79,128	60,444	134	-	-	1,395	-	-
-	-	-	-	17,355	-	-	-
-	226	-	-	-	-	-	-
-	1,590	317	817	456	-	-	2,195
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 149,579	$ 1,273,638	$ 241,943	$ 583,511	$ 381,365	$ 540,623	$ 2,957,603	$ 1,612,546
$ 29,495	$ 106,508	$ 644	$ -	$ 67,465	$ 8,022	$ -	$ -
5,959	11,696	30	-	16,265	-	-	-
-	-	-	516,971	-	-	-	-
-	-	-	-	16,207	-	-	-
-	-	-	-	40,000	-	-	-
35,454	118,204	674	516,971	139,937	8,022	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
114,125	1,155,434	-	-	-	-	-	1,612,546
-	-	-	66,540	-	-	-	-
-	-	241,269	-	241,428	-	2,957,603	-
-	-	-	-	-	-	-	-
-	-	-	-	-	532,601	-	-
-	-	-	-	-	-	-	-
114,125	1,155,434	241,269	66,540	241,428	532,601	2,957,603	1,612,546
$ 149,579	$ 1,273,638	$ 241,943	$ 583,511	$ 381,365	$ 540,623	$ 2,957,603	$ 1,612,546

City of Azusa
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020

	Special Revenue Funds				
	LACMTA	Measure R	AB939 Fee	Rosedale Traffic Mitigation	RMR SB1
ASSETS					
Pooled cash and investments	$ -	$ -	$ 326,654	$ 533,499	$ 1,485,788
Receivables:					
Accounts	8,042	9,891	9,268	-	135,715
Taxes	-	-	-	-	-
Notes and loans	-	-	-	-	-
Accrued interest	-	-	-	726	1,868
Prepaid costs	-	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	2,494,277	-	-	-
Total assets	$ 8,042	$ 2,504,168	$ 335,922	$ 534,225	$ 1,623,371
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ 659,029	$ 2,286	$ -	$ 1
Accrued liabilities	-	5,562	7,201	-	3
Unearned revenues	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	103,376	712,511	-	-	-
Total liabilities	103,376	1,377,102	9,487	-	4
DEFERRED INFLOW OF RESOURCES					
Unavailable revenues	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable					
Prepaid costs	-	-	-	-	-
Restricted for					
Community development projects	-	-	-	-	-
Public safety	-	-	-	-	-
Capital projects	-	1,127,066	326,435	534,225	1,623,367
Debt service	-	-	-	-	-
Committed for:					
Employee benefits	-	-	-	-	-
Unassigned	(95,334)	-	-	-	-
Total fund balances	(95,334)	1,127,066	326,435	534,225	1,623,367
Total liabilities, deferred inflows of resources, and fund balances	$ 8,042	$ 2,504,168	$ 335,922	$ 534,225	$ 1,623,371

Special Revenue Funds	Capital Projects Funds			Debt Service Funds	
Measure M	Park in-lieu	Capital Projects	Public Works Endowment	Public Financing Authority	Total Nonmajor Governmental Funds
$ 1,682,637	$ 145,647	$ -	$ 90,935	$ 22,204	$ 19,268,988
-	-	-	-	-	3,859,460
-	-	-	-	-	17,355
-	-	-	-	-	57,463
2,105	196	-	124	-	16,985
-	-	-	-	-	6,666
-	-	-	-	513,111	3,007,388
$ 1,684,742	$ 145,843	$ -	$ 91,059	$ 535,315	$ 26,234,305
$ 47,213	$ -	$ -	$ 4,001	$ -	$ 2,082,594
729	-	-	-	-	151,360
-	-	-	-	-	2,503,029
-	-	-	-	-	16,207
-	-	541	-	-	1,319,305
47,942	-	541	4,001	-	6,072,495
-	-	-	-	-	1,519,927
-	-	-	-	-	1,519,927
-	-	-	-	-	6,666
-	-	-	-	-	8,494,425
-	-	-	87,058	-	340,721
1,636,800	145,843	-	-	-	8,834,561
-	-	-	-	535,315	535,315
-	-	-	-	-	532,601
-	-	(541)	-	-	(102,406)
1,636,800	145,843	(541)	87,058	535,315	18,641,883
$ 1,684,742	$ 145,843	$ -	$ 91,059	$ 535,315	$ 26,234,305

City of Azusa
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2020

	Special Revenue Funds				
	Grant and Seizure Fund	State Gasoline Tax	Proposition A	Proposition C	Community Development Block Grant
REVENUES:					
Taxes	$ 34,774	$ -	$ 963,348	$ 799,099	$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	2,487,713	1,166,855	167,198	83,280	335,332
Charges for services	7,204	-	13,186	11,535	-
Use of money and property	26,019	-	39,544	40,898	-
Contributions	283	-	-	-	-
Miscellaneous	13,321	(132)	(151)	(72)	-
Total revenues	2,569,314	1,166,723	1,183,125	934,740	335,332
EXPENDITURES:					
Current:					
General government	63,816	-	-	-	-
Public safety	330,599	-	-	-	-
Community development	130,408	-	-	-	326,531
Parks and recreation	13,000	58,758	-	-	-
Public works	4,371	1,114,909	915,034	666,825	-
Capital outlay	3,061,526	-	34,551	17,121	-
Debt service:					
Principal repayment	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	3,603,720	1,173,667	949,585	683,946	326,531
REVENUE OVER (UNDER) EXPENDITURES	(1,034,406)	(6,944)	233,540	250,794	8,801
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(1,034,406)	(6,944)	233,540	250,794	8,801
FUND BALANCES:					
Beginning of year, as restated	1,933,762	7,469	2,219,153	2,203,266	(15,332)
End of year	$ 899,356	$ 525	$ 2,452,693	$ 2,454,060	$ (6,531)

Special Revenue Funds							
Senior Nutrition	Public Benefit Program	Air Quality Improvement	Supplemental Law Enforcement	Monrovia Nursery	Employee Benefits	Utility Mitigation	Highway 39
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
199,272	-	48,879	171,520	-	-	-	-
-	1,001,558	1,313	-	711,310	-	-	-
-	20,346	3,772	10,430	4,341	-	-	28,090
75,521	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
274,793	1,021,904	53,964	181,950	715,651	-	-	28,090
-	266,998	-	-	40,000	852,321	-	-
-	-	-	92,045	-	-	-	-
-	768,847	-	-	-	-	-	-
453,100	-	-	-	6,344	-	-	-
-	-	12,293	-	408,536	-	-	-
-	-	15,863	79,475	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
453,100	1,035,845	28,156	171,520	454,880	852,321	-	-
(178,307)	(13,941)	25,808	10,430	260,771	(852,321)	-	28,090
162,639	-	-	-	-	952,800	1,249,741	-
-	-	-	-	(348,700)	-	-	-
162,639	-	-	-	(348,700)	952,800	1,249,741	-
(15,668)	(13,941)	25,808	10,430	(87,929)	100,479	1,249,741	28,090
129,793	1,169,375	215,461	56,110	329,357	432,122	1,707,862	1,584,456
$ 114,125	$ 1,155,434	$ 241,269	$ 66,540	$ 241,428	$ 532,601	$ 2,957,603	$ 1,612,546

City of Azusa
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2020

	Special Revenue Funds				
	LACMTA	Measure R	AB939 Fee	Rosedale Traffic Mitigation	RMR SB1
REVENUES:					
Taxes	$ -	$ 598,467	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	56,374	-	-	888,735
Charges for services	-	-	-	-	-
Use of money and property	-	39,425	211,730	9,300	17,444
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	694,266	211,730	9,300	906,179
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Public works	-	447,491	210,712	-	62
Capital outlay	-	1,567,496	-	-	-
Debt service:					
Principal repayment	-	110,000	-	-	-
Interest and fiscal charges	-	122,119	-	-	-
Total expenditures	-	2,247,106	210,712	-	62
REVENUE OVER (UNDER) EXPENDITURES	-	(1,552,840)	1,018	9,300	906,117
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	(1,552,840)	1,018	9,300	906,117
FUND BALANCES:					
Beginning of year, as restated	(95,334)	2,679,906	325,417	524,925	717,250
End of year	$ (95,334)	$ 1,127,066	$ 326,435	$ 534,225	$ 1,623,367

Special Revenue Funds	Capital Projects Funds			Debt Service Funds	
Measure M	Park in-lieu	Capital Projects	Public Works Endowment	Public Financing Authority	Total Nonmajor Governmental Funds
$ 674,100	$ -	$ -	$ -	$ -	$ 3,069,788
-	44,850	-	-	-	44,850
-	-	-	-	-	5,605,158
-	-	-	-	-	1,746,106
22,463	2,277	-	1,589	7,292	484,960
-	-	-	-	-	75,804
-	-	-	-	-	12,966
696,563	47,127	-	1,589	7,292	11,039,632
-	-	-	-	-	1,223,135
-	-	-	-	-	422,644
-	-	-	-	-	1,225,786
-	-	-	-	-	531,202
971	-	-	-	-	3,781,204
81,140	-	-	-	-	4,857,172
-	-	-	-	315,000	425,000
-	-	-	-	48,668	170,787
82,111	-	-	-	363,668	12,636,930
614,452	47,127	-	1,589	(356,376)	(1,597,298)
-	-	-	-	363,696	2,728,876
-	-	-	-	-	(348,700)
-	-	-	-	363,696	2,380,176
614,452	47,127	-	1,589	7,320	782,878
1,022,348	98,716	(541)	85,469	527,995	17,859,005
$ 1,636,800	$ 145,843	$ (541)	$ 87,058	$ 535,315	$ 18,641,883

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Grants and Seizure
For the year ended June 30, 2020

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1, as restated	$ 1,933,762	$ 1,933,762	$ 1,933,762	$ -
Resources (Inflows):				
Taxes	-	-	34,774	34,774
Intergovernmental	233,954	761,677	2,487,713	1,726,036
Charges for services	-	-	7,204	7,204
Use of money and property	-	-	26,019	26,019
Contributions	-	-	283	283
Miscellaneous	-	-	13,321	13,321
Transfers in	-	-	-	-
Amounts available for appropriations	2,167,716	2,695,439	4,503,076	1,807,637
Charges to Appropriations (Outflows):				
General government	-	172,515	63,816	108,699
Public Safety	176,418	475,818	330,599	145,219
Community development	26,147	168,912	130,408	38,504
Public works	-	1,100	4,371	(3,271)
Capital outlay	76,400	4,473,018	3,061,526	1,411,492
Transfers out	-	-	-	-
Total charges to appropriations	278,965	5,336,363	3,603,720	1,732,643
Budgetary fund balance, June 30	$ 1,888,751	$ (2,640,924)	$ 899,356	$ 3,540,280

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
State Gasoline Tax
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 7,469	$ 7,469	$ 7,469	$ -
Resources (Inflows):				
Intergovernmental	1,243,767	1,243,767	1,166,855	(76,912)
Miscellaneous	-	-	(132)	(132)
Transfers in	-	-	-	-
Amounts available for appropriations	1,251,236	1,251,236	1,174,192	(77,044)
Charges to Appropriations (Outflows):				
Parks and recreation	59,000	59,000	58,758	242
Public works	1,553,655	1,553,655	1,114,909	438,746
Capital outlay	6,375	6,375	-	6,375
Total charges to appropriations	1,619,030	1,619,030	1,173,667	445,363
Budgetary fund balance, June 30	$ (367,794)	$ (367,794)	$ 525	$ 368,319

