

Comprehensive Annual Financial Report

City of Santa Fe Springs, CA

July 1, 2015 to June 30, 2016

Comprehensive Annual Financial Report

City of Santa Fe Springs, CA
Year Ended June 30, 2016



City Council

Richard J. Moore, Mayor
William K. Rounds, Mayor Pro-Tem
Jay Sarno, Councilmember
Juanita Trujillo, Councilmember
Joe Angel Zamora, Councilmember

Planning Commission

Ralph Aranda
Ken Arnold
Gabriel Jimenez
John Mora
Frank Ybarra

Traffic Commission

Greg Berg
A. J. Hayes
Alma Martinez
Ted Radoumis
Nancy Romo

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:

Jose Gomez, Asst. City Mgr. / Dir. of Fin.
Travis Hickey, Director of Fiscal Services
Lana Dich, Accounting Manager
Donna Mack, Accountant
Erlinda Gutierrez, Accountant
Michelle Prieto, Administrative Clerk II

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CITY OF SANTA FE SPRINGS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

December 14, 2016

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

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.

Richard J. Moore, Mayor • William K. Rounds, Mayor Pro Tem
City Council
Jay Sarno • Juanita Trujillo • Joe Angel Zamora
City Manager
Thaddeus McCormack

**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.

**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:

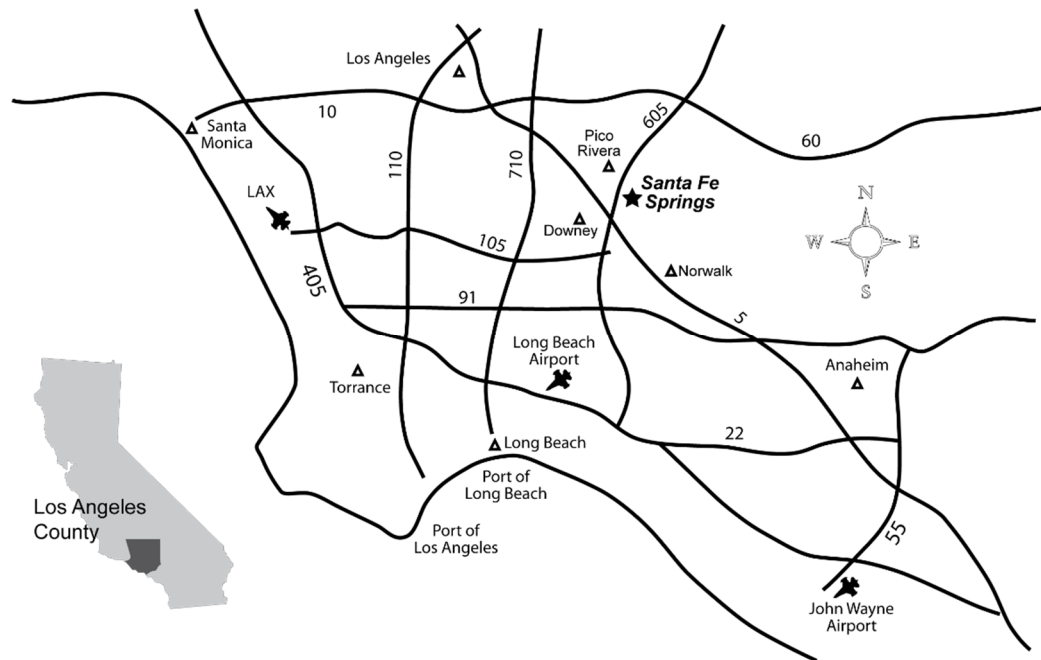
- (1) The safeguarding of assets against loss from unauthorized use or disposition; and
- (2) The reliability of financial records for preparing financial statements and maintaining accountability for assets.

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 and certain Special Revenue 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 18,500; 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.

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. Sales tax, property tax, and utility user's taxes (UTT) revenues reported slight decreases from the prior year.

The City's primary revenue source, sales and use taxes, reported a decline for the first time since Fiscal Year (FY) 2009-10. Historically, its impact has been notable as it accounts for the vast majority of the City's General Fund revenues. The decline in property tax revenues was primarily the result of less residual taxes from the City of Santa Fe Springs Successor Agency. Overall, 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. For the first time since adopted by the voters, UUT revenues dropped slightly when compared to prior year amounts. Given the various revenue declines, we must remain watchful of longer-term trending and implications for the City.

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

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 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 60 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. The Fire Prevention Division continues to provide many services, including code enforcement, plan checks, issuing permits, fire investigations, and public education events. Fire-Rescue suppression personnel have implemented a business-friendly fire inspection program with the goal of annually inspecting each business in the City to identify possible fire and life safety issues as well as update emergency contact information in the department's data base. The Department of Fire Rescue conducted over 2,400 business and residential inspections and responded to over 3,900 emergency calls in FY 2015-16.

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 thirty 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

**Accomplishments
& Outlook (cont.)**

destruction. The Department houses and maintains 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 Regional Homeland Security Training Center located directly adjacent to the Headquarters' Fire Station. 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. The center has been recognized by the California State Training Institute (CSTI) as the primary training center for Hazardous Material Specialists Training in Southern California.

In FY 2015-16, the Fire-Rescue Department applied for and received over \$597,636 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 (USAR) Response Team. Specifically, grant awards allowed for the purchase of a forklift, Ford Explorer Command Vehicle, training equipment, and Hazardous Material Specialist and Urban Search and Rescue (USAR) training classes. 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 City of Compton's 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.

In FY 2015-16, the Department of Police Services continued to "reach out" to the community, providing programs, information, and tools designed to deter crimes and improve the quality of life for its residents, such as:

- Dedicated Residential/Bike Patrols
- A Department Newsletter focusing on policing issues
- The addition of 2 part-time residential code enforcement officers
- Subscription to Crimereports.com for up-to date city crime data

**Accomplishments
& Outlook (cont.)**

- “Coffee with a Cop” sessions at schools and business establishments
- SNT/BEPN focusing on crime trends and emergency preparedness
- Speed enforcement equipment/tools to educate and deter speeding in the community
- Plate reading technology to aide in the recovery of stolen vehicles
- The “Great Shakeout” in preparation for major catastrophes
- Pet licensing and vaccination clinic
- Sworn personnel participation in “Read Across America” at local elementary schools

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. Some of the programs this group administers are:

- Diversity
- Cesar Chavez
- Red Ribbon Week/Parade
- Every 15 Minutes

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 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 FY 2015-16, the Engineering Division issued 419 total excavation and construction permits.

During FY 2015-16, the Department of Public Works coordinated a multitude of capital improvement projects including:

- Clarke Estate, Activity Center and Civic Plaza Exterior Painting
- Lakeview Park Restroom Renovation
- Fire Station Headquarters – Generator Replacement
- Police Services Center – Generator Replacement
- Heritage Park – Repairs/Replacement of Perimeter Park Fencing
- Heritage Park – Restroom Renovation
- Heritage Park – Aviary Renovation
- Heritage Park – Wedding Area Synthetic Turf Improvements

**Accomplishments
& Outlook (cont.)**

- Advanced Traffic Management System (ATMS)
- Heritage Park – Kitchen Improvements
- Clarke Estate Courtyard Bistro Lighting
- Heritage Park – Construction of Decomposed Granite Walkways
- Motor Court Entry Sign Improvements
- Jersey Fields Patio Cover Removal
- Re-installation of the “Cannonball” art piece at the Aquatic Center
- Warehouse Interior Lighting Upgrade
- Activity Center – New Scoreboard Installation inside Gymnasium
- Post Office Block Wall Repair and Landscape Improvements
- Los Nietos Scoreboard Improvements
- Picnic Bench Replacement at all City Parks
- Aquatic Center Deck Repairs
- Aquatic Center Picnic Area Column Removals

In addition, we maintain 25 city facilities, 108 lane miles of roadways, curb and gutter and sidewalk, 13,000 trees, 54 traffic signals, 3,174 street lights, 6,335 water service connections and 161 city vehicles.

Department of Planning and Development

The Planning and Building Department is responsible for economic development (creating, retaining, attracting and expanding the business community), planning, and regulating land use and development that engenders a diverse and livable community where residents, businesses, and visitors can thrive. Through creating new retail opportunities and commercial developments, supporting the expansion of hospitality development, and 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 FY 2015-16, once again, we saw an increase in construction activities. During FY 2015-2016, there were a total of 1,317 permits issued with a total valuation of work at \$83,332,710. When compared to FY 2014-2015, we saw an increase of 355 permits issued. In all, the Building Department addressed a total of 2,588 queries (an average 215 queries each month) at the Building Counter, which was an increase of 34 more queries a month compared to FY 2014-15.

During FY 2015-16, a total of 66 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 170 plan checks, issued a total of 52 sign permits and 7 banner permits, prepared a total of 29 zone certification letters, and issued a total of 13 home occupation permits. In terms of the counter activity, the

**Accomplishments
& Outlook (cont.)**

Planning Department addressed a total of 2,032 queries (an average 169 queries each month) at the Planning Counter. Although the counter activity did not equate to more planning entitlements, the Planning Counter did experience an increase of 20 more visits a month compared to FY 2014-15.

Based on recent trends, it appears that construction activity should remain relatively stable with some 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

The Department of Community Services includes the following Divisions: 1) Parks and Recreation Services; 2) Library and Cultural Services; 3) Family and Human Services. It is one of the City departments' that has the most direct impact upon the residents. Program are available to City residents, as well as business residents, and range from social, recreational, cultural, and child care services. During FY 2015-16, the Department of Community Services achieved several significant accomplishments. They include the following:

- The Library's ELLI (English Language and Literacy Intensive) school outreach program was embedded in 18 classes at five local elementary schools reaching a total of 489 students per week. The Library also partnered with Santa Fe High School again to provide Bringing Literature to Life to 300 teens at a Gatsby Night.
- The Friends of the Library funded the Library's new website which launched this past year. The site also includes the City's historical photographs on display.
- New programs have been developed at the Library to increase inclusion: Sensory Storytime (for special needs children), the Tuesday Club (for developmentally disabled adults), and a bilingual story time for children.
- The Library developed science programs that include a successful robotics program attended by 400 children during the year, and a STEAM (science, technology, engineering, arts, and mathematics) program during the summer. Our STEM Fair, held in conjunction with Cerritos College, allowed 300 participants to learn from hands-on, interactive displays. We have also begun to provide more entertaining events for adults, such as the popular Downton Abbey Tea and special cooking classes.

