



Fiscal Year 2013-2014

# Comprehensive Annual Financial Report

July 1, 2013 to June 30, 2014

City of Santa Fe Spings, CA

# Comprehensive Annual Financial Report

City of Santa Fe Springs, CA  
Year Ended June 30, 2014



## City Council

Juanita Trujillo, Mayor  
Laurie M. Rios, Mayor Pro-Tem  
Richard J. Moore, Councilmember  
William K. Rounds, Councilmember  
Jay Sarno, Councilmember

## Planning Commission

Ken Arnold  
Frank Ibarra  
Susie Johnston  
Michael Madrigal  
Joe Angel Zamora

## Traffic Commission

Greg Berg  
A. J. Hayes  
Alma Martinez  
Pauline Moore  
Ted Radoumis

## Executive Management Team

Thaddeus McCormack, City Manager  
Steve Skolnik, City Attorney  
Jose Gomez, Asst. City Mgr. / Dir. of Fin.  
Maricela Balderas, Dir. of Com. Services  
Michael Crook, Fire Chief  
Wayne Morrell, Director of Planning  
Noe Negrete, Director of Public Works  
Dino Torres, Director of Police Services

## Prepared by:

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Erlinda Gutierrez, Accountant



CITY OF SANTA FE SPRINGS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	i
Organization Chart .....	xii
GFOA Certificate of Achievement for Excellence in Financial Reporting .....	xiii
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITORS' REPORT .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED) .....	5
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
Statement of Net Position - Proprietary Funds .....	25
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds.....	27
Statement of Cash Flows - Proprietary Funds.....	28
Statement of Fiduciary Net Position - Fiduciary Funds.....	31
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	32
Notes to Financial Statements.....	33

CITY OF SANTA FE SPRINGS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

Page  
Number

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

Schedule of Funding Progress for Public Employees Retirement System .....	75
Schedule of Funding Progress for Postemployment Benefits.....	75
Budgetary Comparison Schedule – General Fund .....	76
Budgetary Comparison Schedule – Low and Moderate Income Housing Assets Fund .....	77
Note to Required Supplementary Information .....	78

**SUPPLEMENTARY INFORMATION**

Combining Balance Sheet - Nonmajor Governmental Funds .....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	86
Budgetary Comparison Schedules (Budgetary Basis) - Special Revenue Funds:	
State Gasoline.....	90
County Transit Tax.....	91
Street Lighting Maintenance District .....	92
Art in Public Places .....	93
Air Quality Improvement.....	94
Community Development Block Grant.....	95
Fire Grants .....	96
Public Safety Augmentation.....	97
Supplemental Law Enforcement .....	98
Combining Statement of Net Position - Internal Service Funds .....	100
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds.....	101
Combining Statement of Cash Flows - Internal Service Funds.....	102
Combining Statement of Fiduciary Net Position - Agency Funds .....	104
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	105

CITY OF SANTA FE SPRINGS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

	<u>Page Number</u>
<b>STATISTICAL SECTION (UNAUDITED)</b>	
Net Position by Component .....	108
Changes in Net Position.....	110
Fund Balances of Governmental Funds .....	115
Changes in Fund Balances of Governmental Funds .....	116
Assessed Estimated Actual Value of Taxable Property.....	118
Direct and Overlapping Property Tax Rates .....	119
Principal Property Tax Payers .....	120
Property Tax Levies and Collections .....	121
Ratios of Outstanding Debt by Type .....	122
Ratio of General Bonded Debt Outstanding .....	123
Direct and Overlapping Debt.....	125
Legal Debt Margin Information.....	126
Pledged — Revenue Coverage .....	128
Demographic and Economic Statistics .....	130
Principal Employers .....	131
Full-Time and Part-Time City Employees by Function .....	132
Operating Indicators by Function .....	133
Capital Asset Statistics by Function.....	134

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# CITY OF SANTA FE SPRINGS

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## INTRODUCTORY SECTION





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*"A great place to live, work, and play"*

December 18, 2014

Honorable Mayor & City Council and  
Residents of the City of Santa Fe Springs:

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## **Introduction**

It is our pleasure to submit for your information and consideration the Comprehensive Annual Financial Report (CAFR) of the City of Santa Fe Springs (City). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's Department of Finance and Administrative Services. It is our opinion that the data as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of the various funds; and that all disclosures necessary to enable the reader to gain a full understanding of the financial activities have been included.

The enclosed financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as recommended by the Governmental Accounting Standards Board (GASB) and include the report of the independent certified public accountants, Lance, Soll & Lunghard LLP. The complete report is divided into distinct sections:

Introduction-	Letter of transmittal, an organizational chart, and prior year award for financial reporting.
Financial -	Independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, accompanying notes to the financial statements, required supplementary information, and supplementary information.
Statistical -	Pertinent financial and non-financial data that present historical trends and other information about the City.

Juanita Trujillo, Mayor • Laurie M. Rios, Mayor Pro Tem  
City Council  
Richard J. Moore • William K. Rounds • Jay Sarno  
City Manager  
Thaddeus McCormack

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**Introduction  
(cont.)**

As a recipient of federal funds, the City of Santa Fe Springs is required to undergo an annual single audit. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and examined costs are included in a separately issued single audit report.

This report presents the financial status of the City and its component units, the Successor Agency to the Community Development Commission, Housing Successor Agency, the Public Financing Authority, and Water Utility Authority as a single reporting entity. Although these component units are legally separate from the City, the City maintains significant financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either (A) the ability of the primary government to impose its will on the component unit, or (B) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. For detailed information regarding the City and its component units, please refer to Notes to the Financial Statements section in this report.

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**Accounting  
System and  
Budgetary  
Control**

In developing and modifying the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding:

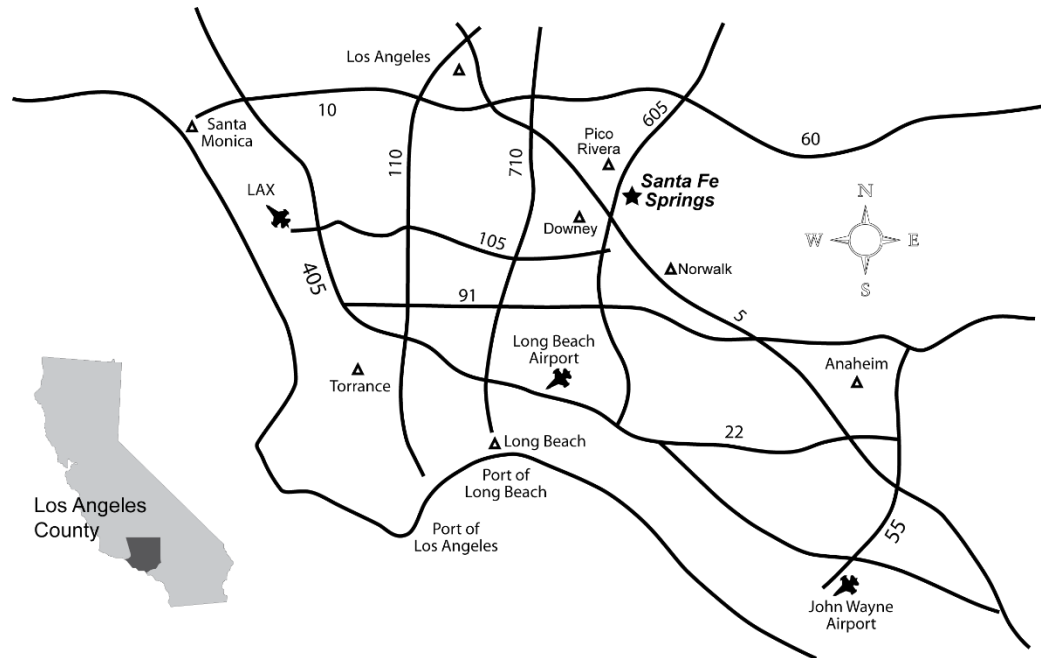
- (1) The safeguarding of assets against loss from unauthorized use or disposition; and
- (2) The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it and that the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The accounting system is maintained on a functional basis (activity/sub-activity) in order to reflect the services provided by the City.

The City maintains budgetary controls at the individual fund level to ensure compliance with the budget approved by the City Council. The budget includes estimated revenues and appropriations for the City's General Fund, certain Special Revenue Funds, and Debt Service Funds. Operating plans for the City's Water Utility Fund are also prepared as part of the budget.

## Profile and Government Structure

The urban development of Santa Fe Springs began in the early 1950's as the result of a planned effort by a coalition of business community members and local residents. During the ensuing years, community pressures resulted in the incorporation of the City on May 15, 1957. The new City covered 4.9 square miles with a population of 11,787. The City of Santa Fe Springs now encompasses nine square miles, with about 84% of the land zoned for commercial and industrial use. The City's population is approximately 16,500; however, the daytime population is estimated at 95,000.



The City of Santa Fe Springs operates as a general law city under the council-manager form of government. Five City Council members are elected at-large for alternating four-year terms. The Mayor is selected annually from among the five members of the City Council. The City Council is responsible for the City's ordinances, operating resolutions, budget adoption and appointment of committee members. Overall, there are 14 standing committees, boards and commissions that provide input to the City Council. Among these are the Planning Commission and the Traffic Commission. The City Manager is responsible for administering the policies and directives approved by the City Council. The City Manager appoints the Executive Management Team, which is comprised of the Assistant City Manager/Director of Finance & Administrative Services, Fire Chief, Director of Community Services, Director of Planning, Director of Police Services, and Director of Public Works.

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**Local Economic Outlook**

The City of Santa Fe Springs is strategically located in southeast Los Angeles County with access to major seaports, airports and transportation corridors. With the vast majority of the City zoned for commercial and industrial use, Santa Fe Springs has historically experienced strong development and redevelopment activity in the community. Economically, Fiscal Year 2013-14, witnessed increases in sales tax, utility user's tax (UUT), and property tax revenue.

The City's primary revenue source, sales and use taxes, rose for a fourth consecutive year after declining sharply during prior years. Historically, its impact has been notable as it accounts for the vast majority of the City's General Fund revenues. Despite largely positive financial indicators, the City is still recovering structurally from the State's elimination of redevelopment. The absence of redevelopment tools will also have a lasting effect in greatly limiting the City's ability to address economic development and infrastructure needs.

In the meantime, the voter-approved addition of the UUT has taken on a more prominent and stabilizing role. It has helped diversify and significantly supplement the City's revenue stream going forward. The 5% UUT will continue assisting earmarked public safety programs and capital improvement project causes.

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**Vision, Mission, and Guiding Values**

The City has a vision statement that affirms: "The City of Santa Fe Springs is a great place to live, work and play," with the following mission statement: "The City of Santa Fe Springs is committed to enhancing the quality of life of its residents and businesses by providing: a safe environment, a thriving business community, quality family, youth, and senior services, and sound financial management of the community's resources." The guiding values are as follows:

- Personal integrity, honesty, and ethics
- Public service
- Compassion
- Responsibility, accessibility, and accountability
- Dedication

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**Accomplishments & Outlook**

Historically, the City has utilized a two-year operating budget and a six-year Capital Improvement Program (CIP) as some of the most significant planning tools to achieve the City's vision and identified missions. The unprecedented events of recent years necessitated more swift and short-term actions. In moving past the "Great Recession" and the elimination of redevelopment, the City has begun to re-establish some of the above long-range planning tools along with strategic goals that will better guide the City

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**Accomplishments  
& Outlook (cont.)**

into the future. As approved by the State, this includes the ability to spend capital funding from previously-issued tax allocation bonds. Public safety is the highest priority in the community as evidenced by the continued financial commitment provided to both Fire and Police Services.

The Fire-Rescue and Police Services Departments continue to combine their manpower to provide the resources and tools to deal with emergency and security issues that may arise in the community and region. The City continues to purchase specialized equipment with the use of grant funding. Departmentally, following are some of the highlights:

Fire-Rescue Department

The Fire-Rescue Department is comprised of 59 members working from four fire stations providing not only the traditional services of fire suppression, hazardous materials response, fire prevention and emergency medical services, but also a full-service Environmental Protection Division. The environmental protection and response components are considered model systems in the State of California. The City's status as a Certified Unified Program Agency (CUPA) makes Santa Fe Springs a "one stop shop" for administering all the hazardous materials, hazardous waste and tank programs in the City. The State has long held the City's CUPA as one of the best programs in the State. The CUPA Division is working toward implementing the California Environmental Reporting System (CERS) allowing business residents to file their annual hazardous materials disclosures electronically. This program will be fully operational by Fiscal Year 2015-16. The Fire Prevention Division continues to provide many services including the residential rental inspection program, code enforcement, plan checks, issuing permits, fire investigations, and public education events. Fire-Rescue suppression personnel have recently implemented a business-friendly fire inspection program with the goal of annually inspecting each business in the City to identify possible fire & life safety issues and to update emergency contact information in the department's data base.

The Fire-Rescue Department currently staffs a Regional Urban Search and Rescue Team designated at the highest level as a "Heavy" rescue team by the Office of Emergency Services (OES). Fire-Rescue also staffs a Type I Hazardous Materials Response Team with all staff trained to the Haz-Mat "Specialist" level. The City is currently one of only twenty-four Hazardous Material Teams in the state certified as a Type I Response Team and qualified to mitigate emergencies involving acts of terrorism and weapons of mass destruction. This past year, the Department of Fire-Rescue was awarded an OES Fire Engine for local and Statewide disaster response. The department continues to support neighboring communities through the California Master Mutual Aid Agreement in response to major disasters and emergencies including brush fires, landslides, earthquakes, acts of terrorism, major disasters, etc. The department, in partnership with Rio Hondo College, continues to manage the

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<b>Accomplishments &amp; Outlook (cont.)</b>	Regional Homeland Security Training Center located next to the Headquarters' Fire Station.
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This state of-the-art facility was built with grant funding for the purpose of assisting local fire and police agencies in increasing awareness and training regarding terrorist activity including building collapse, hazardous materials, rail car incidents, confined space, trench rescue, etc.

In FY 2013-14, the Fire-Rescue Department applied for and received over \$253,000 in Homeland Security grant funding. This funding supports the purchase of equipment and training for the Homeland Regional Training Center, the City's Type I Hazardous Materials Response Team and the City's Urban Search and Rescue Response Team. Specifically, grant awards allowed for the purchase of one hazardous materials response vehicle, one 22' enclosed hazardous materials response trailer, ten multi-gas hazardous material monitors and other related support equipment. As in past years, the use of grant funds provided the City's General Fund with much relief. The Department continues to provide vehicle apparatus maintenance for the Compton Fire Department and the Rio-Hondo Fire Academy.

#### Department of Police Services

The Department of Police Services oversees the City's community-based approach to law enforcement which blends contract Whittier Police Department officers and City public safety personnel. Together, this team is based out of the City-owned 8,000 square foot Police Services Center providing dedicated police and municipal code enforcement services. The City's Department of Police Services is on the forefront of public safety issues, including crime prevention utilizing interdisciplinary strategies through an array of intervention programs provided by trained City staff, as well as collaborative efforts of numerous other professional public agencies.

The department's commitment to the Community Oriented Policing and Problem Solving (COPPS) philosophy is bolstered by the Family and Youth Intervention Program; a team of professionals that provides positive strategies and tools to families who are having difficulties with their children.

Overall, the department continues to utilize the latest technology available to enhance and more efficiently deploy public safety personnel.

#### Department of Public Works

The City's Department of Public Works is responsible for efficiently developing, constructing and maintaining the City's infrastructure. The infrastructure consists of streets, facilities, parks, fleet, traffic signals and street lighting, and water distribution system. This encompasses routine and preventive maintenance items as well as responding to numerous citizen

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**Accomplishments  
& Outlook (cont.)**

requests for service. The City prides itself in having a functional and well-maintained infrastructure that the community can enjoy.

The Engineering Division is responsible for the administration of the Capital Improvement Program (CIP), working closely with the Council CIP Subcommittee. In addition, traffic engineering and development review services are provided within the Engineering Division. In Fiscal Year 2013-14, the Engineering Division issued 2,324 total excavation and construction permits.

During Fiscal Year 2013-14, the Department coordinated and completed a multitude of public works projects, including:

1. Gridley Road Pavement Rehabilitation, from Clarkman St. to Davenrich St.
2. Rosecrans Avenue / Marquardt Avenue Grade Crossing Improvements
3. I-5 Freeway Water Main Relocation – Alondra Segment
4. City Hall South Section, HVAC system Upgrade
5. I-5 Freeway Street Mitigation Project, Phase II (Telegraph Rd., Florence Ave., Orr and Day Rd. and Pioneer Blvd.)
6. Destruction of Water Well Nos. 4 and 309

#### Department of Planning and Development

The Planning and Building Department is responsible for planning and regulating land use and development that engenders a diverse and livable community where residents, businesses, and visitors can thrive. Through long-range planning, current planning, building permits and inspections, these functions collectively protect and enhance the City's environment and quality of life.

Correlated to the nation's overall economic recovery, over the last few years, construction activities have consistently increased. In Fiscal Year 2013-14, however, we saw a slight pull back of construction activities. During FY 2013-14, there were a total of 1,858 permits issued (compared with 2,356 permits issued in FY 2012-13) with a total valuation of work at \$161,725,003 (compared to a total valuation of \$201,990,570 during the prior year). In all, the Building Department addressed a total of 1,861 queries (an average 155 queries each month) at the Building Counter.

During FY 2013-14, a total of 58 planning entitlements were presented to the Planning Commission for consideration. Entitlements include, but are not limited to, conditional use permits, development plan approvals, zone variances, general plan amendments, zone changes, modifications, tentative parcel maps, and code amendments. In addition, the department also completed a total of 182 plan checks, issued a total of 29 sign permits and 4

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**Accomplishments  
& Outlook (cont.)**

banner permits, prepared a total of 15 zone certification letters, and issued a total of 8 home occupation permits. In all, the Planning Department addressed a total of 2,332 queries (an average 194 queries each month) at the Planning Counter.

Based on recent activities, it appears construction activities should remain relatively stable with a potential for a slight upward movement. It is therefore anticipated that the department numbers should remain stable throughout the current fiscal year. Nevertheless, the department remains committed to playing a prominent role in the shaping of the community through high-quality standards for the preservation and development of residential, commercial, and industrial areas citywide.

Department of Community Services

One of the City departments that has the most direct impact upon the residents is the Department of Community Services. It includes the following divisions: Parks and Recreation Services, Library and Cultural Services, and Family and Human Services. Programs available to City residents, as well as business residents, ranged from social, recreational, cultural, and childcare services. During the year, there were several significant accomplishments:

- Over 180,000 people visited the library during the past fiscal year. Patrons checked out over 115,000 items and over 30,000 patrons used the public access computers.
- New programs were added to the Library's roster for teens including the Teen Manga Club and Library After Dark. A Spanish language book club was also added.
- The Library's afterschool reading tutorial (Reading club), and ELLI (English Language and Literacy Intensive school outreach program) students received over 18,785 hours of instruction. The programs reached 512 local students and more than 2,360 books were distributed to children. A Summer Reading Club was added that has helped our lowest level readers retain their skills through the summer.
- The Art in Public Places program dedicated one new piece of artwork (Whispering Shadows) created by local artist Alex Shagin.
- The 2<sup>nd</sup> Annual SFS Art Test was a successful collaboration between the Heritage Arts Advisory Committee and the Department of Community Services. Over 200 local and neighboring artists displayed their artwork and over 2,000 people attended the event.



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**Accomplishments  
& Outlook (cont.)**

- The City of Santa Fe Springs was named 2014 Playful City USA! The City is proud to receive this recognition three years in a row.
- As part of the Health and Wellness Initiative, a Certified Farmers Market was established in July 2013. The weekly Certified Farmers Market was a sensible solution to providing healthy, locally grown, farm-fresh food choices for SFS families and business residents.
- The Activity Center Fitness Facility underwent a complete renovation. The refurbishment included new flooring, painting, fitness equipment and flat screen TV's. Over 200 residents used the facility over the course of the year.
- Over 1,200 costumed participants enjoyed the Halloween Carnival and Costume Parade with over 4,000 participants entering the haunted house.
- The Santa's Float Program completed its 33<sup>rd</sup> year venturing throughout the neighborhoods spreading holiday cheer to families everywhere. This year Santa saw over 5,000 visitors.
- Over 1,300 adults participated in the Adult Softball Sports Program.
- The Recreational Class Program offers instruction and supervision for activities for youth and adults four times a year. Over 200 classes were offered with approximately 2,000 participants.
- The Parks & Recreation Services Division's Summer Concerts and Movies at the Parks entertained over 1,700 people.
- The Family and Human Services Division adopted a city-wide volunteer program, Teens Empowered & Engaged in Neighborhood Service (TEENS) and adults Coming Together Initiating Volunteer Experiences (ACTIVE); over 200 volunteers actively engaged in the City.
- Through the help of IRS certified volunteers, the City's Volunteer Income Tax Assistance Program (VITA) completed over 400 tax returns with nearly \$500,000 in refunds returning back into the community.
- The Preschool and Child Care Programs provided 400,000 hours of early care and quality educational enrichment to more than 200 children.

**City Manager**

The City's overall administrative function falls under the auspices of the City Manager, who also serves as the head of the City's economic development team. The City Manager's Office also encompasses: the City Clerk functions;

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**Accomplishments  
& Outlook (cont.)**

Human Resources; and, Solid Waste Management and Recycling programs. The effects of the State's elimination of the City's Redevelopment Agency were still evident during the year. The monumental event brought about unprecedented budget challenges requiring considerable changes that have left their mark on the City. Much of the City Manager's Office time focused on developing longer-term sustainable operational plans in a scaled-down environment. During the year significant effort was given to developing budget priorities and gathering input from the various community stakeholders.

Department of Finance and Administrative Services

The multi-faceted Department of Finance and Administrative Services works very closely with the City Manager's office. The department is responsible for a number of activities, including managing and safeguarding financial resources in accordance with specific principles and practices, fostering a positive image of the City, and administering information technology and risk management functions. Among the department's activities during the year were preparing a balanced two-year budget, working to develop long-term sustainable strategies, negotiating significant two-year labor agreements, selecting a new independent audit firm, and developing and implementing pension reform measures. Additionally, 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 Santa Fe Springs for its prior fiscal year comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only. The current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and is being submitted to the GFOA to determine its eligibility for another certificate. The City has consistently received the GFOA award over the last several decades.

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**Long-Term  
Financial Planning**

The City has continued taking a number of steps to better position its long-term financial standing. After a series of phase-in amounts, in January 2014 City employees began paying their full share of City pension costs. This, coupled with "tiered" benefits providing future City employees with a reduced set of benefits and a greater share of the costs, will substantially help the City's future fiscal standing. In conjunction with subsequent pension reform earmarked changes adopted by the State, the effect should be the stabilization of employee costs.

The City continues to prefund Other Postemployment Benefits (OPEBs) through CalPERS' California Employers' Retiree Benefit Trust Fund (CERBT). It recognizes the benefit of "prefunding" through a trust rather than using the "pay as you go" method.

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**Debt  
Administration**

Over the course of the next year staff will be looking to develop and formalize more long-term financial planning models. They should help provide a framework that helps identify future trends.

At June 30, 2014, the City of Santa Fe Springs oversees ten outstanding bond issues comprised of: five Consolidated Redevelopment Project tax-exempt tax allocation issues, one Consolidated Redevelopment Project taxable tax allocation bond issue, two City water revenue bonds, one taxable pension obligation bond, and a special assessment district bond. Included in the above are the three most recent bonds the Commission issued during FY 2006-07: \$27.7 million in Tax Allocation Bonds (2006 Series A), \$18.8 million in Taxable Tax Allocation Bonds (2006 Series B), and \$43 million in Tax Allocation Refunding Bonds (2007 Series A).

The City works closely with public financial professionals to monitor opportunities to effectively administer the outstanding debt in a fluid public finance market. More detailed information about the debt is contained in the Management's Discussion and Analysis and in the Notes to Financial Statements. Over the years, the City and former Community Development Commission have worked well together in taking actions that are mutually beneficial.

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**Acknowledgements**

We would like to extend our appreciation to the City Council and various departments for their cooperation and support in planning and conducting the financial operations of the City during the past fiscal year. Specifically, we would like to thank the Department of Finance & Administrative Services for their consistent dedication and hard work.



Thaddeus McCormack  
City Manager



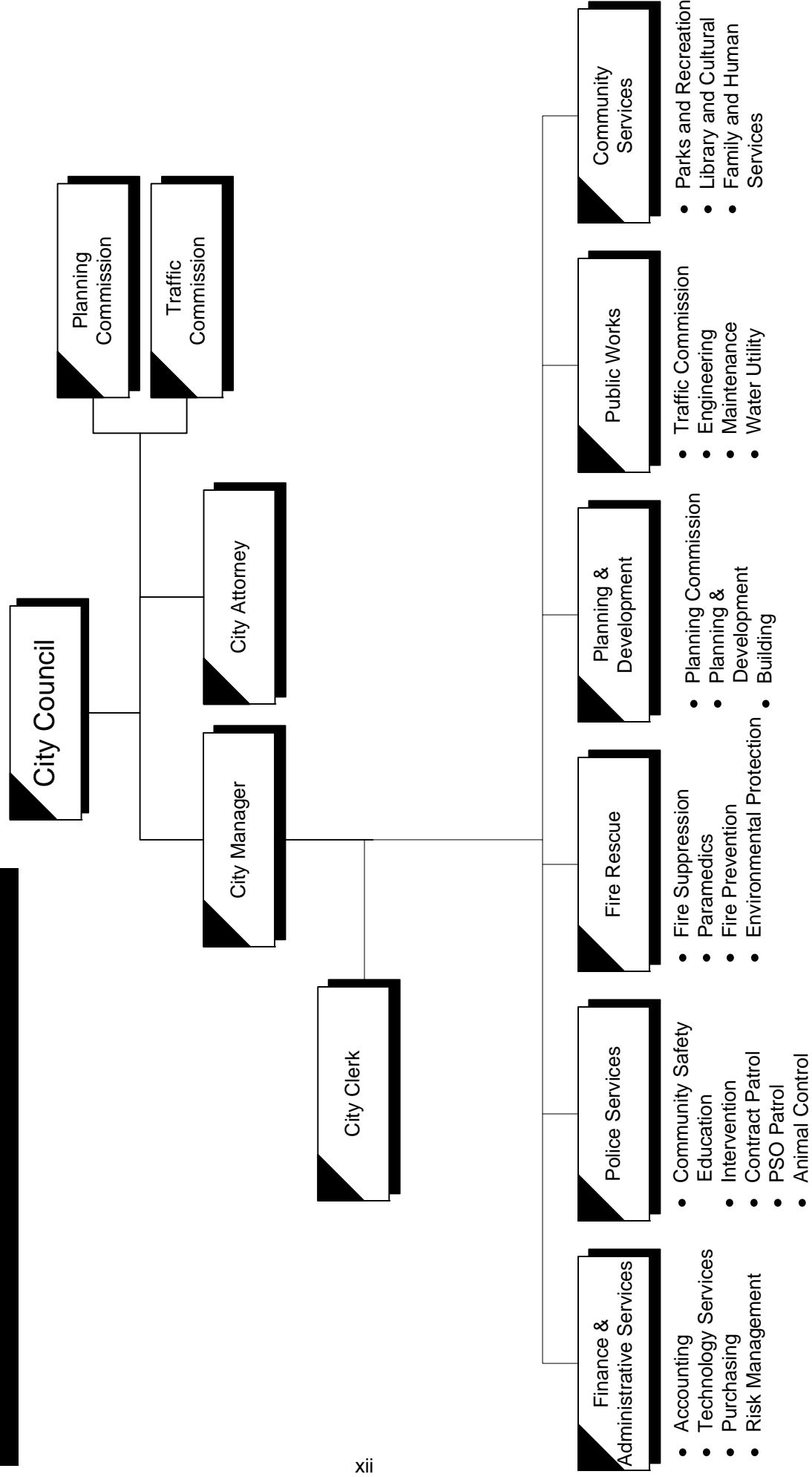
Jose Gomez  
Assistant City Manager / Director of Finance and Administrative Services



Travis Hickey  
Assistant Director of Finance and Administrative Services

# ORGANIZATIONAL CHART

## CITY OF SANTA FE SPRINGS





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of San Fe Springs  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

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# CITY OF SANTA FE SPRINGS

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## FINANCIAL SECTION

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Santa Fe Springs, California

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Santa Fe Springs, California, (the City) as of and for the year ended June 30, 2014, 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.