City of Azusa

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Proposition A
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1, as restated	$ 2,219,153	$ 2,219,153	$ 2,219,153	$ -
Resources (Inflows):				
Taxes	1,005,269	1,005,269	963,348	(41,921)
Intergovernmental	168,533	168,533	167,198	(1,335)
Charges for services	17,522	17,522	13,186	(4,336)
Use of money and property	-	-	39,544	39,544
Miscellaneous	-	-	(151)	(151)
Amounts available for appropriations	3,410,477	3,410,477	3,402,278	(8,199)
Charges to Appropriations (Outflows):				
Public works	1,086,506	1,114,006	915,034	198,972
Capital outlay	800,000	844,612	34,551	810,061
Total charges to appropriations	1,886,506	1,958,618	949,585	1,009,033
Budgetary fund balance, June 30	$ 1,523,971	$ 1,451,859	$ 2,452,693	$ 1,000,834

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Proposition C
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1, as restated	$ 2,203,266	$ 2,203,266	$ 2,203,266	$ -
Resources (Inflows):				
Taxes	833,845	833,845	799,099	(34,746)
Intergovernmental	72,414	72,414	83,280	10,866
Charges for services	17,585	17,585	11,535	(6,050)
Use of money and property	-	-	40,898	40,898
Miscellaneous	-	-	(72)	(72)
Amounts available for appropriations	3,127,110	3,127,110	3,138,006	10,896
Charges to Appropriations (Outflows):				
Public works	687,599	803,599	666,825	136,774
Capital outlay	410,000	943,570	17,121	926,449
Total charges to appropriations	1,097,599	1,747,169	683,946	1,063,223
Budgetary fund balance, June 30	$ 2,029,511	$ 1,379,941	$ 2,454,060	$ 1,074,119

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Community Development Block Grant
For the year ended June 30, 2020

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	$ (15,332)	$ (15,332)	$ (15,332)	$ -
Resources (Inflows):				
Intergovernmental	547,863	547,863	335,332	(212,531)
Miscellaneous	-	-	-	-
Amounts available for appropriations	532,531	532,531	320,000	(212,531)
Charges to Appropriations (Outflows):				
Community development	442,930	442,930	326,531	116,399
Total charges to appropriations	442,930	442,930	326,531	116,399
Budgetary fund balance, June 30	$ 89,601	$ 89,601	$ (6,531)	$ (96,132)

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Senior Nutrition
For the year ended June 30, 2020

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	$ 129,793	$ 129,793	$ 129,793	$ -
Resources (Inflows):				
Intergovernmental	117,774	117,774	199,272	81,498
Contributions	75,242	75,242	75,521	279
Miscellaneous	-	-	-	-
Transfers in	162,639	162,639	162,639	-
Amounts available for appropriations	485,448	485,448	567,225	81,777
Charges to Appropriations (Outflows):				
Parks and recreation	355,655	385,655	453,100	(67,445)
Total charges to appropriations	355,655	385,655	453,100	(67,445)
Budgetary fund balance, June 30	$ 129,793	$ 99,793	$ 114,125	$ 14,332

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Public Benefit Program
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,169,375	$ 1,169,375	$ 1,169,375	$ -
Resources (Inflows):				
Charges for services	1,054,810	1,054,810	1,001,558	(53,252)
Use of money and property	10,000	10,000	20,346	10,346
Miscellaneous	-	-	-	-
Amounts available for appropriations	2,234,185	2,234,185	2,191,279	(42,906)
Charges to Appropriations (Outflows):				
General government	349,125	349,125	266,998	82,127
Community development	1,035,500	1,035,500	768,847	266,653
Capital outlay	100,000	100,000	-	100,000
Total charges to appropriations	1,484,625	1,484,625	1,035,845	448,780
Budgetary fund balance, June 30	$ 749,560	$ 749,560	$ 1,155,434	$ 405,874

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Air Quality Improvement
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 215,461	$ 215,461	$ 215,461	$ -
Resources (Inflows):				
Intergovernmental	64,100	64,100	48,879	(15,221)
Charges for services	6,500	6,500	1,313	(5,187)
Use of money and property	1,000	1,000	3,772	2,772
Amounts available for appropriations	287,061	287,061	269,425	(17,636)
Charges to Appropriations (Outflows):				
Public works	49,350	49,350	12,293	37,057
Capital outlay	-	21,160	15,863	5,297
Total charges to appropriations	49,350	70,510	28,156	42,354
Budgetary fund balance, June 30	$ 237,711	$ 216,551	$ 241,269	$ 24,718

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Supplemental Law Enforcement
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 56,110	$ 56,110	$ 56,110	$ -
Resources (Inflows):				
Intergovernmental	37,300	37,300	171,520	134,220
Use of money and property	3,000	3,000	10,430	7,430
Amounts available for appropriations	96,410	96,410	238,060	141,650
Charges to Appropriations (Outflows):				
Public Safety	17,300	99,330	92,045	7,285
Capital outlay	84,975	84,975	79,475	5,500
Total charges to appropriations	102,275	184,305	171,520	12,785
Budgetary fund balance, June 30	$ (5,865)	$ (87,895)	$ 66,540	$ 154,435

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Monrovia Nursery
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 329,357	$ 329,357	$ 329,357	$ -
Resources (Inflows):				
Charges for services	606,000	714,398	711,310	(3,088)
Use of money and property	2,500	2,500	4,341	1,841
Miscellaneous	-	-	-	-
Amounts available for appropriations	937,857	1,046,255	1,045,008	(1,247)
Charges to Appropriations (Outflows):				
General government	40,000	40,000	40,000	-
Parks and recreation	2,330	2,330	6,344	(4,014)
Public works	370,876	370,876	408,536	(37,660)
Transfers out	348,700	348,700	348,700	-
Total charges to appropriations	761,906	761,906	803,580	(41,674)
Budgetary fund balance, June 30	$ 175,951	$ 284,349	$ 241,428	$ (42,921)

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Employee Benefits
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 432,122	$ 432,122	$ 432,122	$ -
Resources (Inflows):				
Transfers in	952,800	952,800	952,800	-
Amounts available for appropriations	1,384,922	1,384,922	1,384,922	-
Charges to Appropriations (Outflows):				
General government	952,800	952,800	852,321	100,479
Total charges to appropriations	952,800	952,800	852,321	100,479
Budgetary fund balance, June 30	$ 432,122	$ 432,122	$ 532,601	$ 100,479

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Utility Mitigation
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,707,862	$ 1,707,862	$ 1,707,862	$ -
Resources (Inflows):				
Transfers in	375,000	375,000	1,249,742	874,742
Amounts available for appropriations	2,082,862	2,082,862	2,957,604	874,742
Charges to Appropriations (Outflows):				
Public works	50,000	50,000	-	50,000
Capital outlay	50,000	50,000	-	50,000
Total charges to appropriations	100,000	100,000	-	100,000
Budgetary fund balance, June 30	$ 1,982,862	$ 1,982,862	$ 2,957,604	$ 974,742

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Highway 39
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,584,456	$ 1,584,456	$ 1,584,456	$ -
Resources (Inflows):				
Use of money and property	15,000	15,000	28,090	13,090
Amounts available for appropriations	1,599,456	1,599,456	1,612,546	13,090
Charges to Appropriations (Outflows):				
Public works	-	-	-	-
Total charges to appropriations	-	-	-	-
Budgetary fund balance, June 30	$ 1,599,456	$ 1,599,456	$ 1,612,546	$ 13,090

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
LACMTA
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ (95,334)	$ (95,334)	$ (95,334)	$ -
Resources (Inflows):				
Intergovernmental	-	-	-	-
Use of money and property	-	-	-	-
Amounts available for appropriations	(95,334)	(95,334)	(95,334)	-
Charges to Appropriations (Outflows):				
Capital outlay	-	-	-	-
Total charges to appropriations	-	-	-	-
Budgetary fund balance, June 30	$ (95,334)	$ (95,334)	$ (95,334)	$ -

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Measure R
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1, as restated	$ 2,679,906	$ 2,679,906	$ 2,679,906	$ -
Resources (Inflows):				
Taxes	625,451	625,451	598,467	(26,984)
Intergovernmental	-	-	56,374	56,374
Use of money and property	40,000	40,000	39,425	(575)
Amounts available for appropriations	3,345,357	3,345,357	3,374,172	28,815
Charges to Appropriations (Outflows):				
Public works	139,560	154,415	447,491	(293,076)
Capital outlay	-	1,939,337	1,567,496	371,841
Debt service:				
Principal retirement	-	-	110,000	(110,000)
Interest and fiscal charges	-	-	122,119	(122,119)
Total charges to appropriations	139,560	2,093,752	2,247,106	(153,354)
Budgetary fund balance, June 30	$ 3,205,797	$ 1,251,605	$ 1,127,066	$ (124,539)

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
AB939 Fee
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 325,417	$ 325,417	$ 325,417	$ -
Resources (Inflows):				
Use of money and property	225,193	225,193	211,730	(13,463)
Miscellaneous	-	-	-	-
Amounts available for appropriations	550,610	550,610	537,147	(13,463)
Charges to Appropriations (Outflows):				
Public works	288,290	288,290	210,712	77,578
Total charges to appropriations	288,290	288,290	210,712	77,578
Budgetary fund balance, June 30	$ 262,320	$ 262,320	$ 326,435	$ 64,115

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Rosedale Traffic Mitigation
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 524,925	$ 524,925	$ 524,925	$ -
Resources (Inflows):				
Use of money and property	-	-	9,300	9,300
Amounts available for appropriations	524,925	524,925	534,225	9,300
Charges to Appropriations (Outflows):				
Public works	-	-	-	-
Total charges to appropriations	-	-	-	-
Budgetary fund balance, June 30	$ 524,925	$ 524,925	$ 534,225	$ 9,300

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
RMR SB1
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 717,250	$ 717,250	$ 717,250	$ -
Resources (Inflows):				
Intergovernmental	883,153	883,153	888,735	5,582
Use of money and property	-	-	17,444	17,444
Amounts available for appropriations	1,600,403	1,600,403	1,623,429	23,026
Charges to Appropriations (Outflows):				
Public works	-	-	62	(62)
Capital outlay	820,000	820,000	-	820,000
Total charges to appropriations	820,000	820,000	62	819,938
Budgetary fund balance, June 30	$ 780,403	$ 780,403	$ 1,623,367	$ 842,964

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Measure M
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,022,348	$ 1,022,348	$ 1,022,348	$ -
Resources (Inflows):				
Taxes	708,768	708,768	674,100	(34,668)
Use of money and property	-	-	22,463	22,463
Amounts available for appropriations	1,731,116	1,731,116	1,718,911	(12,205)
Charges to Appropriations (Outflows):				
Public works	73,240	73,240	971	72,269
Capital outlay	-	93,440	81,140	12,300
Total charges to appropriations	73,240	166,680	82,111	84,569
Budgetary fund balance, June 30	$ 1,657,876	$ 1,564,436	$ 1,636,800	$ 72,364

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Park In-lieu
For the year ended June 30, 2020

	Budget Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 98,716	$ 98,716	$ 98,716	$ -
Resources (Inflows):				
Licenses and permits	25,000	25,000	44,850	19,850
Use of money and property	-	-	2,277	2,277
Amounts available for appropriations	123,716	123,716	145,843	22,127
Charges to Appropriations (Outflows):				
Capital outlay	30,000	30,000	-	30,000
Total charges to appropriations	30,000	30,000	-	30,000
Budgetary fund balance, June 30	$ 93,716	$ 93,716	$ 145,843	$ 52,127

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Projects
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ (541)	$ (541)	$ (541)	$ -
Resources (Inflows):				
Transfers in	-	-	-	-
Amounts available for appropriations	(541)	(541)	(541)	-
Charges to Appropriations (Outflows):				
Capital outlay	-	-	-	-
Total charges to appropriations	-	-	-	-
Budgetary fund balance, June 30	$ (541)	$ (541)	$ (541)	$ -

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Public Works Endowment
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 85,469	$ 85,469	$ 85,469	$ -
Resources (Inflows):				
Use of money and property	-	-	1,589	1,589
Amounts available for appropriations	85,469	85,469	87,058	1,589
Charges to Appropriations (Outflows):				
Capital outlay	-	75,000	-	75,000
Total charges to appropriations	-	75,000	-	75,000
Budgetary fund balance, June 30	$ 85,469	$ 10,469	$ 87,058	$ 76,589

City of Azusa
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Public Financing Authority
For the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 527,995	$ 527,995	$ 527,995	$ -
Resources (Inflows):				
Use of money and property	-	-	7,292	7,292
Transfers in	363,696	363,696	363,696	-
Amounts available for appropriations	891,691	891,691	898,983	7,292
Charges to Appropriations (Outflows):				
Debt service:				
Principal retirement	315,000	315,000	315,000	-
Interest and fiscal charges	48,696	48,696	48,668	28
Total charges to appropriations	363,696	363,696	363,668	28
Budgetary fund balance, June 30	$ 527,995	$ 527,995	$ 535,315	$ 7,320

NON-MAJOR ENTERPRISE FUND FINANCIAL STATEMENTS

Sewer/Wastewater Fund

To account for the costs of labor and material used in the maintenance, construction, and consumption of sewer services.