**Accomplishments
& Outlook (cont.)**

- The Preschool Program integrated technology this past year. Teachers used iPads to complete child assessments and keep progress records. This eliminated paper, storing samples of children's work and the cost of printing photos. It also allowed for a more convenient and less time consuming paperwork process allowing teachers to spend more quality time interacting with children.
- The 2015 Thanksgiving and Christmas Holiday Basket Programs served 360 families. Over 300 volunteers came together to assist in the preparation of these events, including sorting can foods, packing food baskets, wrapping toy gifts, and setting up for the events, to name a few.
- FHS provided electric utility assistance grants of over \$32,350.00 to more than 333 Edison customers through our Partnership with the United Way and Southern California Edison. We also provided 152 grants totaling \$14,418.44 for gas utility assistance through the Southern California Gas Company and the United Way.
- Through the assistance of the Internal Revenue Service (IRS) and certified City volunteers, the FHS Division's Volunteer Income Tax Assistance (VITA) program completed 160 tax returns with nearly \$350,000 in refunds returning back to the community.
- The annual Fiestas Patrias event was held on September 11, 2015. Approximately 2,000 people attended the event. A special tribute was presented to honor those victims of the 2001 9/11 attacks. "El Grito" re-enactment was performed by a representative of the Mexican Consulate in Los Angeles.
- The 4th annual SFS Art Fest was very successful. Over 3,000 people attended the two-day event. Just under 300 artists displayed their artwork, over 25 new entertainment acts were hosted and countless artisan and food vendors were available to purchase items.
- The second annual Family Fun Run and Health & Safety Expo took place in April 2016. Over 1,200 participants ran/walked the route, over 1,500 people participated in the Health & Safety Expo, and over 40 agencies provided resources and information to participants. The past year's Fun Run incorporated a nominal fee, timing chip, and goodie bags for all participants. It was a very successful event.

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 and Human Resources. A major focus of the City Manager's Office has been restructuring and re-stabilizing the organization in the aftermath of the

**Accomplishments
& Outlook (cont.)**

elimination of Redevelopment, which had significant deleterious effects on the City. Much of the City Manager's office time focused on developing longer-term sustainable operational plans in a scaled-down environment, as well as restricting departmental organization structures to effectuate more efficient oversight and more productive outputs.

Department of Finance and Administrative Services

The Department of Finance and Administrative Services manages a number of tasks, working very closely with the City Manager's office. The department is responsible for various 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 revision to the two-year budget, and working to develop long-term sustainable strategies. 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.

The department is embarking on a new Enterprise Resource Planning (ERP) system (also known as a "Finance Software System"). For much of the fiscal year, the department directed the assessment phase of the project. In the near future, it will embark on the implementation phase which will take place over the next few years. The new system will give the City capabilities beyond those currently available, including more robust departmental access, as well as an improvement in the organizational work flows.

**Long-Term
Financial Planning**

The City has continued taking a number of steps to better position its long-term financial standing. City employees are 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.

**Debt
Administration**

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.

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

At June 30, 2016, the City of Santa Fe Springs oversaw 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.

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.

Acknowledgements

We would like to extend our appreciation to the City Council, the City Council Audit Subcommittee, and City 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



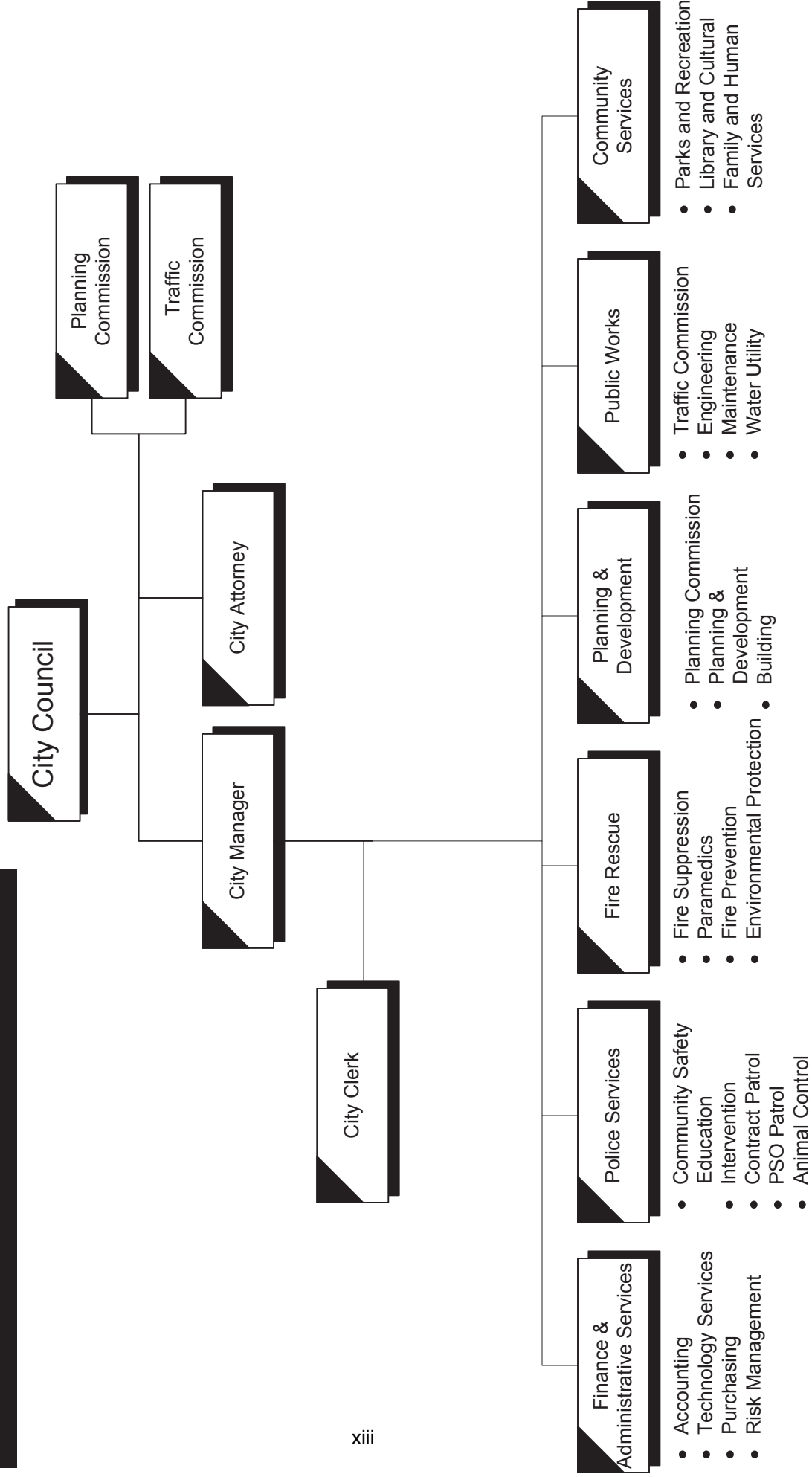
Jose Gomez
Assistant City Manager / Director of Finance and Administrative Services



Travis Hickey
Director of Fiscal Services

ORGANIZATIONAL CHART

CITY OF SANTA FE SPRINGS





Government Finance Officers Association

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

Presented to

**City of Santa Fe Springs
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is fluid and cursive.

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Santa Fe Springs, California, (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the General Fund budgetary comparison information, the schedule of changes in the net pension liability and related ratios, schedule of plan contributions, schedule of proportionate share of the net pension liability, and the schedule of plan contributions, and the schedule of funding progress 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. The 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.

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.



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lughard, LLP

Brea California
December 14, 2016

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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, 2016. 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 decreased over the course of the fiscal year by \$0.5 million to \$159.5 million. The governmental net position decreased by \$1.8 million or 1.3%, while the business-type net position increased by \$1.3 million or 8.5%
- The general fund, on the current financial resources basis, reported a decrease in fund balance of \$3.5 million to \$35.2 million. The primary reason for the decrease was due to transfers made to fund the capital improvement and internal service funds. Excluding transfers and other financing sources/uses, the general fund reported revenues in excess of expenditure of \$3.5 million. Revenues were \$0.3 million (0.6%) higher than the prior year and exceeded the current year budget estimates by just over \$1.0 million (1.8%). On the expenditures side, a decrease of \$0.3 million (0.6%) over the prior year was reported. The City also reported expenditures of \$0.4 million (0.8%) under the final budget estimates.
- 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. As of July 1, 2015, pursuant to an approved Bond Expenditure Agreement, approximately \$19.6 million of unspent bond proceeds were transferred to the City by the Successor Agency to be spent in accordance with the original bond documents. These funds are reported in the Successor Agency Bond Funded Capital Projects fund.