### Auditors' Responsibility

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

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

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





To the Honorable Mayor and Members of the City Council  
City of Santa Fe Springs, California

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Fe Springs, California, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Lance, Soll & Loughard, LLP*

Brea, California  
December 12, 2014

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This is management's discussion and analysis (MD&A) of the financial performance of the City of Santa Fe Springs (City) for the fiscal year ended June 30, 2014. This should be read in conjunction with the transmittal letter that can be found in the introductory section of this report and with the City's financial statements, which follow this discussion.

### Financial Highlights

- The City's total net position increased over the course of the fiscal year by \$14.3 million to \$231.4 million. The governmental net position increased by \$12.8 million or 6.5%, and the business-type net position increased by \$1.5 million or 8.0%.
- The general fund, on the current financial resources basis, reported a decrease in fund balance of \$8.0 million to \$24.5 million. The primary reason for the decrease was due to making a required payment of \$9.3 million to Los Angeles County in connection with the dissolution the former City of Santa Fe Springs Community Development Commission. The payment is the subject of pending litigation with the California Department of Finance related to activity between the City and the Commission prior to dissolution of redevelopment agencies by the California legislature in June 2011. Aside from the one-time payment general fund revenues increased \$2.1 million reflecting an improving economy. Expenditures increase from the prior year by \$.4 million primarily from increased retirement and post-retirement costs. Funding for capital projects from the general fund was also increased for fiscal year 2013-14.
- The City's redevelopment agency, along with all California redevelopment agencies, was dissolved as of February 1, 2012. The City assumed the role of Successor Agency to wind down the affairs of the redevelopment agency including payment of approved obligations and distribution of available balances to various taxing agencies. The balances of the former redevelopment agency are reported in a private-purpose trust fund (fiduciary fund), and are excluded from the government-wide statements.

### Overview of the Financial Statements

This annual report consists of several parts: an introductory section, management's discussion and analysis, the basic financial statements, required supplementary information, supplementary information and a statistical section. The basic financial statements include two kinds of statements that present different views of the City: government-wide financial statements and fund financial statements.

### Government-wide Financial Statements

The government-wide financial statements provide both short and long-term information about the City's overall financial status 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. In time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the City is improving or deteriorating.
- The statement of activities presents information on how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The City's Water Utility operates as a proprietary fund and is reported as the City's only business-type activity in the government-wide statements. The City's internal service funds operate as proprietary funds but primarily service governmental funds and are therefore, included with the governmental activities in the government-wide statements.

### Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

- Governmental funds statements tell how general government services such as public works, community services, police and fire were financed in the short term, as well as what remains for future spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow each of the governmental funds statements.
- Proprietary fund statements offer short and long-term financial information about the City's Water Utility Enterprise fund and internal service funds.
- Fiduciary funds statements provide information about the financial relationships in which the City acts solely in a trustee or agency capacity for the benefit of others, to whom the resources belong. 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.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by certain required supplementary information concerning the City's budgetary comparison schedules for its general fund and the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees. In addition to these required elements, we have included supplementary statements and schedules that provide details about the City's nonmajor governmental funds.

## Financial Analysis of the Government-wide Statements

The government-wide financial statements provide short and long-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole. The statement of net position includes all of the City's assets and liabilities. All current year revenues and expenses are reported in the statement of activities, regardless of when cash is received or paid.

The two government-wide financial statements report the City's net position and how it has changed during the fiscal year. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial health of the City is improving or deteriorating.

City of Santa Fe Springs Summary of Net Position June 30, 2013 and 2014 (in millions)							
	Governmental Activities		Business- type Activities		Total		Total Percent Change
	2013	2014	2013	2014	2013	2014	
Current and other assets	\$ 63.9	\$ 74.9	\$ 8.3	\$ 9.4	\$ 72.2	\$ 84.3	16.8%
Capital assets	160.6	164.5	22.1	22.4	182.7	186.9	2.3%
Total assets	224.5	239.4	30.4	31.8	254.9	271.2	6.4%
Deferred outflows of resources	-	-	-	0.3	-	0.3	100.0%
Long-term liabilities	15.9	15.4	9.7	9.7	25.6	25.1	-2.0%
Other liabilities	12.2	12.9	1.6	2.0	13.8	14.9	8.0%
Total liabilities	28.1	28.3	11.3	11.7	39.4	40.0	1.5%
Net position							
Net investment in capital assets	159.5	163.7	15.7	16.4	175.2	180.1	2.8%
Restricted	9.9	9.7	-	-	9.9	9.7	-2.0%
Unrestricted	27.0	37.7	3.4	3.9	30.4	41.6	36.8%
	\$ 196.4	\$ 211.1	\$ 19.1	\$ 20.3	\$ 215.5	\$ 231.4	7.4%

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Santa Fe Springs, assets exceed liabilities by \$231.4 million at the close of the fiscal year. The largest portion of the City's net position, 77.8%, is invested in capital assets, net of related debt. Approximately 18.0% of the City's net position is unrestricted as to use.

During the fiscal year, the City's net position increased by \$14.3 million. This was the result of several factors including increased revenues from sales tax, utility users tax, other revenues, and capital contributions received by both the governmental and business-type activities. Significant capital contributions were earned from federal, state, and local sources for the Valley View Grade Separation Project (governmental-activities) and for water system projects necessary because of major construction for the Interstate-5 widening project by the California Department of Transportation (Caltrans). Governmental activities expenses were lower than the prior year primarily as a result of lower costs incurred on behalf of another government entity related to the

Valley View Grade Separation Project. Business-type activity costs increased over the prior year primarily due to increases in water costs.

**Changes in Net Position**  
For the Fiscal Years Ended June 30, 2013 and 2014  
(in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u> <u>Primary</u> <u>Government</u>		<u>Total</u> <u>Percentage</u> <u>Change</u>
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2012</u>	<u>2014</u>	
<b>Revenues</b>							
Program revenues:							
Charges for services	\$ 9.0	\$ 9.2	\$ 13.0	\$ 13.1	\$ 22.0	\$ 22.3	1.4%
Operating grants and contributions	4.7	3.4	-	-	4.7	3.4	-27.7%
Capital grants and contributions	36.5	18.9	4.0	0.6	40.5	19.5	-51.9%
General revenues:							
Sales and use taxes	23.7	26.1	-	-	23.7	26.1	10.1%
Property taxes	3.2	3.6	-	-	3.2	3.6	12.5%
Franchise taxes	2.4	2.8	-	-	2.4	2.8	16.7%
Motor vehicle in lieu	1.5	1.6	-	-	1.5	1.6	6.7%
Business operations taxes	0.8	0.8	-	-	0.8	0.8	0.0%
Utility users taxes	6.1	6.6	-	-	6.1	6.6	8.2%
Other taxes	0.9	0.4	-	-	0.9	0.4	-55.6%
Investment income	1.4	1.4	-	0.1	1.4	1.5	7.1%
Other	1.4	2.2	-	-	1.4	2.2	57.1%
Total revenues	<u>91.6</u>	<u>77.0</u>	<u>17.0</u>	<u>13.8</u>	<u>108.6</u>	<u>90.8</u>	-16.4%
<b>Expenses</b>							
Governmental activities:							
General government	5.8	5.9	-	-	5.8	5.9	1.7%
Public safety	28.4	25.9	-	-	28.4	25.9	-8.8%
Community development	3.4	4.0	-	-	3.4	4.0	17.6%
Public works	22.5	17.0	-	-	22.5	17.0	-24.4%
Culture and leisure	7.9	7.7	-	-	7.9	7.7	-2.5%
Human services	2.7	2.9	-	-	2.7	2.9	7.4%
Interest on long-term debt	0.4	0.2	-	-	0.4	0.2	-50.0%
Business-type activities:							
Water	-	-	9.7	10.7	9.7	10.7	10.3%
Total expenses	<u>71.1</u>	<u>63.6</u>	<u>9.7</u>	<u>10.7</u>	<u>80.8</u>	<u>74.3</u>	-8.0%
Excess (deficiency) before transfers and extraordinary gain	20.5	13.4	7.3	3.1	27.8	16.5	-40.6%
Transfers	1.6	1.6	(1.6)	(1.6)	-	-	
Transfer to Successor Agency	(1.1)	-	-	-	(1.1)	-	-100.0%
Extraordinary gain/(loss)	-	(2.2)	-	-	-	(2.2)	
<b>Increase (decrease) in net position</b>	<u>21.0</u>	<u>12.8</u>	<u>5.7</u>	<u>1.5</u>	<u>26.7</u>	<u>14.3</u>	-46.4%
Net position - beginning	175.4	196.4	13.4	19.1	188.8	215.5	14.1%
Restatements	-	1.9	-	(0.3)	-	1.6	
Net position - ending	<u>\$ 196.4</u>	<u>\$ 211.1</u>	<u>\$ 19.1</u>	<u>\$ 20.3</u>	<u>\$ 215.5</u>	<u>\$ 231.4</u>	7.4%

The City's total revenues were \$90.8 million for the fiscal year ended June 30, 2014. Revenues from governmental activities totaled \$77.0 million and revenues from business-type activities totaled \$13.8 million. Program revenues comprise 49.8% of total revenues with the largest portion of this, \$22.3 million, resulting from charges for services. Sales and use taxes comprise 28.7% of total revenues and 57.2% of general revenues. Total revenues decreased by 16.4%, primarily driven by significant grant funding received in the prior year for two significant capital projects, the Valley View Grade Separation and water system improvements related to Caltrans' I-5 Widening Project. The decrease in grant funding was partially offset by increases in sales and use, property, franchise, and utility user taxes reflective of an improved economy.

Expenses of the City for the year totaled \$74.3 million. Governmental activity expenses totaled \$63.6 million, or 85.6% of total expenses. The most significant decrease from the prior year was noted in the area of public works related to decreased costs incurred on behalf of a neighboring city in connection with the Valley View Grade Separation Project. Public safety expenditures also decreased as a result of lower pension costs related to the City's pension obligation bonds. The most significant increase was seen in the community development function due to increased use of consultants to assist the city with higher levels of development activities. The following table summarizes the total cost and net cost of the City's governmental activities by function type.

**Net Cost of Governmental Activities**  
(in millions)

	<u>Total Cost of Services</u>		<u>Percentage Change</u>	<u>Net Cost of Services</u>		<u>Percentage Change</u>
	<u>2013</u>	<u>2014</u>		<u>2013</u>	<u>2014</u>	
General government	\$ 5.8	\$ 5.9	1.7%	\$ 4.8	\$ (1.3)	-127.1%
Public safety	28.4	25.9	-8.8%	24.6	22.2	-9.8%
Community development	3.4	4.0	17.6%	(1.8)	1.1	-161.1%
Public works	22.5	17.0	-24.4%	(10.4)	0.9	-108.7%
Culture and leisure	7.9	7.7	-2.5%	1.6	7.1	343.8%
Human services	2.7	2.9	7.4%	1.6	1.9	18.8%
Interest on long-term debt	0.4	0.2	-50.0%	0.4	0.2	-50.0%
Total	<u>\$ 71.1</u>	<u>\$ 63.6</u>	<u>-10.5%</u>	<u>\$ 20.8</u>	<u>\$ 32.1</u>	<u>54.3%</u>

**Business-type Activities**

Program revenues of the City's only business-type activity, the Water Utility, totaled \$13.8 million. Expenses of the Water Utility were \$10.7 million. Water rates include a factor to provide for a modest annual water infrastructure replacement program. Income before transfers was \$3.1 million. Transfers out totaled \$1.6 million. This entire amount was transferred to the City's general fund for use of the City's rights of way and maintenance of the City's extensive infrastructure. The cost of capital improvements is reported in the statement of net position, rather than as expenses in the statement of activities. Capital assets of \$22.4 million (net of accumulated depreciation) increased by approximately \$.3 million.



## Financial Analysis of the Fund Statements

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of City government, reporting the City's operations in more detail than the government-wide statements.

The City's governmental funds provide information on near-term inflows, outflows and the balance of available resources. The City's governmental funds reported combined fund balances at June 30, 2014, of \$41.8 million, a decrease of approximately \$5.2 million from the previous fiscal year. The primary reason for the decrease was a one-time payment of \$9.3 million to Los Angeles County related to an amount due under the redevelopment agency dissolution process (see Note 17 to the financial statements). The City is involved in litigation with the State of California to challenge the legality of the required payment. Currently, the balance is reflected as a long-term advance to the Successor Agency. The one-time payment was offset by increases in several revenue categories including sales and use tax, utility users tax, and development fees amount others. The City, as a taxing agency, also received a portion of the one-time payment back in the form of a tax distribution.

The General Fund is the chief operating fund of the City. At June 30, 2014, the General Fund's unassigned fund balance was \$18.6 million. Additional General Fund balances were: nonspendable \$5.6 million, restricted \$.1 million, and committed \$.2 million. Revenues increased approximately \$2.1 million while expenditures increased approximately \$.4 million. The revenue increase is primarily due to increases in sales and use, property, franchise, and utility user taxes related to the recovering economy. The modest expenditure increase is reflective of increases in certain costs including retirement and post-retirement costs and cost containment measures in other areas. During the fiscal year ended June 30, 2014, the overall fund balance in the General Fund decreased by \$8.0 million. As previously noted, the primary factor for the decrease in fund balance stems from the one-time payment required in connection with the dissolution of redevelopment agencies in California. Ongoing revenues exceeded ongoing expenditures by \$5.6 million allowing for funding of the City's Prefunded Capital Projects Fund to carry out the Capital Improvement Program and Employee Benefits internal service fund to set aside funds for employee labor agreements and a one-time additional contribution to the post-retirement benefit trust.

Within the governmental funds designation, the City has three other major funds: the Low and Moderate Income Housing Assets Special Revenue Fund, the Capital Improvement Capital Projects Fund, and the Prefunded Capital Projects Fund.

The Low and Moderate Income Housing Assets Special Revenue Fund was created during FY 2011-12 to account for the assets of the housing fund of the former redevelopment agency. Under the redevelopment dissolution bills, the City acts as housing successor to the former redevelopment agency and will retain the rights and obligations to administer the assets of the fund. The assets of the fund total \$7.6 million consisting primarily of cash and investments, loans and advances receivable, deposits held for housing assistance, and land and buildings held for resale. During fiscal year 2013-14 the fund expended \$.8 million in housing assistance loans to write down the cost of housing units to an affordable level for income qualified buyers.

The Capital Improvement Capital Projects Fund is used to account for expenditures on various capital improvement projects and the related revenues to finance the projects. The revenues and expenditures of the fund may vary significantly from year to year depending on the activity each year. The fund has historically operated by fund transfers or recognition of grant revenues as expenditures were incurred. Under the system excess funds are generally not accumulated in the fund. The fund activity contains the expenditures and grant revenues related to the Valley View Grade Separation Project, the largest capital project in City history. As of June 30, 2014, the project totaled approximately \$57.0 million. Completion of the project is expected during fiscal year 2014-15.

The Prefunded Capital Projects Fund was created during fiscal year 2012-13 to account for the City's Capital Improvement Program in the post-redevelopment era. The former redevelopment agency was a significant source of funding prior to dissolution. Without the redevelopment agency the General Fund becomes the main source of future funds for the Capital Improvement Program. Through a combination of revenue enhancements (i.e. increase in the utility users tax rate) and cost containment and reduction measures the General Fund will annually budget a transfer to the Prefunded Capital Projects Fund to build the base from which the Capital Improvement Program will operate. Additionally one time revenues will be considered for allocation to the fund. For the fiscal year ended June 30, 2014 the General Fund transferred \$5.1 million into the fund.

#### General Fund Budgetary Highlights

The difference between the original budget and the final amended budget for expenditures was a \$.6 million decrease. There were various adjustments made to the individual activities within each department but the overall budget was adjusted less than 1.5%. The final amended budget exceeded actual expenditures by \$1.1 million or approximately 2.2% due to lower than expected operating costs throughout most functional areas.

Revenues exceeded their budget amount by \$2.3 million, primarily due to increases in sales and use, property, franchise, and utility user taxes reflecting an improving economy. Sales tax revenue increased for the fourth consecutive year meeting budget expectations. Additionally, the utility user's tax, voted in during FY 2010-11, exceeded budget expectations during the third full fiscal year of collection. Building fees showed an increase and exceeded budget expectations again reflecting the improving economy. The Note to the Required Supplementary Information provides more details regarding budgeting policies and practice.

#### Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$164.5 million (net of accumulated depreciation), an increase of approximately \$3.9 million from the previous year. This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, equipment and infrastructure. Note 7 – Capital Assets provides more detailed information on the capital assets. At June 30, 2014, the City has construction commitments of approximately \$6 million, consisting primarily of the Valley View Grade Separation Project related contracts.

The City's investment in capital assets for its business-type activities, the Water Utility Fund, as of June 30, 2014, amounts to \$22.4 million (net of accumulated depreciation), an increase of approximately \$.3 million. During the fiscal year, the construction in progress increased approximately \$1.1 million. The increase consisted primarily of the construction of a new water well and I-5 Water Rehab Project. As mentioned earlier, the City has established a modest annual infrastructure replacement program through its water rate structure. Water Utility capital assets required for private development purposes are funded by capital contributions.

### Long-term Liabilities

At June 30, 2014, the City had \$16.7 million in governmental activities long-term liabilities outstanding and \$9.8 million in business-type activities long-term liabilities outstanding. The long-term liabilities are summarized in the table below and more detailed information is included in Note 9 – Long-Term Liabilities.

During FY 2011-12, the City issued \$7.1 million in Pension Obligation Bonds to refinance an obligation of the Safety Plan with the California Public Employees Retirement System (PERS). Since the prior obligation was being paid to PERS through the contribution rate structure, it was not reflected formally as a long-term liability. The City will realize savings by paying the bonds at a lower interest rate than was being applied by PERS to the existing obligation.

During FY 2012-13 the City's business-type activity Water Utility Fund issued \$6.89 million in water revenue bonds to refund the existing 2003 water revenue bonds at lower interest rates and provide approximately \$2.1 million in additional proceeds to be used for water infrastructure projects.

Outstanding Debt (in millions)							Total Percentage Change
Governmental Activities		Business-type Activities		Total			
2013	2014	2013	2014	2013	2014		
Revenue bonds	\$0.0	\$0.0	\$9.4	\$9.2	\$9.4	\$9.2	-2.1%
Pension obligation bonds	6.6	5.9	0.0	0.0	6.6	5.9	-10.6%
Compensated absences	2.7	2.9	0.0	0.0	2.7	2.9	7.4%
OPEB obligation	6.5	7.1	0.5	0.6	7.0	7.7	10.0%
Other loans/leases	1.1	0.8	0.0	0.0	1.1	0.8	-27.3%
Total	\$16.9	\$16.7	\$9.9	\$9.8	\$26.8	\$26.5	-1.1%

All water revenue and pension obligation bonds are insured issues.

### Economic Factors and Next Year's Budgets

The City of Santa Fe Springs has dealt with many difficult decisions stemming from the downturn in the economy in the late 2000's and more significantly in the wake of the dissolution of redevelopment agencies and tax increment financing. The City's condition is improving due to revenue enhancements coupled with cost containment and reduction measures but still faces significant financial challenges in the years ahead. Major factors expected to affect the budget include:

- State and local economies showing reason for cautious optimism.
- Funding capital improvements without the Community Development Commission, which historically funded the majority of capital projects prior to the dissolution of redevelopment.
- Funding for significantly increasing retirement contributions rates caused by a number of factors including the reduced number of active employees, actuarial assumption changes related to mortality and expected investment returns, and poor investment performance of the pension plan during the economic downturn.
- The City's funding policy to address the impact of implementing Governmental Accounting Standards Board (GASB) Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*.
- Increasing demands for public services, including unfunded mandates by both federal and state governments.

All of these factors were considered in adopting the Fiscal Year 2014-15 operational budget.

#### Requests for Information

This financial report is designed to provide a general overview of the City of Santa Fe Springs finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Assistant City Manager/Director of Finance, City of Santa Fe Springs, 11710 Telegraph Road, Santa Fe Springs, California.

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## CITY OF SANTA FE SPRINGS

STATEMENT OF NET POSITION  
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 23,581,121	\$ 3,993,212	\$ 27,574,333
Receivables:			
Accounts	2,539,269	2,205,905	4,745,174
Accrued interest	15,158	2,715	17,873
Deposits	1,157,057	-	1,157,057
Due from other governments	21,780,858	10,269	21,791,127
Inventories	616,840	191,570	808,410
Restricted assets:			
Cash with fiscal agent	1,170,879	2,958,066	4,128,945
Advances to successor agency	16,483,639	-	16,483,639
Total current assets	67,344,821	9,361,737	76,706,558
Noncurrent assets:			
Net pension asset	5,048,643	-	5,048,643
Notes and loans	1,661,552	-	1,661,552
Internal balances	3,698	(3,698)	-
Land held for resale	801,800	-	801,800
Capital assets not being depreciated	82,457,603	11,491,869	93,949,472
Capital assets, net of depreciation	82,077,043	10,918,536	92,995,579
Total noncurrent assets	172,050,339	22,406,707	194,457,046
<b>Total Assets</b>	<b>239,395,160</b>	<b>31,768,444</b>	<b>271,163,604</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	-	249,681	249,681
<b>Total Deferred Outflows       of Resources</b>	<b>-</b>	<b>249,681</b>	<b>249,681</b>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	3,497,776	193,435	3,691,211
Accrued liabilities	1,782,081	1,113,772	2,895,853
Accrued interest	10,364	62,263	72,627
Unearned revenue	1,696,796	-	1,696,796
Deposits payable	2,927,726	468,194	3,395,920
Due to other governments	242,610	-	242,610
Retention payable	1,406,864	-	1,406,864
Noncurrent liabilities due within one year	1,395,658	165,000	1,560,658
Total current liabilities	12,959,875	2,002,664	14,962,539
Noncurrent liabilities:			
Other postemployment benefits obligation	7,083,699	610,067	7,693,766
Long-term debt - due in more than one year	8,281,606	9,066,693	17,348,299
Total noncurrent liabilities	15,365,305	9,676,760	25,042,065
<b>Total Liabilities</b>	<b>28,325,180</b>	<b>11,679,424</b>	<b>40,004,604</b>
<b>Net Position:</b>			
Net investment in capital assets	163,745,920	16,386,459	180,132,379
Restricted for:			
Community development projects	8,412	-	8,412
Public safety	527	-	527
Public works	1,291,092	-	1,291,092
Low and moderate income housing	6,834,892	-	6,834,892
Art in public places	1,417,420	-	1,417,420
Waste management	98,801	-	98,801
Unrestricted	37,672,916	3,952,242	41,625,158
<b>Total Net Position</b>	<b>\$ 211,069,980</b>	<b>\$ 20,338,701</b>	<b>\$ 231,408,681</b>

## CITY OF SANTA FE SPRINGS

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2014

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Contributions and Grants	Contributions and Grants
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 5,941,165	\$ 2,027,076	\$ 1,689,364	\$ 3,475,345
Public safety	25,903,765	2,937,252	780,277	-
Community development	4,050,792	2,460,571	472,881	-
Public works	16,997,746	756,730	-	15,387,516
Culture and Leisure	7,690,481	556,566	30,841	25,000
Human Services	2,881,556	522,881	431,814	-
Interest on long-term debt	213,286	-	-	-
<b>Total Governmental Activities</b>	<b>63,678,791</b>	<b>9,261,076</b>	<b>3,405,177</b>	<b>18,887,861</b>
Business-Type Activities:				
Water Fund	10,781,780	13,139,026	-	632,638
<b>Total Business-Type Activities</b>	<b>10,781,780</b>	<b>13,139,026</b>	<b>-</b>	<b>632,638</b>
<b>Total Primary Government</b>	<b>\$ 74,460,571</b>	<b>\$ 22,400,102</b>	<b>\$ 3,405,177</b>	<b>\$ 19,520,499</b>

**General Revenues:**

## Taxes:

Property taxes, levied for general purpose

Sales and use taxes

Franchise taxes

Business operation taxes

Utility users tax

Other taxes

Motor vehicle in lieu - unrestricted

Interest and rentals

Other

Gain on sale of capital asset

**Extraordinary gain/(loss)****Transfers****Total General Revenues, Contributions,  
Extraordinary Items and Transfers**

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

**Net Position at End of Year**

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 1,250,620	\$ -	\$ 1,250,620
(22,186,236)	-	(22,186,236)
(1,117,340)	-	(1,117,340)
(853,500)	-	(853,500)
(7,078,074)	-	(7,078,074)
(1,926,861)	-	(1,926,861)
(213,286)	-	(213,286)
<b>(32,124,677)</b>	<b>-</b>	<b>(32,124,677)</b>
-	2,989,884	2,989,884
-	<b>2,989,884</b>	<b>2,989,884</b>
<b>(32,124,677)</b>	<b>2,989,884</b>	<b>(29,134,793)</b>
3,601,771	-	3,601,771
26,096,479	-	26,096,479
2,779,357	-	2,779,357
768,575	-	768,575
6,634,353	-	6,634,353
416,269	-	416,269
1,595,953	-	1,595,953
1,416,003	11,929	1,427,932
2,216,285	107,631	2,323,916
42,312	-	42,312
(2,249,862)	-	(2,249,862)
1,597,099	(1,597,099)	-
<b>44,914,594</b>	<b>(1,477,539)</b>	<b>43,437,055</b>
12,789,917	1,512,345	14,302,262
196,374,551	19,118,036	215,492,587
1,905,512	(291,680)	1,613,832
<b>\$ 211,069,980</b>	<b>\$ 20,338,701</b>	<b>\$ 231,408,681</b>