Refuse Fund

To account for the costs of labor and materials used in the maintenance, construction, and consumption of refuse services throughout the City.

City of Azusa
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Sewer/ Wastewater Fund	Refuse Contract Fund	Total Non-major Enterprise Funds
ASSETS			
Current:			
Cash and investments	$ 6,429,591	$ 338,517	$ 6,768,108
Receivables:			
Accounts	406,382	587,409	993,791
Accrued interest	8,416	-	8,416
Prepaid costs	756	-	756
Restricted cash with fiscal agent	1,375,513	-	1,375,513
Total current assets	8,220,658	925,926	9,146,584
Noncurrent:			
Capital assets - net of accumulated depreciation	8,451,256	-	8,451,256
Total noncurrent assets	8,451,256	-	8,451,256
Total assets	16,671,914	925,926	17,597,840
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension related items	258,334	-	258,334
Total deferred outflows of resources	258,334	-	258,334
LIABILITIES			
Current:			
Accounts payable	$ 69,926	$ 649,999	719,925
Accrued liabilities	32,443	-	32,443
Deposits payable	53	-	53
Compensated absences - due within one year	89,529	-	89,529
Bonds and notes payable - due within one year	425,000	-	425,000
Total current liabilities	616,951	649,999	1,266,950
Noncurrent:			
Bonds and note payable - due in more than one year	2,365,000	-	2,365,000
Net pension liability	1,756,623	-	1,756,623
Total noncurent liabilities	4,121,623	-	4,121,623
Total liabilities	4,738,574	649,999	5,388,573
DEFERRED INFLOWS OF RESOURCES			
Deferred pension related items	40,286	-	40,286
Total deferred inflows of resources	40,286	-	40,286
NET POSITION			
Net investment in capital assets	5,661,256	-	5,661,256
Restricted for debt service	1,375,513	-	1,375,513
Unrestricted	5,114,619	275,927	5,390,546
Total net position	$ 12,151,388	$ 275,927	$ 12,427,315

City of Azusa
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Non-Major Enterprise Funds
For the year ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Sewer/ Wastewater Fund	Refuse Contract Fund	Total Non-major Enterprise Funds
OPERATING REVENUES:			
Sales and service charges	$ 3,292,950	$ 4,119,397	7,412,347
Miscellaneous	1	-	1
Total operating revenues	3,292,951	4,119,397	7,412,348
OPERATING EXPENSES:			
Administration and general	1,196,618	-	1,196,618
Treatment	782,523	-	782,523
Refuse collection	-	3,977,345	3,977,345
Depreciation expense	489,347	-	489,347
Total operating expenses	2,468,488	3,977,345	6,445,833
OPERATING INCOME (LOSS)	824,463	142,052	966,515
NONOPERATING REVENUES (EXPENSES):			
Taxes	-	763,180	763,180
Interest revenue	122,016	-	122,016
Interest expense	(59,523)	-	(59,523)
Special franchise fees	(66,229)	-	(66,229)
Total nonoperating revenues (expenses)	(3,736)	763,180	759,444
INCOME (LOSS) BEFORE TRANSFERS	820,727	905,232	1,725,959
Transfer out	(61,000)	(872,420)	(933,420)
Change in net position	759,727	32,812	792,539
Net position:			
Beginning of year	11,391,661	243,115	11,634,776
End of year	$ 12,151,388	$ 275,927	$ 12,427,315

City of Azusa
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Sewer/ Wastewater Fund	Refuse Contract Fund	Total Non-major Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and users	$ 3,278,946	$ 4,105,146	$ 7,384,092
Cash paid to suppliers for goods and services	(1,152,780)	(3,941,475)	(5,094,255)
Cash paid to employees for services	(631,746)	-	(631,746)
Net cash provided by (used in) operating activities	1,494,420	163,671	1,658,091
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash transfers out	(61,000)	(872,420)	(933,420)
Net cash provided by noncapital financing activities	(61,000)	(872,420)	(933,420)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on capital debt	(415,000)	-	(415,000)
Interest paid on capital debt	(59,523)	-	(59,523)
Special franchise fees paid	(66,229)	-	(66,229)
Taxes	-	763,180	763,180
Net cash provided by (used in) capital and related financing activities	(540,752)	763,180	222,428
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	139,815	-	139,815
Net cash provided by (used in) investing activities	139,815	-	139,815
Net increase (decrease) in cash and cash equivalents	1,032,483	54,431	1,086,914
CASH AND CASH EQUIVALENTS:			
Beginning of year	6,772,621	284,086	7,056,707
End of year	$ 7,805,104	$ 338,517	$ 8,143,621
FINANCIAL STATEMENT PRESENTATION:			
Cash and investments	$ 6,429,591	$ 338,517	$ 6,768,108
Cash with fiscal agent	1,375,513	-	1,375,513
Total	$ 7,805,104	$ 338,517	$ 8,143,621
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	$ 824,463	$ 142,052	$ 966,515
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	489,347	-	489,347
Changes in current assets and liabilities:			
(Increase) decrease in accounts receivable	(14,058)	(14,251)	(28,309)
(Increase) decrease in prepaid expense	(246)	-	(246)
(Increase) decrease in deferred pension related outflows	36,676	-	36,676
Increase (decrease) in accounts payable	(23,935)	35,870	11,935
Increase (decrease) in accrued liabilities	(4,614)	-	(4,614)
Increase (decrease) in compensated absences	37,802	-	37,802
Increase (decrease) in net pension liability	149,999	-	149,999
Increase (decrease) in deferred pension related inflows	(1,067)	-	(1,067)
Total adjustments	669,957	21,619	691,576
Net cash provided by (used in) by operating activities	$ 1,494,420	$ 163,671	$ 1,658,091

INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

Consumer Services
To account for activities providing support to the City's enterprise activities.

Self-Insurance
To account for claim and risk management activities.

Central Services

To account for other activities that are provided to support all departments.

Equipment Replacement

To account for the rental of equipment to all City departments and for the accumulation of funds and disbursements for equipment acquisitions. User charges include an amount necessary for the maintenance and replacement of equipment.

IT Services
To account for the costs related to providing IT services to all City departments.

City of Azusa
Combining Statement of Net Position
Internal Service Funds
June 30, 2020

	Consumer Services	Self-Insurance	Central Services
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Current:			
Cash and investments	$ -	$ -	$ 3,309
Receivables:			
Accounts	695,273	294,792	96
Notes and loans	139	-	-
Accrued interest	64,711	-	-
Prepaid costs	-	812,170	-
Total current assets	760,123	1,106,962	3,405
Noncurrent:			
Capital assets - net of accumulated depreciation	1,027,995	-	23,711
Total noncurrent assets	1,027,995	-	23,711
Total assets	1,788,118	1,106,962	27,116
DEFERRED OUTFLOWS OF RESOURCES			
Deferred OPEB related items	299,434	-	-
Deferred pension related items	858,444	21,562	-
Total deferred outflows of resources	1,157,878	21,562	-
LIABILITIES			
Current:			
Accounts payable	119,357	367,046	561
Accrued liabilities	165,940	5,376	-
Due to other funds	521,020	1,883,084	-
Accrued compensated absences - due within one year	250,741	2,740	-
Accrued claims and judgements - due within one year	-	3,207,959	-
Total current liabilities	1,057,058	5,466,205	561
Noncurrent:			
Accrued compensated absences - due in more than one year	41,699	-	-
Accrued claims and judgements - due in more than one year	-	1,787,382	-
Total OPEB liability	1,275,742	-	-
Net pension liability	5,652,132	147,801	-
Total noncurent liabilities	6,969,573	1,935,183	-
Total liabilities	8,026,631	7,401,388	561
DEFERRED INFLOWS OF RESOURCES			
Deferred pension related items	124,916	3,420	-
Total deferred inflows of resources	124,916	3,420	-
NET POSITION			
Net investment in capital assets	1,027,995	-	23,711
Unrestricted	(6,233,546)	(6,276,284)	2,844
Total net position	$ (5,205,551)	$ (6,276,284)	$ 26,555

Equipment Replacement	IT Services	Totals
$ -	$ 220,115	$ 223,424
-	-	990,161
-	-	139
-	-	64,711
46,154	121,979	980,303
46,154	342,094	2,258,738
527,250	-	1,578,956
527,250	-	1,578,956
573,404	342,094	3,837,694
-	-	299,434
-	417,684	1,297,690
-	417,684	1,597,124
119,419	104,197	710,580
-	46,535	217,851
759,292	-	3,163,396
-	95,493	348,974
-	-	3,207,959
878,711	246,225	7,648,760
-	91,540	133,239
-	-	1,787,382
-	-	1,275,742
-	2,798,748	8,598,681
-	2,890,288	11,795,044
878,711	3,136,513	19,443,804
-	63,132	191,468
-	63,132	191,468
527,250	-	1,578,956
(832,557)	(2,439,867)	(15,779,410)
$ (305,307)	$ (2,439,867)	$(14,200,454)

City of Azusa
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the year ended June 30, 2020

	Consumer Services	Self-Insurance	Central Services
OPERATING REVENUES:			
Sales and service charges	$ 5,531,592	$ 3,005,047	$ -
Interdepartmental charges	-	-	-
Miscellaneous	-	257,937	-
Lease revenue	-	-	-
Total operating revenues	5,531,592	3,262,984	-
OPERATING EXPENSES:			
Administration and general	5,548,867	2,520,429	-
Source of supply	429,507	-	-
Pumping	-	-	-
Transmission/collection	-	-	-
Treatment	-	-	-
Refuse collection	-	-	-
Cost of sales and services	-	-	-
Claims expense	624,231	3,157,866	-
Depreciation expense	46,021	-	1,492
Total operating expenses	6,648,626	5,678,295	1,492
OPERATING INCOME (LOSS)	(1,117,034)	(2,415,311)	(1,492)
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	-	-	-
Interest expense	-	-	-
Intergovernmental	-	-	-
Special franchise fees	-	-	-
Loss on disposal of capital assets	-	-	-
Gain on disposal of capital assets	2,183	-	-
Total nonoperating revenues (expenses)	2,183	-	-
INCOME (LOSS) BEFORE TRANSFERS	(1,114,851)	(2,415,311)	(1,492)
Transfer in	132,335	-	-
Transfer out	(482,237)	-	-
Change in net position	(1,464,753)	(2,415,311)	(1,492)
Net position:			
Beginning of year	(3,740,798)	(3,860,973)	28,047
End of year	$ (5,205,551)	$ (6,276,284)	$ 26,555