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 pension and other post-employment benefits obligation 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, 2015 and 2016 (in millions)							
	Governmental Activities		Business- type Activities		Total		Total Percent Change
	2015	2016	2015	2016	2015	2016	
Current and other assets	\$ 90.1	\$ 94.0	\$ 8.0	\$ 8.9	\$ 98.1	\$ 102.9	4.9%
Capital assets	164.2	160.3	25.5	25.9	189.7	186.2	-1.8%
Total assets	<u>254.3</u>	<u>254.3</u>	<u>33.5</u>	<u>34.8</u>	<u>287.8</u>	<u>289.1</u>	0.5%
Deferred outflows	5.7	5.7	0.6	0.7	6.3	6.4	1.6%
Net pension liability	77.3	87.1	6.9	7.5	84.2	94.6	12.4%
Long-term liabilities	13.7	13.3	9.5	9.3	23.2	22.6	-2.6%
Other liabilities	10.8	9.3	1.8	1.9	12.6	11.2	-11.1%
Total liabilities	<u>101.8</u>	<u>109.7</u>	<u>18.2</u>	<u>18.7</u>	<u>120.0</u>	<u>128.4</u>	7.0%
Deferred inflows	13.3	7.3	0.8	0.3	14.1	7.6	
Net position							
Net investment in capital assets	163.7	159.9	17.2	17.2	180.9	177.1	-2.1%
Restricted	29.2	32.4	-	-	29.2	32.4	11.0%
Unrestricted	(48.0)	(49.2)	(2.1)	(0.7)	(50.1)	(49.9)	-0.4%
	<u>\$ 144.9</u>	<u>\$ 143.1</u>	<u>\$ 15.1</u>	<u>\$ 16.5</u>	<u>\$ 160.0</u>	<u>\$ 159.6</u>	-0.2%

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 and deferred outflows exceed liabilities and deferred inflows by \$159.5 million at the close of the fiscal year. The largest portion of the City's net position, 110.4%, is invested in capital assets, net of related debt. Approximately 20.3% of the City's net position is unrestricted as to use. Unrestricted net position is a deficit \$49.1 million, primarily a factor of implementing GASB Statement No. 68 as of June 30, 2015 and reporting the full net pension liability

During the fiscal year, the City's net position decreased by \$0.5million. Although there were variances in a variety of categories, overall revenues and expenses basically matched each other. With the completion of the Valley View Grade Separation Project, capital contributions and grants are down over \$6.0 million from the previous year. Additionally, sales taxes, property taxes, and utility users taxes reported slight decreases from the prior year. Charges for services revenue in the City's business-type activity was also down approximately \$0.9 million due to continuing conversation efforts. 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. Other expenses were also generally down from the prior year as the anticipated revenue constraints were factored into the budget for the fiscal year.

Changes in Net Position
For the Fiscal Years Ended June 30, 2015 and 2016
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	
Revenues							
Program revenues:							
Charges for services	\$ 8.7	\$ 9.9	\$ 12.3	\$ 11.4	\$ 21.0	\$ 21.3	1.4%
Operating grants and contributions	2.1	2.4	-	-	2.1	2.4	14.3%
Capital grants and contributions	6.8	0.6	0.1	0.8	6.9	1.4	-79.7%
General revenues:							
Sales and use taxes	26.4	25.5	-	-	26.4	25.5	-3.4%
Property taxes	4.1	3.4	-	-	4.1	3.4	-17.1%
Franchise taxes	3.0	3.0	-	-	3.0	3.0	0.0%
Motor vehicle in lieu	1.7	1.8	-	-	1.7	1.8	5.9%
Business operations taxes	0.8	0.8	-	-	0.8	0.8	0.0%
Utility users taxes	6.8	6.7	-	-	6.8	6.7	-1.5%
Other taxes	0.5	0.5	-	-	0.5	0.5	0.0%
Investment income	1.4	1.8	-	0.1	1.4	1.9	35.7%
Other	2.7	3.0	0.2	0.2	2.9	3.2	10.3%
Total revenues	<u>65.0</u>	<u>59.4</u>	<u>12.6</u>	<u>12.5</u>	<u>77.6</u>	<u>71.9</u>	-7.3%
Expenses							
Governmental activities:							
General government	5.6	5.7	-	-	5.6	5.7	1.8%
Public safety	28.2	31.5	-	-	28.2	31.5	11.7%
Community development	3.8	4.0	-	-	3.8	4.0	5.3%
Public works	14.3	9.5	-	-	14.3	9.5	-33.6%
Culture and leisure	7.7	8.1	-	-	7.7	8.1	5.2%
Human services	3.1	3.3	-	-	3.1	3.3	6.5%
Interest on long-term debt	0.2	0.2	-	-	0.2	0.2	0.0%
Business-type activities:							
Water	-	-	10.9	10.1	10.9	10.1	-7.3%
Total expenses	<u>62.9</u>	<u>62.3</u>	<u>10.9</u>	<u>10.1</u>	<u>73.8</u>	<u>72.4</u>	-1.9%
Excess (deficiency) before transfers and extraordinary gain	2.1	(2.9)	1.7	2.4	3.8	(0.5)	-113.2%
Transfers	1.2	1.1	(1.2)	(1.1)	-	-	
Extraordinary gain/(loss)	20.0	-	-	-	20.0	-	
Increase (decrease) in net position	<u>23.3</u>	<u>(1.8)</u>	<u>0.5</u>	<u>1.3</u>	<u>23.8</u>	<u>(0.5)</u>	-102.1%
Net position - beginning	211.1	142.8	20.3	13.5	231.4	156.3	-32.5%
Restatements	(91.6)	2.1	(7.3)	1.7	(98.9)	3.8	
Net position - ending	<u>\$ 142.8</u>	<u>\$ 143.1</u>	<u>\$ 13.5</u>	<u>\$ 16.5</u>	<u>\$ 156.3</u>	<u>\$ 159.6</u>	2.1%

The City's total revenues were \$71.9 million for the fiscal year ended June 30, 2016. Revenues from governmental activities totaled \$59.4 million and revenues from business-type activities totaled \$12.5 million. Program revenues comprise 29.6% of total revenues with the largest portion of this, \$21.3 million, resulting from charges for services. Sales and use taxes comprise 35.5% of total revenues and 54.5% of general revenues. Total revenues decreased by 7.3%, primarily driven by a continuing decline in grant funding received for two significant capital projects, the Valley View Grade Separation (completed) and water system improvements related to Caltrans' I-5 Widening Project (nearly completed). Sales and use taxes reported a decline for the first time since fiscal year 2009-10 and as well as utility users taxes which had not reported a decline since inception during fiscal year 2010-11. Property taxes also declined from last fiscal year, although this was primarily the result of the share of property taxes allocated to the City of Santa Fe Springs Successor Agency to extinguish obligations of the former Community Development Commission.

Expenses of the City for the year totaled \$72.4 million. Governmental activity expenses totaled \$62.3 million, or 86.0% 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. The most significant increase was seen in the public safety function due to the revised accounting for pension costs pursuant to GASB Statement No. 68. 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>2015</u>	<u>2016</u>		<u>2015</u>	<u>2016</u>	
General government	\$ 5.6	\$ 5.7	1.8%	\$ 2.3	\$ 1.8	-21.7%
Public safety	28.2	31.5	11.7%	24.6	27.4	11.4%
Community development	3.8	4.0	5.3%	1.7	1.5	-11.8%
Public works	14.3	9.5	-33.6%	7.3	8.7	19.2%
Culture and leisure	7.7	8.1	5.2%	7.1	7.5	5.6%
Human services	3.1	3.3	6.5%	2.1	2.3	9.5%
Interest on long-term debt	0.2	0.2	0.0%	0.2	0.2	0.0%
Total	<u>\$ 62.9</u>	<u>\$ 62.3</u>	<u>-1.0%</u>	<u>\$ 45.3</u>	<u>\$ 49.4</u>	<u>9.1%</u>

Business-type Activities

Program revenues of the City's only business-type activity, the Water Utility, totaled \$12.2 million. Expenses of the Water Utility were \$10.1 million. Water rates include a factor to provide for a modest annual water infrastructure replacement program. Income before transfers was \$2.4 million. Transfers out totaled \$1.1 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 \$25.9 million (net of accumulated depreciation) increased by approximately \$.4 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, 2016, of \$82.3 million, an increase of approximately \$2.8 million from the previous fiscal year. The primary reason for the increase was due to meeting budget expectations for overall revenues and actual expenditures coming in under budget in most functional areas.

The General Fund is the chief operating fund of the City. At June 30, 2016, the General Fund's unassigned fund balance was \$21.3 million. Additional General Fund balances were: nonspendable \$12.7 million, restricted \$0.3 million, committed \$0.2 million, and assigned \$0.6 million. Revenues increased approximately \$0.3 million while expenditures decreased approximately \$0.3 million from the previous year. The revenue increase is a combination of decreases in the top three taxes - sales and use, property, and utility uses, offset by increases other revenues including licenses, permits, and charges for services. The modest expenditure decrease is reflective of continuing cost containment measures and a reduction in the level of capital outlay. During the fiscal year ended June 30, 2016, the overall fund balance in the General Fund decreased by \$3.5 million. As previously noted, the primary factor for the decrease in fund balance stems from transfers made to fund capital improvements and the internal service funds. Ongoing revenues exceeded ongoing expenditures by \$3.5 million.

Within the governmental funds designation, the City has four other major funds: the Low and Moderate Income Housing Assets Special Revenue Fund, the Capital Improvement Capital Projects Fund, the Prefunded Capital Projects Fund, and the Successor Agency Bond Funded 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 \$9.9 million consisting primarily of cash and investments, loans and advances receivable, and land and buildings held for resale. During fiscal year 2015-16 the fund expended \$0.2 million in housing administration costs.

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 this 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.

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 became 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, 2016 the General Fund transferred \$6.2 million into the fund. The fund has an accumulated balance of \$15.0 million as of the fiscal year-end. City staff, in conjunction with the CIP sub-committee of the City Council, work together throughout the year to plan and manage the projects financed through this fund.

The Successor Agency Bond Funded Capital Projects Fund was created in fiscal year 2014-15 to account for the unspent bond proceeds of the former redevelopment agency. With approval from the California Department of Finance, the Successor Agency transferred approximately \$20.0 million in unspent proceeds to the City as of July 1, 2014. Under a Bond Expenditure Agreement between the City and the Successor Agency, the City manages the projects for which the bond proceeds are to be used. During fiscal year 2015-16 the City expended approximately \$0.9 million on projects. As of fiscal year-end a balance of \$18.7 million remains in the fund to be used on future projects.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget for expenditures was a \$1.4 million decrease (2.5%). The final amended budget exceeded actual expenditures by \$0.4 million or approximately 0.8% due to lower than expected operation costs throughout most functional areas.