## CITY OF SANTA FE SPRINGS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

		Special Revenue Fund Low and Moderate Income Housing Assets Fund	Capital Projects Funds Capital Improvement	Prefunded Capital Projects
	General			
<b>Assets:</b>				
Pooled cash and investments	\$ 6,223,908	\$ 1,121,400	\$ -	\$ 8,274,606
Receivables:				
Accounts	1,982,452	29,098	527,719	-
Notes and loans	760,817	865,667	-	-
Accrued interest	15,158	-	-	-
Deposits and other assets	960,126	193,000	3,931	-
Due from other governments	7,553,012	-	13,424,203	-
Due from other funds	11,193,132	-	-	-
Advances to successor agency	13,290,194	3,193,445	-	-
Advances to other funds	-	1,437,861	-	-
Inventories	616,840	-	-	-
Land held for resale	-	801,800	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	1,170,879	-
<b>Total Assets</b>	<b>\$ 42,595,639</b>	<b>\$ 7,642,271</b>	<b>\$ 15,126,732</b>	<b>\$ 8,274,606</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,544,374	\$ 379	\$ 1,479,084	\$ 467,797
Accrued liabilities	1,779,856	-	249	577
Unearned revenues	1,371,686	-	325,110	-
Deposits payable	1,575,886	-	1,351,840	-
Due to other governments	183,220	-	58,758	-
Due to other funds	-	-	10,537,934	-
Advances from other funds	1,437,861	-	-	-
Contracts Payable	8,225	-	1,386,794	11,845
<b>Total Liabilities</b>	<b>7,901,108</b>	<b>379</b>	<b>15,139,769</b>	<b>480,219</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	10,201,662	807,000	-	-
<b>Total Deferred Inflows of Resources</b>	<b>10,201,662</b>	<b>807,000</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Inventory	616,840	-	-	-
Land held for resale	-	801,800	-	-
Notes and loans	72,064	58,667	-	-
Advances to other funds	3,936,464	4,631,306	-	-
Deposits	960,126	193,000	3,931	-
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Low and moderate income housing	-	1,150,119	-	-
Art in public places	-	-	-	-
Waste management	98,801	-	-	-
<b>Committed to:</b>				
Capital Projects	225,000	-	-	-
<b>Assigned to:</b>				
Capital Projects	-	-	-	7,794,387
<b>Unassigned</b>	<b>18,583,574</b>	<b>-</b>	<b>(16,968)</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>24,492,869</b>	<b>6,834,892</b>	<b>(13,037)</b>	<b>7,794,387</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 42,595,639</b>	<b>\$ 7,642,271</b>	<b>\$ 15,126,732</b>	<b>\$ 8,274,606</b>

## CITY OF SANTA FE SPRINGS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>		
Pooled cash and investments	\$ 2,545,857	\$ 18,165,771
Receivables:		
Accounts	-	2,539,269
Notes and loans	35,068	1,661,552
Accrued interest	-	15,158
Deposits and other assets	-	1,157,057
Due from other governments	803,643	21,780,858
Due from other funds	-	11,193,132
Advances to successor agency	-	16,483,639
Advances to other funds	-	1,437,861
Inventories	-	616,840
Land held for resale	-	801,800
Restricted assets:		
Cash and investments with fiscal agents	-	1,170,879
<b>Total Assets</b>	<b>\$ 3,384,568</b>	<b>\$ 77,023,816</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 6,142	\$ 3,497,776
Accrued liabilities	1,399	1,782,081
Unearned revenues	-	1,696,796
Deposits payable	-	2,927,726
Due to other governments	632	242,610
Due to other funds	651,500	11,189,434
Advances from other funds	-	1,437,861
Contracts Payable	-	1,406,864
<b>Total Liabilities</b>	<b>659,673</b>	<b>24,181,148</b>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenues	35,068	11,043,730
<b>Total Deferred Inflows of Resources</b>	<b>35,068</b>	<b>11,043,730</b>
<b>Fund Balances:</b>		
<b>Nonspendable:</b>		
Inventory	-	616,840
Land held for resale	-	801,800
Notes and loans	-	130,731
Advances to other funds	-	8,567,770
Deposits	-	1,157,057
<b>Restricted for:</b>		
Community development projects	4,481	4,481
Public safety	527	527
Public works	1,291,092	1,291,092
Low and moderate income housing	-	1,150,119
Art in public places	1,417,420	1,417,420
Waste management	-	98,801
<b>Committed to:</b>		
Capital Projects	-	225,000
<b>Assigned to:</b>		
Capital Projects	-	7,794,387
<b>Unassigned</b>	(23,693)	18,542,913
<b>Total Fund Balances</b>	<b>2,689,827</b>	<b>41,798,938</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,384,568</b>	<b>\$ 77,023,816</b>

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**CITY OF SANTA FE SPRINGS**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2014**

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Fund balances of governmental funds		\$ 41,798,938
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		164,534,646
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (5,944,000)	
Notes payable	(788,726)	
Compensated Absences	<u>(2,944,538)</u>	(9,677,264)
Pension contribution in excess of actuarial required contributions are reported as expenditures in the funds but are deferred and reported as a net pension assets in the government-wide statements		5,048,643
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability.		(7,083,699)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(10,364)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		11,043,730
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>5,415,350</u>
<b>Net Position of governmental activities</b>		<b><u>\$ 211,069,980</u></b>

## CITY OF SANTA FE SPRINGS

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

		Special Revenue Fund	Capital Projects Funds	
		Low and Moderate Income Housing Assets Fund	Capital Improvement	Prefunded Capital Projects
	General			
<b>Revenues:</b>				
Taxes	\$ 40,294,112	\$ -	\$ -	\$ -
Licenses and permits	2,747,847	-	-	-
Intergovernmental	2,507,836	-	18,201,622	305,399
Charges for services	5,145,880	-	-	-
Interest and Rentals	1,397,299	12,802	-	-
Fines and forfeitures	491,503	-	-	-
Miscellaneous	1,562,808	172,682	351,185	1,997
<b>Total Revenues</b>	<b>54,147,285</b>	<b>185,484</b>	<b>18,552,807</b>	<b>307,396</b>
<b>Expenditures:</b>				
Current:				
General government	5,064,465	-	-	-
Public safety	24,699,392	-	-	-
Community development	3,140,195	834,547	-	-
Public works	4,456,233	-	-	-
Culture and leisure	6,974,428	-	-	-
Human services	2,579,037	-	-	-
Capital outlay	365,867	-	18,855,588	2,052,822
Debt service:				
Principal retirement	983,524	-	-	-
Interest and fiscal charges	278,854	-	-	-
<b>Total Expenditures</b>	<b>48,541,995</b>	<b>834,547</b>	<b>18,855,588</b>	<b>2,052,822</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,605,290	(649,063)	(302,781)	(1,745,426)
<b>Other Financing Sources (Uses):</b>				
Transfers in	3,561,249	-	18,046	5,224,258
Transfers out	(8,849,350)	-	-	-
Proceeds from sale of capital asset	42,312	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(5,245,789)</b>	<b>-</b>	<b>18,046</b>	<b>5,224,258</b>
Extraordinary gain/(loss)	(8,408,716)	-	-	-
<b>Net Change in Fund Balances</b>	<b>(8,049,215)</b>	<b>(649,063)</b>	<b>(284,735)</b>	<b>3,478,832</b>
<b>Fund Balances:</b>				
Beginning of year, as originally reported	30,531,578	7,483,955	271,698	4,315,555
Restatements	2,010,506	-	-	-
Beginning of year, as restated	32,542,084	7,483,955	271,698	4,315,555
<b>End of Year</b>	<b>\$ 24,492,869</b>	<b>\$ 6,834,892</b>	<b>\$ (13,037)</b>	<b>\$ 7,794,387</b>

## CITY OF SANTA FE SPRINGS

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>		
Taxes	\$ 2,692	\$ 40,296,804
Licenses and permits	-	2,747,847
Intergovernmental	2,150,912	23,165,769
Charges for services	1,449	5,147,329
Interest and Rentals	5,902	1,416,003
Fines and forfeitures	-	491,503
Miscellaneous	404,419	2,493,091
<b>Total Revenues</b>	<b>2,565,374</b>	<b>75,758,346</b>
<b>Expenditures:</b>		
Current:		
General government	-	5,064,465
Public safety	504,541	25,203,933
Community development	16,522	3,991,264
Public works	-	4,456,233
Culture and leisure	-	6,974,428
Human services	-	2,579,037
Capital outlay	109,646	21,383,923
Debt service:		
Principal retirement	-	983,524
Interest and fiscal charges	-	278,854
<b>Total Expenditures</b>	<b>630,709</b>	<b>70,915,661</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,934,665	4,842,685
<b>Other Financing Sources (Uses):</b>		
Transfers in	2,440	8,805,993
Transfers out	(1,668,533)	(10,517,883)
Proceeds from sale of capital asset	-	42,312
<b>Total Other Financing Sources (Uses)</b>	<b>(1,666,093)</b>	<b>(1,669,578)</b>
Extraordinary gain/(loss)	-	(8,408,716)
Net Change in Fund Balances	268,572	(5,235,609)
<b>Fund Balances:</b>		
Beginning of year, as originally reported	2,421,255	45,024,041
Restatements	-	2,010,506
Beginning of year, as restated	2,421,255	47,034,547
<b>End of Year</b>	<b>\$ 2,689,827</b>	<b>\$ 41,798,938</b>

**CITY OF SANTA FE SPRINGS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2014**

---

Net change in fund balances - total governmental funds \$ (5,235,609)

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

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

Capital outlay	\$ 11,855,044	
Depreciation	<u>(4,702,262)</u>	7,152,782

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

Pension obligation bonds principal repayment	657,000	
Capital lease repayment	80,392	
Loan repayment	<u>246,132</u>	983,524

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 65,572

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (230,243)

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense. (772,124)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 1,320,813

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 3,346,348

Extraordinary gains and losses 6,158,854

**Change in net position of governmental activities \$ 12,789,917**

## CITY OF SANTA FE SPRINGS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2014

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Water Fund		
<b>Assets:</b>			
Current:			
Cash and investments	\$ 3,993,212	\$	5,415,350
Receivables:			
Accounts	2,205,905		-
Accrued interest	2,715		-
Due from other governments	10,269		-
Inventories	191,570		-
Restricted:			
Cash with fiscal agent	2,958,066		-
<b>Total Current Assets</b>	<b>9,361,737</b>		<b>5,415,350</b>
Noncurrent:			
Capital assets - net of accumulated depreciation	22,410,405		-
<b>Total Noncurrent Assets</b>	<b>22,410,405</b>		<b>-</b>
<b>Total Assets</b>	<b>31,772,142</b>		<b>5,415,350</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	249,681		-
<b>Total Deferred Outflows of Resources</b>	<b>249,681</b>		<b>-</b>
<b>Total Assets and Deferred Outflows and Net Position</b>	<b>\$ 32,021,823</b>	<b>\$</b>	<b>5,415,350</b>
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 193,435	\$	-
Accrued liabilities	1,113,772		-
Accrued interest	62,263		-
Deposits payable	468,194		-
Due to other funds	3,698		-
Bonds, notes, and capital leases	165,000		-
<b>Total Current Liabilities</b>	<b>2,006,362</b>		<b>-</b>
Noncurrent:			
Other postemployment benefits obligation	610,067		-
Bonds, notes, and capital leases	9,066,693		-
<b>Total Noncurrent Liabilities</b>	<b>9,676,760</b>		<b>-</b>
<b>Total Liabilities</b>	<b>11,683,122</b>		<b>-</b>
<b>Net Position:</b>			
Net investment in capital assets	16,386,459		-
Unrestricted	3,952,242		5,415,350
<b>Total Net Position</b>	<b>20,338,701</b>		<b>5,415,350</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 32,021,823</b>	<b>\$</b>	<b>5,415,350</b>



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## CITY OF SANTA FE SPRINGS

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2014**

	<b>Business-Type Activities - Enterprise Funds</b>	<b>Governmental Activities- Internal Service Funds</b>
	<b>Water Fund</b>	
<b>Operating Revenues:</b>		
Sales and service charges	\$ 13,139,026	\$ 37,359
Other water revenues	107,631	-
<b>Total Operating Revenues</b>	<b>13,246,657</b>	<b>37,359</b>
<b>Operating Expenses:</b>		
Source of supply	5,134,542	-
System maintenance and operation	2,261,818	-
Billing and collection	879,540	-
Administration	1,177,743	-
Depreciation expense	834,564	-
<b>Total Operating Expenses</b>	<b>10,288,207</b>	<b>-</b>
Operating Income (Loss)	2,958,450	37,359
<b>Nonoperating Revenues (Expenses):</b>		
Interest revenue	11,929	-
Interest expense	(374,347)	-
Loss on disposal of capital assets	(119,226)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(481,644)</b>	<b>-</b>
Income (Loss) Before Transfers	2,476,806	37,359
Contributions	632,638	-
Transfers in	-	3,759,700
Transfers out	(1,597,099)	(450,711)
Changes in Net Position	1,512,345	3,346,348
<b>Net Position:</b>		
Beginning of Year, as originally reported	19,118,036	2,069,002
Restatements	(291,680)	-
Beginning of Fiscal Year, as restated	18,826,356	2,069,002
<b>End of Fiscal Year</b>	<b>\$ 20,338,701</b>	<b>\$ 5,415,350</b>

## CITY OF SANTA FE SPRINGS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Fund	
<b>Cash Flows from Operating Activities:</b>		
Cash received from customers and users	\$ 13,134,155	\$ 37,359
Cash paid to suppliers for goods and services	(7,216,270)	-
Cash paid to employees for services	(1,865,140)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>4,052,745</b>	<b>37,359</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Cash transfers out	(1,597,099)	(450,711)
Cash transfers in	-	3,759,700
Repayment received from other funds	3,698	-
Repayment made to other funds	(356)	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(1,593,757)</b>	<b>3,308,989</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	(610,820)	-
Principal paid on capital debt	(155,000)	-
Interest paid on capital debt	(319,342)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(1,085,162)</b>	<b>-</b>
<b>Cash Flows from Investing Activities:</b>		
Interest received	11,927	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>11,927</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,385,753</b>	<b>3,346,348</b>
Cash and Cash Equivalents at Beginning of Year	5,565,525	2,069,002
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 6,951,278</b>	<b>\$ 5,415,350</b>

## CITY OF SANTA FE SPRINGS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2014

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities- Internal Service Funds</b>
	<b>Water Fund</b>		
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 2,958,450	\$	37,359
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	834,564		-
(Increase) decrease in accounts receivable	(127,922)		-
(Increase) decrease in inventory	(39,167)		-
(Increase) decrease in deposits receivable	(66)		-
(Increase) decrease in prepaid expense	8,464		-
Increase (decrease) in accounts payable	167,475		-
Increase (decrease) in accrued liabilities	187,437		-
Increase (decrease) in deposits payable	15,486		-
Increase (decrease) in other postemployment benefits	48,024		-
<b>Total Adjustments</b>	<b>1,094,295</b>		<b>-</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 4,052,745</b>	<b>\$</b>	<b>37,359</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Gain/(Loss) on disposition of capital assets	\$ (119,226)	\$	-
Donated capital assets	632,638		-
Amortization of bond discounts and premiums	27,857		-
Prior period restatement	(291,679)		-

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## CITY OF SANTA FE SPRINGS

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2014

	Agency Funds	Private- Purpose Trust Fund Successor Agency of the former RDA
<b>Assets:</b>		
Pooled cash and investments	\$ 666,092	\$ 20,044,285
Receivables:		
Accounts	6,332	11,954
Notes and loans	-	356,279
Due from other governments	-	505,067
Land held for resale	-	10,550,120
Restricted assets:		
Cash and investments with fiscal agents	323,355	23,526,462
Capital assets:		
Capital assets, not being depreciated	-	5,006,722
<b>Total Assets</b>	<b>\$ 995,779</b>	<b>60,000,889</b>
<b>Deferred Outflows of Resources:</b>		
Deferred charge on refunding		2,035,026
<b>Total Deferred Outflows of Resources</b>		<b>2,035,026</b>
<b>Liabilities:</b>		
Accounts payable	\$ -	31,823
Accrued liabilities	-	23,292
Accrued interest	-	1,328,502
Deposits payable	528,451	61,589
Due to other governments	467,328	204,732
Long-term liabilities:		
Due in one year	-	8,150,000
Due in more than one year	-	130,297,013
<b>Total Liabilities</b>	<b>\$ 995,779</b>	<b>140,096,951</b>
<b>Net Position:</b>		
Held in trust for other purposes		(78,061,036)
<b>Total Net Position</b>		<b>\$ (78,061,036)</b>

## CITY OF SANTA FE SPRINGS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2014

	Private- Purpose Trust Fund Successor Agency of the former RDA
<b>Additions:</b>	
Taxes	\$ 10,123,364
Interest and change in fair value of investments	92,369
Miscellaneous	35
<b>Total Additions</b>	<b>10,215,768</b>
<b>Deductions:</b>	
Administrative expenses	661,914
Program expenses	503,524
Interest expense	5,529,015
<b>Total Deductions</b>	<b>6,694,453</b>
Extraordinary gain/(loss)	(6,158,854)
<b>Changes in Net Position</b>	<b>(2,637,539)</b>
<b>Net Position:</b>	
Beginning of year, as previously reported	(73,384,962)
Restatements	(2,038,535)
Beginning of the year, as restated	(75,423,497)
<b>End of the Year</b>	<b>\$ (78,061,036)</b>

## I. SIGNIFICANT ACCOUNTING POLICIES

### Note 1: Organization and Summary of Significant Accounting Policies

#### The Financial Reporting Entity

The City of Santa Fe Springs (City) was incorporated on May 15, 1957, under the general laws of the State of California and enjoys all the rights and privileges pertaining to such "General Law" cities and is governed by an elected five-member City council. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from each other. However, the City elected officials have a continuing accountability for fiscal matters of the other entities. The financial reporting entity consists of: (1) the City, (2) organizations for which the City is financially accountable, and (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the city's and (1) there is a financial benefit or burden relationship between the primary government and the component unit, or (2) management of the primary government has operational responsibility for the component unit, or the component unit provides services almost entirely to the City.

#### Blended Component Units

- a. In accordance with Assembly Bill 1X 26 (the "Dissolution Act"), the Successor Agency to the Community Development Commission for the City of Santa Fe Springs (Successor Agency) was created on February 1, 2012 to serve as a custodian for the assets and to wind down the affairs of the former Agency. The Successor Agency is a separate public entity from the City, subject to the direction of an Oversight Board and is a blended component unit of the City. The Oversight Board is comprised of seven-member representatives from local government bodies. See Note 17 for further detail regarding the dissolution.

In general, the Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Agency until all enforceable obligations of the former Agency have been paid in full and all assets have been liquidated. Based upon the nature of the Successor Agency's custodial role, the Successor Agency is reported in a fiduciary fund (private-purpose trust fund). See Note 17 for further detail regarding the dissolution.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**


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

- b. The City of Santa Fe Springs Public Financing Authority (PFA) was organized under a joint exercise of power agreement on August 24, 1989. The purpose of this authority is to provide, through the issuance of debt, financing for public capital improvements. The Board of Directors is appointed by the City Council. The PFA's financial data and transactions are included with the enterprise fund type, as the only debt outstanding is related to the Water Utility fund and the Water Utility fund revenues are pledged to the payment of the debt.
- c. The Santa Fe Springs Water Utility Authority (WUA) was organized under a joint exercise of power agreement on July 1, 2009. The purpose of this authority is to provide an entity to assist in financing, leasing, owning, operating, and maintaining the water operation. The City Council members are designated as Board of Directors of the WUA.

Separate Successor Agency, PFA, and WUA financial statements are not available.

**Joint Ventures**

## 1. Joint Fire Dispatching Center

The City is a participant in the Joint Fire Dispatching Center (Center). The Center is currently comprised of four member cities and is organized under a Joint Powers Agreement. Each member City provides an annually determined contribution towards the ongoing operation. The purpose of the Center is to provide centralized fire dispatching for the participating cities. The communication system is located in and operated by the City of Downey. The payments from the participating cities for the fiscal year ended June 30, 2014, were based on the following percentages:

Downey	34.41%
Santa Fe Springs	15.95%
Compton	39.58%
Vernon	10.06%

During the fiscal year ended June 30, 2014, the City contributed \$252,449 for the operation of the Center. Separate audited financial statements are not prepared for the joint venture. Financial information can be obtained from the City of Downey at 11111 Brookshire Avenue, Downey, California.

## 2. Southeast Water Coalition

The City is a participant in the Southeast Water Coalition (Coalition). The Coalition is currently comprised of several municipal entities in the County of Los Angeles and is organized under a Joint Powers Agreement. The purpose of the Center is to maintain groundwater quality within the Central and West Coast Basins (Basins), maintain secure groundwater supplies within the Basins, manage the use of groundwater within the Basins, coordinate efforts among Watermaster and entities proposing to store water within the Basins for future recovery, facilitate the implementation of a conjunctive use program by water purveyors, coordinate efforts among local entities and Watermaster to devise and implement strategies to safeguard groundwater quality, and work cooperatively with Watermaster, the Water Replenishment District of Southern California, and other entities to promote coordination of policies and activities throughout the region. Each member of the Coalition shares financial

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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

responsibility equally. Each member is required to make a contribution at the beginning of each year. The contribution requirement for the fiscal year ended 2014 was \$3,000. Financial statements can be obtained from the City of Pico Rivera. City Hall is located at 6615 Passons Blvd., Pico Rivera, California.

**Basis of Accounting and Measurement Focus**

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

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

**Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the primary government and component units as a whole, except for its fiduciary activities. These statements report separately for governmental and business-type activities of the primary government (including its blended component units). Governmental activities are normally financed primarily by taxes and intergovernmental revenues. Business-type activities are financed primarily by fees charged for goods or services.

Certain indirect costs have been allocated and are included as part of the program expenses reported for the various functional activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other service charges between the City's water utility and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (agency funds do not have a measurement focus). Accordingly, all of the City's assets and liabilities, including capital assets and infrastructure as well as long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Using the accrual basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been satisfied. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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

Governmental Funds Financial Statements

The accounting records of the City are organized on the basis of funds. Each fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. 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.

The governmental funds financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and aggregated nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the government-wide financial statements.

Governmental fund financial statements are reported using the "current financial resources" measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days, except for grant revenues, which is 365 days and sales tax revenues, which is 90 days. Sales taxes, property taxes, franchise fees, gas taxes, motor vehicle in lieu fees, highway user's taxes, transient occupancy taxes, grants and investment income 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 to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

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 payable are recorded only when payment is due.

The City reports the following major governmental funds:

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

The Low and Moderate Income Housing Assets Special Revenue Fund is used to account for the receipts and expenditures relating to the Housing Successor in accordance with the California Health and Safety Code.

The Capital Improvement Capital Projects Fund is used to account for monies received from the General Fund, special revenue funds, private developers and from outside governmental entities. These funds are subsequently used for the construction or rehabilitation of streets, bridges, traffic signals, public facilities and a variety of other construction or improvement projects.

The Prefunded Capital Projects Fund is established in fiscal year 2013. It is used to account for the accumulation of resources used for various construction, rehabilitation, and improvement projects similar to the Capital Improvement Fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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

This fund differs from the Capital Improvement Capital Projects Fund in that resources are typically accumulated in the fund prior to undertaking the projects.

**Proprietary Funds Financial Statements**

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

The City reports the following major proprietary fund:

The Water Utility Fund is used to account for the operations of the City owned water system.

The internal service funds account for employee benefits, risk management, and equipment replacement services provided to City departments on a cost reimbursement basis. These funds were established to charge activities for internal costs related to compensated absences, liability and property insurance, and equipment.

**Fiduciary Fund Financial Statements**

Fiduciary funds are accounted for on the accrual basis of accounting as are the proprietary funds explained above. The City reports the following fiduciary funds, which are excluded from the government-wide financial statements:

**a. Private-Purpose Trust Fund**

The Private-Purpose Trust Fund accounts for the custodial responsibilities that are assigned to the Successor Agency pursuant to the Dissolution Act.

**b. Agency Funds**

Agency Fund financial statements include a statement of fiduciary net position. The City's Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The City reports the following agency funds:

The Assessment Districts Fund is used to account for special assessments received by the City as agent for payment of special assessment district bonds.

Community Facilities Assessment Districts Fund is used to account for special assessments received by the City as agent for payment of community facilities district debt and expenses.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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

Use of Restricted Resources

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

Functional Classifications

General government - includes the legislative activities, which have a primary objective of providing legal and policy guidance for industrial and residential issues within the City. Also included in this classification are those activities, which provide management or support services across more than one functional area.

Public safety - includes those activities, which have a primary objective of protecting people and property from other than health related perils.

Community development - includes those activities which have a primary objective of enhancing the general quality of life in the City. This encompasses aesthetic, as well as economical and structural activities.

Public works - includes all maintenance and engineering which relate to streets, parks, and other public facilities.

Culture and leisure - includes those activities, which have a primary objective of providing recreational and educational endeavors.

Human services - includes those activities, which have a primary objective of maintaining or improving the physical and/or mental health of residents of the community, improving the employment status of unemployed or underemployed residents, and otherwise serving the needs of the less privileged.

Inventory and Prepaid Items

Inventory (General Fund and Water Utility Fund) is valued utilizing the average cost method. Inventory items are considered expenditures or expenses 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. These prepaid items are reflected in the financial statements as deposits and other assets.

Property Taxes

Under California law, the assessment, levy and collection of property taxes are the responsibility of the County of Los Angeles. The City records property taxes as revenue in the year for which they are levied, and in the governmental fund statements when received from the County within 60 days of year-end. Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien	January 1
Levy period	July 1 - June 30
Due	November 1 - 1st installment February 1 - 2nd installment
Delinquent	December 11 - 1st installment April 11 - 2nd installment

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**


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

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. In addition, funds invested in the City's cash and investment pool are considered cash equivalents.

**Investments**

All investments are stated at fair value (the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale), except for money market investments, which have a remaining maturity of less than one year when purchased, which are stated at amortized cost. Money market investments are short-term, highly liquid debt instruments including commercial paper, bankers' acceptances, and U.S. Treasury and agency obligations.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, sidewalks, drainage systems, lighting systems, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide and enterprise fund financial statements. These assets are stated at historical cost or estimated historical cost if purchased or constructed. The City conducted an infrastructure valuation in conjunction with the implementation of GASB No. 34 during the fiscal year ended June 30, 2002. Current replacement costs were calculated for infrastructure assets and discounted back to the original construction dates and the corresponding accumulated depreciation was calculated. Donated capital assets are stated at their estimated fair value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the government-wide and enterprise fund financial statements on a straight-line basis over the useful life of the assets as follows:

Assets	Years
Computer	3
Furniture	10
Machinery and equipment	7
Vehicles	8
Water service meters and hydrants	10-50
Water transmission and distribution mains	10-50
Infrastructure	20-75
Buildings and improvements	20-75

**Land and Buildings Held for Resale**

Land and related buildings acquired by the former Community Development Commission (former Commission) and held for resale are accounted for as an investment and are recorded at the lower of cost or estimated realizable value, as determined upon the execution of a disposition and development agreement. Upon the dissolution of the former Commission, land and buildings held for resale were transferred to respective Low and Moderate Income Housing Assets Fund and Successor Agency Fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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

Compensated Absences

The cost of earned but unused vacation and sick leave, for which the City has a future obligation to pay, is recognized in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have become due and payable as a result of employee resignations or retirements. For sick leave, Fire Safety personnel will receive the following payouts upon termination of employment; 25% payout if 100% service credit with PERS and 100% payout if retiring through Industrial Disability Retirement (IDR).