Equipment Replacement	IT Services	Totals
$ -	$ 1,733,670	$ 10,270,309
-	-	-
-	-	257,937
-	-	-
-	1,733,670	10,528,246
4,164	2,003,390	10,076,850
-	-	429,507
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	3,782,097
73,646	-	121,159
77,810	2,003,390	14,409,613
(77,810)	(269,720)	(3,881,367)
-	-	-
-	-	-
-	19,024	19,024
-	-	-
(6,180)	-	(6,180)
-	-	2,183
(6,180)	19,024	15,027
(83,990)	(250,696)	(3,866,340)
-	-	132,335
-	-	(482,237)
(83,990)	(250,696)	(4,216,242)
(221,317)	(2,189,171)	(9,984,212)
$ (305,307)	$ (2,439,867)	$ (14,200,454)

City of Azusa
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2020

	Consumer Services	Self-Insurance	Central Services
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and users	$ 5,212,318	$ 2,968,760	$ -
Cash paid to suppliers for goods and services	(3,359,946)	(4,403,784)	-
Cash paid to employees for services	(2,644,915)	(81,015)	-
Net cash provided by (used in) operating activities	(792,543)	(1,516,039)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash receipts from other funds	-	1,514,627	-
Cash disbursements to other funds	(349,902)	-	-
Cash receipts from grants	521,020	-	-
Net cash provided by noncapital financing activities	171,118	1,514,627	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(640,482)	-	-
Proceeds from sale of capital assets	2,183	-	-
Net cash provided by (used in) capital and related financing activities	(638,299)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	209,436	1,412	-
Net cash provided by (used in) investing activities	209,436	1,412	-
Net increase (decrease) in cash and cash equivalents	(1,050,288)	-	-
CASH AND CASH EQUIVALENTS:			
Beginning of year	1,050,288	-	3,309
End of year	$ -	$ -	$ 3,309
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	$ (1,117,034)	$ (2,415,311)	$ (1,492)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	46,021	-	1,492
Changes in current assets and liabilities:			
(Increase) decrease in accounts receivable	(319,274)	(294,224)	-
(Increase) decrease in prepaid expense	404	(318,724)	-
(Increase) decrease in deferred OPEB related outflows	(210,503)	-	-
(Increase) decrease in deferred pension related outflows	178,101	2,704	-
Increase (decrease) in accounts payable	(29,372)	82,049	-
Increase (decrease) in accrued liabilities	32,107	(3,424)	-
Increase (decrease) in claims and judgements	-	1,417,327	-
Increase (decrease) in compensated absences	4,593	-	-
Increase (decrease) in total OPEB liability	305,594	-	-
Increase (decrease) in net pension liability	378,886	13,281	-
Increase (decrease) in deferred pension related inflows	(62,066)	283	-
Total adjustments	324,491	899,272	1,492
Net cash provided by (used in) by operating activities	$ (792,543)	$ (1,516,039)	$ -

Equipment Replacement	IT Services	Totals
$ -	$ 1,734,150	$ 9,915,228
(68,575)	(1,058,555)	(8,890,860)
-	(705,539)	(3,431,469)
(68,575)	(29,944)	(2,407,101)
369,617	-	1,884,244
-	-	(349,902)
-	19,024	540,044
369,617	19,024	2,074,386
(301,042)	-	(941,524)
-	-	2,183
(301,042)	-	(939,341)
-	-	210,848
-	-	210,848
-	(10,920)	(1,061,208)
-	231,035	1,284,632
$ -	$ 220,115	$ 223,424
$ (77,810)	$ (269,720)	$ (3,881,367)
73,646	-	121,159
-	480	(613,018)
(44,466)	(39,524)	(402,310)
-	-	(210,503)
-	71,883	252,688
(19,945)	18,025	50,757
-	1,462	30,145
-	-	1,417,327
-	(13,495)	(8,902)
-	-	305,594
-	215,767	607,934
-	(14,822)	(76,605)
9,235	239,776	1,474,266
$ (68,575)	$ (29,944)	$ (2,407,101)

City of Azusa
Agency Fund
Statement of Changes in Fiduciary Assets and Liabilities
For the year ended June 30, 2020

Agency Fund	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Assets:				
Cash and investments	$ 11,336,219	$ -	$ (7,174,347)	$ 4,161,872
Accounts receivable	330,043	84,866	-	414,909
Taxes receivable	658	112,490	-	113,148
Restricted cash and investments with fiscal agent	386,647	11,954,094	-	12,340,741
Total assets	$ 12,053,567	$ 12,151,450	$ (7,174,347)	$ 17,030,670
Liabilities:				
Accounts payable	$ 105,049	$ -	$ -	$ 213,447
Accrued liabilities	980	1	-	981
Deposits payable	11,947,538	4,868,704	-	16,816,242
Total liabilities	$ 12,053,567	$ 4,868,705	$ -	$ 17,030,670

City of Azusa
Supplemental Statement of Revenues, Expenses, and Changes in Fund Net Position
Water - Enterprise Fund
For the year ended June 30, 2020

	Water
OPERATING REVENUES:	
Residential sales	$ 12,670,639
Commercial sales	4,751,953
Industrial sales	2,379,708
Other sales	1,835,070
Fees	531,262
Other revenue	2,179,962
Total operating revenues	24,348,594
OPERATING EXPENSES:	
Production	9,768,377
Transmission and distribution	3,073,130
Customer accounting and sales	3,261,176
Uncollectible accounts	14,595
Administration and general	2,246,577
Depreciation expense	3,811,721
Total operating expenses	22,175,576
OPERATING INCOME (LOSS)	2,173,018
NONOPERATING REVENUES (EXPENSES):	
Interest revenue	548,344
Interest expense	(1,766,514)
Special franchise fees	(443,650)
Gain on disposal of capital assets	326
Total nonoperating revenues (expenses)	(1,661,494)
INCOME (LOSS) BEFORE TRANSFERS	511,524
Transfer out	(739,584)
Change in net position	(228,060)
Net position:	
Beginning of year	51,728,428
End of year	$ 51,500,368

City of Azusa
Supplemental Statement of Revenues, Expenses, and Changes in Fund Net Position
Light - Enterprise Fund
For the year ended June 30, 2020

	Light
OPERATING REVENUES:	
Sale/electricity - residential	$ 13,484,205
Sale/electricity - commercial and industrial	20,628,273
Sale/electricity - other	1,361,205
Sale/electricity - resale	2,735,010
Other revenue	1,766,805
Total operating revenues	39,975,498
OPERATING EXPENSES:	
Purchase power	16,414,296
Transmission/dispatching	4,183,532
Operation and maintenance	3,954,698
Uncollectible accounts	16,152
Administration and general	6,305,065
Depreciation expense	1,334,443
Total operating expenses	32,208,186
OPERATING INCOME (LOSS)	7,767,312
NONOPERATING REVENUES (EXPENSES):	
Interest revenue	550,712
Interest expense	(121,243)
Special franchise fees	(3,579,745)
Total nonoperating revenues (expenses)	(3,150,276)
INCOME (LOSS) BEFORE TRANSFERS	4,617,036
Transfer out	(584,407)
Change in net position	4,032,629
Net position:	
Beginning of year	56,337,186
End of year	$ 60,369,815

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, the required supplementary information and the City's overall financial health.

CITY OF AZUSA

Table 1 - Net Position by Com

Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	$ 19,297,862	$ 28,862,696	$ 29,086,566	$ 29,959,431	$ 28,121,302	$ 33,586,894	$ 33,818,379	$ 35,435,990	$ 35,457,264	$ 37,408,295
Restricted	35,312,033	5,306,039	8,800,537	9,222,166	10,658,744	12,664,389	11,262,725	11,653,156	13,301,354	15,197,634
Unrestricted	(50,982,746)	23,447,281	18,107,479	(7,774,851)	(46,416,171)	(47,761,262)	(65,540,615)	(71,783,787)	(75,050,931)	(82,049,250)
Total governmental activities net position	$ 3,627,149	$ 57,616,016	$ 55,994,582	$ 31,406,746	$ (7,636,125)	$ (1,509,979)	$ (20,459,511)	$ (24,694,641)	$ (26,292,313)	$ (29,443,321)
Business-type activities:										
Net investment in capital assets	$ 35,160,311	$ 60,564,169	$ 55,086,846	$ 58,465,869	$ 45,617,124	$ 56,985,265	$ 50,924,797	$ 52,197,779	$ 53,360,644	$ 62,764,524
Restricted	3,192,561	10,845,193	11,554,302	9,845,901	15,085,506	11,448,778	16,722,108	16,307,140	16,784,663	16,991,779
Unrestricted	85,047,584	53,464,644	55,694,676	46,533,746	42,093,086	36,790,964	38,640,042	41,228,368	45,814,285	39,335,644
Total business-type activities net position	$ 123,400,456	$ 124,874,006	$ 122,335,824	$ 114,845,516	$ 102,795,716	$ 105,225,007	$ 106,286,947	$ 109,733,287	$ 115,959,592	$ 119,091,947
Primary government:										
Net investment in capital assets	$ 54,458,173	$ 89,426,865	$ 84,173,412	$ 88,425,300	$ 73,738,426	$ 90,572,159	$ 84,743,176	$ 87,633,769	$ 88,817,908	$ 100,172,819
Restricted	38,504,594	16,151,232	20,354,839	19,068,067	25,744,250	24,113,167	27,984,833	27,960,296	30,086,017	32,189,413
Unrestricted	34,064,838	76,911,925	73,802,155	38,758,895	(4,323,085)	(10,970,298)	(26,900,573)	(30,555,419)	(29,236,646)	(42,713,606)
Total primary government net position	$ 127,027,605	$ 182,490,022	$ 178,330,406	$ 146,252,262	$ 95,159,591	$ 103,715,028	$ 85,827,436	$ 85,038,646	$ 89,667,279	$ 89,648,626