Revenues exceeded their budget amount by \$1.0 million, primarily due conservative budgeting practices. Declines in the City's three largest taxes declined over the prior year, but were anticipated and factored into the budget amounts. Increases were seen in other revenue categories, however, including building fees, licenses, interest, and charges for services. The Notes 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, 2016, amounts to \$160.3 million (net of accumulated depreciation), a decrease 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.

The City's investment in capital assets for its business-type activities, the Water Utility Fund, as of June 30, 2016, amounts to \$25.9 million (net of accumulated depreciation), an increase of approximately \$2.1 million. During the fiscal year, the construction in progress increased approximately \$1.1 million. The increase consisted primarily of the 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, 2016, the City had \$14.6 million in governmental activities long-term liabilities outstanding and \$9.5 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.

Outstanding Debt (in millions)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2015	2016	2015	2016	2015	2016	
Revenue bonds	\$ -	\$ -	\$9.0	\$8.9	\$9.0	\$8.9	-1.1%
Pension obligation bonds	5.2	4.3	-	-	5.2	4.3	-17.3%
Compensated absences	2.8	2.9	-	-	2.8	2.9	3.6%
OPEB obligation	6.7	7.0	0.6	0.6	7.3	7.6	4.1%
Other loans/leases	0.5	0.4	-	-	0.5	0.4	-20.0%
Total	<u>\$15.2</u>	<u>\$14.6</u>	<u>\$9.6</u>	<u>\$9.5</u>	<u>\$24.8</u>	<u>\$24.1</u>	-2.8%

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.

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 2016-17 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, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and investments	\$ 61,247,160	\$ 5,266,749	\$ 66,513,909
Receivables:			
Accounts	2,202,143	1,990,576	4,192,719
Accrued interest	155,401	2,715	158,116
Deposits	777,747	-	777,747
Due from other governments	14,736,624	614,250	15,350,874
Inventories	677,033	196,581	873,614
Restricted assets:			
Cash with fiscal agent	-	816,694	816,694
Advances to successor agency	10,624,511	-	10,624,511
Total current assets	90,420,619	8,887,565	99,308,184
Noncurrent assets:			
Notes and loans, net of allowances	2,813,059	-	2,813,059
Land held for resale	801,800	-	801,800
Capital assets not being depreciated	51,610,235	15,185,901	66,796,136
Capital assets, net of depreciation	108,696,583	10,699,699	119,396,282
Total noncurrent assets	163,921,677	25,885,600	189,807,277
Total Assets	254,342,296	34,773,165	289,115,461
Deferred Outflows of Resources:			
Deferred charge on refunding	-	199,667	199,667
Deferred pension related items	5,676,456	498,924	6,175,380
Total Deferred Outflows of Resources	5,676,456	698,591	6,375,047
Liabilities:			
Current liabilities:			
Accounts payable	2,220,470	1,055,028	3,275,498
Accrued liabilities	541,911	33,579	575,490
Accrued interest	7,522	59,472	66,994
Unearned revenue	1,795,806	-	1,795,806
Deposits payable	3,170,723	548,190	3,718,913
Due to other governments	182,408	-	182,408
Contracts payable	45,986	-	45,986
Noncurrent liabilities:			
Noncurrent liabilities due within one year	1,249,772	180,000	1,429,772
Total current liabilities	9,214,598	1,876,269	11,090,867
Noncurrent liabilities:			
Other postemployment benefits obligation	6,995,145	602,108	7,597,253
Net pension liability	87,132,660	7,505,186	94,637,846
Long-term debt - due in more than one year	6,310,552	8,722,394	15,032,946
Total noncurrent liabilities	100,438,357	16,829,688	117,268,045
Total Liabilities	109,652,955	18,705,957	128,358,912
Deferred Inflows of Resources:			
Deferred pension related items	7,284,857	311,815	7,596,672
Total Deferred Inflows of Resources	7,284,857	311,815	7,596,672
Net Position:			
Net investment in capital assets	159,942,690	17,182,873	177,125,563
Restricted for:			
Community development projects	28,514	-	28,514
Public safety	313	-	313
Public works	1,885,156	-	1,885,156
Capital projects	18,720,302	-	18,720,302
Low and moderate income housing	9,864,444	-	9,864,444
Art in public places - expendable	1,551,868	-	1,551,868
Waste management	322,843	-	322,843
Unrestricted	(49,235,190)	(728,889)	(49,964,079)
Total Net Position	\$ 143,080,940	\$ 16,453,984	\$ 159,534,924

CITY OF SANTA FE SPRINGS

STATEMENT OF ACTIVITIES
JUNE 30, 2016

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Contributions and Grants	Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 5,692,938	\$ 2,067,142	\$ 1,212,403	\$ 583,880
Public safety	31,438,552	3,485,203	588,892	-
Community development	4,020,001	2,558,688	-	-
Public works	9,510,398	824,258	-	12,500
Culture and Leisure	8,103,268	516,907	47,760	-
Human Services	3,326,615	450,564	565,661	-
Interest on long-term debt	207,917	-	-	-
Total Governmental Activities	62,299,689	9,902,762	2,414,716	596,380
Business-Type Activities:				
Water Fund	10,056,785	11,445,171	-	796,442
Total Business-Type Activities	10,056,785	11,445,171	-	796,442
Total Primary Government	\$ 72,356,474	\$ 21,347,933	\$ 2,414,716	\$ 1,392,822

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

Transfers**Total General Revenues 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
\$ (1,829,513)	\$ -	\$ (1,829,513)
(27,364,457)	-	(27,364,457)
(1,461,313)	-	(1,461,313)
(8,673,640)	-	(8,673,640)
(7,538,601)	-	(7,538,601)
(2,310,390)	-	(2,310,390)
(207,917)	-	(207,917)
(49,385,831)	-	(49,385,831)
-	2,184,828	2,184,828
-	2,184,828	2,184,828
(49,385,831)	2,184,828	(47,201,003)
3,425,637	-	3,425,637
25,518,717	-	25,518,717
3,034,652	-	3,034,652
801,658	-	801,658
6,669,155	-	6,669,155
531,045	-	531,045
1,716,181	-	1,716,181
1,807,176	27,006	1,834,182
2,988,717	156,955	3,145,672
1,073,642	(1,073,642)	-
47,566,580	(889,681)	46,676,899
(1,819,251)	1,295,147	(524,104)
142,806,366	13,469,274	156,275,640
2,093,825	1,689,563	3,783,388
\$ 143,080,940	\$ 16,453,984	\$ 159,534,924

CITY OF SANTA FE SPRINGS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

		Special Revenue Fund	Capital Projects Funds	
		Low and Moderate Income Housing Assets Fund	Capital Improvement	Prefunded Capital Projects
	General			
Assets:				
Pooled cash and investments	\$ 14,136,487	\$ 5,684,079	\$ 605,011	\$ 15,088,038
Receivables:				
Accounts	1,980,455	29,098	191,970	-
Notes and loans, net of allowances	645,690	1,917,851	-	-
Accrued interest	130,881	-	-	-
Deposits and other assets	773,816	-	3,931	-
Due from other governments	8,298,213	-	5,624,234	-
Due from other funds	5,404,915	-	-	-
Advances to successor agency	10,624,511	-	-	-
Advances to other funds	-	1,437,861	-	-
Inventories	677,033	-	-	-
Land held for resale	-	801,800	-	-
Total Assets	\$ 42,672,001	\$ 9,870,689	\$ 6,425,146	\$ 15,088,038
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,902,871	\$ 272	\$ 207,572	\$ 49,501
Accrued liabilities	528,008	5,973	-	2,045
Unearned revenues	1,795,806	-	-	-
Deposits payable	1,691,532	-	1,479,191	-
Due to other governments	107,103	-	74,588	-
Due to other funds	-	-	4,639,074	-
Advances from other funds	1,437,861	-	-	-
Contracts payable	8,225	-	37,761	-
Total Liabilities	7,471,406	6,245	6,438,186	51,546
Fund Balances:				
Nonspendable:				
Inventory	677,033	-	-	-
Notes and loans	645,690	-	-	-
Advances	10,624,511	-	-	-
Deposits and other assets	773,816	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Low and moderate income housing	-	9,864,444	-	-
Art in public places	-	-	-	-
Waste management	322,843	-	-	-
Committed to:				
Capital projects	225,000	-	-	-
Assigned to:				
Capital projects	-	-	-	15,036,492
Economic uncertainty	530,000	-	-	-
Employee benefits	100,000	-	-	-
Unassigned	21,301,702	-	(13,040)	-
Total Fund Balances	35,200,595	9,864,444	(13,040)	15,036,492
Total Liabilities, Resources and Fund Balances	\$ 42,672,001	\$ 9,870,689	\$ 6,425,146	\$ 15,088,038

CITY OF SANTA FE SPRINGS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	Capital Projects Funds		
	Successor Agency Bond Funded Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ 18,499,114	\$ 3,430,901	\$ 57,443,630
Receivables:			
Accounts	-	620	2,202,143
Notes and loans, net of allowances	230,268	19,250	2,813,059
Accrued interest	24,520	-	155,401
Deposits and other assets	-	-	777,747
Due from other governments	-	814,177	14,736,624
Due from other funds	-	-	5,404,915
Advances to successor agency	-	-	10,624,511
Advances to other funds	-	-	1,437,861
Inventories	-	-	677,033
Land held for resale	-	-	801,800
Total Assets	\$ 18,753,902	\$ 4,264,948	\$ 97,074,724
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 32,493	\$ 27,761	\$ 2,220,470
Accrued liabilities	1,107	4,778	541,911
Unearned revenues	-	-	1,795,806
Deposits payable	-	-	3,170,723
Due to other governments	-	717	182,408
Due to other funds	-	765,841	5,404,915
Advances from other funds	-	-	1,437,861
Contracts payable	-	-	45,986
Total Liabilities	33,600	799,097	14,800,080
Fund Balances:			
Nonspendable:			
Inventory	-	-	677,033
Notes and loans	-	-	645,690
Advances	-	-	10,624,511
Deposits and other assets	-	-	773,816
Restricted for:			
Community development projects	-	28,514	28,514
Public safety	-	313	313
Public works	-	1,885,156	1,885,156
Capital projects	18,720,302	-	18,720,302
Low and moderate income housing	-	-	9,864,444
Art in public places	-	1,551,868	1,551,868
Waste management	-	-	322,843
Committed to:			
Capital projects	-	-	225,000
Assigned to:			
Capital projects	-	-	15,036,492
Economic uncertainty	-	-	530,000
Employee benefits	-	-	100,000
Unassigned	-	-	21,288,662
Total Fund Balances	18,720,302	3,465,851	82,274,644
Total Liabilities, Resources and Fund Balances	\$ 18,753,902	\$ 4,264,948	\$ 97,074,724