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets — This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- Restricted — This category represents restricted assets reduced by liabilities related to those assets. Restrictions can be imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted — This category represents net position of the City, not restricted for any project or other purpose.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2014, fund balances for government funds are made up of the following:

- Nonspendable Fund Balance — includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventory, prepaid amounts, and long-term notes receivable.
- Restricted Fund Balance — includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- Committed Fund Balance — includes amounts that can only be used for the specific purposes determined by a resolution of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City adopting a resolution.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**


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

- Assigned Fund Balance — comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Council to which the City Council has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned Fund Balance — is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Other governmental funds may only report a negative unassigned balance that was created after classification in one of the other four fund balance categories.

In circumstances when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the City's policy is to first apply committed fund balance. It is at the discretion of the Council's designee to then apply the remaining expenditures to assigned or unassigned fund balance.

The City Council delegates to the Director of Finance and Administrative Services the authority to assign unrestricted fund balance amounts where the City's intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 2: Cash and Investments**

Cash and investments as of June 30, 2014, are classified in the accompanying financial follows:

Statement of net position:	
Cash and investments	\$ 27,574,333
Cash and investments with fiscal agent	4,128,945
Fiduciary funds:	
Cash and investments	20,710,377
Cash and investments with fiscal agent	23,849,817
Total	<u>\$ 76,263,472</u>

Cash and investments were comprised of the following as of June 30, 2014:

Cash on hand	\$ 22,715
Deposits with financial institutions	1,782,588
Investments	74,458,169
Total	<u>\$ 76,263,472</u>



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**
**Note 2: Cash and Investments (Continued)**

## Investments Authorized by the City's Investment Policy

The City's Statement of Investment Policy (investment policy), is adopted by the City Council. The investment policy is more conservative and restrictive than the investment vehicles authorized by Section 53601 of the California Government Code. The City's investment policy does not allow investments in negotiable certificates of deposit, reverse repurchase agreements, guaranteed small business administration notes, medium term corporate notes, and financial futures or financial option contracts. Investment vehicles not specifically mentioned in the City's investment policy are not authorized unless the policy is amended by the City Council or are approved as part of the provisions of the bond indentures. Investments are limited to:

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio*</b>	<b>Maximum Investment in One Issuer</b>
U.S. Treasury bills	5 years	None	None
U.S. Treasury notes	5 years	None	None
Federal Agency issues	5 years	None	None
Certificates of deposit	N/A	30%	None
Bankers' acceptances	180 days	40%	30%
Commercial paper	270 days	10% **	10%
Repurchase agreements	1 year	None	None
Mutual funds	N/A	20%	None
County Pool investment funds	N/A	None	None
Local agency investment fund (LAIF)	N/A	None	None

\* Excluding amounts held by bond trustee that are subject to California Code restrictions.

\*\* Represents where the City's investment policy is more restrictive than the California Government Code.

## Investments Authorized by Debt Agreements

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

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
U.S. Treasury obligations	None	None	None
U.S. agency securities	None	None	None
Bankers' acceptances	180 days	None	None
Commercial paper	270 days	None	None
Money market mutual funds	N/A	None	None
Investment contracts	30 years	None	None
Local agency investment fund (LAIF)	N/A	None	None

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**


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**Note 2: Cash and Investments (Continued)**

## Disclosures Relating to Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Weighted Average Maturity (in days)</u>	
Local Agency Investment Fund	278 *	\$ 46,239,407
Certificates of Deposit	<180	240,000
Held by Bond Trustee:		
Money Market Funds	<180	27,978,762
Total		<u>\$ 74,458,169</u>

\* Represents the weighted average maturity of the Local Agency Investment Fund; however, the City and or bond trustee may liquidate the investment within 24 hours.

## Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization. The fiscal agent funds held in money market funds are rated AAA at June 30, 2014.

## Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments held that represent 5% or more in any one issuer other than external investment pools and money market funds at June 30, 2014.

## Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**


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**Note 2: Cash and Investments (Continued)**

contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The total amount invested by all public agencies in LAIF as of June 30, 2014, was 21.2 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2014, had a balance of \$58.8 billion, of that amount, 64.8% was invested in medium-term and short-term structured notes and asset-backed securities.

**Note 3: Loans and Notes Receivable**

The loans and notes receivable balance consists of the following:

<b>Fund</b>	<b>Balance</b>
<b>Governmental Funds</b>	
General Fund	\$ 760,817
Low and Moderate Income Housing Assets Special Revenue Fund	865,667
Nonmajor Governmental Funds	35,068
Total Funds	<u>\$ 1,661,552</u>

The General Fund has loans and notes receivable in the amount of \$40,140 representing monies advanced to City employees for home computer purchases. These loans are required to be repaid within 2 years and bear no interest. Notes receivable in the amount of \$688,753 relate to monies advanced to Community Facilities District 2002-1 for infrastructure improvements. These loans bear an interest rate of 5.75% per annum. Lastly, the General Fund has other loans and notes receivable totaling \$31,924.

The Low and Moderate Income Housing Assets Special Revenue Fund has three notes outstanding for "silent second" mortgage notes issued to qualified buyers to assist with housing acquisition. The loans are for \$20,000 and have term of 15 years. The loans have no payments for the first 10 years and bear simple interest at 6% per annum. The loans are secured by a deed of trust and must be repaid upon sale or refinance of the home. The

**CITY OF SANTA FE SPRINGS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 3: Loans and Notes Receivable (Continued)**

balance outstanding at June 30, 2014, is \$58,667. In addition, the Low and Moderate Income Housing Assets Special Revenue Fund has eight notes outstanding related to housing for qualified buyers. The loans are secured by a deed of trust and must be repaid upon sale or refinance of the home. The balance outstanding at June 30, 2014, is \$807,000.

The Nonmajor Governmental Funds have four notes receivable outstanding from homeowners through the CDBG housing program. The loans have zero interest and do not require repayment. The loans are secured by a deed of trust and must be repaid upon sale or refinance of the home. The balance outstanding at June 30, 2014, is \$35,068.

**Note 4: Due from Other Governments**

Due from other governments primarily consists of grants due from the Federal government, the State of California and the County of Los Angeles.

**Note 5: Interfund Activity**

The following is a summary of interfund transfers for the fiscal year ended June 30, 2014:

Transfers Out:	Transfers In					Total
	General Fund	Capital Improvement Funds	Prefunded Capital Projects Funds	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 2,210	\$ 5,085,000	\$ 2,440	\$ 3,759,700	\$ 8,849,350
Water Fund	1,597,099	-	-	-	-	1,597,099
Internal Service Funds	450,711	-	-	-	-	450,711
Nonmajor Governmental Funds	1,513,439	15,836	139,258	-	-	1,668,533
Total	<u>\$ 3,561,249</u>	<u>\$ 18,046</u>	<u>\$ 5,224,258</u>	<u>\$ 2,440</u>	<u>\$ 3,759,700</u>	<u>\$ 12,565,693</u>

The General Fund transferred \$2,440 into the Non-Major Governmental Funds in order to meet grant matching requirements. The General Fund transferred \$2,210 into the Capital Improvement Funds and \$5,085,000 into the Prefunded Capital Projects Funds to provide funding for current and future capital projects. The General Fund transferred \$3,759,700 into the Internal Service Fund to provide additional funding.

The Water Fund transferred \$1,597,099 into the General Fund to fund certain indirect costs of the water utility including use of the City water infrastructure system in accordance with an agreement with the City's Water Utility Authority.

The Internal Service Funds transferred \$450,711 into the General Fund to reimburse expenditures incurred by the General Fund on its behalf.

The Non-Major Governmental Funds transferred \$1,513,439 into the General Fund to reimburse expenditures paid out of the General Fund. The Non-Major Governmental Funds transferred \$15,836 into the Capital Improvement Funds and \$139,258 into the Prefunded Capital Projects Funds to provide funding for current and future capital projects.

**CITY OF SANTA FE SPRINGS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 5: Interfund Activity (Continued)**

Due to/from other funds at June 30, 2014, were as follows:

<u>Due from</u>	<u>Due to</u>
	<u>General Fund</u>
Capital Improvement Capital Projects Fund	\$ 10,537,934
Water Fund	3,698
Nonmajor Governmental Funds	651,500
	<u>\$ 11,193,132</u>

The due to/from other funds balances resulted from reimbursable expenditures occurring while the revenues with which to reimburse those expenditures had not yet been received. All balances are expected to be reimbursed within the subsequent year.

Advances from other funds and advances to other funds at June 30, 2014, consist of loans as follows:

<u>Advances from</u>	<u>Advances to</u>
	Low and Moderate Income Housing Assets Fund
General Fund	<u>\$ 1,437,861</u>

An advance payable/receivable was set up between the General Fund and the Low and Moderate Income Housing Assets Fund (Housing Fund) to account for costs originally charged to the Housing Fund but later determined to belong to the General Fund. The advance does not bear interest. Repayment of the advance is scheduled for June 30, 2015.

**Note 6: Advances to the Successor Agency**

Advances to the Successor Agency at June 30, 2014, consist of the following:

General Fund	\$ 13,290,194
Low and Moderate Income Housing Assets Fund	3,193,445
	<u>\$ 16,483,639</u>

A loan was made from the General Fund to the former Washington Boulevard Redevelopment Project Debt Service Fund for \$3,936,464 at a zero interest rate. Per terms of an agreement with the County of Los Angeles, principal repayment is deferred until, at a minimum the Washington Boulevard Project has received \$10,750,000 in total funds from this loan and the loan of property tax increment from Los Angeles County. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding loan was transferred to the Successor Agency Private-Purpose Trust Fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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**Note 6: Advances to the Successor Agency (Continued)**

In September 2010, the general fund advanced \$8,846,000 to the former redevelopment agency, which was paid back to the general fund in one lump sum in March 2011 along with accrued interest of \$507,730. This lump sum payment was subsequently denied by the Department of Finance (DOF). The City is appealing the decision of the DOF, but this advance is still allowed to be repaid in accordance with the dissolution rules for interagency loans. Interest on the advance is consistent with the Local Agency Investment Fund (LAIF) interest rate at the time the Oversight Board made the finding that the advance was for legitimate redevelopment purposes. The balance of the advance at June 30, 2014 was \$9,353,730. This is included as unavailable income in the general fund since repayment may not occur for several years.

A loan was made from the former Low and Moderate Income Housing Special Revenue Fund to the former Consolidated Redevelopment Project Debt Service Fund, \$1,000,000, at a zero interest rate, with principal payable on or before May 13, 2014. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding receivable was transferred to the Low and Moderate Income Housing Assets Special Revenue Fund, and the outstanding payable was transferred to the Successor Agency Private-Purpose Trust Fund. The amount outstanding at June 30, 2014, is \$1,000,000. This loan was scheduled to be paid off on or before May 13, 2014.

In May 2012, the former Low and Moderate Income Housing Special Revenue Fund advanced \$2,162,737 to the former Consolidated Redevelopment Project Debt Service Fund and \$30,708 to the Washington Boulevard Redevelopment Project Debt Service Fund. These advances were made to provide the former Commission sufficient funds to make payments to Supplemental Educational Revenue Augmentation Fund (SERAF) to satisfy State payment to public schools through local redevelopment funds as required by AB26 4X. The amount outstanding at June 30, 2014, is \$2,193,445. This advance was scheduled to be repaid by May 2016. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding receivable was transferred to the Low and Moderate Income Housing Assets Special Revenue Fund, and outstanding payable was transferred to the Successor Agency Private-Purpose Trust Fund.

Pursuant to the Assembly Bill 1484 (AB 1484), each of these balances are considered "interagency loans" and will only be considered eligible for repayment beginning in fiscal year ending June 30, 2014, subject to annual limitations, once the California Department of Finance issues a "finding of completion". A finding of completion is issued once the Successor Agency has paid all required available balances to the Los Angeles County Auditor-Controller for distribution to various other taxing entities. The available balances consist of three components, including (1) the overpayment of tax increment revenue to the former Commission during the fiscal year ended June 30, 2014, (2) the available balance of unrestricted liquid funds in the former low-moderate income housing fund, and (3) the available balance of unrestricted liquid funds in the former Commission's non-housing funds. A finding of completion was issued in December 2013. See Note 17 for further details.

**CITY OF SANTA FE SPRINGS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 7: Capital Assets**

Additions and deletions in the City's capital assets were as follows:

	Balance July 1, 2013	Transfers	Additions	Deletions	Transfers to Successor Agency of the Former RDA	Balance June 30, 2014
<b>Governmental Activities:</b>						
Capital Assets, not being depreciated:						
Land	\$ 54,453,646	\$ -	\$ -	\$ -	\$ (3,194,876)	\$ 51,258,770
Construction in process	23,129,843	(3,334,789)	11,403,779	-	-	31,198,833
Total capital assets not being depreciated	77,583,489	(3,334,789)	11,403,779	-	(3,194,876)	82,457,603
Capital assets, being depreciated:						
Buildings	32,436,712	-	-	-	-	32,436,712
Improvements	22,935,387	-	-	-	-	22,935,387
Equipment	12,632,909	-	451,269	330,288	-	12,753,890
Infrastructure	104,800,429	3,334,789	-	-	-	108,135,218
Total capital assets, being depreciated	172,805,437	3,334,789	451,269	330,288	-	176,261,207
Less accumulated depreciation						
Buildings	9,895,878	-	583,797	-	-	10,479,675
Improvements	14,309,215	-	677,546	-	-	14,986,761
Equipment	8,763,575	-	750,875	330,288	-	9,184,162
Infrastructure	56,843,522	-	2,690,044	-	-	59,533,566
Total accumulated depreciation	89,812,190	-	4,702,262	330,288	-	94,184,164
Total capital assets, being depreciated, net	82,993,247	3,334,789	(4,250,993)	-	-	82,077,043
Government activities capital assets, net	\$ 160,576,736	\$ -	\$ 7,152,786	\$ -	\$ (3,194,876)	\$ 164,534,646

	Balance June 30, 2013	Transfers	Additions	Deletions	Balance June 30, 2014
<b>Business-Type Activities:</b>					
Capital assets, not being depreciated:					
Land and water rights	\$ 3,384,974	\$ -	\$ -	\$ -	\$ 3,384,974
Construction-in-progress	7,094,206	(230,769)	1,243,458	-	8,106,895
Total Capital Assets, Not Being Depreciated	10,479,180	(230,769)	1,243,458	-	11,491,869
Capital assets, being depreciated:					
Source of supply plant	3,032,091	-	-	-	3,032,091
Transmission and distribution plant	28,231,324	230,769	-	238,451	28,223,642
Pumping and treatment plant	83,216	-	-	-	83,216
General Plant	1,096,135	-	-	-	1,096,135
Total Capital Assets, Being Depreciated	32,442,766	230,769	-	238,451	32,435,084
Less accumulated depreciation:					
Source of supply plant	1,898,432	-	79,407	-	1,977,839
Transmission and distribution plant	17,778,941	-	686,611	119,225	18,346,327
Pumping and treatment plant	83,216	-	-	-	83,216
General Plant	1,040,620	-	68,546	-	1,109,166
Total Accumulated Depreciation	20,801,209	-	834,564	119,225	21,516,548
Total Capital Assets, Being Depreciated, Net	11,641,557	230,769	(834,564)	119,226	10,918,536
Water Utility Capital Assets, Net	\$ 22,120,737	\$ -	\$ 408,894	\$ 119,226	\$ 22,410,405

## CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014**Note 7: Capital Assets (Continued)**

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
General government	\$ 45,118	\$ -
Public safety	589,249	-
Community development	41,975	-
Transportation	3,030,211	-
Culture and leisure	701,562	-
Human Services	294,147	-
Water Utility	-	834,564
Total Governmental Activities	<u>\$ 4,702,262</u>	<u>\$ 834,564</u>

At June 30, 2014, the City had construction commitments of approximately \$6 million, consisting primarily of the Valley View Grade Separation Project related contracts.

**Note 8: Contracts Payable**

Contracts payable consists of contract retention due on uncompleted construction projects.

**Note 9: Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2014:

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2014</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Pension obligation bonds	\$ 6,601,000	\$ -	\$ 657,000	\$ 5,944,000	\$ 706,000
Compensated absences	2,714,295	329,840	99,597	2,944,538	350,000
Other post employment benefits obligation (Note 12)	6,487,024	3,821,105	3,224,430	7,083,699	-
SunTrust loan payable	503,156	-	246,132	257,024	257,024
Oshkosh lease payable	612,094	-	80,392	531,702	82,634
	<u>\$ 16,917,569</u>	<u>\$ 4,150,945</u>	<u>\$ 4,307,551</u>	<u>\$ 16,760,963</u>	<u>\$ 1,395,658</u>
<b>Business-type activities:</b>					
Water revenue bonds:					
2005 Series A	\$ 2,630,000	\$ -	\$ 155,000	\$ 2,475,000	\$ 165,000
2013 Series A	6,890,000	-	-	6,890,000	-
Issuance discount/premiums	(136,156)	-	(2,849)	(133,307)	-
Other postemployment benefits Obligation (Note 12)	562,043	332,270	284,246	610,067	-
	<u>\$ 9,945,887</u>	<u>\$ 332,270</u>	<u>\$ 436,397</u>	<u>\$ 9,841,760</u>	<u>\$ 165,000</u>



## CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014**Note 9: Long-Term Liabilities (Continued)**

The total annual debt service requirements to maturity on bonds and loans are as follows:

**Governmental Activities**

Year Ending June 30	<b>Pension Obligation Bonds</b>	
	Principal	Interest
2015	\$ 706,000	\$ 214,607
2016	904,000	186,521
2017	972,000	152,260
2018	1,044,000	115,450
2019	1,119,000	75,925
2019-2020	1,199,000	33,554
Total	<u>\$ 5,944,000</u>	<u>\$ 778,317</u>

Year Ending June 30	<b>SunTrust Loan Payable</b>	
	Principal	Interest
2015	<u>\$ 257,024</u>	<u>\$ 11,374</u>

Year Ending June 30	<b>Oshkosh Lease Payable</b>	
	Principal	Interest
2015	\$ 82,634	\$ 14,834
2016	84,940	12,529
2017	87,309	10,159
2018	89,745	7,723
2019	92,250	5,219
2020	94,824	2,646
Total	<u>\$ 531,702</u>	<u>\$ 53,110</u>

**Business-Type Activities**

Year Ending June 30	<b>Revenue Bonds</b>	
	Principal	Interest
2015	\$ 165,000	\$ 373,581
2016	170,000	365,331
2017	180,000	356,831
2018	185,000	347,831
2019	200,000	338,581
2020-2024	1,115,000	1,543,532
2025-2029	1,455,000	1,278,206
2030-2034	1,770,000	1,002,400
2035-2039	2,120,000	651,000
2040-2044	2,005,000	204,200
Total	<u>\$ 9,365,000</u>	<u>\$ 6,461,493</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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**Note 9: Long-Term Liabilities (Continued)**

**Governmental Activities:**

**Taxable Pension Obligation Bond**

In April 2012, the City issued taxable pension obligation bond in the amount of \$7,147,000 in order to refund the PERS Side Fund Obligation and realize cash flow savings and to accomplish a more prudent amortization of unfunded actuarial accrued liability in respect of the PERS Side Fund Obligation. Principal is payable semiannually on June 30 and December 30 in amounts ranging from \$56,000 to \$605,000 through June 30, 2020. Interest is payable semiannually on June 30 and December 30 in each year at rate of 3.72%.

The bond is secured by the sales and use tax revenues generated by the City. These revenues have been pledged until the year 2022. The bond has covenants that pledged revenues received in the next preceding prior fiscal year should be at least equal to 150% of maximum annual debt service payment on the bond. Pledged sales and use tax revenue for the prior year was \$23.7 million, which is more than 150% of maximum annual debt service payment of \$0.7 million on this bond. Revenues are pledged against the debt service outstanding on the bonds of \$6.7 million. The total outstanding principal as of June 30, 2014, is \$5,944,000.

**SunTrust Loan Payable**

In May 2007, the City entered into a loan agreement for \$974,850 with SunTrust Leasing Corporation for a fire truck. Payments are due annually in the amount of \$165,013 on July 15 of each year at an annual interest rate of 4.25%; with the loan expiring on July 15, 2014.

In July 2007, the agreement was amended for an additional \$605,000 for the purchase of three additional fire trucks. Payments are due annually in the amount of \$103,384 on July 16 of each year at an annual interest rate of 4.69% with the loan expiring on July 16, 2014. The balance outstanding for these loans is \$257,024.

**Oshkosh Lease Payable**

In October 2011, the City entered into a lease agreement for \$612,094 with Oshkosh Capital to lease a fire engine. Payments are due annually in the amount of \$97,469 on October 3, each year at an annual interest rate of 2.79%; with the lease expiring on October 3, 2019. The current balance outstanding for this lease is \$531,702.

**Compensated Absences**

Compensated absences consist of amounts due to employees for earned but unused vacation and sick leave balances. Compensated absences are primarily liquidated from the General Fund.

**Other Postemployment Benefits Obligation**

Refer to Note 12 for related disclosures regarding other postemployment benefits obligation. The liability is primarily liquidated from the General Fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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**Note 9: Long-Term Liabilities (Continued)**

**Business-Type Activities:**

**Water Refunding Revenue Bonds, 2005 Series A**

Revenue Bonds in the amount of \$3,705,000 were issued on May 1, 2005. The Revenue Bonds were issued to (1) provide funds for the refinancing of the 1996 Installment Sale Agreement and the defeasance of \$3,585,000 of the City's 1996 Water Revenue Bond Series A; (2) establish a reserve account for the Bonds; and (3) pay the costs of issuance associated with the issuance and sale of the Bonds. The Bonds are due in annual principal installments of \$130,000 to \$205,000 through 2026. Interest rates range from 3.25% to 4.625% and interest is payable semiannually on November 1 and May 1. The total amount outstanding as of June 30, 2014, is \$2,475,000.

The Bonds are payable from and secured by a pledge of revenues of the PFA, consisting primarily of amounts to be paid by the City to the PFA for the repurchase of the certain improvements to the water system pursuant to a 2005 Installment Sale Agreement. These payments consist primarily of net revenues of the City's water system and facilities. The City has covenanted in the Installment Sale Agreement to set rates and charges for water services for its customers sufficient to provide net revenues each fiscal year equal to at least 120% of the debt service due in such fiscal year. Net revenue is determined by the gross revenues received during such period minus the amount required to pay all operation and maintenance costs becoming payable during such period. Net revenue pledged to these bonds for the current year was \$2,958,450 against debt service payments of \$277,955. Total principal and interest remaining is \$3,267,002.

**Water Refunding Revenue Bonds, 2013**

In May 2013, in order to take advantage of a low interest rate market and to capture economic savings, the City "currently refunded" the 2003 Water Revenue Bond Series A. The 2013 Revenue Bonds were issued to (1) provide funds for the refunding of the PFA's 2003 Water Revenue Bond Series A; (2) finance improvements to the water utility enterprise; (3) fund a deposit to a debt service reserve fund for the 2013 bonds; and (4) pay the costs of issuance associated with the issuance and sale of the Bonds. As a result of the refund, the bonds create an economic gain of \$115,782 (difference between the present values of the old and new debt service payments). The City also reduces its total debt service payments over the next 20 years by \$115,033. The Bonds are due from 2026 through 2043 in annual principal installments of \$65,000 to \$530,000. Interest rates range from 3% to 4% and interest is payable semiannually on November 1 and May 1. The total amount outstanding as of June 30, 2014, is \$6,890,000.

The Bonds are payable from and secured by and payable from net revenues on a parity basis with an existing installment payment obligation of the PFA's 2005 Installment Payment. These payments consist primarily of net revenues of the City's water system and facilities. The City has covenanted in the Installment Sale Agreement to set rates and charges for water services for its customers sufficient to provide net revenues each fiscal year equal to at least 120% of the debt service due in such fiscal year. Net revenue is determined by the gross revenues received during such period minus the amount required to pay all operation and maintenance costs becoming payable during such period. Net revenue pledged to these bonds for the current year was \$2,958,450 against debt service payments of \$236,492. Total principal and interest remaining is \$12,559,491.

**Note 10: California Joint Powers Insurance Authority Insurance Program**

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

The City of Santa Fe Springs is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

**b. Self-Insurance Programs of the Authority**

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

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 non-police 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 in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million to \$20 million are paid under reinsurance agreements. (7) Costs of covered claims from \$20 million to \$50 million are paid under excess insurance policies.

**Note 10: California Joint Powers Insurance Authority Insurance Program**

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$30 million per occurrence. This \$30 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$15 million in reinsurance, subject to the same annual aggregate deductibles previously stated, and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate limit.

**Workers' Compensation**

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**c. Purchased Insurance**

*Pollution Legal Liability Insurance*

The City of Santa Fe Springs participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Santa Fe Springs. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

*Property Insurance*

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

**Note 10: California Joint Powers Insurance Authority Insurance Program**

*Earthquake and Flood Insurance*

The City of Santa Fe Springs purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Santa Fe Springs property currently has earthquake protection in the amount of \$42,951,201. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

*Crime Insurance*

The City of Santa Fe Springs purchases crime insurance coverage in the amount of \$5,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

**d. Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2013-14.

**Note 11: Retirement Plan**

**Full-time Employees**

*Classic (non-PEPRA) Members*

The City contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan for the miscellaneous employees and a cost-sharing multiple-employer public employee defined benefit pension plan for the public safety employees that acts as a common investment and administrative agent for participating public entities within the State of California. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. All full-time employees are eligible to participate in PERS. Part-time employees are not eligible to participate in the PERS retirement system but participate in a defined contribution plan. Benefit provisions and all other requirements are established by State statute and City ordinance. PERS issues a separate comprehensive annual financial report. Copies of PERS annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

Participants are required to contribute a certain percentage of their annual covered salary. The contribution percentages are 8% and 9% for miscellaneous and public safety employees, respectively, if hired on or before November 18, 2012 (Tier 1). The contribution percentages are 7% and 9% for miscellaneous and public safety employees, respectively, if hired from November 19, 2012 through December 31, 2012 and on or after January 1, 2013 if qualified as a "classic member" under the Public Employee Pension Reform Act (Tier 2). The City contributes the required contributions of the Tier 1 miscellaneous and public safety employees on their behalf and for their account. The City is required to contribute the actuarially determined remaining amount necessary to fund the benefits for its members, using the actuarial rates recommended by the PERS actuaries and actuarial consultants and adopted by the Board of Administration. The required employer contribution rates for the fiscal year ended June 30, 2014 were 30.216% for Tier 1 and Tier 2 miscellaneous employees, 28.171% for Tier 1 safety

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**
**Note 11: Retirement Plan (Continued)**

employees, and 22.502% for Tier 2 safety employees. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by PERS.

The Tier 1 miscellaneous and safety employees are also subject to cost sharing requirements through contract amendment with PERS as well as Memorandums of Understanding (MOU) with the employee associations. The cost sharing provisions require the employees to pay a portion of the employer required contributions. The PERS contract cost sharing is 2.5% for miscellaneous employees and 3.0% for safety employees. In addition to cost sharing rates according to PERS contract, MOU cost sharing was 5.5% for miscellaneous employees and 6.0% for safety employees.