Source: City of Azusa Finance Department

Source: CAFR State of Net Position

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenue:										
Governmental activities:										
Charges for services										
General government	$ 3,855,810	$ 3,090,304	$ 2,304,290	$ 3,919,876	$ 3,517,810	$ 4,157,243	$ 4,822,316	$ 5,065,921	$ 6,365,067	$ 7,609,852
Public Safety	713,846	721,032	705,140	829,054	741,551	821,281	774,218	649,929	1,403,390	2,343,224
Community development	1,915,741	2,615,631	2,831,860	3,296,987	3,044,683	2,463,012	3,094,335	3,162,591	3,303,062	2,569,245
Parks and recreation	997,277	1,046,584	1,090,771	1,181,561	1,226,392	1,188,778	487,842	478,140	437,829	344,432
Public Works	364,910	838,958	476,506	525,343	961,875	739,521	833,440	875,283	965,868	878,053
Operating grants and contributions	3,651,491	3,267,287	2,121,638	3,836,479	13,926,073	6,435,839	4,014,559	6,999,678	6,114,947	7,986,715
Capital grants and contributions	109,226	137,102	2,988,760	442,727	398,905	328,662	935,622	1,384,675	2,094,896	2,424,903
Total governmental activities program revenues	11,608,301	11,716,898	12,518,965	14,032,027	23,817,289	16,134,336	14,962,332	18,616,217	20,685,059	24,156,424
Business-type activities:										
Charges for services										
Water	17,779,417	20,062,118	21,604,435	21,762,242	21,515,397	20,317,053	20,785,465	22,028,440	22,249,594	24,348,594
Light	39,189,980	40,962,648	42,377,694	45,001,748	46,222,264	40,464,630	41,404,427	36,620,020	41,202,574	39,975,498
Sewer/Wastewater	1,615,840	2,223,876	2,480,008	2,566,676	2,636,707	2,679,660	2,750,999	2,979,516	3,133,857	3,292,951
Refuse contract	3,062,700	2,976,946	2,954,842	3,058,956	3,145,396	3,465,932	3,697,476	3,885,635	3,941,215	4,119,397
Operating grants and contributions							667,619	704,965	714,750	763,180
Total business-type activities program revenues	61,647,937	66,225,588	69,416,979	72,389,622	73,519,764	66,927,275	69,305,986	66,218,576	71,241,990	72,499,620
Total primary government program revenues	$ 73,256,238	$ 77,942,486	$ 81,935,944	$ 86,421,649	$ 97,337,053	$ 83,061,611	$ 84,268,318	$ 84,834,793	$ 91,927,049	$ 96,656,044
Expenses:										
Governmental activities:										
General government	$ 12,198,991	$ 10,537,722	$ 7,168,707	$ 7,169,710	$ 7,834,391	$ 10,945,471	$ 11,183,394	$ 12,216,266	$ 14,252,142	$ 14,858,996
Public safety	20,187,914	20,449,077	20,077,868	21,082,420	21,279,644	22,689,580	24,610,769	28,290,550	28,234,043	33,034,073
Community development	3,472,237	3,272,401	3,053,950	2,569,284	2,384,308	2,605,120	3,170,213	3,312,408	3,355,295	3,892,609
Parks and recreation	4,184,626	4,146,245	3,453,469	3,752,518	3,878,961	4,546,965	4,365,600	4,745,891	4,761,394	5,077,503
Public works	5,539,866	8,818,083	4,173,502	5,356,694	5,019,152	5,331,169	4,404,636	5,522,426	7,954,532	9,015,108
Interest on long-term debt	7,380,598	2,244,315	471,835	1,330,555	699,155	517,395	361,493	278,689	253,667	225,826
Total governmental activities expenses	52,964,232	49,467,843	38,399,331	41,261,181	41,095,611	46,635,700	48,096,105	54,366,230	58,811,073	66,104,115
Business-type activities:										
Water	19,680,719	19,364,355	19,199,120	18,345,227	21,497,271	19,429,769	20,511,527	22,538,051	23,608,977	24,608,822
Light	40,083,680	39,115,161	44,040,193	45,011,550	44,328,679	41,383,802	39,464,774	33,269,209	34,562,979	36,579,394
Sewer/Wastewater	1,982,241	2,083,756	4,828,680	2,434,295	2,368,124	2,131,684	2,220,602	2,624,377	2,344,737	2,705,943
Refuse contract	2,962,395	2,851,882	2,835,041	2,938,255	3,042,337	3,342,897	3,533,695	3,735,613	3,734,667	4,086,865
Total business-type activities expenses	64,709,035	63,415,154	70,903,034	68,729,327	71,236,411	66,288,152	65,730,598	62,167,250	64,251,360	67,981,024
Total primary government program expenses	$ 117,673,267	$ 112,882,997	$ 109,302,365	$ 109,990,508	$ 112,332,022	$ 112,923,852	$ 113,826,703	$ 116,533,480	$ 123,062,433	134,085,139

Source: CAFR Statement of Activities

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net revenues (expenses):										
Governmental activities	(41,355,931)	(37,750,945)	(25,880,366)	(27,229,154)	(17,278,322)	(30,501,364)	(33,133,773)	(35,750,013)	(38,126,014)	(41,947,691)
Business-type activities	(3,061,098)	2,810,434	(1,486,055)	3,660,295	2,283,353	639,123	3,575,388	4,051,326	6,990,630	4,518,596
Total net revenues (expenses)	(44,417,029)	(34,940,511)	(27,366,421)	(23,568,859)	(14,994,969)	(29,862,241)	(29,558,385)	(31,698,687)	(31,135,384)	(37,429,095)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes, general purpose	$ 12,108,155	$ 9,856,354	$ 8,312,351	$ 8,023,547	$ 8,531,515	$ 9,134,084	$ 10,719,463	$ 11,122,669	$ 11,722,603	$ 12,520,153
Transient occupancy taxes	192,659	210,923	224,359	223,675	261,815	347,965	366,579	719,318	869,899	765,096
Sales tax	5,678,177	6,234,614	6,904,400	7,183,809	7,530,257	8,001,941	5,516,848	5,665,876	6,316,359	6,817,957
Franchise taxes	6,222,537	6,355,828	6,526,496	6,757,708	7,328,977	7,575,506	6,893,264	6,747,947	7,082,356	7,059,663
Business licenses taxes	1,822,102	1,865,195	1,983,634	1,922,139	2,008,916	1,995,000	2,238,439	2,208,309	2,065,327	2,067,693
Utility users tax	3,160,788	3,250,469	3,305,545	3,441,178	3,594,092	3,266,383	3,329,293	3,032,095	3,255,562	3,267,346
Other taxes	2,678,727	1,272,967	1,963,904	1,763,038	2,058,967	1,851,142	1,702,902	1,602,546	1,556,157	1,488,465
Motor vehicle in lieu-unrestricted	143,401	420,126	25,224	20,876	-	-	-	-	-	
Investment income	2,540,133	1,284,484	166,674	(423,898)	353,285	183,908	460,691	(202,455)	609,862	859,705
Other general revenues	854,945	(50,068)	279,447	759,132	629,507	1,709,757	1,504,953	111,705	1,034,504	1,086,770
redevelopment agency	-	59,933,832	-	-	(4,113,065)	-	-	-	-	
Transfers	1,326,374	1,082,262	1,309,808	1,535,996	1,458,028	1,652,338	1,739,277	2,031,610	1,866,900	2,607,313
Total governmental activities	36,727,998	91,716,986	31,001,842	31,207,200	29,642,294	35,718,024	34,471,709	33,039,620	36,379,529	38,540,161
Business-type activities:										
Property taxes, general purpose	571,036	555,225	556,161	542,409	574,179	630,981	-	-	-	-
Investment income	1,626,291	257,653	115,380	300,515	378,713	532,303	512,838	1,045,895	1,087,005	1,221,072
Gain on sale of assets	1,350	(1,966,003)	(3,690)		-	-	-	-	-	-
Transfers	(1,326,374)	(1,082,262)	(1,309,808)	(1,535,996)	(1,458,028)	(1,652,338)	(1,739,277)	(2,031,610)	(1,866,900)	(2,607,313)
Miscellaneous	358,891	884,535	359,573	399,293	224,680	2,347,066	-	-	-	-
Total business-type activities	1,231,194	(1,350,852)	(282,384)	(293,779)	(280,456)	1,858,012	(1,226,439)	(985,715)	(779,895)	(1,386,241)
Total general revenues	37,959,192	90,366,134	30,719,458	30,913,421	29,361,838	37,576,036	33,245,270	32,053,905	35,599,634	37,153,920
Changes in net position:										
Governmental activities	(4,627,933)	53,966,041	5,121,476	3,978,046	12,363,972	5,216,660	1,337,936	(2,710,393)	(1,746,485)	(3,407,530)
Business-type activities	(1,829,904)	1,459,582	(1,768,439)	3,366,516	2,002,897	2,497,135	2,348,949	3,065,611	6,210,735	3,132,355
Total primary government	$ (6,457,837)	$ 55,425,623	$ 3,353,037	$ 7,344,562	$ 14,366,869	$ 7,713,795	$ 3,686,885	$ 355,218	$ 4,464,250	$ (275,175)

Source: City of Azusa Finance Department

Source: CAFR Statement of Activities (page 2, General Revenues & Transfers Schedule)

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

	Fiscal Year									
General fund:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Nonspendable	$ 21,615,263	$ 20,951,468	$ 20,993,673	$ 20,927,944	$ 16,794,925	$ 17,319,446	$ 14,315,813	$ 14,247,791	$ 9,342,604	$ 9,228,259
Unassigned	(5,311,304)	(5,817,312)	(4,690,928)	(509,996)	2,752,257	5,833,733	10,748,092	8,175,057	18,008,711	24,672,194
Total general fund:	$ 16,303,959	$ 15,134,156	$ 16,302,745	$ 20,417,948	$ 19,547,182	$ 23,153,179	$ 25,063,905	$ 22,422,848	$ 27,351,315	$ 33,900,453
Grants and Seizure:										
Nonspendable						$ 8,730	$ 2,891	$ -	$ -	$ -
Restricted						-	1,609,588	-	-	-
Unassigned						(2,459,180)	(420,193)	-	-	-
Total grants and seizure:						$ (2,450,450)	$ 1,192,286	$ -	$ -	$ -
All other governmental funds:										
Nonspendable	$ 14,892,551	$ 8,038	$ 23,729	$ 11,363	$ 10,431	$ 4,428	$ 3,074	$ 4,204	$ 6,441	$ 6,666
Restricted	23,297,599	11,062,074	9,005,070	9,222,166	10,499,020	12,659,961	13,166,548	15,603,843	16,337,353	18,205,022
Committed	-	-	-	-	-	-	-	498,066	498,066	1,466,620
Unassigned	(32,625,038)	(187,467)	(376,870)	(125,576)	(12,478)	(35,499)	(499,998)	(358,442)	1,682,866	(102,406)
Total all other governmental funds:	$ 5,565,112	$ 10,882,645	$ 8,651,929	$ 9,107,953	$ 10,496,973	$ 12,628,890	$ 12,669,624	$ 15,747,671	$ 18,524,726	$ 19,575,902

Grants and Seizure did not meet major fund requirements in fiscal year 2015-16.

Source: City of Azusa Finance Department

Source: CAFR Balance Sheet Governmental Funds

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	$ 32,206,954	$ 29,353,626	$ 29,180,382	$ 29,266,387	$ 31,314,539	$ 32,172,021	$ 34,549,619	$ 35,537,492	$ 37,784,665	$ 38,934,050
Assessments	3,098,219	2,201,117	1,605,028	2,216,830	1,299,713	1,875,271	1,941,549	2,232,012	2,612,037	2,547,233
Licenses and permits	610,298	1,270,221	1,369,901	1,586,117	1,600,109	1,096,325	1,167,805	1,164,736	1,128,547	786,793
Intergovernmental	3,829,513	3,482,499	2,856,210	4,469,748	4,674,688	3,635,890	6,317,682	4,134,939	5,848,721	6,113,774
Charges for services	3,059,369	3,399,276	3,288,109	4,396,994	4,647,255	4,505,844	3,775,160	3,641,642	4,297,902	6,385,202
Developer participation	1,297,580	-	-	-	-	-	-			
Investment income	994,621	872,118	157,022	131,515	346,266	442,987	990,976	308,488	1,814,430	1,572,459
Fines and forfeitures	119,111	978,829	989,616	1,343,318	1,343,809	1,328,383	1,068,510	1,124,080	1,447,695	1,383,846
Contributions	157,930	109,255	64,461	84,870	10,864,485	99,594	78,836	103,502	75,669	79,740
Miscellaneous	-	1,492,038	384,382	870,199	678,623	1,759,473	1,563,941	162,787	1,216,960	1,146,990
Total Revenues	45,373,595	43,158,979	39,895,111	44,365,978	56,769,487	46,915,788	51,454,078	48,409,678	56,226,626	58,950,087
Expenditures:										
Current:										
General government	10,623,623	10,070,713	7,168,707	6,762,467	6,684,724	7,545,443	10,919,440	9,846,360	9,408,809	9,328,388
Public safety	19,824,369	20,379,672	20,077,868	20,877,090	21,779,069	22,490,820	22,560,287	25,727,339	24,740,726	27,199,160
Community development	3,423,224	3,223,201	3,053,950	2,564,915	2,364,558	2,588,161	2,970,565	3,017,805	3,079,943	3,419,525
Parks and recreation	3,729,125	3,770,465	3,453,469	3,561,491	3,589,952	4,212,160	3,916,250	4,161,675	4,109,326	3,984,832
Public works	4,204,180	7,358,644	4,173,502	4,245,273	4,033,352	4,304,379	4,286,018	4,205,386	5,134,171	4,628,255
Capital Outlay	2,762,698	1,554,151	2,348,624	2,204,482	1,725,176	6,433,318	1,128,736	3,486,632	3,358,548	4,964,647
Debt service:										
Principal retirement	2,494,212	2,615,717	1,479,367	1,706,996	12,160,286	1,230,000	1,420,000	1,604,111	444,393	468,553
Interest and fiscal charges	7,295,680	2,537,665	471,835	401,265	417,459	562,530	405,392	344,203	260,901	229,866
Total Expenditures	54,357,111	51,510,228	42,227,322	42,323,979	52,754,576	49,366,811	47,606,688	52,393,511	50,536,817	54,223,226
Excess (Deficiency) of revenues over (under) expenditures	(8,983,516)	(8,351,249)	(2,332,211)	2,041,999	4,014,911	(2,451,023)	3,847,390	(3,983,833)	5,689,809	4,727,861
Other Financing Sources (Uses):										
Capital lease financing	-	-	-	-	-	-	-	162,000	-	-
Transfer in	24,569,629	5,900,632	6,003,156	6,310,394	6,174,749	6,839,073	7,852,410	8,636,279	8,259,865	9,922,671
Transfer out	(23,841,239)	(4,818,370)	(4,705,827)	(4,777,269)	(5,569,235)	(5,316,340)	(6,113,133)	(6,604,669)	(6,392,965)	(7,315,358)
Notes and loans issued	986,314	1,305,892	-	-	-	3,570,000	-	-	-	-
Other financing sources	-	-	-	-	-	168,899	4,307	1,034,927	-	8,618
Total Other Financing Sources (Uses)	1,714,704	2,388,154	1,297,329	1,533,125	605,514	5,261,632	1,743,584	3,228,537	1,866,900	2,615,931
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	10,087,999	-	-	(4,113,065)	-	-	-	-	
Net change in fund balances	$ (7,268,812)	$ 4,124,904	$ (1,034,882)	$ 3,575,124	$ 507,360	$ 2,810,609	$ 5,590,974	$ (755,296)	$ 7,556,709	$ 7,343,792
Debt service as a percentage of noncapital expenditures	19.0%	10.3%	4.9%	5.3%	24.6%	4.2%	3.9%	4.0%	1.5%	1.4%