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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, 2016**

Fund balances of governmental funds		\$ 82,274,644
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.		160,306,818
Deferred outflows related to pension related items are not included in the governmental fund activity:		
Contributions made subsequent to measurement date	\$ 4,447,954	
Difference between expected and actual experiences	377,318	
Adjustment due to difference in proportions	741,560	
Differences between actual and proportionate share of contributions	<u>109,624</u>	5,676,456
Long-term debt, compensated absences and net pension liability are not included in the governmental fund activity:		
Bonds payable	(4,334,000)	
Notes payable	(364,128)	
Compensated absences	(2,862,196)	
Net pension liability	<u>(87,132,660)</u>	(94,692,984)
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.		(6,995,145)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(7,522)
Deferred inflows related to pension related items are not included in the governmental fund activity:		
Net difference between projected and actual earnings on pension plans investments	(1,410,142)	
Adjustment due to difference in proportions	(960,170)	
Differences between actual and proportionate share of contributions	(2,218,845)	
Change in assumptions	(2,466,303)	
Difference between expected and actual experiences	<u>(229,397)</u>	(7,284,857)
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>3,803,530</u>
Net position of governmental activities		<u><u>\$ 143,080,940</u></u>

CITY OF SANTA FE SPRINGS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

		Special Revenue Fund	Capital Projects Funds	
		Low and Moderate Income Housing Assets Fund	Capital Improvement	Prefunded Capital Projects
	General			
Revenues:				
Taxes	\$ 39,978,116	\$ -	\$ -	\$ -
Licenses and permits	2,536,719	-	-	-
Intergovernmental	2,738,633	-	211,157	-
Charges for services	6,078,086	-	-	449
Interest and rentals	1,686,756	14,069	-	-
Fines and forfeitures	515,632	-	-	-
Miscellaneous	1,857,809	570,684	47,490	859
Total Revenues	55,391,751	584,753	258,647	1,308
Expenditures:				
Current:				
General government	5,448,699	-	-	-
Public safety	27,684,386	-	-	-
Community development	3,304,563	216,115	-	-
Public works	3,460,033	-	-	-
Culture and leisure	7,322,163	-	-	-
Human services	3,022,969	-	-	-
Capital outlay	424,146	-	258,650	601,372
Debt service:				
Principal retirement	988,940	-	-	-
Interest and fiscal charges	209,663	-	-	-
Total Expenditures	51,865,562	216,115	258,650	601,372
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,526,189	368,638	(3)	(600,064)
Other Financing Sources (Uses):				
Transfers in	1,612,028	848,773	-	6,156,000
Transfers out	(8,753,473)	-	-	-
Proceeds from sale of capital asset	34,954	-	-	-
Contributions from successor agency	48,465	-	-	-
Total Other Financing Sources (Uses)	(7,058,026)	848,773	-	6,156,000
Net Change in Fund Balances	(3,531,837)	1,217,411	(3)	5,555,936
Fund Balances:				
Beginning of year, as originally reported	27,504,402	6,780,182	(13,037)	9,480,556
Restatements	11,228,030	1,866,851	-	-
Beginning of year, as restated	38,732,432	8,647,033	(13,037)	9,480,556
End of Year	\$ 35,200,595	\$ 9,864,444	\$ (13,040)	\$ 15,036,492

CITY OF SANTA FE SPRINGS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	Capitol Projects Funds		
	Successor Agency Bond Funded Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ 2,748	\$ 39,980,864
Licenses and permits	-	-	2,536,719
Intergovernmental	-	2,307,925	5,257,715
Charges for services	-	-	6,078,535
Interest and rentals	92,299	14,052	1,807,176
Fines and forfeitures	-	-	515,632
Miscellaneous	3,108	666,786	3,146,736
Total Revenues	95,407	2,991,511	59,323,377
Expenditures:			
Current:			
General government	-	699	5,449,398
Public safety	-	722,787	28,407,173
Community development	-	355,578	3,876,256
Public works	-	1,093,736	4,553,769
Culture and leisure	-	15,789	7,337,952
Human services	-	-	3,022,969
Capital outlay	914,241	423,401	2,621,810
Debt service:			
Principal retirement	-	-	988,940
Interest and fiscal charges	-	-	209,663
Total Expenditures	914,241	2,611,990	56,467,930
Excess (Deficiency) of Revenues Over (Under) Expenditures	(818,834)	379,521	2,855,447
Other Financing Sources (Uses):			
Transfers in	-	-	8,616,801
Transfers out	-	-	(8,753,473)
Proceeds from sale of capital asset	-	-	34,954
Contributions from successor agency	-	-	48,465
Total Other Financing Sources (Uses)	-	-	(53,253)
Net Change in Fund Balances	(818,834)	379,521	2,802,194
Fund Balances:			
Beginning of year, as originally reported	19,539,136	3,067,080	66,358,319
Restatements	-	19,250	13,114,131
Beginning of year, as restated	19,539,136	3,086,330	79,472,450
End of Year	\$ 18,720,302	\$ 3,465,851	\$ 82,274,644

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, 2016**

Net change in fund balances - total governmental funds \$ 2,802,194

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	\$ 2,138,845	
Depreciation	<u>(6,023,259)</u>	(3,884,414)

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	904,000	
Capital lease repayment	<u>84,940</u>	988,940

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

1,746

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.

(37,085)

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.

(314,100)

Pension obligation expenses is an expenditure in the governmental funds, but reduce the net pension liability in the statement of net position.

(1,735,897)

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.

359,365

Change in net position of governmental activities

\$ (1,819,251)

CITY OF SANTA FE SPRINGS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-Type Activities - Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Fund	
Assets:		
Current:		
Pooled cash and investments	\$ 5,266,749	\$ 3,803,530
Receivables:		
Accounts	1,990,576	-
Accrued interest	2,715	-
Due from other governments	614,250	-
Inventories	196,581	-
Restricted:		
Cash with fiscal agent	816,694	-
Total Current Assets	8,887,565	3,803,530
Noncurrent:		
Capital assets - net of accumulated depreciation	25,885,600	-
Total Noncurrent Assets	25,885,600	-
Total Assets	34,773,165	3,803,530
Deferred Outflows of Resources:		
Deferred charge on refunding	199,667	-
Deferred pension related items	498,924	-
Total Deferred Outflows of Resources	698,591	-
Total Assets and Deferred Outflows and Net Position	\$ 35,471,756	\$ 3,803,530
Liabilities:		
Current:		
Accounts payable	\$ 1,055,028	\$ -
Accrued liabilities	33,579	-
Accrued interest	59,472	-
Deposits payable	548,190	-
Bonds, notes, and capital leases	180,000	-
Total Current Liabilities	1,876,269	-
Noncurrent:		
Other postemployment benefits obligation	602,108	-
Bonds, notes, and capital leases	8,722,394	-
Net pension liability	7,505,186	-
Total Noncurrent Liabilities	16,829,688	-
Total Liabilities	18,705,957	-
Deferred Inflows of Resources:		
Deferred pension related items	311,815	-
Total Deferred Inflows of Resources	311,815	-
Net Position:		
Net investment in capital assets	17,182,873	-
Unrestricted	(728,889)	3,803,530
Total Net Position	16,453,984	3,803,530
Total Liabilities, Deferred Inflows and Net Position	\$ 35,471,756	\$ 3,803,530

CITY OF SANTA FE SPRINGS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Fund	
Operating Revenues:		
Sales and service charges	\$ 11,445,171	\$ 16,300
Other water revenues	148,484	-
Total Operating Revenues	11,593,655	16,300
Operating Expenses:		
Source of supply	4,894,297	-
System maintenance and operation	2,312,522	-
Billing and collection	959,485	-
Administration	1,044,136	-
Labor and benefits	-	892,249
Depreciation expense	454,575	-
Total Operating Expenses	9,665,015	892,249
Operating Income (Loss)	1,928,640	(875,949)
Nonoperating Revenues (Expenses):		
Interest revenue	27,006	-
Interest expense	(391,770)	-
Other non-operating revenue	-	25,000
Total Nonoperating Revenues (Expenses)	(364,764)	25,000
Income (Loss) Before Transfers and Contributions	1,563,876	(850,949)
Contributions	804,913	-
Transfers in	-	1,748,700
Transfers out	(1,073,642)	(538,386)
Changes in Net Position	1,295,147	359,365
Net Position:		
Beginning of Year, as originally reported	13,469,274	3,444,165
Restatements	1,689,563	-
Beginning of Fiscal Year, as restated	15,158,837	3,444,165
End of Fiscal Year	\$ 16,453,984	\$ 3,803,530