The funded status of the plans based on the June 30, 2013, actuarial valuation are as follows (in thousands):

**Miscellaneous Plan (Dollar Amounts in Thousands)**

(a) Actuarial Value of Assets	(b) Entry Age Normal Accrued Liability	(b a) Unfunded/ (Overfunded) Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAA: as a % of Covered Payroll
\$ 87,999	\$ 144,653	\$ 56,654	60.8%	\$ 8,867	638.9%

**Safety Plan (Dollar Amounts in Thousands)**

(a) Actuarial Value of Assets	(b) Entry Age Normal Accrued Liability	(b a) Unfunded/ (Overfunded) Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAA: as a % of Covered Payroll
\$ 99,692	\$ 129,214	\$ 29,522	77.2%	\$ 5,809	508.2%

**Safety Fire Second Tier Plan (Dollar Amounts in Thousands)**

(a) Actuarial Value of Assets	(b) Entry Age Normal Accrued Liability	(b a) Unfunded/ (Overfunded) Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAA: as a % of Covered Payroll
\$ 26	\$ 32	\$ 6	81.3%	\$ 281	2.1%

The Schedule of Funding Progress presented as Required Supplementary Information following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

As required by State law, effective July 1, 2005, the City's Safety Plan (agent-employer) was terminated, and the employees in this Plan were required by PERS to join a new State-wide cost-sharing pool. One of the conditions of entry to this pool was that the City true-up any unfunded actuarial liabilities of the former Plan, either by paying cash or by increasing its future contribution rates through a Side Fund offered by PERS. The City satisfied its Plan's unfunded actuarial liabilities by contributing to the Side Fund through additions to its normal contribution rate. In April 2012, the City issued taxable pension obligation bonds to payoff the Side Fund.

**CITY OF SANTA FE SPRINGS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 11: Retirement Plan (Continued)**

For the fiscal year ended June 30, 2014, the City's annual pension cost for both miscellaneous and safety plans was \$5,713,324, and the required contribution for both miscellaneous and safety plans was \$5,537,967 which was determined as part of the June 30, 2010, actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.55% to 14.45%; and (c) 3.25% cost of living adjustment. Both (a) and (b) include an inflation component of 3.0%. The actuarial value of PERS assets was determined using a technique that smooths the effect of short-term volatility in the market value of investments over a 15 year period depending on the size of investment gains and/or losses. PERS unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30 year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year.

The actuarial assumptions used for the funded status are different from those used to determine the annual required contribution. The actuarial assumptions used for the funded status included (a) 7.50% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.30% to 14.20%; and (c) 3.00% cost of living adjustment. Both (a) and (b) include an inflation component of 2.75%.

The City's net pension asset as of June 30, 2014, was \$5.0 million. The annual required contribution (ARC) as of June 30, 2014, was \$0. The following table shows the components of the City's annual pension cost for the year, the amount actually contributed to the plan, and the City's net pension asset (dollar amounts are in thousands):

Annual required contribution	\$ 5,538
Interest on net pension asset	(248)
Adjustment to annual required contribution	424
Annual pension cost (expense)	5,714
Contributions made	5,538
Increase (Decrease) in net pension asset	(176)
Net pension asset, Beginning of Year	5,224
Net pension asset, End of Year	<u>\$ 5,048</u>

The following is a summary of information for PERS for a three-year period ending each June 30:

Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2012	\$ 5,047	239%	\$ 7,027
2013	5,452	67%	5,224
2014	5,714	97%	5,048



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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**Note 11: Retirement Plan (Continued)**

**Part-time Employees**

The City provides pension benefits for all of its part-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan was created in accordance with Internal Revenue Code Section 457. All part-time employees are eligible to participate from the date of employment. Federal legislation requires contributions of at least 7.5% to a retirement plan, and the City Council resolved to match the employees' contributions of 3.75%. The City's contribution for each employee (and interest earned by the accounts) is fully vested immediately. For the fiscal year ended June 30, 2014, the City's covered payroll for part-time employees was \$2,056,681. The City made employer contributions of \$77,126 (3.75% of covered payroll), and employees contributed \$79,026. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries and are not included in the financial statements in accordance with GASB Statement No. 32.

**Public Employees' Pension Reform Act – PEPRA**

Assembly Bill (AB) 340 created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and final compensation period, as well as new contribution requirements for employees hired on or after January 1, 2013 who meet the definition of a new member as per PEPRA. New miscellaneous members will participate in the Miscellaneous 2% at age 62 risk pool and new safety members will participate in the Safety 2.7% at age 57 risk pool, both of which were created by the CalPERS Board in November 2012 in response to the passage of PEPRA. The employer contribution rate is 6.25% and 12.25% of reportable compensation for miscellaneous and safety members, respectively, and will be good until June 30, 2015. These rates will not be revised until the June 30, 2014 actuarial valuations of the Miscellaneous 2% at the 62 risk pool and the Safety 2.7% at age 57 risk pool are completed in the fall of 2014 that will set the contribution requirement for fiscal year July 1, 2015 through June 30, 2016. The member contribution rates are 6.25% and 12.25% of reportable compensation for miscellaneous and safety members, respectively.

**Note 12: Postemployment Health Care Benefits**

**a. Plan Description**

The City contributes to the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer public employee defined postemployment benefit plan. The City provides retiree medical benefits under the PERS health plan, which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. Copies of the PERS' annual financial report may be obtained from the PERS Executive Office, 400 P Street, Sacramento, CA 95814.

**b. Eligibility**

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) with 5 years or service and are eligible for a PERS pension. The benefits are available only to employees who retire from the City. Membership of the plan consisted of the following at June 30, 2013, the date of the most recent actuarial valuation:

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**
**Note 12: Postemployment Health Care Benefits (Continued)**

	Management	Miscellaneous	Fire	Total
Retirees and Beneficiaries				
Receiving benefits	54	104	73	231
Active plan members	25	87	46	158
Total	<u>79</u>	<u>191</u>	<u>119</u>	<u>389</u>

These amounts do not reflect current retirees not enrolled in the PERS health plan that are eligible to enroll in the plan at a later date.

**c. Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City must agree to make a defined monthly payment towards the cost of each retiree's coverage. The contribution is based on projected pay-as-you-go financing requirements. The City's contribution rate was \$1,376 per month per retiree toward all premiums in which the individual is able to select, on an annual basis, an insurance carrier from a number of insurance carriers. For the fiscal year ended June 30, 2014, the City contributed \$3,508,676 to the plan. Plan members receiving benefits contributed \$43,900 (approximately 1.3% of total premiums) through their required contribution.

Annual OPEB Cost and Net OPEB Obligation - The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years.

The City's Net OPEB obligation as of June 30, 2014, was \$7.69 million. The annual required contribution (ARC) as of June 30, 2014, was \$4.39 million. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (dollar amounts are in thousands):

Annual required contribution	\$ 4,390
Interest on net OPEB obligation	415
Adjustment to annual required contribution	(651)
Annual OPEB cost (expense)	<u>4,154</u>
Contributions made	<u>(3,509)</u>
Increase in net OPE obligation	645
Net OPEB Obligation, Beginning of Year	<u>7,049</u>
Net OPEB Obligation, End of Year	<u>\$ 7,694</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years were as follows (dollar amounts are in thousands):

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**
**Note 12: Postemployment Health Care Benefits (Continued)**

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	\$ 4,246	69%	\$ 6,584
6/30/2013	3,948	88%	7,049
6/30/2014	4,154	84%	7,694

**d. Funding Status and Progress**

The City has elected to join the California Employers' Retiree Benefit Trust (CERBT), which provides a means to pre-fund OPEB obligations. The City makes an annual contribution to the CERBT, pays benefits either directly to retirees or through PEMHCA during the year, and then seeks reimbursement for these pay-as-you-go expenses from the CERBT. The City's funding policy is to contribute consistently an amount at least equal to the pay-as-you-go-costs plus a percent of the difference between the ARC and pay-as-you-go. This percent is 10% for the 2008/09 fiscal year, increasing by 10% each year to 100% of the ARC for fiscal year 2017/18 and thereafter. For the fiscal year ended June 30, 2014, the City made a contribution of \$1.31 million to the CERBT.

The funded status for postemployment benefit based on the June 30, 2013, actuarial valuation is as follows (in thousands):

Entry Age Actuarial Value of Assets	Normal Accrued Liability	Unfunded/ (Overfunded) Liability (UAAL)	Funded Ratio	Covered Payroll	Actuarial Accrued Liability % of Payroll
\$ 3,451	\$ 54,521	\$ 51,070	6.3%	\$ 13,917	367%

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

**e. Actuarial Methods and Assumptions**

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**


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**Note 12: Postemployment Health Care Benefits (Continued)**

The actuarial method used to determine the actuarial value of assets is the 5-year smoothing with 80% and 120% market value corridor.

The actuarial cost method used for determining the benefit obligations is the entry age normal cost method. The actuarial assumptions included a 5.60% discount rate. The valuation includes a 3% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll over 30 years with a closed amortization. There are 23 years remaining. It is assumed the City's payroll will increase 3.25% per year. The assumptions used for determining the contribution requirements are the same as the assumptions used in the calculation of the funded status.

The medical trend rate represents the long-term expected growth of medical benefits paid by the plan. The following table sets forth the trend assumption used for the valuation:

Year	Pre-Medicare HMO	Eligible PPO	Post-Medicare HMO
2013/14	8.5%	8.5%	8.9%
2014/15	8.0%	8.0%	8.3%
2015/16	7.5%	7.5%	7.8%
2016/17	7.5%	7.5%	7.8%

**Note 13: Commitments and Contingencies****a. Claims**

Various claims for personal injury and for property damage are pending against the City. It is the opinion of the City Attorney that any liability arising out of such claims is adequately covered under insurance agreements.

**b. Disposition and Development Agreement**

On July 9, 2009, the former Commission and Villages at Heritage Springs, LLC (Developer) entered into the third amendment to a Development and Disposition Agreement (DDA) with the Villages at Heritage Springs, LLC (Developer) to add a Purchase and Sale Agreement (PSA) to the DDA due to the current economic uncertainty and lack of available financing for new residential construction. The Developer agreed to sell certain real property within the City's boundaries (Property) to the former Commission. The purchase price for the Property was approximately \$17 million. The former Commission made a \$2 million cash down payment at the execution of this agreement. \$1 million of the down payment derived from the Low and Moderate Income Housing Fund and utilized to provide credits to the sale price for moderate income purchasers equal to the difference between the market rate price and the affordable price for that qualified buyer. Transfer of title to the former Commission will not occur until the full purchase price has been paid. The Developer has the option to repurchase the Property at any time prior to the completion of the project, or up to 1 year after the completion of the project, or as extended by approval of the City to accommodate agreed upon and approved project changes. The developer exercised this option during fiscal year 2013-14 and repaid the \$1 million down payment from the non-housing funds.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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**Note 13: Commitments and Contingencies (Continued)**

On February 1, 2012, the Successor Agency assumed all responsibilities under the agreement. Future payments towards the purchase, if any, will be requested through the semi-annual RPTTF distribution process.

The \$1 million contribution from the former Commission's Low and Moderate Income Housing Fund has been transferred to the City's Low and Moderate Income Housing Assets Fund. During fiscal year 2013-14 \$807,000 was used to provide housing acquisition assistance to qualified home buyers within the development. The remaining \$193,000 is recorded as a deposit asset.

**Note 14: Non-City Obligation Debt**

The City issued \$2,315,000 of Heritage Springs Assessment District Improvement Bonds on August 9, 2001. The bonds are not included in the accompanying financial statements as neither the faith and credit nor the taxing powers of the City or the Commission have been pledged to the payment of the obligations. The outstanding balance at June 30, 2014, is \$1,815,000.

**Note 15: Restatements of Fund Balance/Net Position**

Fund Balance

The City changed the accrual policy for sales tax to 90 days to capture actual sales tax earned for the fiscal year, and therefore, the General Fund beginning fund balance was restated by \$2,010,506 for revenue related to the fiscal year ended June 30, 2013.

The Water Fund beginning net position was restated by \$291,680 to write-off the Cost of Issuance mandated by GASB Statement No. 65.

The Art in Public Places Fund and the Heritage Art Fund beginning fund balance were restated by \$420,239 to report the Heritage Art Fund as a separate endowment fund (permanent fund).

Net Position

Net Position has been restated by \$1,905,512 which is comprised of the \$2,010,506 related to sales tax in the General Fund and (\$104,994) related to the restatement of prior years' cost of issuance.

**Note 16: Extraordinary Gain/(Loss)**

In the Statement of Activities the City reported a net extraordinary loss of \$2,249,862 related to land transferred to the Successor Agency (\$3,194,876) as allowed by the California Department of Finance and the receipt of a tax distribution received as a result of the City paying the required balance determined during the review of non-housing balances available to taxing agencies from the former Community Development Commission (\$945,014).

In addition, the General Fund reported a net extraordinary loss of \$8,408,716 related to the repayment of an advance from the Successor Agency to the City (\$9,353,730) which was disallowed by the California Department of Finance (see Note 6). The loss was offset by \$945,014 as a result of the City receiving a tax distribution of a portion of the repayment in accordance with the Dissolution Bills.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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**Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Santa Fe Springs (City) that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. As of February 1, 2012, the City Council, by operation of law, became the Successor Agency to the Community Development Commission for the City of Santa Fe Springs (Successor Agency) in accordance with the Bill.

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

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

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

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City of \$16,483,639 are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue.

Pursuant to AB 1484, each of the loans disclosed in Note 6 are considered "interagency loans" and will only be considered eligible for repayment beginning in fiscal year ending June 30, 2014, subject to annual limitations, once the California Department of Finance issues a "finding of completion". A finding of completion is issued once the Successor Agency has paid all required available balances to the Los Angeles County Auditor-Controller for distribution to various other taxing entities. The available balances consist of three components, including (1) the overpayment of tax increment revenue to the Commission during the fiscal year ended June 30, 2012, (2) the available balance of unrestricted liquid funds in the former low-moderate income housing fund, and (3) the available balance of unrestricted liquid funds in the former Commission's non-housing funds. A finding of completion was issued in December 2013.

During fiscal year 2012-13, post-dissolution, the City loaned the Successor Agency \$10,342 through June 30, 2014, for legal costs. This loan is not considered an "interagency loan" subject to the same rules as AB 1484. Instead it is considered an enforceable obligation subject to repayment as soon as redevelopment tax trust funds are available.

**CITY OF SANTA FE SPRINGS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

**Loans and Notes Receivable**

The loans and notes receivable balance consists of the following:

<u>Fund</u>	<u>Balance</u>
<b>Private-Purpose Trust Fund</b>	
Successor Agency	<u>\$ 356,279</u>

The loans and notes receivable balance in the Successor Agency Fund in the amount of \$356,279 consists of the following:

- Notes receivable in the amount of \$294,841 relate to monies advanced by the former Commission for property owner assistance. These loans bear an interest rate of 5.75% per annum.
- An installment note in the amount of \$61,438 relate to an advance of former Commission monies to property owners to clean up hazardous materials on private property. These Loans bear an interest rate of 9.0% per annum.

**Capital Assets**

Additions and deletions in the Successor Agency's capital assets were as follows:

	<u>Balance June 30, 2013</u>	<u>Transfers from the City</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
<b>Private-Purpose Trust Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 1,811,846	\$ 3,194,876	\$ -	\$ -	\$ 5,006,722
Total Capital Assets, Not Being Depreciated	<u>\$ 1,811,846</u>	<u>\$ 3,194,876</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,006,722</u>

## CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014**Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)****Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2014:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
<b>Private-purpose activities:</b>					
Consolidated Redevelopment					
Project tax allocation bonds:					
2001 Refunding issue	\$ 18,240,000	\$ -	\$ 1,190,000	\$ 17,050,000	\$ 1,510,000
2002 Refunding issue	10,785,000	-	3,595,000	7,190,000	1,445,000
2003 Refunding taxable issue	3,690,000	-	465,000	3,225,000	220,000
2006 issue	37,893,493	-	1,580,000	36,313,493	1,665,000
Accreted Interest on					
Capital appreciation bonds	7,783,998	1,397,395	-	9,181,393	-
2007 Refunding issue	40,700,000	-	530,000	40,170,000	2,850,000
Issuance discounts/premiums	1,917,576	-	238,494	1,679,082	-
Tax increment loan from					
Los Angeles County	6,376,671	50,651	-	6,427,322	-
ERAF loan	1,140,000	-	412,916	727,084	460,000
Advances from City	7,129,909	9,353,730	-	16,483,639	-
	<u>\$ 135,656,647</u>	<u>\$ 10,801,776</u>	<u>\$ 8,011,410</u>	<u>\$ 138,447,013</u>	<u>\$ 8,150,000</u>

**Tax Allocation Bonds**

Year Ending June 30	Principal	Interest
2015	\$ 7,690,000	\$ 5,796,816
2016	8,065,000	5,402,572
2017	8,765,000	4,982,394
2018	9,615,000	4,521,465
2019	10,280,000	4,020,738
2020-2024	47,185,213	10,735,477
2025-2029	12,348,280	24,369
Total	<u>\$ 103,948,493</u>	<u>\$ 35,483,831</u>
Cumulative accretion interest on Capital appreciation bonds	<u>\$ 9,181,393</u>	
Total Principal, June 30, 2014	<u>\$ 113,129,886</u>	

\*Accreted interest on capital appreciation bonds is included as capital appreciation in the debt service payment schedule.

**ERAF Loan**

Year Ending June 30	Principal	Interest
2015	\$ 460,000	\$ 40,876
2016	267,084	15,076
Total	<u>\$ 727,084</u>	<u>\$ 55,952</u>



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**


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**Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)****Tax Allocation Bonds:****Consolidated Redevelopment Project 2001 Tax Allocation Refunding Bonds**

In September 2001, the former Commission issued serial bonds in the amount of \$28,845,000. The principal on the bonds is payable annually on September 1 ranging from \$840,000 to \$1,870,000 through September 1, 2019. Term bonds totaling \$5,850,000 and \$1,100,000 are due on September 1, 2022 and 2024, respectively. Interest is payable on September 1 and March 1 in each year at rates of 3.5% to 5.0% per annum. Bonds due on or after September 1, 2012, are subject to redemption in whole or part, at the option of the former Commission upon a redemption price equal to the principal amount plus a premium as follows:

<u>Redemption Dates</u>	<u>Redemption Price (% of Principal)</u>
September 1, 2012 and thereafter	100%

The bonds are secured by the non-housing portion of tax increment revenues generated in the former Commission's project area. Housing tax increment revenues secure a portion of the debt service on the bonds as a result of the refunding of a portion off the Series 1993 bonds with proceeds of the 2001 bonds. The 1993 bonds are no longer outstanding. The bonds share a parity claim on these revenues with the outstanding unrefunded 2002 bonds, the 2006 bonds and the 2007 bonds. These revenues have been pledged until the year 2024.

Pledged tax increment revenue for the year was \$2.0 million against total debt service payments of \$2.0 million on this bond. The bonds are further secured by a debt service reserve fund sized in the amount of the aggregate maximum annual debt service on the bonds, which was \$2.3 million at June 30, 2014. Payment of debt service on the bonds is further secured by a bond insurance policy issued by MBIA. Revenues are pledged against the debt service outstanding on the bonds of \$23.1 million.

Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the bonds was transferred to the Successor Agency. Upon dissolution, former tax increment revenues are deposited into the Los Angeles County Redevelopment Property Tax Trust Fund (RPTTF) and are distributed to Successor Agencies based on approved enforceable obligations. The City does not believe the dissolution bill changes the pledged nature of the former tax increment and considers all deposits to the RPTTF pledged for debt service until the full debt service obligation for the fiscal year is reached. Total amount outstanding as of June 30, 2014, is \$17,050,000.

**Consolidated Redevelopment Project 2002 Tax Allocation Refunding Bonds**

In June 2002, the former Commission issued serial bonds in the amount of \$50,915,000. The principal on the Bonds is payable annually on September 1 ranging from \$595,000 to \$3,595,000 through September 1, 2022. Interest is payable on September 1 and March 1 in each year at rates of 3.5% to 5.5% per annum. Bonds due on or after September 1, 2011, are subject to redemption in whole or part, at the option of the former Commission upon a redemption price equal to the principal amount plus a premium as follows:

<u>Redemption Dates</u>	<u>Redemption Price (% of Principal)</u>
September 1, 2011 and thereafter	100%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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**Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

The 2002 bonds are secured by the non-housing portion of tax increment revenues generated in the former Commission's project area. The 2002 Bonds share a parity claim on these revenues with the outstanding non-housing portion of the 2001 bonds, the 2006 bonds and the 2007 bonds. These revenues have been pledged until the year 2022. Pledged tax increment revenue for the year was \$4.1 million against total debt service payments of \$4.1 million on this bond. Payment of debt service on the bonds is further secured by a bond insurance policy issued by MBIA. Revenues are pledged against the debt service outstanding on the bonds of \$12.9 million.

Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the bonds was transferred to the Successor Agency. Upon dissolution, former tax increment revenues are deposited into the Los Angeles County Redevelopment Property Tax Trust Fund (RPTTF) and are distributed to Successor Agencies based on approved enforceable obligations. The City does not believe the dissolution bill changes the pledged nature of the former tax increment and considers all deposits to the RPTTF pledged for debt service until the full debt service obligation for the fiscal year is reached. Total amount outstanding as of June 30, 2014, is \$7,190,000

**Consolidated Redevelopment Project 2003 Taxable Tax Allocation Refunding Bonds**

In September 2003, the former Commission issued term bonds in the amount of \$6,530,000. The principal on the Bonds is payable annually on September 1 ranging from \$220,000 to \$465,000. The bonds are due on September 1, 2008, 2013 and 2024. Interest is payable on September 1 and March 1 in each year at rates of 3.5% to 5.75% per annum. Bonds due on or after September 1, 2014, are subject to redemption in whole or part, on any date on or after September 1, 2013, at the option of the former Commission upon a redemption price equal to the principal amount plus accrued interest to the redemption date, without premium. The bonds are subject to mandatory sinking fund redemption annually in amounts ranging from \$95,000 to \$465,000.

The bonds are secured by a pledge of the tax increment revenues deposited in the low and moderate income set-aside fund for the Commission's project area. These revenues have been pledged until the year 2024. Pledged tax increment revenue for the year was \$0.7 million against total debt service payments of \$0.7 million on this bond. Revenues are pledged against the debt service outstanding on the bonds of \$5.0 million.

Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the bonds was transferred to the Successor Agency. Upon dissolution, former tax increment revenues are deposited into the Los Angeles County Redevelopment Property Tax Trust Fund (RPTTF) and are distributed to Successor Agencies based on approved enforceable obligations. The City does not believe the dissolution bill changes the pledged nature of the former tax increment and considers all deposits to the RPTTF pledged for debt service until the full debt service obligation for the fiscal year is reached. Total amount outstanding as of June 30, 2014, is \$3,225,000

**Consolidated Redevelopment Project 2006 Tax Allocation Bonds**

In December 2006, the former Commission issued serial bonds (Series A) in the amount of \$27,658,493. Series A bonds are structured with a mix of current interest bonds and accreted interest on capital appreciation bonds. Serial bonds totaling \$3,025,000 are payable annually on each September 1 ranging from \$10,000 to \$2,195,000 through September 1, 2019. Interest is payable on September 1 and March 1 in each year at rates of 3.75% to 5.0% per

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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**Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

annum. Capital appreciation bonds have serial maturities in 2019 through 2028 payable annually on September 1 each year with a value at maturity ranging from \$920,000 to \$11,805,000. The current interest bonds are optionally callable at par on September 1, 2016. The capital appreciation bonds are non-callable.

In December 2006, the former Commission issued serial bonds (Series B) in the amount of \$18,760,000. Series B bonds have current interest term bonds of \$5,230,000 and \$13,530,000 due September 1, 2011 and September 1, 2018, respectively. The interest rates range from 5.18% to 5.35%. The bonds are optionally callable at par on September 1, 2016.

The Series A and Series B bonds are secured by the non-housing portion of tax increment revenues generated in the Commission's project area. The Series A and Series B Bonds share a parity claim on these revenues with the outstanding unrefunded 2002 bonds, the non-housing portion of the 2001 bonds, and the 2007 bonds. These revenues have been pledged until the year 2028. Pledged tax increment revenue for the year was \$2.3 million against total debt service payments of \$2.3 million on this bond. The bonds are further secured by a debt service reserve fund sized in the amount of the aggregate maximum annual debt service on the bonds which was \$5.6 million at June 30, 2014. Revenues are pledged against the debt service outstanding on the bonds of \$67.5 million. Payment of debt service on the bonds is further secured by a bond insurance policy issued by MBIA.

Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the bonds was transferred to the Successor Agency. Upon dissolution, former tax increment revenues are deposited into the Los Angeles County Redevelopment Property Tax Trust Fund (RPTTF) and are distributed to Successor Agencies based on approved enforceable obligations. The City does not believe the dissolution bill changes the pledged nature of the former tax increment and considers all deposits to the RPTTF pledged for debt service until the full debt service obligation for the fiscal year is reached. Total amount outstanding as of June 30, 2014, is \$45,494,886 including \$9,181,393 of accreted interest.

**Consolidated Redevelopment Project 2007 Tax Allocation Refunding Bonds**

On June 5, 2007, in order to take advantage of a low interest rate market and to capture economic savings, the City "currently refunded," in full, its outstanding 1997 Tax Allocation Bonds and 1998 Tax Allocation Bonds and "advance refunded" a portion of the outstanding 2002 Tax Allocation Bonds. Serial bonds totaling \$43,015,000 were structured with serial maturities ranging from \$425,000 to \$5,440,000 payable annually on September 1, 2008 through September 1, 2022. Interest is payable on September 1 and March 1 in each year at rates from 4.00% in 2008 to 4.50% in 2022. The bonds are optionally callable on September 1, 2017, and thereafter at par.

The 2007 bonds are secured by the non-housing portion of tax increment revenues generated in the Commission's project area. The 2007 bonds share a parity claim on these revenues with the outstanding unrefunded 2002 bonds, the Commission's 2006 Tax Allocation Bonds Series A and B and the non-housing portion of the 2001 Tax Allocation Bonds. These revenues have been pledged until the year 2022. Pledged tax increment revenue for the year was \$2.5 million against total debt service payments of \$2.5 million on this bond. Payment of debt service on the 2007 bonds is further secured by a bond insurance policy issued by MBIA. Revenues are pledged against the debt service outstanding on the bonds of \$51.8 million.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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**Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the bonds was transferred to the Successor Agency. Upon dissolution, former tax increment revenues are deposited into the Los Angeles County Redevelopment Property Tax Trust Fund (RPTTF) and are distributed to Successor Agencies based on approved enforceable obligations. The City does not believe the dissolution bill changes the pledged nature of the former tax increment and considers all deposits to the RPTTF pledged for debt service until the full debt service obligation for the fiscal year is reached. Total amount outstanding as of June 30, 2014, is \$40,170,000.