Source: City of Azusa Finance Department

Source: CAFR Statement of Revenues, Expenditures & Changes in Fund Balances Governmental Funds

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
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
2016	12,570,806	21,957,543	1,340,305	$ 35,868,654
2017	12,861,348	22,550,702	1,431,251	$ 36,843,301
2018	11,739,362	20,198,935	1,391,350	$ 33,329,647
2019	13,032,871	21,504,981	1,467,800	$ 36,005,652
2020	12,371,785	18,669,444	1,218,595	$ 32,259,824

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
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
2016	3.81	0.1160	0.1487
2017	3.81	0.1160	0.1487
2018	5.80	0.1091	0.1487
2019	5.80	0.1091	0.1487
2020	5.80	0.1091	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

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

	2011		2012		2013		2014	
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
APU Foundation	$ 2,104,018	6.398%	$ 1,741,024	4.913%	$ 1,780,989	4.965%	$ 1,802,237	4.943%
Archcom Technology	-	0.000%	223,383	0.630%	-	0.000%	-	0.000%
Artisan Screen Process	319,455	0.971%	301,378	0.851%	-	0.000%	546,126	1.498%
Azusa MRFTS	-	0.000%	-	0.000%	-	0.000%	-	0.000%
Azusa USD	954,045	2.901%	896,318	2.530%	856,373	2.387%	883,569	2.423%
Azusa Western	241,542	0.734%	232,823	0.657%	-	0.000%	-	0.000%
Buena Vista Food Prod	312,836	0.951%	329,687	0.930%	333,594	0.930%	357,445	0.980%
California Amforge Corp	213,367	0.649%	295,442	0.834%	651,233	1.815%	-	0.000%
Calmat Cite 2353-P3		0.000%		0.000%		0.000%		0.000%
City of Azusa	1,112,047	3.382%	1,045,326	2.950%	1,206,165	3.362%	1,347,507	3.696%
City of Glendora	575,089	1.749%	72,098	0.203%	679,753	1.895%	613,336	1.682%
Costco Wholesale Corp	612,630	1.863%	613,230	1.731%	642,560	1.791%	646,887	1.774%
Criterion Catalyst & Tech LP	181,832	0.553%	-	0.000%	-	0.000%	-	0.000%
Hansen's Juices (Naked Juice)	-	0.000%	-	0.000%	-	0.000%	-	0.000%
LA County Metro Transporation Authority	-	0.000%	-	0.000%	-	0.000%	-	0.000%
Morris Partnership	156,898	0.477%	226,681	0.640%	-	0.000%	-	0.000%
Northrop Grumman	504,436	1.534%	468,774	1.323%	366,623	1.022%	482,780	1.324%
Rainbird Corp/CA Division	933,722	2.839%	193,342	0.546%	-	0.000%	-	0.000%
S & S Foods LLC	1,444,281	4.392%	1,386,170	3.912%	1,584,047	4.416%	1,679,420	4.606%
Stater Bros Market	-	0.000%	145,484	0.411%	-	0.000%	-	0.000%
Target Corporation	-	0.000%	301,707	0.851%	-	0.000%	-	0.000%
T H Molding Corporation	-	0.000%	401,075	1.132%	-	0.000%	-	0.000%
Thermal Remediation Solutions	195,798	0.595%	154,795	0.437%	-	0.000%	-	0.000%
Verizon Wireless Inc	601,882	1.830%	894,493	2.524%	1,064,241	2.967%	1,205,326	3.306%
Total	$10,463,878	31.819%	$ 9,923,230	28.004%	$ 9,165,578	25.866%	$ 9,564,633	26.233%

Source: City of Azusa Light & Water Department

2015		2016		2017		2018		2019		2020	
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
$ 1,825,551	4.697%	$ 1,745,792	4.867%	$ 1,717,597	4.662%	$ 1,671,228	5.014%	$ 1,583,534	4.158%	$ 1,535,257	4.314%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
477,290	1.228%	-	0.000%	-	0.000%	-	0.000%	-	0.838%	-	0.000%
597,615	1.537%	587,778	1.639%	589,515	1.600%	591,552	1.775%	567,922	1.744%	515,256	1.448%
902,905	2.323%	871,002	2.428%	841,194	2.283%	811,555	2.435%	797,439	0.000%	654,856	1.840%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
382,480	0.984%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	270,488	0.754%	273,803	0.743%	-	0.000%	-	0.000%	-	0.000%
	0.000%	451,282	1.258%	442,621	1.201%	459,465	1.379%	-	1.145%	-	0.000%
1,228,641	3.161%	1,166,557	3.252%	1,249,473	3.391%	1,334,505	4.004%	1,288,927	0.000%	1,183,862	3.327%
479,889	1.235%	540,173	1.506%	693,404	1.882%	691,574	2.075%	591,631	1.665%	694,230	1.951%
-	0.000%	-	0.000%	-	0.000%	623,458.45	1.871%	543,874.88	1.643%	555,487	1.561%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	464,543	1.261%	484,024	1.452%	530,496	1.637%	536,079	1.506%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
466,673	1.201%	503,809	1.405%	491,900	1.335%	-	0.000%	481,445	1.012%	460,150	1.293%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
1,645,159	4.233%	1,672,106	4.662%	1,728,231	4.691%	1,553,231	4.660%	1,502,357	4.611%	1,506,057	4.232%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
1,357,641	3.493%	1,265,361	3.528%	-	0.000%	1,165,298	3.496%	1,172,185	3.359%	1,217,518	3.421%
$ 9,363,844	24.090%	$ 9,074,348	25.299%	$ 8,492,281	23.050%	$ 9,385,890	46.467%	$ 9,059,811	27.182%	$ 8,858,752	24.604%

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

	Type of Customer				
Fiscal Year	Residential	Commercial	Industrial	Other (2)	Total
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
2016	8,899,454	3,429,934	2,282,486	1,031,834	$ 15,643,708
2017	9,614,576	3,693,444	2,918,906	1,471,927	$ 17,698,853
2018	10,327,873	4,034,433	2,895,842	1,654,212	$ 18,912,360
2019	10,197,688	3,855,885	2,791,376	1,608,271	$ 18,453,220
2020	10,625,094	3,850,353	2,517,475	1,069,091	$ 18,062,013

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
		0-12 CCF	>12 CCF	
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
2016	17.03	1.007	2.129	3.031
		0-4 CCF	5-15 CCF	>15 CCF
2017	14.58	1.050	1.714	2.162
2018	14.87	1.071	1.748	2.206
2019	15.47	1.114	1.819	2.295
2020	15.47	1.137	1.855	2.341

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.

(4) New rates were implented for FY 2016-17.

Source: City of Azusa Light & Water Department

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

	2011		2012		2013		2014	
Water Customer:	Water Charges	Percentage of Total Water Revenues	Water Charges	Percentage of Total Water Revenues	Water Charges	Percentage of Total Water Revenues	Water Charges	Percentage of Total Water Revenues
APU Foundation	$ 212,880	1.278%	$ 126,737	0.742%	$ 130,761	0.721%	$ 138,644	11.328%
Azusa Carefree Association	52,285	0.314%	65,984	0.386%	-	0.000%	-	0.000%
Azusa Greens Country Club	114,596	0.688%	131,809	0.772%	163,455	0.901%	157,909	12.903%
Azusa Land Reclamation	-	0.000%	-	0.000%	-	0.000%	-	0.000%
Azusa USD	304,265	1.827%	285,883	1.674%	390,372	2.152%	380,303	31.074%
Azusa Western	244,528	1.468%	259,555	1.520%	262,656	1.448%	251,656	20.563%
Calmat Site #1055-A	54,439	0.327%	36,368	0.213%	-	0.000%	-	0.000%
Citrus College	45,507	0.273%	47,347	0.277%	49,133	0.271%	-	0.000%
City of Azusa	141,459	0.849%	137,730	0.807%	150,954	0.832%	157,052	12.833%
Covina Valley USD	42,644	0.256%	110,587	0.648%	167,684	0.924%	142,356	11.632%
Crystal Canyon Assocation	-	0.000%	-	0.000%	-	0.000%	-	0.000%
Hector Perales	-	0.000%	-	0.000%	-	0.000%	-	0.000%
Lovin Oven	47,099	0.283%	52,250	0.306%	-	0.000%	-	0.000%
Mike Nijjar-060	-	0.000%	79,676.00	0.467%	-	0.000%	-	0.000%
Miller Brewery	1,149,331	6.902%	1,126,387	6.597%	1,155,227	6.369%	1,068,819	87.332%
Mountain Cove	-	0.000%	68,138	0.399%	-	0.000%	-	0.000%
North Rosedale Comm Assoc	-	0.000%	-	0.000%	-	0.000%	-	0.000%
NCI	64,368	0.387%	68,253	0.400%	-	0.000%	-	0.000%
Ready Pac	499,358	2.999%	533,105	3.122%	556,493	3.068%	546,810	44.679%
S&S Foods LLC	113,343	0.681%	122,666	0.718%	132,658	0.731%	129,093	10.548%
Southern California Edison	-	0.000%	34,983	0.205%	-	0.000%	-	0.000%
Villa Azusa Association	-	0.000%	59,898	0.351%	-	0.000%	-	0.000%
Vulcan Materials	-	0.000%	-	0.000%	-	0.000%	51,760	4.229%
Total	$ 3,086,102	18.532%	$ 3,347,356	19.604%	$ 3,159,393	17.418%	$ 3,024,402	16.936%