CITY OF SANTA FE SPRINGS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Fund	
Cash Flows from Operating Activities:		
Cash received from customers and users	\$ 11,103,181	\$ 16,300
Cash paid to suppliers for goods and services	(6,819,984)	-
Cash paid to employees for services	(2,268,826)	(892,249)
Net Cash Provided (Used) by Operating Activities	2,014,371	(875,949)
Cash Flows from Non-Capital Financing Activities:		
Cash transfers out	(1,073,642)	(538,386)
Cash transfers in	-	1,748,700
Net Cash Provided (Used) by Non-Capital Financing Activities	(1,073,642)	1,210,314
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(51,276)	-
Principal paid on capital debt	(170,000)	-
Interest paid on capital debt	(365,329)	-
Proceeds from other non-operating revenue	-	25,000
Net Cash Provided (Used) by Capital and Related Financing Activities	(586,605)	25,000
Cash Flows from Investing Activities:		
Interest received	27,006	-
Net Cash Provided (Used) by Investing Activities	27,006	-
Net Increase (Decrease) in Cash and Cash Equivalents	381,130	359,365
Cash and Cash Equivalents at Beginning of Year	5,702,313	3,444,165
Cash and Cash Equivalents at End of Year	\$ 6,083,443	\$ 3,803,530
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 1,928,640	\$ (875,949)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:		
Depreciation	454,575	-
(Increase) decrease in accounts receivable	114,531	-
(Increase) decrease in inventory	28,184	-
(Increase) decrease in due from other governments	(605,005)	-
(Increase) decrease in deferred outflows for pension related items	(72,345)	-
Increase (decrease) in accounts payable	17,793	-
Increase (decrease) in accrued liabilities	15,053	-
Increase (decrease) in deposits payable	50,016	-
Increase (decrease) in deferred inflows for pension related items	(507,461)	-
Increase (decrease) in net pension liability	566,057	-
Increase (decrease) in other postemployment benefits	24,333	-
Total Adjustments	85,731	-
Net Cash Provided (Used) by Operating Activities	\$ 2,014,371	\$ (875,949)
Non-Cash Investing, Capital, and Financing Activities:		
Donated capital assets	\$ 804,913	\$ -
Amortization of bond discounts and premiums	27,857	-

CITY OF SANTA FE SPRINGS

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2016

	Agency Funds	Private- Purpose Trust Fund Successor Agency of the former RDA
Assets:		
Pooled cash and investments	\$ 384,909	\$ 517,879
Receivables:		
Accounts	6,332	11,954
Notes and loans	-	61,438
Due from other governments	-	38,326
Land held for resale	-	10,550,120
Restricted assets:		
Cash and investments with fiscal agents	207,390	24,269,517
Capital assets:		
Capital assets, not being depreciated	-	5,006,722
Total Assets	\$ 598,631	40,455,956
Deferred Outflows of Resources:		
Deferred charge on refunding		1,513,240
Total Deferred Outflows of Resources		1,513,240
Liabilities:		
Accounts payable	\$ -	\$ 206
Accrued liabilities	-	17,171
Accrued interest	-	1,055,455
Deposits payable	598,631	48,300
Due to other governments	-	18,925
Long-term liabilities:		
Due in one year	-	8,765,000
Due in more than one year	-	109,926,145
Total Liabilities	\$ 598,631	119,831,202
Net Position:		
Held in trust for other purposes		(77,862,006)
Total Net Position		\$ (77,862,006)

CITY OF SANTA FE SPRINGS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2016

	Private-Purpose Trust Fund Successor Agency of the former RDA
Additions:	
Taxes	\$ 20,564,291
Interest and change in fair value of investments	37,181
Miscellaneous	1,961
Total Additions	20,603,433
Deductions:	
Administrative expenses	529,376
Program expenses	397,754
Interest expense	6,415,848
Contributions to City	48,465
Total Deductions	7,391,443
Changes in Net Position	13,211,990
Net Position:	
Beginning of the year	(91,073,996)
End of the Year	\$ (77,862,006)

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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 legally 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.

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, 2016

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, 2016, were based on the following percentages:

Downey	34.62%
Santa Fe Springs	16.17%
Compton	39.28%
Vernon	9.93%

During the fiscal year ended June 30, 2016, the City contributed \$256,845 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, 2016

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 2016 was \$5,000. 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, 2016

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 was 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, 2016

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.

The Successor Agency Bond Funded Capital Projects Fund is used to account for the expenditure of unspent bond proceeds of the Successor Agency used for various construction, rehabilitation, and improvement projects within the Consolidated Project Area of the former Community Development Commission. All unspent bond proceeds were transferred to the City during fiscal year 2014-15 in accordance with a Bond Expenditure Agreement between the City and Successor Agency.

Additionally, the City reports the following fund type:

Permanent funds account for resources that are legally restricted to the extent that only earnings, not principal may be used for purposes that support specific programs.

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.

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

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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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

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

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 capitalization threshold is \$20,000, except for vehicles, equipment and street lights which is \$5,000.

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:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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

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

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has two items that qualify for reporting in this category. One is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second are deferred outflows relating to the net pension liability reported in the government-wide statement of net position. These outflows are the results of contributions made after the measurement period, which are expensed in the following year, and of adjustments due to difference in proportions, the difference between actual contributions made and the proportionate share of the risk pool's total contributions and the difference between expected and actual experiences. These amounts are deferred and amortized over the expected average remaining service life time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and thus will not be recognized as an inflow of resources (revenue) until that time. The government has deferred inflows relating to the net pension liability reported in the government-wide statement of net position. These inflows are the result of the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized straight-line over a five-year period, of adjustments due to difference in proportions, the difference between actual contributions made and the proportionate share of the risk pool's total contributions, the difference between expected and actual experiences and the change in assumptions. These amounts are deferred and amortized over the expected average remaining service life time.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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).

Pension Plans

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

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, 2016, 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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

- **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.
- **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 City Manager and Assistant City Manager/Director of Finance 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.

Effect of New Accounting Standards

During the fiscal year ended June 30, 2016, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 72 – *Fair Value Measurement and Application* requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The City organized these disclosures by type of asset or liability reported at fair value.

CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 2: Cash and Investments

Cash and investments as of June 30, 2016, are classified in the accompanying financial follows:

Statement of net position:

Pooled cash and investments	\$ 66,513,909
Cash and investments with fiscal agent	816,694

Fiduciary funds:

Pooled cash and investments	902,788
Cash and investments with fiscal agent	24,476,907
Total	<u>\$ 92,710,298</u>

Cash and investments were comprised of the following as of June 30, 2016:

Cash on hand	\$ 7,705
Deposits with financial institutions	2,565,416
Investments	90,137,177
Total	<u>\$ 92,710,298</u>

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:

CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 2: Cash and Investments (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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, 2016

Note 2: Cash and Investments (Continued)

Credit Risk

The City's investment policy limits investments to a rating of "A-1" or higher for California state and local agency obligations, banker acceptances, and commercial paper that is (i) organized within the United States as a special purpose corporation, trust, or limited liability company and (ii) has program wide credit enhancements including, but not limited to, over collateralization, letters of credit. The City's investment policy limits investments to a rating of "A-1" or higher for other state obligations, medium-term notes, asset backed securities and commercial paper that is (i) organized and operating in the United States as a general corporation and (ii) has total assets in excess of five hundred million dollars (\$500,000,000). The City's investment policy limits investments to a rating of "AA" or higher for supranationals. As of June 30, 2016, the City's investments in external investment pools and money market mutual funds are unrated.

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:

Investment Type	Weighted Average Maturity (in days)		
Local Agency Investment Fund	169 *	\$	43,603,615
US Treasury Notes	664		7,114,840
Federal Home Loan Mortgage Corporation	205		4,612,417
Federal National Mortgage Association	204		4,595,392
Federal Home Loan Bank	<180		466,860
Corporate Notes	290		3,472,657
Foreign Government Obligations	<180		581,749
Certificates of Deposit	<180		240,000
Money Market Funds	<180		156,044
Held by Bond Trustee:			
Money Market Funds	<180		25,293,603
Total		\$	<u>90,137,177</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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 2: Cash and Investments (Continued)

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, 2016.

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, 2016.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

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, 2016, was \$22.7 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2016, had a balance of \$75.4 billion, of that amount, 2.8% was invested in medium-term and short-term structured notes and asset-backed securities. This information can be located on the California State Treasurer's website at <http://www.treasurer.ca.gov/>.

CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 2: Cash and Investments (Continued)

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2016:

Investment Type	Totals	Level		
		1	2	3
Local Agency Investment Fund (LAIF)	\$ 43,603,615	\$ -	\$ 43,603,615	\$ -
U.S. Treasury Notes	7,114,840	7,114,840	-	-
U.S. Agency Securities	9,674,669	-	9,674,669	-
Corporate Notes	3,472,657	-	3,472,657	-
Foreign Government Obligations	581,749	-	581,749	-
Certificates of Deposit	240,000	-	240,000	-
Money Market Funds	156,044	-	156,044	-
Held by Bond Trustee:				
Money Market Funds	25,293,603	-	25,293,603	-
Total Investments	<u>\$ 90,137,177</u>	<u>\$ 7,114,840</u>	<u>\$ 83,022,337</u>	<u>\$ -</u>

U.S. Treasury Notes classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Local Agency Investment Funds, U.S. Agency Securities, Corporate Notes, Certificates of Deposit, Supranational Agencies, and Money Market Funds classified in Level 2 of the fair value hierarchy are value using institutional bond quotes or specified fair market value factors.

Note 3: Loans and Notes Receivable

The loans and notes receivable balance consists of the following:

Fund	Balance
Governmental Funds	
General Fund	\$ 645,690
Low and Moderate Income Housing Assets Special Revenue Fund	1,917,851
Successor Agency Bond Funded Capital Projects Fund	230,268
Nonmajor Governmental Funds	19,250
Total Funds	<u>\$ 2,813,059</u>

The General Fund has loans and notes receivable in the amount of \$42,171 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 \$603,519 relate to monies advanced to Community Facilities District 2002-1 for infrastructure improvements. This loan bears an interest rate of 5.75% per annum.