**Tax Increment Loan Payable**

A loan of property tax increment was issued by the County of Los Angeles, California, to the former Washington Boulevard Redevelopment Project Debt Service Fund at a variable interest rate equivalent to the Los Angeles County Annual Treasury Pool rate as calculated annually by the County Auditor-Controller. Principal and interest payments on this loan were originally to be deferred until such time as the former Washington Boulevard Project has received a combined total of \$10,750,000 in monies from sales tax increment, as described in Note 6, and property tax increment. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the loan was transferred to the Successor Agency. The repayment schedule is not fixed and will be dependent upon the availability of RPTTF to be used for that purpose, subject to the approval of the Oversight Board, Los Angeles County Auditor-Controller, and California Department of Finance. Total amount outstanding as of June 30, 2014, is \$6,427,322.

**ERAF Loan**

The former Commission received a loan from the California Statewide Communities Development Authority for the purpose of making the ERAF payment to the County of Los Angeles and covering the loan administration expense. Principal and interest are payable in installments each March 1 and November 1 commencing November 1, 2005, and ending March 1, 2015, from any available monies of the Commission not obligated for other uses. Interest on each installment has been calculated at an annual interest rate varying from 3.87% - 5.01% depending on the average interest rates of the underlying debt issued by the California Statewide Communities Development Authority to fund the loans. The loan is not subject to early prepayment.

Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the loan was transferred to the Successor Agency. Total amount outstanding as of June 30, 2014, is \$727,084.

**Advances from the City**

Advances from the City consisted of advances totaling \$16,483,639.

A loan was made from the General Fund to the former Washington Boulevard Redevelopment Project Debt Service Fund, \$3,936,464 at a zero interest rate. Per terms of an agreement with the County of Los Angeles, principal repayment is deferred until, at a minimum the Washington Boulevard Project has received \$10,750,000 in total funds from this loan and the loan of property tax increment from Los Angeles County. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding loan was transferred to the Successor Agency Private-Purpose Trust Fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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**Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

In September 2010, the general fund advanced \$8,846,000 to the former redevelopment agency, which was paid back to the general fund in one lump sum in March 2011 along with accrued interest of \$507,730. This lump sum payment was subsequently denied by the Department of Finance (DOF). The City is appealing the decision of the DOF, but this advance is still allowed to be repaid in accordance with the dissolution rules for interagency loans. Interest on the advance is consistent with the Local Agency Investment Fund (LAIF) interest rate at the time the Oversight Board made the finding that the advance was for legitimate redevelopment purposes. The balance of the advance at June 30, 2014 was \$9,353,730.

A loan was made from the former Low and Moderate Income Housing Special Revenue Fund to the former Consolidated Redevelopment Project Debt Service Fund, \$1,000,000, at a zero interest rate, with principal payable on or before May 13, 2014. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding receivable was transferred to the Low and Moderate Income Housing Assets Special Revenue Fund, and the outstanding payable was transferred to the Successor Agency Private-Purpose Trust Fund. This loan was scheduled to be paid off on or before May 13, 2014.

In May 2012, the former Low and Moderate Income Housing Special Revenue Fund advanced \$2,162,737 to the former Consolidated Redevelopment Project Debt Service Fund and \$30,708 to the Washington Boulevard Redevelopment Project Debt Service Fund. These advances were made to provide the former Commission sufficient funds to make payments to Supplemental Educational Revenue Augmentation Fund (SERAF) to satisfy State payment to public schools through local redevelopment funds as required by AB26 4X. The amount outstanding at June 30, 2014, is \$2,193,445. This advance was scheduled to be repaid by May 2016. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding receivable was transferred to the Low and Moderate Income Housing Assets Special Revenue Fund, and outstanding payable was transferred to the Successor Agency Private-Purpose Trust Fund.

Pursuant to the Assembly Bill 1484 (AB 1484), the Washington Blvd. and Low and Moderate Income Housing Assets loans are considered "interagency loans" and will only be considered eligible for repayment beginning in fiscal year ending June 30, 2014, subject to annual limitations, once the California Department of Finance issues a "finding of completion". A finding of completion is issued once the Successor Agency has paid all required available balances to the Los Angeles County Auditor-Controller for distribution to various other taxing entities. The available balances consist of three components, including (1) the overpayment of tax increment revenue to the former Commission during the fiscal year ended June 30, 2014, (2) the available balance of unrestricted liquid funds in the former low-moderate income housing fund, and (3) the available balance of unrestricted liquid funds in the former Commission's non-housing funds. A finding of completion was issued in December 2013.

**Commitments and Contingencies**

**a. California Department of Finance (DOF)**

As part of the wind down of the former Commission, the Successor Agency prepared the required report of balances available in the Successor Agency for distribution to the affected taxing agencies. The report reflected an available balance of \$5,276,055. The report was reviewed by the California Department of Finance, which objected to \$18,704,841 of transfers made from the former Commission to the City during

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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**Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

March 2011 and January 2012. The Successor Agency held a meet-and-confer session with DOF which resulted in DOF removing \$8,902,000 from the amount of objected transfers. The City additionally agreed to repay \$465,343 in objected transfers. The City and DOF could not come to an agreement with respect to the remaining objected transfer of \$9,337,498. The Successor Agency subsequently filed suit against the DOF to challenge their determination that the transfer is subject to the "claw-back" provisions contained in the redevelopment dissolution bills.

The lawsuit is among approximately 150 pending lawsuits concerning various provisions of the redevelopment dissolution process. City management, in consultation with legal counsel, is unable to predict an outcome in this case but feels strong that the transfers do not constitute illegal transfers and therefore are not subject to the claw-back provisions. December 2013 the City paid the disputed amount under protest along with additional interest of \$16,232. The payment under protest does not alter the status of the pending litigation.

**Restatements of Net Position**

The Private-Purpose Trust Fund beginning net position was restated by \$2,038,535 to write-off the cost of issuance as mandated by GASB Statement No. 65.

**Extraordinary Gain/(Loss)**

The Successor Agency reported an extraordinary gain in the amount of \$3,194,876 for land transferred from the City. This transfer was allowed by the California Department of Finance.

As previously discussed, the Successor Agency reported an extraordinary loss of \$9,353,730 related to repayment of an advance from the Successor Agency to the City. The advance was approved, but the lump sum repayment was not approved.

The net of the extraordinary gains and losses resulted in an extraordinary gain in the amount of \$6,158,854.

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## **REQUIRED SUPPLEMENTARY INFORMATION**



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**CITY OF SANTA FE SPRINGS**

**REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2014**

**Schedule of Funding Progress for Public Employees Retirement System Miscellaneous Plan  
(Dollar Amounts in Thousands)**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Normal Accrued Liability	(b a) Unfunded/ (Overfunded) Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAA: as a % of Covered Payroll
6/30/2011	\$ 97,015	\$ 134,061	\$ 37,046	72.4%	\$ 11,143	332.5%
6/30/2012	98,689	140,679	41,990	70.0%	8,921	470.7%
6/30/2013	87,999	144,653	56,654	60.8%	8,867	638.9%

**Schedule of Funding Progress for Public Employees Retirement System Safety Plan  
(Dollar Amounts in Thousands)**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Normal Accrued Liability	(b a) Unfunded/ (Overfunded) Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAA: as a % of Covered Payroll
6/30/2011	\$ 86,090	\$ 116,789	\$ 30,699	73.7%	\$ 6,354	483.1%
6/30/2012	89,726	121,924	41,990	73.6%	7,439	564.5%
6/30/2013	99,692	129,214	29,522	77.2%	5,809	508.2%

**Schedule of Funding Progress for Public Employees Retirement System Safety Fire 2nd Tier Plan  
(Dollar Amounts in Thousands)**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Normal Accrued Liability	(b a) Unfunded/ (Overfunded) Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAA: as a % of Covered Payroll
6/30/2013*	\$ 26	\$ 32	\$ 6	81.3%	\$ 281	2.1%

\* 2013 was the first year with the new tier

**Schedule of Funding Progress for Postemployment Benefits (Dollar Amounts in Thousands)**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Normal Accrued Liability	(b a) Unfunded/ (Overfunded) Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a % of Covered Payroll
6/30/2007	\$ -	\$ 39,737	\$ 39,737	0%	\$ 19,532	203%
6/30/2009	191	42,413	42,222	0%	19,839	213%
6/30/2011	911	47,020	46,109	2%	17,925	257%
6/30/2013	3,451	54,521	51,070	6%	13,917	367%

## CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON STATEMENT  
GENERAL FUND  
YEAR ENDED JUNE 30, 2014**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Taxes	\$36,718,000	\$38,436,600	\$40,294,112	\$ 1,857,512
Licenses and permits	2,039,500	2,496,200	2,747,847	251,647
Intergovernmental	2,743,700	2,475,900	2,507,836	31,936
Charges for services	5,059,000	4,930,200	5,145,880	215,680
Use of money and property	1,243,600	1,358,300	1,397,299	38,999
Fines and forfeitures	475,600	395,700	491,503	95,803
Miscellaneous	1,126,000	1,770,400	1,562,808	(207,592)
<b>Total Revenues</b>	<b>49,405,400</b>	<b>51,863,300</b>	<b>54,147,285</b>	<b>2,283,985</b>
<b>Expenditures:</b>				
General government	5,325,500	5,181,400	5,064,465	116,935
Public safety	25,171,000	25,121,700	24,699,392	422,308
Community development	3,656,000	3,352,200	3,140,195	212,005
Public works	4,386,400	4,387,900	4,456,233	(68,333)
Culture and leisure	7,082,700	7,094,400	6,974,428	119,972
Human services	2,698,200	2,722,500	2,579,037	143,463
Capital outlay	660,900	529,900	365,867	164,033
Debt service:				
Principal retirement	983,600	983,600	983,524	76
Interest and fiscal charges	279,500	278,900	278,854	46
<b>Total Expenditures</b>	<b>50,243,800</b>	<b>49,652,500</b>	<b>48,541,995</b>	<b>1,110,505</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(838,400)	2,210,800	5,605,290	3,394,490
<b>Other Financing Sources (Uses):</b>				
Transfers in	3,824,200	3,770,300	3,561,249	(209,051)
Proceeds from sale of capital asset	8,000	9,500	42,312	32,812
Transfers out	(2,987,400)	(8,847,100)	(8,849,350)	(2,250)
<b>Total Other Financing Sources (Uses)</b>	<b>844,800</b>	<b>(5,067,300)</b>	<b>(5,245,789)</b>	<b>(178,489)</b>
Extraordinary loss	-	(8,409,200)	(8,408,716)	484
Net Change in Fund Balances	6,400	(11,265,700)	(8,049,215)	3,216,485
Fund Balances, Beginning of Year, as restated	32,542,084	32,542,084	32,542,084	-
<b>Fund Balances, End of Year</b>	<b>\$32,548,484</b>	<b>\$21,276,384</b>	<b>\$24,492,869</b>	<b>\$ 3,216,485</b>

## CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE**  
**LOW AND MODERATE INCOME HOUSING ASSETS FUND**  
**YEAR ENDED JUNE 30, 2014**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Use of money and property	\$ -	\$ 12,800	\$ 12,802	\$ 2
Miscellaneous	-	172,400	172,682	282
<b>Total Revenues:</b>	<b>-</b>	<b>185,200</b>	<b>185,484</b>	<b>284</b>
<b>Expenditures</b>				
Community development	-	30,000	834,547	(804,547)
<b>Total Expenditures</b>	<b>-</b>	<b>30,000</b>	<b>834,547</b>	<b>(804,547)</b>
Net Change in Fund Balances	-	155,200	(649,063)	(804,263)
Fund Balances, Beginning of Year	7,483,955	7,483,955	7,483,955	-
<b>Fund Balances, End of Year</b>	<b>\$7,483,955</b>	<b>\$ 7,639,155</b>	<b>\$ 6,834,892</b>	<b>\$ (804,263)</b>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2014**


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**Budgetary Comparison Information****a. Summary of Budgetary Policies**

The budget is prepared by the City Manager in accordance with City Code Section 31.13 and is legally adopted by the City Council. The budget includes activities for the General Fund.

Budgets for capital projects funds are not presented because they are budgeted on a project life basis. Revisions to the originally adopted budget were made during the year and have been incorporated into the budgetary amounts presented within the financial statements.

The basis for budgeting in the General Fund and Special Revenue Funds is substantially consistent with generally accepted accounting principles, except that payments made on financing leases are recorded as functional expenditures. The lease agreements are not budgeted as a financing source and the acquisition price of the acquired asset is not budgeted as an expenditure.

The legal level of control is considered to be at the fund level since management can reassign resources within a fund without special approval from City Council.

The budget is formally integrated into the accounting system and employed as a management control tool during the year. At fiscal year-end, unexpended appropriations lapse, with the exception of capital improvements. All appropriations for capital improvements are carried forward until such time as the project is completed or terminated by action of the City Council.

**b. The following funds do not have a legally adopted budget:**

TDA Article 3 Fund  
 Heritage Springs Street Maintenance District  
 Business License Surcharge  
 Community Development Block Grant Program Income Fund  
 Heritage Art Education Endowment Fund

**c. Excess of expenditures over appropriations are as follows:**

Expenditures for the year ended June 30, 2014, that exceeded the appropriations of the General Fund and Major Special Revenue Funds are as follows:

<u>Fund</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund:			
General Government:			
Public works	\$ 4,456,233	\$ 4,387,900	\$ 68,333

## **NONMAJOR GOVERNMENTAL FUNDS**

Nonmajor governmental funds are reported in the other governmental funds column of the governmental funds financial statements and include the following:

### **SPECIAL REVENUE FUNDS**

#### **State Gas Tax**

This fund is used to account for gasoline taxes received under Sections 2105, 2106, 2107 and 2107.5 of the Street and Highways Code. These funds are utilized solely for street related purposes such as new construction, rehabilitation, or maintenance.

#### **County Transit Tax**

This fund is used to account for the City's share of an additional one-half percent sales tax, which was approved by the electorate in November 1980, restricted to financing transportation projects. This fund is also used to account for the City's share of an additional one-half percent sales tax, which was approved by the electorate in November 1990, restricted to financing transit projects within the City.

#### **TDA Article 3**

This fund is used to account for the revenue received and costs incurred under the Transportation Development Act, Article 3 for the purpose of planning, construction, retrofitting, installation or reconstruction of bicycle and pedestrian facilities or bicycle routes.

#### **Street Lighting Maintenance District**

This fund is used to account for revenues received and costs incurred for street lighting services in selected areas within the City. Funds are derived from property-related assessments collected by the County. Financing for the district is provided by assessing areas of benefit under the 1972 Lighting and Maintenance District Act.

#### **Heritage Springs Street Maintenance District**

This fund is used to account for revenues received and costs incurred for street maintenance and repair services in selected areas within the City. Funds are derived from property-related assessments collected by the County. Financing for the district is provided by assessing areas of benefit under the 1913 Municipal Improvement Act.

#### **Art in Public Places**

This fund is used to account for Heritage Artwork Program fees imposed upon new development at one percent of the building permit valuation for the purpose of increasing public art and providing art educational programs.

#### **Business License Surcharge**

This fund is used to account for state mandated \$1 surcharge applied to all business licenses issued in the City. Under SB 1186 the revenue is restricted for Certified Access Specialists (CAsp) programs, assisting businesses to become Americans with Disabilities Act (ADA) compliant and developing tools to help educate the businesses community on expanding ADA access.

## **NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

### **Air Quality Improvement**

This fund is used to account for additional motor vehicle registration fees imposed by the South Coast Air Quality Management District to finance the implementation of mobile source emission reduction programs and the provisions of the California Clean Air Act.

### **Community Development Block Grant**

This fund is used to account for expenditures funded by the Community Development Block Grant Program authorized by Title I of the Housing and Community Development Act of 1974 for the purpose of developing viable urban communities, including decent housing and suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

### **Fire Grants**

This fund is used to account for for various federal and state grants administered by the Department of Fire-Rescue which provide funding for labor, operating, and capital expenditures.

### **Public Safety Augmentation**

This fund is used to account for the City's share of the one-half percent sales tax, which was approved by the electorate in November of 1993. The proceeds are earmarked exclusively for public safety purposes.

### **Supplemental Law Enforcement Services**

This fund is used to account for a State of California block grant providing for community oriented policing programs. The funds are to be spent on new programs supporting "front-line" law enforcement activities.

### **Community Development Block Grant Program Income**

This fund is used to account for the receipt of repayments received by the City from loans funded by the Community Development Block Grant program. These funds may be retained by the City but must be expended under the Community Development Block Grant program.

## **CAPITAL PROJECTS FUND**

### **Successor Agency Bond Funded Capital Projects**

This fund is used to account for the construction, rehabilitation, and improvement of infrastructure and other public facilities using bond proceeds of the Successor Agency. Upon the dissolution of the former Community Development Commission, unexpended bond proceeds were transferred to the Successor Agency. The Successor Agency entered into an agreement with the City to transfer responsibility for expending the proceeds in accordance with applicable laws and bond covenants to the City.

## **PERMANENT FUND**

### **Heritage Art Fund**

This fund is used to account for an endowment held by the City to be used for the purpose of providing art education programs.

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## CITY OF SANTA FE SPRINGS

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<b>Special Revenue Funds</b>			
	<b>State Gas Tax</b>	<b>County Transit Tax</b>	<b>TDA Article 3</b>	<b>Street Lighting Maintenance District</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 230,539	\$ 660,817	\$ -	\$ 7,092
Receivables:				
Notes and loans	-	-	-	-
Due from other governments	55,293	13,390	-	100,337
<b>Total Assets</b>	<b>\$ 285,832</b>	<b>\$ 674,207</b>	<b>\$ -</b>	<b>\$ 107,429</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	285,832	674,207	-	107,429
Art in public places	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>285,832</b>	<b>674,207</b>	<b>-</b>	<b>107,429</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 285,832</b>	<b>\$ 674,207</b>	<b>\$ -</b>	<b>\$ 107,429</b>

## CITY OF SANTA FE SPRINGS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

(Continued)

## Special Revenue Funds

	Heritage Springs Street Maintenance District	Art in Public Places	Business License Surcharge	Air Quality Improvement
<b>Assets:</b>				
Pooled cash and investments	\$ 183,007	\$ 996,131	\$ 5,113	\$ 35,200
Receivables:				
Notes and loans	-	-	-	-
Due from other governments	-	-	-	5,417
<b>Total Assets</b>	<b>\$ 183,007</b>	<b>\$ 996,131</b>	<b>\$ 5,113</b>	<b>\$ 40,617</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other governments	-	-	632	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>632</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	4,481	-
Public safety	-	-	-	-
Public works	183,007	-	-	40,617
Art in public places	-	996,131	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>183,007</b>	<b>996,131</b>	<b>4,481</b>	<b>40,617</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 183,007</b>	<b>\$ 996,131</b>	<b>\$ 5,113</b>	<b>\$ 40,617</b>

## CITY OF SANTA FE SPRINGS

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014**
**Special Revenue Funds**

	<b>Community Development Block Grant</b>	<b>Fire Grants</b>	<b>Public Safety Augmentation</b>	<b>Supplemental Law Enforcement Services</b>
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ 527
Receivables:				
Notes and loans	-	-	-	-
Due from other governments	-	599,635	29,571	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 599,635</b>	<b>\$ 29,571</b>	<b>\$ 527</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	1,399	-	-
Due to other governments	-	-	-	-
Due to other funds	-	598,236	29,571	-
<b>Total Liabilities</b>	<b>-</b>	<b>599,635</b>	<b>29,571</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	-	-	527
Public works	-	-	-	-
Art in public places	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>527</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ -</b>	<b>\$ 599,635</b>	<b>\$ 29,571</b>	<b>\$ 527</b>

## CITY OF SANTA FE SPRINGS

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<b>Special Revenue Fund</b>	<b>Capital Project Fund</b>	<b>Permanent Fund</b>	
	<b>Community Development Block Grant Program Income</b>	<b>Successor Agency Bond Funded Capital Projects</b>	<b>Heritage Art Education Endowment Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 6,142	\$ -	\$ 421,289	\$ 2,545,857
Receivables:				
Notes and loans	35,068	-	-	35,068
Due from other governments	-	-	-	803,643
<b>Total Assets</b>	<b>\$ 41,210</b>	<b>\$ -</b>	<b>\$ 421,289</b>	<b>\$ 3,384,568</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 6,142	\$ -	\$ -	\$ 6,142
Accrued liabilities	-	-	-	1,399
Due to other governments	-	-	-	632
Due to other funds	-	23,693	-	651,500
<b>Total Liabilities</b>	<b>6,142</b>	<b>23,693</b>	<b>-</b>	<b>659,673</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	35,068	-	-	35,068
<b>Total Deferred Inflows of Resources</b>	<b>35,068</b>	<b>-</b>	<b>-</b>	<b>35,068</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	4,481
Public safety	-	-	-	527
Public works	-	-	-	1,291,092
Art in public places	-	-	421,289	1,417,420
<b>Unassigned</b>	<b>-</b>	<b>(23,693)</b>	<b>-</b>	<b>(23,693)</b>
<b>Total Fund Balances</b>	<b>-</b>	<b>(23,693)</b>	<b>421,289</b>	<b>2,689,827</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 41,210</b>	<b>\$ -</b>	<b>\$ 421,289</b>	<b>\$ 3,384,568</b>

## CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	State Gas Tax	County Transit Tax	TDA Article 3	Street Lighting Maintenance District
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	563,751	699,075	15,835	-
Charges for services	-	-	-	-
Interest and rentals	718	1,287	-	10
Miscellaneous	-	6,548	-	276,806
<b>Total Revenues</b>	<b>564,469</b>	<b>706,910</b>	<b>15,835</b>	<b>276,816</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	564,469	706,910	15,835	276,816
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	(563,258)	(381,797)	(15,835)	(183,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(563,258)</b>	<b>(381,797)</b>	<b>(15,835)</b>	<b>(183,000)</b>
Net Change in Fund Balances	1,211	325,113	-	93,816
<b>Fund Balances:</b>				
Beginning of year, as originally reported	284,621	349,094	-	13,613
Restatements	-	-	-	-
Beginning of year, as restated	284,621	349,094	-	13,613
<b>End of Year</b>	<b>\$ 285,832</b>	<b>\$ 674,207</b>	<b>\$ -</b>	<b>\$ 107,429</b>

## CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE:  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

(Continued)

	Special Revenue Funds			
	Heritage Springs Street Maintenance District	Art in Public Places	Business License Surcharge	Air Quality Improvement
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 2,692	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	1,449	-	-
Interest and rentals	-	2,707	-	-
Miscellaneous	-	100,379	-	20,686
<b>Total Revenues</b>	<b>-</b>	<b>104,535</b>	<b>2,692</b>	<b>20,686</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	104,535	2,692	20,686
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(249,968)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(249,968)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	-	(145,433)	2,692	20,686
<b>Fund Balances:</b>				
Beginning of year, as originally reported	183,007	1,561,803	1,789	19,931
Restatements	-	(420,239)	-	-
Beginning of year, as restated	183,007	1,141,564	1,789	19,931
<b>End of Year</b>	<b>\$ 183,007</b>	<b>\$ 996,131</b>	<b>\$ 4,481</b>	<b>\$ 40,617</b>

## CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE:  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Community Development Block Grant	Fire Grants	Public Safety Augmentation	Supplemental Law Enforcement Services
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	16,522	588,054	167,675	100,000
Charges for services	-	-	-	-
Interest and rentals	-	-	-	130
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>16,522</b>	<b>588,054</b>	<b>167,675</b>	<b>100,130</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	504,541	-	-
Community development	16,522	-	-	-
Capital outlay	-	85,953	-	-
<b>Total Expenditures</b>	<b>16,522</b>	<b>590,494</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,440)	167,675	100,130
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	2,440	-	-
Transfers out	-	-	(167,675)	(107,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>2,440</b>	<b>(167,675)</b>	<b>(107,000)</b>
Net Change in Fund Balances	-	-	-	(6,870)
<b>Fund Balances:</b>				
Beginning of year, as originally reported	-	-	-	7,397
Restatements	-	-	-	-
Beginning of year, as restated	-	-	-	7,397
<b>End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 527</b>

## CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE:  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Special Revenue Fund	Capital Projects Fund	Permanent Fund	
	Community Development Block Grant Program Income	Successor Agency Bond Funded Capital Projects	Heritage Art Education Endowment Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 2,692
Intergovernmental	-	-	-	2,150,912
Charges for services	-	-	-	1,449
Interest and rentals	-	-	1,050	5,902
Miscellaneous	-	-	-	404,419
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>1,050</b>	<b>2,565,374</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	504,541
Community development	-	-	-	16,522
Capital outlay	-	23,693	-	109,646
<b>Total Expenditures</b>	<b>-</b>	<b>23,693</b>	<b>-</b>	<b>630,709</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(23,693)	1,050	1,934,665
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	2,440
Transfers out	-	-	-	(1,668,533)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,666,093)</b>
Net Change in Fund Balances	-	(23,693)	1,050	268,572
<b>Fund Balances:</b>				
Beginning of year, as originally reported	-	-	-	2,421,255
Restatements	-	-	420,239	-
Beginning of year, as restated	-	-	420,239	2,421,255
<b>End of Year</b>	<b>\$ -</b>	<b>\$ (23,693)</b>	<b>\$ 421,289</b>	<b>\$ 2,689,827</b>



## CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE  
 STATE GAS TAX  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 424,000	\$ 424,000	\$ 563,751	\$ 139,751
Use of money and property	-	-	718	718
<b>Total Revenues:</b>	<b>424,000</b>	<b>424,000</b>	<b>564,469</b>	<b>140,469</b>
<b>Other Financing Sources (Uses):</b>				
Transfers out	(625,000)	(625,000)	(563,258)	61,742
<b>Total Other Financing Sources (Uses)</b>	<b>(625,000)</b>	<b>(625,000)</b>	<b>(563,258)</b>	<b>61,742</b>
Net Change in Fund Balances	(201,000)	(201,000)	1,211	202,211
Fund Balances, Beginning of Year	284,621	284,621	284,621	-
<b>Fund Balances, End of Year</b>	<b>\$ 83,621</b>	<b>\$ 83,621</b>	<b>\$ 285,832</b>	<b>\$ 202,211</b>

## CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE  
COUNTY TRANSIT TAX  
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 710,100	\$ 710,100	\$ 699,075	\$ (11,025)
Use of money and property	-	-	1,287	1,287
Miscellaneous	-	-	6,548	6,548
<b>Total Revenues:</b>	<b>710,100</b>	<b>710,100</b>	<b>706,910</b>	<b>(3,190)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers out	(567,400)	(566,500)	(381,797)	184,703
<b>Total Other Financing Sources (Uses)</b>	<b>(567,400)</b>	<b>(566,500)</b>	<b>(381,797)</b>	<b>184,703</b>
Net Change in Fund Balances	142,700	143,600	325,113	181,513
Fund Balances, Beginning of Year	349,094	349,094	349,094	-
<b>Fund Balances, End of Year</b>	<b>\$ 491,794</b>	<b>\$ 492,694</b>	<b>\$ 674,207</b>	<b>\$ 181,513</b>

## CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE  
 STREET LIGHTING MAINTENANCE DISTRICT  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 10	\$ 10
Miscellaneous	183,000	183,000	276,806	93,806
<b>Total Revenues:</b>	<b>183,000</b>	<b>183,000</b>	<b>276,816</b>	<b>93,816</b>
<b>Other Financing Sources (Uses):</b>				
Transfers out	(183,000)	(183,000)	(183,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(183,000)</b>	<b>(183,000)</b>	<b>(183,000)</b>	<b>-</b>
Net Change in Fund Balances	-	-	93,816	93,816
Fund Balances, Beginning of Year	13,613	13,613	13,613	-
<b>Fund Balances, End of Year</b>	<b>\$ 13,613</b>	<b>\$ 13,613</b>	<b>\$ 107,429</b>	<b>\$ 93,816</b>

## CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE  
 ART IN PUBLIC PLACES  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Charges for services	\$ -	\$ -	\$ 1,449	\$ 1,449
Use of money and property	-	-	2,707	2,707
Miscellaneous	245,000	245,000	100,379	(144,621)
<b>Total Revenues:</b>	<b>245,000</b>	<b>245,000</b>	<b>104,535</b>	<b>(140,465)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers out	(294,300)	(294,300)	(249,968)	44,332
<b>Total Other Financing Sources (Uses)</b>	<b>(294,300)</b>	<b>(294,300)</b>	<b>(249,968)</b>	<b>44,332</b>
Net Change in Fund Balances	(49,300)	(49,300)	(145,433)	(96,133)
Fund Balances, Beginning of Year, as restated	1,141,564	1,141,564	1,141,564	-
<b>Fund Balances, End of Year</b>	<b>\$ 1,092,264</b>	<b>\$ 1,092,264</b>	<b>\$ 996,131</b>	<b>\$ (96,133)</b>

## CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE  
 AIR QUALITY IMPROVEMENT  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Miscellaneous	\$ 20,800	\$ 20,800	\$ 20,686	\$ (114)
<b>Total Revenues:</b>	<b>20,800</b>	<b>20,800</b>	<b>20,686</b>	<b>(114)</b>
Net Change in Fund Balances	20,800	20,800	20,686	(114)
Fund Balances, Beginning of Year	19,931	19,931	19,931	-
<b>Fund Balances, End of Year</b>	<b>\$ 40,731</b>	<b>\$ 40,731</b>	<b>\$ 40,617</b>	<b>\$ (114)</b>

## CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY DEVELOPMENT BLOCK GRANT  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 16,500	\$ 16,500	\$ 16,522	\$ 22
<b>Total Revenues:</b>	<b>16,500</b>	<b>16,500</b>	<b>16,522</b>	<b>22</b>
<b>Expenditures</b>				
Community development	16,500	16,500	16,522	(22)
<b>Total Expenditures</b>	<b>16,500</b>	<b>16,500</b>	<b>16,522</b>	<b>(22)</b>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE  
 FIRE GRANTS  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 44,500	\$ 588,054	\$ 543,554
<b>Total Revenues:</b>	-	<b>44,500</b>	<b>588,054</b>	<b>543,554</b>
<b>Expenditures</b>				
Public safety	-	46,900	504,541	(457,641)
Capital outlay	-	-	85,953	(85,953)
<b>Total Expenditures</b>	-	<b>46,900</b>	<b>590,494</b>	<b>(543,594)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,400)	(2,440)	(40)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	2,400	2,440	40
<b>Total Other Financing Sources (Uses)</b>	-	<b>2,400</b>	<b>2,440</b>	<b>40</b>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE  
PUBLIC SAFETY AUGMENTATION  
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 130,000	\$ 130,000	\$ 167,675	\$ 37,675
<b>Total Revenues:</b>	<b>130,000</b>	<b>130,000</b>	<b>167,675</b>	<b>37,675</b>
<b>Other Financing Sources (Uses):</b>				
Transfers out	(130,000)	(130,000)	(167,675)	(37,675)
<b>Total Other Financing Sources (Uses)</b>	<b>(130,000)</b>	<b>(130,000)</b>	<b>(167,675)</b>	<b>(37,675)</b>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



## CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE  
 SUPPLEMENTAL LAW ENFORCEMENT SERVICES  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Use of money and property	-	-	130	130
<b>Total Revenues:</b>	<b>100,000</b>	<b>100,000</b>	<b>100,130</b>	<b>130</b>
<b>Other Financing Sources (Uses):</b>				
Transfers out	(100,000)	(100,000)	(107,000)	(7,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>(107,000)</b>	<b>(7,000)</b>
Net Change in Fund Balances	-	-	(6,870)	(6,870)
Fund Balances, Beginning of Year	7,397	7,397	7,397	-
<b>Fund Balances, End of Year</b>	<b>\$ 7,397</b>	<b>\$ 7,397</b>	<b>\$ 527</b>	<b>\$ (6,870)</b>

## **INTERNAL SERVICE FUNDS**

### **Equipment Replacement**

This fund is used to charge activities for the cost of using City equipment and accumulate resources for the ultimate replacement of the equipment.

### **Employee Benefits**

This fund is used to charge activities for the cost of compensated absences and accumulate resources for the ultimate liquidation of the liability.

### **Risk Management**

This fund is used to charge activities for the cost of liability, property, and related insurance coverages.

## CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2014

Governmental Activities - Internal Service Funds					
		Equipment Replacement	Employee Benefits	Risk Management	Totals
<b>Assets:</b>					
Current:					
Cash and investments		\$ 2,038,625	\$ 2,712,725	\$ 664,000	\$ 5,415,350
<b>Total Assets</b>		<b>\$ 2,038,625</b>	<b>\$ 2,712,725</b>	<b>\$ 664,000</b>	<b>\$ 5,415,350</b>
<b>Net Position:</b>					
Unrestricted		\$ 2,038,625	\$ 2,712,725	\$ 664,000	\$ 5,415,350
<b>Total Net Position</b>		<b>\$ 2,038,625</b>	<b>\$ 2,712,725</b>	<b>\$ 664,000</b>	<b>\$ 5,415,350</b>

## CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2014

	Governmental Activities - Internal Service Funds			
	Equipment Replacement	Employee Benefits	Risk Management	Totals
Operating Revenues:				
Sales and service charges	\$ 37,359	\$ -	\$ -	\$ 37,359
Total Operating Revenues	37,359	-	-	37,359
Income (Loss) Before Transfers	37,359	-	-	37,359
Transfers in	1,639,700	1,970,000	150,000	3,759,700
Transfers out	(450,711)	-	-	(450,711)
Changes in Net Position	1,226,348	1,970,000	150,000	3,346,348
Net Position:				
Beginning of Year	812,277	742,725	514,000	2,069,002
End of Fiscal Year	\$ 2,038,625	\$ 2,712,725	\$ 664,000	\$ 5,415,350

## CITY OF SANTA FE SPRINGS

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Equipment Replacement</b>	<b>Employee Benefits</b>	<b>Risk Management</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 37,359	\$ -	\$ -	\$ 37,359
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>37,359</b>	<b>-</b>	<b>-</b>	<b>37,359</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers out	(450,711)	-	-	(450,711)
Cash transfers in	1,639,700	1,970,000	150,000	3,759,700
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>1,188,989</b>	<b>1,970,000</b>	<b>150,000</b>	<b>3,308,989</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,226,348</b>	<b>1,970,000</b>	<b>150,000</b>	<b>3,346,348</b>
Cash and Cash Equivalents at Beginning of Year	812,277	742,725	514,000	2,069,002
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,038,625</b>	<b>\$ 2,712,725</b>	<b>\$ 664,000</b>	<b>\$ 5,415,350</b>

## **FIDUCIARY FUNDS**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The resources of fiduciary funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

### **AGENCY FUNDS**

#### **Assessment Districts Fund**

This fund is used to account for special assessments received by the City as agent for payment of special assessment district bonds.

#### **Community Facilities Assessment Districts Fund**

This fund is used to account for special assessments received by the City as agent for payment of community facilities district debt and expenses.

## CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF NET POSITION  
 ALL AGENCY FUNDS  
 JUNE 30, 2014

	Assessment Districts	Community Facilities Assessment Districts	Totals
<b>Assets:</b>			
Pooled cash and investments	\$ 133,176	\$ 532,916	\$ 666,092
Receivables:			
Accounts	-	6,332	6,332
Restricted assets:			
Cash and investments with fiscal agents	323,355	-	323,355
<b>Total Assets</b>	<b>\$ 456,531</b>	<b>\$ 539,248</b>	<b>\$ 995,779</b>
<b>Liabilities:</b>			
Deposits payable	\$ 456,531	\$ 71,920	\$ 528,451
Due to other governments	-	467,328	467,328
<b>Total Liabilities</b>	<b>\$ 456,531</b>	<b>\$ 539,248</b>	<b>\$ 995,779</b>

## CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2014

	Balance 7/1/2013	Additions	Deductions	Balance 6/30/2014
<b><u>Assessment Districts</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 97,981	\$ 214,492	\$ 179,297	\$ 133,176
Restricted assets:				
Cash and investments with fiscal agents	319,895	171,933	168,473	323,355
<b>Total Assets</b>	<b>\$ 417,876</b>	<b>\$ 386,425</b>	<b>\$ 347,770</b>	<b>\$ 456,531</b>
<b>Liabilities:</b>				
Deposits payable	\$ 417,876	\$ 386,424	\$ 347,769	\$ 456,531
<b>Total Liabilities</b>	<b>\$ 417,876</b>	<b>\$ 386,424</b>	<b>\$ 347,769</b>	<b>\$ 456,531</b>
<b><u>Community Facilities Assessment Districts</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 704,065	\$ 616,216	\$ 787,365	\$ 532,916
Receivables:				
Accounts	37,559	-	31,227	6,332
<b>Total Assets</b>	<b>\$ 741,624</b>	<b>\$ 616,216</b>	<b>\$ 818,592</b>	<b>\$ 539,248</b>
<b>Liabilities:</b>				
Deposits payable	\$ 741,624	\$ 548,682	\$ 1,218,386	\$ 71,920
Due to other governments	-	467,328	-	467,328
<b>Total Liabilities</b>	<b>\$ 741,624</b>	<b>\$ 1,016,010</b>	<b>\$ 1,218,386</b>	<b>\$ 539,248</b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 802,046	\$ 830,708	\$ 966,662	\$ 666,092
Receivables:				
Accounts	37,559	-	31,227	6,332
Cash and investments with fiscal agents	319,895	171,933	168,473	323,355
<b>Total Assets</b>	<b>\$ 1,159,500</b>	<b>\$ 1,002,641</b>	<b>\$ 1,166,362</b>	<b>\$ 995,779</b>
<b>Liabilities:</b>				
Deposits payable	\$ 1,159,500	\$ 935,106	\$ 1,566,155	\$ 528,451
Due to other governments	-	467,328	-	467,328
<b>Total Liabilities</b>	<b>\$ 1,159,500</b>	<b>\$ 1,402,434</b>	<b>\$ 1,566,155</b>	<b>\$ 995,779</b>



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# CITY OF SANTA FE SPRINGS

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## STATISTICAL SECTION

(Not covered by Auditors' Opinion)

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

**Table of Contents**

	<b><u>Pages</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. ....	108
<b>Revenue Capacity</b>	
These schedules contain trend information to help the reader assess the government's most significant current local revenue source, the property tax. ....	118
<b>Debt Capacity</b>	
These schedules contain present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. ....	122
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. ....	130
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. ....	133

**CITY OF SANTA FE SPRINGS**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<b>Fiscal Year</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 34,923,891	\$ 38,548,147	\$ 16,802,657	\$ 31,856,729
Restricted	6,790,590	9,519,258	11,122,372	5,501,527
Unrestricted	50,731,163	47,198,101	68,046,186	64,776,353
Total governmental activities net position	<u>\$ 92,445,644</u>	<u>\$ 95,265,506</u>	<u>\$ 95,971,215</u>	<u>\$ 102,134,609</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 10,286,201	\$ 10,315,423	\$ 10,161,603	\$ 10,160,632
Unrestricted	7,524,600	6,862,425	6,500,887	5,848,194
Total business-type activities net position	<u>\$ 17,810,801</u>	<u>\$ 17,177,848</u>	<u>\$ 16,662,490</u>	<u>\$ 16,008,826</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 45,210,092	\$ 48,863,570	\$ 26,964,260	\$ 42,017,361
Restricted	6,790,590	9,519,258	11,122,372	5,501,527
Unrestricted	58,255,763	54,060,526	74,547,073	70,624,547
Total primary government net position	<u>\$ 110,256,445</u>	<u>\$ 112,443,354</u>	<u>\$ 112,633,705</u>	<u>\$ 118,143,435</u>

Source: City of Santa Fe Springs Finance and Administrative Services Department

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 89,373,619	\$ 80,697,495	\$ 73,525,440	\$ 141,935,739	\$ 159,461,487	\$ 163,745,920
7,643,082	8,867,118	10,414,337	9,077,534	9,905,210	9,651,144
6,730,597	2,627,357	12,973,592	24,344,782	27,007,854	37,672,916
<u>\$ 103,747,298</u>	<u>\$ 92,191,970</u>	<u>\$ 96,913,369</u>	<u>\$ 175,358,055</u>	<u>\$ 196,374,551</u>	<u>\$ 211,069,980</u>
\$ 12,659,705	\$ 13,780,267	\$ 11,835,708	\$ 12,353,517	\$ 15,742,624	\$ 16,386,459
2,074,635	(636,433)	521,782	1,060,256	3,375,412	3,952,242
<u>\$ 14,734,340</u>	<u>\$ 13,143,834</u>	<u>\$ 12,357,490</u>	<u>\$ 13,413,773</u>	<u>\$ 19,118,036</u>	<u>\$ 20,338,701</u>
\$ 102,033,324	\$ 94,477,762	\$ 85,361,148	\$ 154,289,256	\$ 175,204,111	\$ 180,132,379
7,643,082	8,867,118	10,414,337	9,077,534	9,905,210	9,651,144
8,805,232	1,990,924	13,495,374	25,405,038	30,383,266	41,625,158
<u>\$ 118,481,638</u>	<u>\$ 105,335,804</u>	<u>\$ 109,270,859</u>	<u>\$ 188,771,828</u>	<u>\$ 215,492,587</u>	<u>\$ 231,408,681</u>

**CITY OF SANTA FE SPRINGS**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<b>Fiscal Year</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 3,334,830	\$ 6,343,005	\$ 8,969,662	\$ 10,752,925
Public safety	21,246,799	22,660,078	24,794,390	25,158,056
Community development	17,088,952	17,111,298	19,635,755	13,673,467
Public works	6,108,969	4,980,176	7,343,144	6,800,109
Culture and leisure	9,240,321	10,296,861	9,661,420	9,490,393
Human services	2,326,120	3,517,043	4,150,468	5,070,440
Unallocated depreciation	59,483	59,767	59,449	13,421
Interest on long-term liabilities	5,783,391	5,991,751	6,284,405	7,935,213
Total governmental activities expenses	65,188,865	70,959,979	80,898,693	78,894,024
Business-type activities:				
Water utility	6,961,198	7,354,622	8,059,941	8,728,782
Total primary government expenses	72,150,063	78,314,601	88,958,634	87,622,806
<b>Program revenues:</b>				
Governmental activities:				
Charges for services:				
General government	261,725	927,573	612,834	1,048,110
Public safety	2,480,544	2,777,833	2,649,239	2,586,088
Community development	3,432,155	1,461,242	2,397,946	3,464,909
Public works	353,878	413,577	549,718	698,895
Culture and leisure	968,617	1,720,559	1,186,334	1,186,328
Human services	596,186	628,775	696,758	747,761
Operating grants and contributions	3,483,837	3,537,619	4,386,968	3,834,943
Capital grants and contributions	2,445,825	2,374,859	758,661	2,701,218
Total governmental activities program revenues	14,022,767	13,842,037	13,238,458	16,268,252
Business-type activities:				
Charges for services:				
Water utility	7,895,332	8,007,277	8,724,832	9,008,023
Capital grants and contributions	236,938	76,832	104,327	142,589
Total business-type activities program revenues	8,132,270	8,084,109	8,829,159	9,150,612
Total primary government program revenues	22,155,037	21,926,146	22,067,617	25,418,864
<b>Net revenues (expenses):</b>				
Governmental activities	(51,166,098)	(57,117,942)	(67,660,235)	(62,625,772)
Business-type activities	1,171,072	729,487	769,218	421,830
Total net revenues (expenses)	(49,995,026)	(56,388,455)	(66,891,017)	(62,203,942)

2009	2010	2011	2012	2013	2014
\$ 4,182,328	\$ 3,438,268	\$ 2,163,896	\$ 3,883,766	\$ 5,773,716	\$ 5,941,165
27,819,575	27,580,109	26,383,489	27,242,545	28,371,664	25,903,765
20,631,199	30,950,225	20,666,314	13,832,431	3,420,343	4,050,792
7,169,870	6,711,824	10,044,324	8,874,948	22,545,319	16,997,746
7,856,203	12,002,498	8,229,998	8,480,678	7,916,483	7,690,481
4,128,929	3,468,839	2,919,442	2,929,811	2,664,800	2,881,556
61,695	21,617	62,365	62,366	64,246	-
8,087,433	7,911,796	7,249,129	4,191,452	343,881	213,286
79,937,232	92,085,176	77,718,957	69,497,997	71,100,452	63,678,791
9,455,272	9,080,895	9,737,232	10,028,948	9,738,082	10,781,780
89,392,504	101,166,071	87,456,189	79,526,945	80,838,534	74,460,571
1,137,500	732,638	686,006	717,021	746,832	2,027,076
2,924,531	2,870,405	2,773,032	2,801,311	2,792,442	2,937,252
3,048,561	3,758,049	3,859,883	3,137,047	4,018,338	2,460,571
455,206	291,322	308,852	336,955	260,835	756,730
934,448	1,082,696	466,019	443,425	636,462	556,566
653,585	721,334	654,912	641,003	579,073	522,881
3,249,259	5,188,053	5,172,057	6,100,535	4,714,266	3,405,177
1,843,328	2,978,733	4,851,876	6,016,364	36,562,363	18,887,861
14,246,418	17,623,230	18,772,637	20,193,661	50,310,611	31,554,114
9,221,517	9,168,719	9,852,607	11,748,391	13,063,973	13,139,026
176,868	26,667	223,673	914,585	4,002,420	632,638
9,398,385	9,195,386	10,076,280	12,662,976	17,066,393	13,771,664
23,644,803	26,818,616	28,848,917	32,856,637	67,377,004	45,325,778
(65,690,814)	(74,461,946)	(58,946,320)	(49,304,336)	(20,789,841)	(32,124,677)
(56,887)	114,491	339,048	2,634,028	7,328,311	2,989,884
(65,747,701)	(74,347,455)	(58,607,272)	(46,670,308)	(13,461,530)	(29,134,793)
(continued)					

**CITY OF SANTA FE SPRINGS**  
**Changes in Net Position**  
**Last Ten Fiscal Years (Continued)**  
**(accrual basis of accounting)**

	Fiscal Year			
	2005	2006	2007	2008
<b>General revenues and other changes in net position:</b>				
Governmental activities:				
Taxes:				
Sales and use taxes	\$ 23,070,830	\$ 25,592,900	\$ 26,373,068	\$ 25,716,341
Property taxes	24,425,264	26,896,587	29,796,606	30,792,418
Franchise taxes	2,404,968	2,776,978	3,090,282	2,902,765
Motor vehicle in lieu tax - general purpose	1,561,110	1,324,255	1,390,299	1,446,785
Business operations taxes	780,041	790,175	867,675	816,384
Utility users taxes	-	-	-	-
Other taxes	598,250	673,786	660,346	734,885
Investment income	1,648,633	2,696,536	4,946,163	4,845,514
Other	1,270,288	1,090,511	1,348,127	287,751
Loss on disposal of asset	(541,510)	(3,559,185)	-	(54,467)
Transfers to Successor Agency	-	-	-	-
Transfers	1,627,294	1,655,261	1,609,356	1,300,790
Extraordinary gain	-	-	-	-
Total governmental activities	<u>56,845,168</u>	<u>59,937,804</u>	<u>70,081,922</u>	<u>68,789,166</u>
Business-type activities:				
Investment income	153,675	292,821	324,780	225,296
Other	-	-	-	-
Transfers	(1,627,294)	(1,655,261)	(1,609,356)	(1,300,790)
Total business-type activities	<u>(1,473,619)</u>	<u>(1,362,440)</u>	<u>(1,284,576)</u>	<u>(1,075,494)</u>
Total primary government	<u>55,371,549</u>	<u>58,575,364</u>	<u>68,797,346</u>	<u>67,713,672</u>
Special - donation of land and improvements	23,702,922	-	-	-
<b>Changes in Net Position:</b>				
Governmental activities	5,679,070	2,819,862	2,421,687	6,163,394
Business-type activities	(302,547)	(632,953)	(515,358)	(653,664)
Total primary government	<u>\$ 5,376,523</u>	<u>\$ 2,186,909</u>	<u>\$ 1,906,329</u>	<u>\$ 5,509,730</u>

Source: City of Santa Fe Springs Finance and Administrative Services Department



	2009	2010	2011	2012	2013	2014
\$	23,237,402	\$ 19,214,299	\$ 20,254,386	\$ 22,868,333	\$ 23,655,903	\$ 26,096,479
	33,478,543	34,470,314	33,167,105	11,386,328	3,150,294	3,601,771
	2,857,707	2,524,816	2,553,493	2,499,668	2,443,761	2,779,357
	1,505,277	1,569,001	1,574,226	1,519,877	1,542,531	1,595,953
	805,857	783,107	775,506	771,766	778,483	768,575
	-	-	1,023,863	4,342,780	6,095,190	6,634,353
	723,819	576,767	570,792	518,095	890,344	416,269
	3,006,525	1,699,361	2,380,810	1,988,650	1,384,050	1,416,003
	391,132	356,634	236,254	3,425,588	1,413,449	2,216,285
	-	-	-	-	-	42,312
	-	-	-	-	(1,181,525)	-
	1,297,241	1,712,319	1,131,284	1,582,575	1,633,857	1,597,099
	-	-	-	76,845,362	-	(2,249,862)
	<u>67,303,503</u>	<u>62,906,618</u>	<u>63,667,719</u>	<u>127,749,022</u>	<u>41,806,337</u>	<u>44,914,594</u>
	79,642	7,322	5,892	4,830	9,809	11,929
	-	-	-	-	-	107,631
	<u>(1,297,241)</u>	<u>(1,712,319)</u>	<u>(1,131,284)</u>	<u>(1,582,575)</u>	<u>(1,633,857)</u>	<u>(1,597,099)</u>
	<u>(1,217,599)</u>	<u>(1,704,997)</u>	<u>(1,125,392)</u>	<u>(1,577,745)</u>	<u>(1,624,048)</u>	<u>(1,477,539)</u>
	<u>66,085,904</u>	<u>61,201,621</u>	<u>62,542,327</u>	<u>126,171,277</u>	<u>40,182,289</u>	<u>43,437,055</u>
	-	-	-	-	-	-
	1,612,689	(11,555,328)	4,721,399	78,444,686	21,016,496	12,789,917
	<u>(1,274,486)</u>	<u>(1,590,506)</u>	<u>(786,344)</u>	<u>1,056,283</u>	<u>5,704,263</u>	<u>1,512,345</u>
\$	<u>338,203</u>	<u>\$ (13,145,834)</u>	<u>\$ 3,935,055</u>	<u>\$ 79,500,969</u>	<u>\$ 26,720,759</u>	<u>\$ 14,302,262</u>

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**CITY OF SANTA FE SPRINGS**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<b>Fiscal Year</b>					
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>General fund:</b>						
Reserved	\$ 14,032,267	\$ 14,272,672	\$ 14,388,788	\$ 13,617,551	\$ 15,279,818	\$ 15,789,234
Unreserved	18,948,412	18,851,647	17,017,518	15,099,382	11,632,731	7,821,085
Total general fund	<u>\$ 32,980,679</u>	<u>\$ 33,124,319</u>	<u>\$ 31,406,306</u>	<u>\$ 28,716,933</u>	<u>\$ 26,912,549</u>	<u>\$ 23,610,319</u>
<b>All other governmental funds:</b>						
Reserved	\$ 27,603,708	\$ 31,370,232	\$ 39,559,163	\$ 42,709,013	\$ 46,410,455	\$ 53,512,156
Unreserved, reported in:						
Special revenue funds	1,989,508	2,666,450	2,640,445	2,158,778	1,955,895	1,514,867
Debt service funds	(2,640,256)	(2,355,832)	(2,040,292)	(1,679,421)	(1,679,353)	(1,954,284)
Capital project funds	23,479,870	21,234,317	56,216,049	47,613,794	44,588,079	22,540,869
Total all other governmental funds	<u>\$ 50,432,830</u>	<u>\$ 52,915,167</u>	<u>\$ 96,375,365</u>	<u>\$ 90,802,164</u>	<u>\$ 91,275,076</u>	<u>\$ 75,613,608</u>
	<b>2011*</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>		
<b>General fund:</b>						
Nonspendable	\$ 6,028,152	\$ 6,047,653	\$ 5,224,843	\$ 5,585,494		
Restricted	1,326,532	181,532	-	98,801		
Committed	1,455,318	1,455,318	225,000	225,000		
Assigned	-	-	9,337,498	-		
Unassigned	16,439,102	23,978,015	15,744,237	18,583,574		
Total general fund	<u>\$ 25,249,104</u>	<u>\$ 31,662,518</u>	<u>\$ 30,531,578</u>	<u>\$ 24,492,869</u>		
<b>All other governmental funds:</b>						
Nonspendable	\$ 9,148,250	\$ 7,634,198	1,018,291	5,688,704		
Restricted	68,588,092	4,401,519	8,894,627	3,863,639		
Assigned	-	-	4,579,545	7,794,387		
Unassigned	(5,724,815)	(1,621,191)	-	(40,661)		
Total all other governmental funds	<u>\$ 72,011,527</u>	<u>\$ 10,414,526</u>	<u>\$ 14,492,463</u>	<u>\$ 17,306,069</u>		

\* Since fiscal year 2011, the City has implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to reserved and unreserved.

In fiscal year 2013, the City elected to separately report employee benefits and equipment replacement activities as internal service funds, which were previously reported in the general fund. Periods reported prior to fiscal year 2013 have not been restated to reflect this change.