Source: City of Azusa Light & Water Department

2015		2016		2017		2018		2019		2020	
Water Charges	Percentage of Total Water Revenues	Water Charges	Percentage of Total Water Revenues	Water Charges	Percentage of Total Water Revenues	Water Charges	Percentage of Total Water Revenues	Water Charges	Percentage of Total Water Revenues	Water Charges	Percentage of Total Water Revenues
$ 121,552	10.545%	$ 142,796	6.256%	174,221	0.984%	145,658	0.770%	139,958	0.758%	159,509	0.739%
52,656.00	4.568%	-	0.000%	-	0.000%	-	0.000%	99,716	0.540%	-	0.000%
163,734	14.205%	205,146	8.988%	179,498	1.014%	168,221	0.889%	140,137	0.759%	158,163	0.733%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	281,016	1.523%	267,121	1.238%
309,041	26.811%	303,127	13.281%	398,863	2.254%	491,346	2.598%	419,292	2.272%	396,548	1.838%
277,779	24.099%	392,150	17.181%	322,098	1.820%	240,739	1.273%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
116,061	10.069%	170,869	7.486%	215,483	1.217%	249,441	1.319%	243,291	1.318%	246,220	1.141%
145,329	12.608%	137,576	6.027%	140,192	0.792%	191,827	1.014%	168,466	0.913%	155,681	0.722%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
957,677	83.084%	928,794	40.692%	977,763	5.524%	968,288	5.120%	968,327	5.247%	513,306	2.379%
-	0.000%	126,479.00	5.541%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	-	0.000%	105,078	0.556%	-	0.000%	-	0.000%
438,847	38.073%	564,237	24.720%	618,202	3.493%	653,219	3.454%	592,580	3.211%	510,323	2.365%
173,338	15.038%	129,519	5.674%	162,258	0.917%	145,158	0.768%	149,885	0.812%	113,497	0.526%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	109,711	0.508%
$ 2,756,014	16.010%	$ 3,100,693	135.846%	$ 3,188,578	18.016%	$ 3,358,975	17.761%	$ 3,202,669	17.356%	$ 2,630,079	12.189%

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
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	0.13961	3,680,259,674	100.0%
2016	2,718,542,945	291,006,304	963,951,180	3,973,500,429	0.13918	3,973,500,429	100.0%
2017	2,952,542,573	310,843,612	963,889,518	4,227,275,703	0.13920	4,227,275,703	100.0%
2018	3,181,170,861	344,807,866	984,941,845	4,510,920,572	0.13812	4,510,920,572	100.0%
2019	3,382,188,399	395,863,426	1,032,586,758	4,810,638,583	0.13927	4,810,638,583	100.0%
2020	3,676,936,137	402,291,953	1,109,744,291	5,185,972,381	0.13926	5,185,972,381	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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	1.01800	1.01800	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total Direct Rate	0.34228	0.34311	0.33678	0.13976	0.13961	0.13918	0.13920	0.13812	0.13927	0.13926
Overlapping Rates:										
Azusa Unified School District	0.05695	0.05628	0.04641	0.03765	0.04468	0.11479	0.10430	0.10591	0.09806	0.11416
Citrus Community College District	0.02516	0.02447	0.02590	0.02226	0.02327	0.01641	0.02406	0.02229	0.02238	0.02172
Covina Valley Unified School District	0.09003	0.08999	0.09500	0.11472	0.11426	0.11062	0.12581	0.14205	0.13976	0.13521
Duarte Unified School District	0.07542	0.11237	0.12657	0.12283	0.14263	0.14193	0.14398	0.14061	0.15864	0.15585
Metropolitan Water District	0.01800	0.01800	0.01800	0.01800	0.01800	0.01800	0.02300	0.03000	0.03000	0.03000
Mt. San Antonio College	0.02636	0.02642	0.02896	0.02023	0.02129	0.02154	0.02400	0.02371	0.02435	0.04781
Total Tax Rate	0.44113	0.47674	0.49005	0.48490	0.51334	0.57250	0.59436	0.61378	0.62240	$ 0.62396

(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 rate area by net taxable value.

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 City Rate and the Redevelopment Agency Rate (RDA).

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 applied only to the incremental property values.

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 of assessed property values for the payment of any voter approved bonds.

Source: L.A. County Assessor 2008/09 - 2017/18 Tax Rate Table

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

	2020		2011	
Taxpayer	Taxable Assessed Value	Percentage of City Taxable Assessed Value	Taxable Assessed Value	Percentage of City Taxable Assessed Value
Northrop Grumman Systems Corporation	105,530,278	2.03%	113,614,802	3.50%
Citrus Crossing Properties Fee	28,702,841	0.55%	26,851,268	0.83%
Target Corporation	35,546,572	0.69%		0.00%
PPF Industrial 823 8th Street	35,630,912	0.69%		0.00%
10th Street XC LLC	32,256,675	0.62%		0.00%
Rainbird Corporation	29,807,292	0.57%	38,614,467	1.19%
Azusa Pacific University		0.00%	36,432,801	1.12%
The Launitas Brewing Company	22,386,690	0.43%		0.00%
Costco Wholesale Corporation	24,250,324	0.47%		0.00%
VPM Soldano Senior Village LP	22,122,649	0.43%		0.00%
Lakewood Gardens LP	21,564,104	0.42%		0.00%
Azusa Land Reclamation Inc		0.00%		0.00%
S & S Foods LLC		0.00%	19,350,079	0.60%
Rosedale Land Partners II LLC		0.00%	88,873,667	2.74%
Azusa Land Partners LLC		0.00%		0.00%
City View Rosedale 98 LP		0.00%	30,842,144	0.95%
PLC Mapleton LLC		0.00%		0.00%
Criterion Catalyst Company LP		0.00%	20,612,220	0.64%
PPF Industrial 823 985 8th Street		0.00%	30,372,856	0.94%
RC Properties VI LLC		0.00%		0.00%
William Lyon Homes Inc		0.00%	25,225,547	0.78%
	$ 357,798,337	6.90%	$ 430,789,851	13.29%

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

Source: HdL

CITY OF AZUSA
Table 14 - Property Tax Levies and Collections
Last Ten Fiscal Years

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
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%
2016	4,503,235	4,399,245	97.7%	66,910	4,466,155	99.2%
2017	4,465,379	4,408,195	98.7%	46,744	4,454,939	99.8%
2018	4,980,719	4,900,774	98.4%	79,945 (1)	4,980,719	100.0%
2019	5,209,129	5,141,739	98.7%	10,022	5,151,761	98.9%
2020	5,525,221	5,419,325	98.1%	105,895	5,503,973	99.6%

(1) Restated

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

Fiscal Year Ended June 30	Governmental Activities						Business-type Activities							
	Loans	Certificate of Participation	Tax Allocation Bonds [1]	Taxable Pension Funding Bonds [2]	Unamortized Premiums/ (Discounts)	Total Governmental Activities	Loans[7]	Certificate of Participation [3]	Revenue Bonds [4]	Unamortized Premiums/ (Discounts)	Total Business-type Activities	Total Primary Governmental	Percentage of Assessed Values	Percentage of Personal Income
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%	8.95%
2016	-	5,590,000 [9]	-	2,240,000	179,828	7,830,000	4,365,000	780,000	60,205,000	3,836,045	69,186,045	77,016,045	1.94%	8.48%
2017	-	5,235,000 [9]	-	1,175,000	158,030	6,568,030	3,990,000	130,000	58,320,000	3,589,433	66,029,433	72,597,463	1.72%	7.70%
2018	122,889 [10]	4,845,000 [9]	-	-	156,488	5,124,377	3,605,000	-	55,730,000	3,342,821	62,677,821	67,802,198	1.50%	6.91%
2019	83,496	4,440,000 [9]	-	-	154,946	4,678,442	3,205,000	-	52,910,000	3,096,209	59,211,209	63,889,651	1.33%	[5]
2020	40,943	4,015,000	-	-	153,404	4,209,347	2,790,000	-	49,970,000	2,849,597	55,609,597	59,818,944	1.15%	

(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, and refunded the 2006 bonds with 2015 issuance.

(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.

(9) Includes 2003 COPs and 2016 T.R.I.P installment agreement.

(10) The General Fund entered into a capital lease agreement to fund the purchase of four police vehicles.

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	Restricted Resources for General Bonded Debt	Net General Bonded Debt	Debt per City Capita
2010	3,480,000	55,814,889	Not Available	59,294,889	1,205
2011	3,255,000	54,768,014	Not Available	58,023,014	1,245
2012	3,025,000	(1)	Not Available	3,025,000	64
2013	2,785,000	(1)	482,620	2,302,380	48
2014	2,540,000	(1)	482,591	2,057,409	43
2015	2,285,000	(1)	482,612	1,802,388	36
2016	2,020,000	(1)	483,430	1,536,570	31
2017	1,745,000	(1)	484,302	1,260,698	25
2018	1,460,000	(1)	487,427	972,573	19
2019	1,160,000	(1)	517,330	642,670	13
2020	845,000	(1)	513,111	331,889	7

(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, 2020

		Total Debt	Applicable		City's Share of Debt
Overlapping debt repaid with property taxes[1]					
METROPOLITAN WATER DISTRICT	$	18,151,752	0.130%	$	23,597
CITRUS CCD DS REF BOND SERIES 2013		13,130,302	16.669%		2,188,690
CITRUS CCD DS 2004 SERIES 2014D		18,696,403	16.669%		3,116,503
CITRUS CCD DS 2004, 2015 SERIES E		9,805,000	16.669%		1,634,395
CITRUS CCD DS REF BONDS 2015 SERIES A		45,435,000	16.669%		7,573,560
MT. SAN ANTONIO CCD DS 2008 SERIES 13A		161,708,000	0.038%		61,449
MT. SAN ANTONIO CCD DS 2008 SERIES 2013B		3,805,000	0.038%		1,446
MT. SAN ANTONIO CCD DS 2013 REF SERIES A		23,500,000	0.038%		8,930
MT. SAN ANTONIO CCD DS 2013 REF SERIES B		27,185,000	0.038%		10,330
MT. SAN ANTONIO CCD DS 2008 SERIES 2015C		10,870,000	0.038%		4,131
MT. SAN ANTONIO CCD DS 2015 REF BONDS		17,365,000	0.038%		6,599
MT. SAN ANTONIO CCD DS 2018 SERIES 2019A		401,245,000	0.038%		152,473
AZUSA UNIFIED 2002 SERIES 2007		28,920,359	68.318%		19,757,811
AZUSA UNIFIED REFUND BOND 2002 SERIES 2011		12,150,000	68.318%		8,300,637
AZUSA UNIFIED 2014 SERIES A		24,135,000	68.318%		16,488,549
AZUSA UNIFIED REFUND BOND 2016		20,930,000	68.318%		14,298,957
AZUSA UNIFIED 2014 SERIES B		750,000	68.318%		512,385
AZUSA UNIFIED 2014 SERIES C		47,635,000	68.318%		32,543,279
COVINA VALLEY USD DS 2001 SERIES B		9,447,069	0.366%		34,576
COVINA VALLEY USD DS 2006, 07 SERIES B		1,935,000	0.366%		7,082
COVINA VALLEY USD DS 2001 REFUND 2010 SERIES A		4,815,000	0.366%		17,623
COVINA VALLEY USD DS 2012 SERIES A		11,865,000	0.366%		43,426
COVINA VALLEY USD DS 2013 REF BONDS		36,145,000	0.366%		132,291
COVINA VALLEY USD DS 2012 SERIES B		31,490,000	0.366%		115,253
COVINA VALLEY USD DS 2012 SERIES C		29,380,000	0.366%		107,531
COVINA VALLEY USD DS 2012 SERIES C		14,000,000	0.366%		51,240
COVINA VALLEY USD DS 2012 SERIES D		58,690,000	0.366%		214,805
DUARTE USD DS 1998 SERIES B		1,450,713	0.670%		9,720
DUARTE USD DS 1998 SERIES C		3,409,820	0.670%		22,846
DUARTE USD DS 1998 SERIES E		3,614,534	0.670%		24,217
DUARTE USD DS REFUNDING 1998, 2010 SERIES A		9,476,470	0.670%		63,492
DUARTE USD DS 2010 SERIES A		875,000	0.670%		5,863
DUARTE USD DS 2010 SERIES B		16,726,042	0.670%		112,064
DUARTE USD DS 2013 REF BONDS		1,325,000	0.670%		8,878
DUARTE USD DS 2010 SERIES C		6,695,000	0.670%		44,857
DUARTE USD DS 2010 SERIES D		19,881,918	0.670%		133,209
DUARTE USD DS 2010 SERIES E		5,000,000	0.670%		33,500
Total Overlapping Debt					107,866,195
City Direct Debt					12,418,180
Combined Total Direct and Overlapping Debt				$	120,284,375

[1] Debt balances are as of June 30, 2020 (most recent available) for other agency debt, and June 30, 2020 fo all City of Azusa direct debt.