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 a 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

CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 3: Loans and Notes Receivable (Continued)

secured by a deed of trust and must be repaid upon sale or refinance of the home. The balance outstanding at June 30, 2016, is \$51,000. In addition, the Low and Moderate Income Housing Assets Special Revenue Fund has ten 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 if such a transaction occurs within 45 years. A portion of the loan balance is forgiven each year beginning five years after issuance and is completely forgiven after 45 years. An allowance for the full amount of the loans has been recorded as the expectation is for the homeowners to keep the properties for the entire term of the agreement. The balance outstanding at June 30, 2016 is \$1,000,000 with a net carrying value of \$0. The loans do not accrue interest. Lastly, the Low and Moderate Income Housing Assets Special Revenue Fund has notes outstanding to Santa Fe Springs Housing Partners in the amount of \$1,866,851 at June 30, 2016. The loan agreement calls for annual payments based on a calculation of residual receipts. The residual receipts are calculated based on the project revenues less approved expenses. The residual receipts payment is applied first to interest and then to principal. The outstanding principal accrues interest at a rate of 3%.

The Successor Agency Bond Funded Capital Projects Fund has a note receivable in the amount of \$230,268 related to monies advanced by the former Commission to Community Facilities District 2004-1 for infrastructure improvements. This loan bears interest at a rate of 5.75% per annum.

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, 2016, is \$19,250.

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, 2016:

Transfers Out:	Transfers In				
	General Fund	Low and Moderate Income Housing Assets Fund	Prefunded Capital Projects Fund	Internal Service Funds	Total
General Fund	\$ -	\$ 848,773	\$ 6,156,000	\$ 1,748,700	\$ 8,753,473
Water Fund	1,073,642	-	-	-	1,073,642
Internal Service Funds	538,386	-	-	-	538,386
Total	<u>\$ 1,612,028</u>	<u>\$ 848,773</u>	<u>\$ 6,156,000</u>	<u>\$ 1,748,700</u>	<u>\$ 10,365,501</u>

As required by dissolution laws, the General Fund transferred \$848,773 to the Low and Moderate Income Housing Assets Fund for its 20% share of the Washington Blvd. loan repayment. The General Fund transferred \$6,156,000 into the Prefunded Capital Projects Funds to provide funding for current and future capital projects. The General Fund transferred \$1,748,700 into the Internal Service Fund to provide additional funding.

CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 5: Interfund Activity (Continued)

The Water Fund transferred \$1,073,642 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 \$538,386 into the General Fund to fund equipment acquisition expenditures.

Due to/from other funds at June 30, 2016, were as follows:

<u>Due from</u>	<u>Due to</u>
	General Fund
Capital Improvement Fund	\$ 4,639,074
Nonmajor Governmental Funds	765,841
	<u>\$ 5,404,915</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, 2016, 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. Currently, there is no date set for the repayment of the advance.

Note 6: Advances to the Successor Agency

Advances to the Successor Agency at June 30, 2016, consist of the following:

General Fund	\$ 10,624,511
	<u>\$ 10,624,511</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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 filed suit to challenge 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 has been recalculated at 3% in accordance with the dissolution bills. The balance of the advance at June 30, 2016 was \$9,353,730.

The City of Santa Fe Springs Successor Agency notified the California Department of Finance of its September 16, 2015 Oversight Board (OB) Resolution on September 21, 2015. OB Resolution No. 2015-006 established a repayment schedule related to loans for the Washington Boulevard redevelopment project area. In a letter dated October 2015, the Department of Finance approved the repayment schedule. HSC Section 34191.4 (b)(3)(A) requires that any interest on the remaining principal amount of the loan that was previously unpaid after the origination of the loan shall be recalculated from the date of origination of the loan as approved by the redevelopment agency on a quarterly basis, at a simple interest rate of three percent. The outstanding balance of the interest due at June 30, 2016 was \$1,270,781.

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, 2015, 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, 2015, (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, 2016

Note 7: Capital Assets

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

	Balance July 1, 2015	Transfers	Additions	Deletions	Balance June 30, 2016
Governmental Activities:					
Capital Assets, not being depreciated:					
Land	\$ 51,258,770	\$ -	\$ -	\$ -	\$ 51,258,770
Construction in process	1,042,506	(2,020,165)	1,329,124	-	351,465
Total capital assets not being depreciated	52,301,276	(2,020,165)	1,329,124	-	51,610,235
Capital assets, being depreciated:					
Buildings	33,667,230	362,040	-	-	34,029,270
Improvements	23,597,495	721,904	11,600	-	24,330,999
Equipment	13,575,893	-	788,221	389,836	13,974,278
Infrastructure	140,568,682	936,221	9,900	-	141,514,803
Total capital assets, being depreciated	211,409,300	2,020,165	809,721	389,836	213,849,350
Less accumulated depreciation					
Buildings	11,083,741	-	636,405	-	11,720,146
Improvements	15,634,054	-	676,292	-	16,310,346
Equipment	9,953,871	-	818,497	389,836	10,382,532
Infrastructure	62,847,678	-	3,892,065	-	66,739,743
Total accumulated depreciation	99,519,344	-	6,023,259	389,836	105,152,767
Total capital assets, being depreciated, net	111,889,956	2,020,165	(5,213,538)	-	108,696,583
Government activities capital assets, net	\$ 164,191,232	\$ -	\$ (3,884,414)	\$ -	\$ 160,306,818

CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 7: Capital Assets (Continued)

	Balance July 1, 2015	Adjustments	Transfers	Additions	Deletions	Balance June 30, 2016
Business-Type Activities:						
Capital assets, not being depreciated:						
Land and water rights	\$ 3,384,974	\$ -	\$ -	\$ -	\$ -	\$ 3,384,974
Construction-in-progress	9,729,471	1,310,136	(94,869)	856,189	-	11,800,927
Total Capital Assets, Not Being Depreciated	13,114,445	1,310,136	(94,869)	856,189	-	15,185,901
Capital assets, being depreciated:						
Source of supply plant	3,032,091	1,066,646	-	-	-	4,098,737
Transmission and distribution plant	28,822,392	(1,094,446)	94,869	-	-	27,822,815
Pumping and treatment plant	83,216	27,800	-	-	-	111,016
General Plant	1,096,135	-	-	-	-	1,096,135
Total Capital Assets, Being Depreciated	33,033,834	-	94,869	-	-	33,128,703
Less accumulated depreciation:						
Source of supply plant	2,057,246	-	-	79,410	-	2,136,656
Transmission and distribution plant	19,035,685	(294,392)	-	361,738	-	19,103,031
Pumping and treatment plant	83,216	-	-	9,966	-	93,182
General Plant	1,177,709	(85,035)	-	3,461	-	1,096,135
Total Accumulated Depreciation	22,353,856	(379,427)	-	454,575	-	22,429,004
Total Capital Assets, Being Depreciated, Net	10,679,978	379,427	94,869	(454,575)	-	10,699,699
Water Utility Capital Assets, Net	\$ 23,794,423	\$ 1,689,563	\$ -	\$ 401,614	\$ -	\$ 25,885,600

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

	Governmental Activities	Business-Type Activities
General government	\$ 65,090	\$ -
Public safety	672,977	-
Community development	51,359	-
Public works	4,263,699	-
Culture and leisure	695,096	-
Human Services	275,038	-
Water Utility	-	454,575
Total Governmental Activities	\$ 6,023,259	\$ 454,575

Note 8: Contracts Payable

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

CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**Note 9: Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2016:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Governmental activities:					
Pension obligation bonds	\$ 5,238,000	\$ -	\$ 904,000	\$ 4,334,000	\$ 972,000
Compensated absences	2,825,111	225,080	187,995	2,862,196	190,463
Other post employment benefits obligation (Note 12)	6,681,045	4,236,777	3,922,677	6,995,145	-
Oshkosh lease payable	449,068	-	84,940	364,128	87,309
	<u>\$ 15,193,224</u>	<u>\$ 4,461,857</u>	<u>\$ 5,099,612</u>	<u>\$ 14,555,469</u>	<u>\$ 1,249,772</u>
Business-type activities:					
Water revenue bonds:					
2005 Series A	\$ 2,310,000	\$ -	\$ 170,000	\$ 2,140,000	\$ 180,000
2013 Series A	6,890,000	-	-	6,890,000	-
Issuance discount/premiums	(130,456)	-	(2,850)	(127,606)	-
Other postemployment benefits Obligation (Note 12)	577,775	328,224	303,891	602,108	-
	<u>\$ 9,647,319</u>	<u>\$ 328,224</u>	<u>\$ 471,041</u>	<u>\$ 9,504,502</u>	<u>\$ 180,000</u>

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

Governmental Activities

Year Ending June 30	Pension Obligation Bonds	
	Principal	Interest
2017	\$ 972,000	\$ 152,260
2018	1,044,000	115,450
2019	1,119,000	75,925
2020	1,199,000	33,554
Total	<u>\$ 4,334,000</u>	<u>\$ 377,189</u>

Year Ending June 30	Oshkosh Lease Payable	
	Principal	Interest
2017	\$ 87,309	\$ 10,159
2018	89,746	7,723
2019	92,250	5,219
2020	94,823	2,646
Total	<u>\$ 364,128</u>	<u>\$ 25,747</u>

CITY OF SANTA FE SPRINGS**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2016**Note 9: Long-Term Liabilities (Continued)****Business-Type Activities**

Year Ending June 30	Revenue Bonds	
	Principal	Interest
2017	\$ 180,000	\$ 356,831
2018	185,000	347,831
2019	200,000	338,581
2020	205,000	328,581
2021	215,000	318,331
2022-2026	1,220,000	1,440,189
2027-2031	1,600,000	1,171,975
2032-2036	1,900,000	871,925
2037-2041	2,285,000	485,538
2042-2045	1,040,000	62,800
Total	<u>\$ 9,030,000</u>	<u>\$ 5,722,582</u>

Governmental Activities**Taxable Pension Obligation Bonds**

In April 2012, the City issued taxable pension obligation bonds 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 \$26.4 million, which is more than 150% of maximum annual debt service payment of \$1.2 million on this bond. Revenues are pledged against the debt service outstanding on the bonds of \$4.7 million. The total outstanding principal as of June 30, 2016, is \$4,334,000.

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 \$364,128.

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 Post-Employment 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, 2016

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, 2016, is \$2,140,000.

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 \$2,410,220 against debt service payments of \$208,393. Total principal and interest remaining is \$2,705,966.

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, 2016, is \$6,890,000.