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year			
	2005	2006	2007	2008
<b>Revenues:</b>				
Taxes	\$ 51,279,875	\$ 56,758,561	\$ 60,787,976	\$ 60,962,794
Licenses and permits	2,358,170	1,937,477	1,629,490	1,701,480
Fines, forfeitures and seizures	338,843	543,522	609,712	548,283
Interest and rentals	2,552,311	3,851,945	5,953,140	5,892,674
From other agencies	5,301,442	5,175,615	5,917,337	7,578,801
Charges for current services	4,178,852	4,897,205	4,739,147	5,305,063
Other	3,398,340	2,518,156	2,491,930	1,702,360
Total revenues	<u>69,407,833</u>	<u>75,682,481</u>	<u>82,128,732</u>	<u>83,691,455</u>
<b>Expenditures:</b>				
Current:				
General government	3,295,793	6,082,704	8,407,116	4,111,182
Public safety	20,881,213	23,632,838	25,077,753	25,824,532
Community development	17,149,044	16,709,315	16,535,419	19,500,243
Transportation	4,186,499	4,299,753	4,496,028	4,641,050
Culture and leisure	7,083,663	8,362,724	9,025,881	8,511,379
Human services	2,169,841	3,578,218	3,982,317	4,117,257
Capital outlay	6,700,631	3,567,934	5,839,038	15,234,728
Loss on sale of property	-	3,250,937	2,394,149	-
Debt service:				
Interest	5,767,172	5,969,105	6,222,003	6,175,132
Principal retirement	4,181,415	4,303,173	4,814,783	6,309,031
Bond issuance costs	-	-	1,783,534	-
Total expenditures	<u>71,415,271</u>	<u>79,756,701</u>	<u>88,578,021</u>	<u>94,424,534</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,007,438)</u>	<u>(4,074,220)</u>	<u>(6,449,289)</u>	<u>(10,733,079)</u>
<b>Other financing sources (uses):</b>				
Proceeds (loss) from sale of assets	-	-	-	-
Lease purchase agreements	-	82,690	108,986	107,588
Loan issuance	3,864,370	4,962,246	1,326,493	1,062,127
Bond issuance	-	-	91,911,529	-
Payment to refunded bond escrow agent	-	-	(45,656,679)	-
Transfer from private-purpose trust fund	-	-	-	-
Transfers in	25,411,810	17,712,793	23,177,837	15,611,252
Transfers out	<u>(23,784,516)</u>	<u>(16,057,532)</u>	<u>(21,568,481)</u>	<u>(14,310,462)</u>
Total other financing sources (uses)	<u>5,491,664</u>	<u>6,700,197</u>	<u>49,299,685</u>	<u>2,470,505</u>
Extraordinary loss	-	-	-	-
Net change in fund balances	<u>\$ 3,484,226</u>	<u>\$ 2,625,977</u>	<u>\$ 42,850,396</u>	<u>\$ (8,262,574)</u>
Debt service as a percentage of noncapital expenditures	15.4%	13.7%	15.4%	15.9%

\* During the fiscal year 2011-2012, the City issued pension obligation bonds in the amount of \$7.1 million. The related payment to the PERS Safety Plan of \$7.0 million is included in the public safety function expenditures.

In fiscal year 2013, the City elected to separately report employee benefits and equipment replacement activities as internal service funds, which were previously reported in the general fund. Periods reported prior to fiscal year 2013 have not been restated to reflect this change.

Source: City of Santa Fe Springs Finance and Administrative Services Department

2009	2010	2011	2012 *	2013	2014
\$ 61,103,328	\$ 57,569,302	\$ 58,310,307	\$ 42,294,544	\$ 36,999,332	\$ 40,296,804
1,524,535	2,115,081	1,867,845	2,102,755	2,969,902	2,747,847
529,748	503,749	465,360	428,472	344,325	491,503
4,062,816	2,745,752	2,321,749	1,995,506	1,398,990	1,416,003
5,641,140	9,270,391	10,644,890	12,349,659	35,766,822	23,165,769
5,212,477	5,365,282	5,292,591	5,031,896	4,965,080	5,147,329
2,178,637	1,194,374	1,573,488	4,532,497	3,907,821	2,493,091
80,252,681	78,763,931	80,476,230	68,735,329	86,352,272	75,758,346
3,381,651	2,718,500	1,670,047	3,826,155	5,629,632	5,064,465
26,691,447	26,459,351	25,439,776	33,199,540	25,846,858	25,203,933
18,917,170	29,453,154	19,344,105	13,434,645	3,346,701	3,991,264
4,503,733	4,413,626	7,563,987	5,966,489	4,240,659	4,456,233
7,507,153	6,886,004	7,295,141	7,604,051	7,130,910	6,974,428
3,905,691	3,238,862	2,731,901	2,790,524	2,481,419	2,579,037
5,271,884	12,913,273	3,719,878	4,498,772	32,091,957	21,383,923
-	-	-	-	-	-
7,022,705	6,801,175	6,081,574	3,042,465	310,664	278,854
6,587,336	6,962,183	7,178,400	7,295,987	789,060	983,524
-	-	-	119,993	-	-
83,788,770	99,846,128	81,024,809	81,778,621	81,867,860	70,915,661
(3,536,089)	(21,082,197)	(548,579)	(13,043,292)	4,484,412	4,842,685
80,445	(64,538)	9,924	23,496	50,662	42,312
-	-	-	-	-	-
826,931	470,718	596,075	-	-	-
-	-	-	7,759,094	-	-
-	-	-	-	-	-
-	-	-	995,421	(1,181,525)	-
14,613,933	14,483,825	23,360,976	22,577,622	6,600,367	8,805,993
(13,316,692)	(12,771,506)	(22,229,692)	(20,995,047)	(5,642,617)	(10,517,883)
2,204,617	2,118,499	1,737,283	10,360,586	(173,113)	(1,669,578)
-	-	-	(52,500,881)	-	(8,408,716)
\$ (1,331,472)	\$ (18,963,698)	\$ 1,188,704	\$ (55,183,587)	\$ 4,311,299	\$ (5,235,609)
17.2%	15.8%	17.2%	13.5%	2.2%	2.5%

**CITY OF SANTA FE SPRINGS**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(In thousands of dollars)**

<b>Fiscal Year</b>	<b>Secured Property</b>	<b>Unsecured Property</b>	<b>Less Property Exemptions</b>	<b>Grand Total</b>	<b>Homeowner's Exemption</b>	<b>Net Taxable Value</b>	<b>Total Direct Tax Rate</b>
2005	\$ 3,602,267	\$ 758,572	\$ 34,258	\$ 4,326,581	\$ 15,718	\$ 4,310,863	0.077%
2006	3,937,295	760,308	35,699	4,661,904	15,733	4,646,171	0.077%
2007	4,314,351	796,390	41,222	5,069,519	15,660	5,053,859	0.077%
2008	4,649,072	893,796	42,911	5,499,957	15,586	5,484,371	0.077%
2009	4,948,146	966,130	49,046	5,865,230	15,606	5,849,624	0.077%
2010	5,085,904	1,014,688	55,391	6,045,201	15,452	6,029,749	0.077%
2011	5,092,022	961,737	51,456	6,002,303	15,271	5,987,032	0.077%
2012	5,164,916	943,242	65,907	6,042,251	15,124	6,027,127	0.077%
2013	5,299,330	963,433	56,513	6,206,250	15,072	6,191,178	0.077%
2014	5,491,905	964,947	67,488	6,389,364	15,020	6,374,344	0.077%

**NOTE:**

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only 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 data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Muniservices LLC  
Los Angeles County, Auditor-Controller

**CITY OF SANTA FE SPRINGS**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(Per \$100 of Assessed Value)**

<b>Fiscal Year</b>	<b>Basic 1% Direct Tax Rate</b>		<b>Override Assessments</b>						<b>Total</b>
	<b>City of Santa Fe Springs</b>	<b>Los Angeles County</b>	<b>Elementary Schools</b>	<b>Los Angeles County</b>	<b>Rio Hondo Community College District</b>	<b>Whittier Union High School District</b>	<b>Los Angeles County Flood Control District</b>	<b>Metro. Water District</b>	
2005	0.077	0.923	0.000	0.001	0.022	0.031	0.000	0.006	1.060
2006	0.077	0.923	0.000	0.001	0.018	0.045	0.000	0.005	1.069
2007	0.077	0.923	0.035	0.001	0.015	0.044	0.000	0.004	1.099
2008	0.077	0.923	0.075	0.000	0.014	0.044	0.000	0.004	1.137
2009	0.077	0.923	0.074	0.000	0.023	0.037	0.000	0.004	1.138
2010	0.077	0.923	0.073	0.000	0.027	0.042	0.000	0.004	1.146
2011	0.077	0.923	0.076	0.000	0.034	0.042	0.000	0.004	1.156
2012	0.077	0.923	0.053	0.000	0.034	0.043	0.000	0.004	1.134
2013	0.077	0.923	0.069	0.000	0.028	0.046	0.000	0.004	1.147
2014	0.077	0.923	0.085	0.000	0.029	0.045	0.000	0.004	1.163

**NOTE:**

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by taxing agencies for which the subject property resides within. In addition to the 1.00% general levy, Los Angeles County, Rio Hondo College District, Whittier Union High School District, Los Angeles County Flood Control District, and Metropolitan Water District levied direct assessments totaling an additional 14.6%.

Source: MuniServices, LLC  
Los Angeles County Auditor/Controller data

Rates are not adjusted for ERAF

**CITY OF SANTA FE SPRINGS**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

	<b>FY 2013-14</b>		<b>FY 2004-05</b>	
	<b>Taxable Assessed Value</b>	<b>Percent of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Percent of Total City Taxable Assessed Value</b>
<b>Taxpayer</b>				
Golden Springs Development Company	\$ 290,852,977	4.56%	\$ 102,986,609	2.39%
Breitburn Operating LP	191,275,178	3.00%	19,196,322	0.45%
AMB	110,477,649	1.73%	20,905,026	0.48%
Legacy Partners II Santa Fe Springs	78,888,565	1.24%	-	0.00%
McMaster Carr Supply Company	74,036,429	1.16%	42,715,747	0.99%
Gateway Santa Fe Springs	60,000,000	0.94%	-	0.00%
Teachers Insurance & Annuity	57,588,965	0.90%	-	0.00%
Inland Paperboard and Packaging	51,680,284	0.81%	18,080,589	0.42%
Vons Companies Inc.	46,852,679	0.74%	37,557,280	0.87%
McKesson Corp	44,943,482	0.71%	-	0.00%
Catellus Development Corp	41,615,999	0.65%	-	0.00%
Heraeus Metals Processing Inc.	41,129,709	0.65%	-	0.00%
Maruichi American Corp	40,959,837	0.64%	42,860,888	0.99%
Centro Watt Property Owner II	39,119,038	0.61%	-	0.00%
Bloomfield Commerce Center Cor	38,474,972	0.60%	33,181,531	0.77%
	<u>\$ 1,207,895,763</u>	<u>18.94%</u>	<u>\$ 317,483,992</u>	<u>7.36%</u>

**NOTE:**

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

Source: Los Angeles County Assessor data, MuniServices, LLC



**CITY OF SANTA FE SPRINGS**  
**Property Tax Levies and Collections**  
Last Nine Fiscal Years

<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy</b>	<b>Collected within the Fiscal Year of Levy</b>		<b>Collections in Subsequent Years</b>	<b>Collections to Date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2006	\$25,002,400	\$25,379,360	101.51%	\$3,139	\$25,382,499	101.52%
2007	27,943,296	27,742,846	99.28%	3,167	27,746,013	99.29%
2008	30,606,477	29,968,507	97.92%	6,444	29,974,951	97.94%
2009	33,582,847	32,268,027	96.08%	2,576	32,270,603	96.09%
2010	35,553,303	33,444,853	94.07%	3,442	33,448,295	94.08%
2011	33,855,534	33,082,969	97.72%	2,344	33,085,313	97.72%
2012	30,577,401	29,841,895	97.59%	-	29,841,895	97.59%
2013	31,385,138	30,858,535	98.32%	-	30,858,535	98.32%
2014	33,546,785	33,210,254	99.00%	-	33,210,254	99.00%

**NOTE:**

The amounts presented include City property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies

The City receives limited information from Los Angeles County in relation to tax levies and collections. The City was unable to obtain further detail from Los Angeles County regarding the 2006 collections in excess of the levy amount

With the implementation of GASB Statement No. 44, the City began reporting this data in Fiscal Year 2005-06. Therefore, only nine years are presented.

Source: City of Santa Fe Springs  
Muniservices LLC  
Los Angeles County, Auditor-Controller

**CITY OF SANTA FE SPRINGS**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities					Business-type Activities	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Debt Per Capita <sup>1</sup>
	Loans	Tax Allocation Bonds	Pension Obligation Bonds	Capitalized Lease Obligations	Total Governmental Activities	Revenue Bonds			
2005	\$ 5,177,233	\$ 111,171,415	\$ -	\$ 159,121	\$ 116,507,769	\$ 8,085,479	\$ 124,593,248	42.28%	\$ 6,973
2006	10,004,479	107,226,731	-	138,902	117,370,112	7,935,290	125,305,402	41.33%	7,048
2007	11,035,729	149,005,755	-	133,348	160,174,832	7,781,103	167,955,935	53.46%	9,410
2008	11,637,827	144,980,330	-	96,936	156,715,093	7,621,416	164,336,509	51.02%	9,238
2009	11,938,543	140,121,585	-	35,815	152,095,943	7,456,728	159,552,671	47.72%	8,972
2010	11,717,893	135,078,706	-	-	146,796,599	7,282,040	154,078,639	45.05%	8,695
2011	8,910,568	129,859,479	-	-	138,770,047	7,102,352	145,872,399	43.51%	8,868
2012 <sup>2</sup>	802,216	-	7,091,000	612,094	8,505,310	6,917,664	15,422,974	4.81%	934
2013 <sup>2</sup>	503,156	-	6,601,000	612,094	7,716,250	9,282,194	16,998,444	5.11%	1,011
2014 <sup>2</sup>	257,024	-	5,944,000	531,702	6,732,726	9,231,693	15,964,419	3.86%	966

**NOTES:**

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

<sup>1</sup> These ratios are calculated using personal income and population for the prior calendar year.

<sup>2</sup>Loans and Tax Allocation Bonds related to the dissolved redevelopment agency were transferred to the Successor Agency and are reported in the private purpose trust fund.

Prior year data has been adjusted for updated personal income information obtained after the 2010 Census.

Source: City of Santa Fe Springs Department of Finance and Administrative Services

**CITY OF SANTA FE SPRINGS**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Outstanding General Bonded Debt</b>			<b>Percent of Assessed Value<sup>1</sup></b>	<b>Per Capita</b>
	<b>Tax Allocation Bonds</b>	<b>Pension Obligation Bonds</b>	<b>Total General Bonded Debt</b>		
2005	\$ 111,171,415	\$ -	\$ 111,171,415	2.58%	\$ 6,222
2006	107,226,731	-	107,226,731	2.31%	6,031
2007	149,005,755	-	149,005,755	2.95%	8,348
2008	144,980,330	-	144,980,330	2.64%	8,150
2009	140,121,585	-	140,121,585	2.40%	7,879
2010	135,078,706	-	135,078,706	2.24%	7,623
2011	129,859,479	-	129,859,479	2.17%	7,894
2012 <sup>2</sup>	-	7,091,000	7,091,000	0.12%	429
2013 <sup>2</sup>	-	6,601,000	6,601,000	0.11%	393
2014 <sup>2</sup>	-	5,944,000	5,944,000	0.09%	360

**NOTE:**

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

<sup>1</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

<sup>2</sup>Tax Allocation Bonds related to the dissolved redevelopment agency were transferred to the Successor Agency and are reported in the private purpose trust fund.

Source: City of Santa Fe Springs Finance and Administrative Services Department

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**CITY OF SANTA FE SPRINGS**  
**Direct and Overlapping Debt**  
**June 30, 2014**

2013-14 Assessed Valuation: \$6,389,364,452

	Total Debt 6/30/14	% Applicable (1)	City's Share of Debt 6/30/14
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Los Angeles County Flood Control District Limited Obligations	\$ 17,480,000	0.521%	\$ 91,071
Metropolitan Water District	132,275,000	0.293	387,566
Cerritos Community College District	187,115,285	4.776	8,936,626
Rio Hondo Community College District	164,103,211	15.156	24,871,483
Whittier Union High School District	131,854,107	23.750	31,315,350
ABC Unified School District	41,254,966	3.515	1,450,112
Norwalk-La Mirada Unified School District	138,517,323	13.375	18,526,692
Little Lake City School District	32,239,901	59.050	19,037,662
Los Nietos School District	14,580,132	69.289	10,102,428
South Whittier School District	16,266,097	47.144	7,668,489
Whittier City School District	44,345,000	0.546	242,124
City of Santa Fe Springs Heritage Springs Assessment District	1,815,000	100.	1,815,000
Los Angeles County Regional Park and Open Space Assessment District	113,615,000	0.561	637,380
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$125,081,983</b>

<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Los Angeles County General Fund Obligations	\$1,835,420,030	0.561%	\$10,296,706
Los Angeles County Superintendent of Schools Certificates of Participation	9,529,882	0.561	53,463
Norwalk-La Mirada Unified School District Certificates of Participation	2,770,165	13.375	370,510
Whittier City School District Certificates of Participation	7,930,000	0.546	43,298
<b>City of Santa Fe Springs Pension Obligations</b>	<b>5,944,000</b>	<b>100.</b>	<b>5,944,000</b>
Los Angeles County Sanitation District No. 18 Authority	12,154,632	17.932	2,179,569
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$18,887,546</b>
Less: Los Angeles County General Fund Obligations supported by landfill revenues			28,248
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$18,859,298</b>

<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</b>	<b>\$103,948,493</b>	<b>100. %</b>	<b>\$103,948,493</b>
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<b>TOTAL DIRECT DEBT</b>	<b>\$5,944,000</b>
GROSS TOTAL OVERLAPPING DEBT	\$241,974,022
NET TOTAL OVERLAPPING DEBT	\$241,945,774

GROSS COMBINED TOTAL DEBT	\$247,918,022	(2)
NET COMBINED TOTAL DEBT	\$247,889,774	

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2013-14 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	1.96%
<b>Total Direct Debt (\$5,944,000) .....</b>	<b>0.09%</b>
Gross Combined Total Debt.....	3.88%
Net Combined Total Debt.....	3.88%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$3,388,157,494):

Total Overlapping Tax Increment Debt.....	3.07%
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AB:(\$475)

Source: MuniServices LLC

**CITY OF SANTA FE SPRINGS**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year Ended June 30			
	2005	2006	2007	2008
Assessed valuation	\$ 4,326,579,975	\$ 4,661,903,295	\$ 5,069,519,480	\$ 5,499,958,005
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 1,081,644,994	\$ 1,165,475,824	\$ 1,267,379,870	\$ 1,374,989,501
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 162,246,749	\$ 174,821,374	\$ 190,106,981	\$ 206,248,425
Total net debt applicable to the limit: General obligation bonds <sup>1</sup>				
Legal Debt Margin	<u>\$ 162,246,749</u>	<u>\$ 174,821,374</u>	<u>\$ 190,106,981</u>	<u>\$ 206,248,425</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

**NOTE:**

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with Fiscal Year 1981-82, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

<sup>1</sup>The City issued pension obligation bonds during Fiscal Year 2011-12

Source: City of Santa Fe Springs Finance and Administrative Services Department  
Los Angeles County, Auditor-Controller

**CITY OF SANTA FE SPRINGS**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(Continued)**

Fiscal Year Ended June 30					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 5,865,229,569	\$ 6,045,200,975	\$ 6,002,303,665	\$ 6,042,251,000	\$ 6,206,250,000	6,389,364,000
25%	25%	25%	25%	25%	25%
\$ 1,466,307,392	\$ 1,511,300,244	\$ 1,500,575,916	\$ 1,510,562,750	\$ 1,551,562,500	1,597,341,000
15%	15%	15%	15%	15%	15%
\$ 219,946,109	\$ 226,695,037	\$ 225,086,387	\$ 226,584,413	\$ 232,734,375	239,601,150
			\$ 7,091,000	6,601,000	5,944,000
<u>\$ 219,946,109</u>	<u>\$ 226,695,037</u>	<u>\$ 225,086,387</u>	<u>\$ 219,493,413</u>	<u>\$ 226,133,375</u>	<u>233,657,150</u>
0.0%	0.0%	0.0%	3.1%	2.8%	2.5%

**CITY OF SANTA FE SPRINGS**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

Fiscal Year	Water Revenue Bonds					Coverage
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2005	\$ 8,049,007	\$ 5,769,942	\$ 2,279,065	\$ 160,000	\$ 382,566	4.20
2006	8,300,098	6,180,382	2,119,716	160,000	391,207	3.85
2007	9,049,612	6,903,387	2,146,225	165,000	383,363	3.91
2008	9,233,319	7,585,307	1,648,012	170,000	378,588	3.00
2009	9,301,159	8,308,715	992,444	175,000	373,576	1.81
2010	9,176,041	7,916,630	1,259,411	185,000	367,928	2.28
2011	9,858,499	8,570,700	1,287,799	190,000	362,907	2.33
2012	11,753,221	9,672,641	2,080,580	195,000	356,307	3.77
2013	13,063,973	9,429,722	3,634,251	200,000	338,298	6.75
2014	13,879,295	10,288,207	3,591,088	155,000	319,342	7.57

**NOTE:**

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

<sup>1</sup>The tax allocation bonds were transferred to the private purpose trust fund during Fiscal Year 2011-12 as a result of the dissolution of redevelopment agencies

Source: City of Santa Fe Springs Finance and Administrative Services Department



**CITY OF SANTA FE SPRINGS**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
**(continued)**

	Tax Allocation Bonds						
Fiscal Year	Tax Increment		Debt Service		Coverage		
			Principal	Interest			
2005							
2006	\$	25,378,492	\$	4,015,000	\$	5,124,763	2.78
2007		28,310,437		4,405,000		5,260,420	2.93
2008		28,794,524		5,705,000		5,277,460	2.62
2009		31,542,884		6,000,000		5,588,855	2.72
2010		32,484,836		6,235,000		5,348,548	2.80
2011		31,340,825		6,465,000		5,071,797	2.72
2012 <sup>1</sup>		-		-		-	-
2013		-		-		-	-
2014		-		-		-	-

**NOTE:**

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

<sup>1</sup>The tax allocation bonds were transferred to the private purpose trust fund during Fiscal Year 2011-12 as a result of the dissolution of redevelopment agencies

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2004	17,867	\$ 294,702	\$ 16,494	4.7%
2005	17,780	303,203	17,053	4.4%
2006	17,849	314,198	17,603	3.9%
2007	17,790	322,079	18,104	4.3%
2008	17,784	334,332	18,800	6.2%
2009	17,721	342,015	19,300	9.7%
2010	16,450	335,251	20,380	10.6%
2011	16,516	320,960	19,433	9.2%
2012	16,816	332,410	19,767	9.1%
2013	16,524	413,678	25,035	8.2%

**NOTE:**

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The data for prior years has been adjusted based on currently available data.

Sources: Population - State of California, Department of Finance  
Income Data is provided by the United States Census Data and is adjusted for inflation.  
Unemployment Rate - State of California, Employment Development Department

**CITY OF SANTA FE SPRINGS**  
**Principal Employers**  
**Current Year and Ten Years Ago**

	<u>FY 2013-14</u>		<u>FY 2004-05</u>	
<u>Employer</u>	<u>Number of</u> <u>Employees</u>	<u>Percent of</u> <u>Total</u> <u>Employment</u>	<u>Number of</u> <u>Employees *</u>	<u>Percent of</u> <u>Total</u> <u>Employment *</u>
The Vons Companies, Inc.	769	1.90%		
McMaster Carr Supply Company	769	1.90%		
L. A. Specialty Produce Company	483	1.19%		
Tharco Containers, Inc.	469	1.16%		
Vance and Hines, Inc.	430	1.06%		
Swift & Company	399	0.98%		
Southern Wine and Spirits	396	0.98%		
Trojan Battery	372	0.92%		
Fuji Food Products, Inc.	342	0.84%		
Shaw Diversified Services, Inc.	341	0.84%		
	<u>4,770</u>	<u>11.77%</u>	<u>-</u>	<u>-</u>

**NOTE:**

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

\* Data unavailable for FY 2004-05.

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS**  
**Full-time and Part-time City Employees by Function**  
**Last Nine Fiscal Years**

	<b>Full-time and Part-time Employees as of June 30th</b>								
	<u><b>2006</b></u>	<u><b>2007</b></u>	<u><b>2008</b></u>	<u><b>2009</b></u>	<u><b>2010</b></u>	<u><b>2011</b></u>	<u><b>2012</b></u>	<u><b>2013</b></u>	<u><b>2014</b></u>
General Government	51	51	52	49	41	39	38	36	37
Public Safety	103	103	91	94	84	87	72	68	79
Public Works	61	61	66	66	61	56	50	50	57
Planning and Community Development	25	25	23	23	21	19	7	4	4
Community Services - Administration	4	4	5	3	0	0	0	1	1
Community Services - Parks and Recreation	125	125	128	118	94	103	88	64	75
Community Services - Library Services	45	45	38	40	24	23	23	16	14
Community Services - Human Services	<u>65</u>	<u>65</u>	<u>63</u>	<u>65</u>	<u>46</u>	<u>40</u>	<u>42</u>	<u>41</u>	<u>48</u>
Total	<u><u>479</u></u>	<u><u>479</u></u>	<u><u>466</u></u>	<u><u>458</u></u>	<u><u>371</u></u>	<u><u>367</u></u>	<u><u>320</u></u>	<u><u>280</u></u>	<u><u>315</u></u>

**NOTES:**

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With the implementation of GASB Statement No. 44, the City began reporting this data in Fiscal Year 2005-06. Therefore, only nine years are presented.

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS**  
**Operating Indicators by Function**  
**Last Nine Fiscal Years**

		Fiscal Year Ended June 30								
		2006	2007	2008	2009	2010	2011	2012	2013	2014
Fire:										
Number of emergency calls		3,307	3,279	2,945	2,963	3,027	2,945	2,963	3,166	3,260
Inspections		2,874	2,459	2,540	2,519	2,573	2,645	2,255	3,793	2,864
Public works:										
Street resurfacing (miles)		0.4	1.5	1.5	1.5	2	2.5	2	3	5
Parks and recreation:										
Number of recreation classes		557	462	480	413	401	412	362	289	425
Number of facility rentals		1,157	1,501	2,105	1,302	1,196	1,208	1,126	1,157	1,669
Human services:										
Children served in the City's childcare centers		509	500	500	489	463	426	371	306	296
Number of facility rentals		995	1,389	1,115	971	452	73 *	42 *	51 *	528
Water:										
Average daily consumption (thousands of gallons)		6,169	7,547	6,089	5,873	5,526	5,593	5,743	5,915	5,197

**NOTES:**

\* Reflective of the limited availability of the Neighborhood Center due to construction.

With the implementation of GASB Statement No. 44, the City began reporting this data in Fiscal Year 2005-06. Therefore, only nine years are presented.

Source: City of Santa Fe Springs

**CITY OF SANTA FE SPRINGS**  
**Capital Asset Statistics by Function**  
**Last Nine Fiscal Years**

	<b>Fiscal Year Ended June 30</b>								
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Fire:									
Fire stations *	4	4	4	4	4	4	4	4	4
Public works:									
Streets (miles)	110	110	110	110	110	110	110	110	110
Traffic signals	71	71	71	71	75	75	75	75	75
Streetlights	1,076	2,407	2,407	2,407	2,960	2,960	2,960	2,960	2,960
Parks and recreation:									
Parks	8	8	8	8	8	8	8	9	9
Community centers	4	4	4	4	4	4	4	4	2
Human services:									
Child care centers	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	2	2
Water:									
Water mains (miles)	91	91	91	91	107	107	107	107	107
Number of service connections	5,730	5,730	6,203	6,203	6,308	6,368	6,332	6,156	6,150

**NOTES:**

With the implementation of GASB Statement No. 44, the City began reporting this data in Fiscal Year 2005-06. Therefore, only nine years are presented.

\* For a portion of FY 2012-13 (August 2012 - April 2013) there were three (3) operating fire stations.

Source: City of Santa Fe Springs