[2] This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation boncs, interim financing obligations, non-bonded capital lease obligations, and certificates of pariticipation.

2019/20 Assessed Valuation: $3,690,121,317 After Deducting $1,120,517,266 Incremental Value.

Debt to Assess Valuation Ratios:	Direct Debt	0.00%
	Overlapping Debt	2.73%
	Total Debt	2.73%

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed valuation	$ 2,252,687,451	$ 2,297,922,448	$ 2,459,261,962	$ 2,661,768,903	$ 2,865,858,608	$ 3,038,069,746	$ 3,249,119,133	$ 3,436,345,877	$ 4,810,638,583	$ 5,185,972,381
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	563,171,863	574,480,612	614,815,491	665,442,226	716,464,652	759,517,437	812,279,783	859,086,469	1,202,659,646	1,296,493,095
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Legal debt limit	84,475,779	86,172,092	92,222,324	99,816,334	107,469,698	113,927,615	121,841,967	128,862,970	180,398,947	194,473,964
Amount of debt applicable to debt limit [1]	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 84,475,779	$ 86,172,092	$ 92,222,324	$ 99,816,334	$ 107,469,698	$ 113,927,615	$ 121,841,967	$ 128,862,970	$ 180,398,947	$ 194,473,964

(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 entities other than the City of Azusa.

(2) Historically the City's Assesed valuation data consisted of Area1 only. Effective in FY18/19 measurement was changed to reflect the City Wide assessed valuation.

For reference and comparative data FY 18/19 and FY 19/20 Area 1 was $3,489,610,718 and $3,759,639,474, respectively.

Source: City of Azusa - Finance Department

CITY OF AZUSA
Table 19 - Pledged Revenue Coverage
Last Ten Fiscal Years

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
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
2016	20,906,803	13,397,044	7,509,759	1,800,000	3,133,118	4,933,118	1.52
2017	21,023,522	14,443,200	6,580,322	1,885,000	2,206,854	4,091,854	1.61
2018	22,563,500	16,466,954	6,096,546	1,940,000	2,143,553	4,083,553	1.49
2019	22,772,707	17,559,469	5,213,238	2,025,000	2,061,804	4,086,804	1.28
2020	24,896,938	18,363,855	6,533,083	2,120,000	1,969,253	4,089,253	1.60

(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
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
2016	42,717,899	36,343,258	6,374,641	620,000	237,138	857,138	7.44
2017	41,647,888	34,475,491	7,172,397	650,000	200,974	850,974	8.43
2018	35,094,159	28,553,883	6,540,276	780,000	172,690	952,690	6.87
2019	41,668,342	29,462,841	12,205,501	795,000	150,966	945,966	12.90
2020	39,975,498	30,873,743	9,101,755	820,000	127,895	947,895	9.60

(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 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	
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
2016	2,709,754	1,437,262	1,272,492	365,000	156,833	521,833	2.44
2017	2,782,319	1,561,763	1,220,556	375,000	144,685	519,685	2.35
2018	3,056,188	1,946,750	1,109,438	385,000	132,213	517,213	2.15
2019	3,231,981	1,671,136	1,560,845	400,000	165,735	565,735	2.76
2020	3,416,110	1,979,141	1,436,969	415,000	59,253	474,253	3.03

[1] Excludes interest and depreciation expense.

Source: City of Azusa Finance Department

CITY OF AZUSA
Table 20 - Pledged Revenue Coverage
Last Ten Fiscal Years

TAX ALLOCATION BONDS - SUCCESSOR AGENCY

Fiscal Year Ended June 30	Tax Increment	Debt Service Requirements Principal	Interest	Total	Coverage
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	730,000	3,560,840	4,290,840	1.12
2016	3,843,267	1,525,000	3,345,820	4,870,820	0.79
2017	2,229,989	1,853,012	2,024,791	3,877,803	0.58
2018	4,895,310	8,868,835	2,019,897	10,888,732	0.45
2019	5,971,272	2,002,884	1,752,794	3,755,678	1.59
2020	4,598,833	2,004,180	1,838,444	3,842,624	1.20

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]
2010	49,207	10,441,080	871,702,000	17,715	9.6%
2011	46,618	9,889,520	854,741,000	18,335	9.3%
2012	47,586	9,958,091	882,863,000	18,553	8.3%
2013	48,385	10,017,068	847,221,000	17,510	7.4%
2014	48,405	10,053,995	845,345,000	17,464	6.2%
2015	49,485	10,116,705	861,078,000	17,400	5.0%
2016	49,762	1,015,058	907,890,000	18,244	3.9%
2017	49,864 [1]	10,163,507	942,407,000	18,865	4.3%
2018	49,954	10,283,729	981,213,000	19,122	4.5%
2019	51,313	10,253,716	[2]	[2]	4.5%
2020	49,658	10,172,951	[2]	[2]	4.2%

Sources: HdL Coren & Cone, Los Angeles County Assessor
[1] U.S. Census Bureau and Bureau of Labor Statistics
[2] Data unavailable

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

Employer	2019-20 Number of Employees	2019-20 Rank	2019-20 Percentage of Total City Employment	2012-13 Number of Employees	2012-13 Rank	2012-13 Percentage of Total City Employment
Azusa Unified School District*	1435	1	6.32%	1580	1	8.19%
Azusa Pacific University	1265	2	5.57%			
Northrop Grumman	1137	3	5.01%	978	2	5.07%
Costco Wholesale Corporation	318	4	1.40%	325	4	1.68%
Hanson Distribution Company	296	5	1.30%	135	10	0.70%
City of Azusa	274	6	1.21%	378	3	1.96%
S&S Foods LLC	220	7	0.97%	250	6	1.30%
OJ Insulation	166	8	0.73%			
Alliance Environmental Group	150	9	0.66%			
Buena Vista Food Products	145	10	0.64%	165	7	0.85%
Dostalek Construction Company		11		300	5	1.55%
Colorama Wholesale Nursery		12		152	8	0.79%
Target		13		141	9	0.73%
Total of Top Employers	5,406		23.81%	4,404		22.82%
Total Employees in City	22,700 (1)			19,300 (2)		

Sources:
2012-13 previously published CAFR
Results based on direct correspondence with city's local businesses.
*Includes all school district employees (substitutes, part-time, non-teaching, etc.)

(1) Total City Labor Force provided by EDD Labor Force Data
(2)Data not available

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

	Fiscal Year									
Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	48.411	30.934	33.593	31.146	31.146	25.821	49.775	45.909	43.682	45.100
Public safety	97.395	88.750	97.570	91.750	91.750	95.200	94.500	97.500	97.500	97.800
Community development	16.196	14.197	14.651	15.533	15.533	15.462	17.462	18.460	18.152	18.160
Parks and recreation	56.557	48.023	45.407	49.317	49.317	50.260	37.127	39.990	44.405	59.346
Public works	31.115	30.058	30.265	27.181	27.181	30.259	30.233	30.260	26.072	14.340
Water	43.775	42.625	43.275	46.617	46.617	44.330	27.300	30.550	30.550	46.165
Electric	36.475	37.625	37.975	32.492	32.492	32.170	56.086	60.030	62.130	42.865
Sewer/Wastewater	10.250	10.230	9.570	7.540	7.540	8.040	7.235	7.810	8.260	7.950
Total	340.174	302.442	312.306	301.576	301.576	301.541	319.718	330.509	330.751	331.726

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Calls for service	54,734	57,210	57,637	54,363	44,842	49,007	43,933	44,051	44,402	43,837
Parking citations issued	8,188	6,515	7,680	6,846	5,057	5,788	3,809	10,813	16,796	11,871
Public Works:										
Street resurfacing (lineal miles)	6.0	4.2	4.3	5.3	3.0	1.2	1.1	1.8	1.5	1.2
Parks and recreation:										
Number of recreation classes	56	73	101	211	177	584	552	472	470	320
Number of facility rentals	829	868	874	809	866	933	1,223	1,215	1,085	1,007
Water:										
Number of service connections	[2] 23,100	[2] 23,104	[2] 23,302	[2] 23,597	[2] 23,871	[2] 29,934	[2] 24,156	[2] 24,284	[2] 24,453	[2] 24,123
Average daily consumption (hundred cubic feet)	20,230	20,819	22,179	21,974	19,438	16,958	18,077	19,441	18,116	17,556
Light:										
Number of service connections	15,362	[2] 15,567	[2] 15,749	[2] 15,955	[2] 16,466	[2] 16,740	[2] 16,555	[2] 16,695	[2] 16,854	[2] 17,505
Average daily consumption (kWh)	654,050	648,020	677,871	685,699	705,100	695,068	701,302	692,857	680,584	664,689
Sewer:										
Number of service connections	[2] 14,071	[2] 15,235	[2] 15,374	[2] 15,374	[2] 16,074	[2] 15,968	[2] 16,002	[2] 16,002	[2] 15,901	[2] 15,669
Refuse:										
Number of residential customers	[2] 11,123	[2] 11,293	[2] 11,652	[2] 11,866	[2] 12,128	[2] 12,234	[2] 12,439	[2] 12,422	[2] 12,580	[2] 12,586
Average daily collection (thousands of pounds)	177	178	179	180	185	193	187	190	202	199

[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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Streets (lineal miles)	170	174	176	177	178	178	179	179	179	179
Traffic signals	52	53	53	55	56	57	57	58	59	59
Parks and recreation:										
Parks	13	15	16	17	20	21	22	22	22	22
Park acreage	61	64	64	77	84	85	87	87	87	87
Community centers	3	3	3	3	3	3	3	3	3	3
Water:										
Water mains (miles)	315	315	315	315	315	281	281	281	281	281
Number of fire hydrant	2,600	2,810	2,815	2,820	2,820	2,444	2,444	444	444	444
Maximum daily capacity (hundred cubic feet)	40,000	70,500	70,500	70,500	70,500	70,500	70,500	70,500	70,500	70,500
Light:										
Metered Streetlights	65	65	65	65	65	64	64	64	64	64
Daily consumption (kWh)	162	162	162	162	162	164	164	164	164	164
UnMetered Streetlights						2,423	2,463	2,463	2,463	2,463
Daily consumption (kWh)						56	4,564	4,564	4,108	4,108
Sewer:										
Sanitary sewers (miles)	61	80	80	80	80	80	80	80	80	80
Storm sewers (miles)	15	15	16	16	16	16	16	16	16	16
Maximum daily treatment capacity (cubic feet per second)	48	48	60	60	60	60	60	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

CITY OF AZUSA
Table 26 - Schedule of Credits
Fiscal Year 2019/20

Director of Finance Finance Manager	General Overview Letter of Transmittal Management's Discussion and Analysis Charts General Fund
Finance Manager Senior Accountant	Overall Coordination Proprietary Funds Non-Major Proprietary Funds Capital Projects Fixed Assets Accounting
Senior Accountant	Non-Major Governmental Funds Internal Service Funds Grants Funds (Single Audit) Successor Agency
Finance Manager Budget Administrator Payroll Specialist	Statistical Section

Also, a special thank you to all the Finance Department Staff: Kristina Pascarella, Dave Nguyen, Henry Quintero, Richard Lam, Jesus Jaimes, Ruby Toledo, Gilberto Juarez, Merci Rodriguez, Adriana Garcia, and Charles Alvarez who also played roles in the collection of data and completion of the fiscal year 2019/20 CAFR.