The Bonds are payable from and secured by 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 \$2,410,220 against debt service payments of \$256,438. Total principal and interest remaining is \$12,046,616.

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

b. Self-Insurance Programs of the Authority

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

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

Liability

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

For 2015-16 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, and (b) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer. There is a third annual aggregate deductible in the amount of \$2.5 million in the \$5 million x/s \$5 million layer, however it is fully covered under a separate policy and therefore not retained by the Authority.

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

Note 10: California Joint Powers Insurance Authority Insurance Program (Continued)

Workers' Compensation

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

For 2015-16 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law.

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

c. Purchased Insurance

Pollution Legal Liability Insurance

The City of Santa Fe Springs participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of 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, 2014 through July 1, 2017. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of Santa Fe Springs participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Santa Fe Springs property is currently insured according to a schedule of covered property submitted by the City of Santa Fe Springs to the Authority. City of Santa Fe Springs property currently has all-risk property insurance protection in the amount of \$97,851,158. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Note 10: California Joint Powers Insurance Authority Insurance Program (Continued)

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 \$45,102,228. 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 2015-16.

Note 11: Pension Plan Obligations

a. General Information About the Pension Plan

Plan Description

The City contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer 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 PERS retirement system but participate in a defined contribution plan. Benefit provisions for the Plan's are established by State statute's and City resolution. Copies of PERS' annual financial report may be obtained from its executive office: 400 P Street, Sacramento, California 95814.

Benefits Provided

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

CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**Note 11: Pension Plan Obligations (Continued)**

The Plan provisions and benefits in effect at June 30, 2016 are summarized as follows:

Miscellaneous Plan			
	Tier 1 *	Tier 2 *	PEPRA
Hire date	Prior to November 19, 2012	November 19, 2012 but prior to January 1, 2013	January 1, 2013 and after
Benefit formula	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Minimum retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	2.000% - 2.700%, 50 yrs - 55+ yrs, respectively	1.426% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	43.601%	43.601%	43.601%
Safety Cost-Sharing Rate Plans			
	Tier 1 *	Tier 2 *	PEPRA
Hire date	Prior to November 19, 2012	November 19, 2012 but prior to January 1, 2013	January 1, 2013 and after
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Minimum retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	3.000%, 50+ yrs	2.400% - 3.000%, 50 yrs - 55+ yrs, respectively	2.000% to 2.700%, 50 yrs - 57+ yrs, respectively
Required employee contribution rates	9.000%	9.000%	12.250%
Required employer contribution rates	20.230%	17.295%	12.821%

*Plan is closed to new entrants. The PEPRA plan was enacted for new members hired after January 1, 2013.

Employees Covered

As of the valuation date of June 30, 2014, the following employees were covered by the benefit terms of the Plan:

Description	Number of Members
Active members	112
Transferred members	36
Terminated members	38
Retired members and beneficiaries	200
Total	386

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 11: Pension Plan Obligations (Continued)***Contribution Description***

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

For the year ended June 30, 2016, the employer contributions recognized as a reduction to the net position liability for all the Plan was \$5,447,588.

b. Net Pension Liability

The net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

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

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 11: Pension Plan Obligations (Continued)

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2007, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

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

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by CalPERS effective on July 1, 2014.

CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 11: Pension Plan Obligations (Continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Estate	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

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

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

c. Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

The following table shows the changes in net pension liability recognized over the measurement period for the Miscellaneous Plan.

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2014 (Valuation Date)	\$ 156,348,728	\$ 98,522,647	\$ 57,826,081
Changes Recognized for the Measurement Period:			
Service Cost	1,544,341	-	1,544,341
Interest on the Total Pension Liability	11,550,084	-	11,550,084
Difference between Expected and Actual Experience	714,618	-	714,618
Changes of Assumptions	(2,672,769)	-	(2,672,769)
Contributions from the Employer	-	3,368,960	(3,368,960)
Contributions from Employees	-	945,614	(945,614)
Net Investment Income	-	2,213,275	(2,213,275)
Benefit Payments including Refunds of Employee Contributions	(8,362,515)	(8,362,515)	-
Administrative Expense	-	(108,707)	108,707
Net Changes During 2014-15	2,773,759	(1,943,373)	4,717,132
Balance at: 6/30/2015 (Measurement Date)	\$ 159,122,487	\$ 96,579,274	\$ 62,543,213

As of June 30, 2016, the City Safety Rate Plans reported net pension liabilities/(assets) for its proportionate shares of the net pension liability/(asset) of each rate Plan as follows:

	Proportionate Share of Net Pension Liability/(Asset)
Safety Tier 1 Rate Plan	\$ 32,106,855
Safety Tier 2 Rate Plan	(11,858)
Safety PEPRA Rate Plan	(364)
Tota Safety Plan Net Pension Liability	\$ 32,094,633

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016
Note 11: Pension Plan Obligations (Continued)

The City's net pension liability/(asset) for each Safety Rate Plan is measured as the proportionate share of the net pension liability/(asset). The net pension liability/(asset) of each of the Safety Rate Plans is measured as of June 30, 2015, and the total pension liability/(asset) for each Safety Rate Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, rolled forward to June 30, 2015, using standard update procedures. The City's proportion of the net pension liability/(asset) was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability/(asset) for each Safety Rate Plan as of June 30, 2014 and 2015, was as follows:

Safety Cost-Sharing Rate Plans			
	Tier 1	Tier 2	PEPRA
Proportion - June 30, 2014	0.70316%	0.00018%	0.00000%
Proportion - June 30, 2015	0.77921%	-0.00029%	-0.00001%
Change - Increase (Decrease)	0.07605%	-0.00047%	-0.00001%

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

The following presents the net pension liability/(asset) of the Plan's as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% 6.65%	Current Discount 7.65%	Discount Rate + 1% 8.65%
Miscellaneous Plan	\$ 82,456,068	\$ 62,543,213	\$ 45,975,041
Safety Tier 1 Rate Plan	51,690,584	32,106,855	16,048,557
Safety Tier 2 Rate Plan	17,254	(11,858)	(35,729)
Safety PEPRA Rate Plan	3,813	(364)	(3,788)
Total Net Pension Liability	\$ 134,167,719	\$ 94,637,846	\$ 61,984,081

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

For the measurement period ending June 30, 2015 (the measurement date), the City incurred a pension expense of \$6,431,711 for all Plans.

CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 11: Pension Plan Obligations (Continued)

As of June 30, 2016, the following were the reported deferred outflows of resources and deferred inflows of resources related to all pension plans:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions that occurred after the measurement date of June 30, 2015	\$ 4,895,425	\$ -
Change of Assumption	-	2,658,742
Difference between Expected and Actual Experiences	428,771	229,397
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,529,518
Adjustment due to differences in proportions	741,560	960,170
Difference in proportionate share	109,624	2,218,845
Total	\$ 6,175,380	\$ 7,596,672

Contributions subsequent to the measurement date in the amount of \$4,895,425 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources
2016	\$ (3,205,526)
2017	(2,780,458)
2018	(2,018,558)
2019	1,687,825
Total	\$ (6,316,717)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 12: Post-Employment 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 beneficiaries 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, 2015, the date of the most recent actuarial valuation:

	Management	Miscellaneous	Fire	Total
Retirees and Beneficiaries				
Receiving benefits	50	103	73	226
Active plan members	27	83	51	161
Total	<u>77</u>	<u>186</u>	<u>124</u>	<u>387</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 \$1,397 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, 2016, the City contributed \$4,226,567 to the plan. Plan members receiving benefits contributed \$52,362 (approximately 1% 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, 2016, was \$7.60 million. The annual required contribution (ARC) as of June 30, 2016, was \$4.59 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):

CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 12: Post-Employment Health Care Benefits (Continued)

Annual required contribution	\$ 4,587
Interest on net OPEB obligation	486
Adjustment to annual required contribution	(508)
Annual OPEB cost (expense)	<u>4,565</u>
Contributions made	<u>(4,227)</u>
Increase in net OPE obligation	338
Net OPEB Obligation, Beginning of Year	<u>7,259</u>
Net OPEB Obligation, End of Year	<u><u>\$ 7,597</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows (dollar amounts are in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 4,154	84%	\$ 7,694
6/30/2015	4,391	110%	7,259
6/30/2016	4,565	93%	7,597

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, 2016, the City made a contribution of \$2 million to the CERBT.

The funded status for postemployment benefit based on the June 30, 2015, 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
\$ 8,396	\$ 57,619	\$ 49,223	14.6%	\$ 13,554	363%

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 12: Postemployment Health Care Benefits (Continued)

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.

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	Eligible	Post-Medicare
	HMO	PPO	HMO
2017/18	6.5%	6.5%	6.7%
2018/19	6.0%	6.0%	6.1%
2019/20	5.5%	5.5%	5.6%
2020/21	5.0%	5.0%	5.0%

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.

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 have been pledged to the payment of the obligations. The outstanding balance at June 30, 2016, is \$1,695,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 15: Restatements of Fund Balance/Net Position

Fund Balance

The General Fund's beginning fund balance was restated by \$11,228,030 to properly present the offset to various notes and loans receivable balances as a component of non-spendable fund balance rather than as unavailable revenues.

The Low and Moderate Income Housing Asset Fund and Other Nonmajor Governmental Funds' beginning fund balances were restated by \$1,866,851 and \$19,250, respectively, to properly present the offset to a loan receivable balance as a component of restricted fund balance rather than as an unavailable revenue.

Net Position

The Governmental Activities net position was restated by \$2,093,825 to reflect the removal of unavailable revenue previously offsetting notes and loans receivable.

The Water Fund's beginning net position was restated by \$1,689,563 as a result of the correction of prior year costs not previously capitalized and correction of depreciation calculations.

Note 16: Subsequent Events

In July 2016, the Successor Agency to the Community Development Commission of the City of Santa Fe Springs approved the issuance of the 2016 Subordinate Tax Allocation Refunding Bonds. The bonds were issued to redeem and defease all amounts outstanding under the following five series of bonds issued by the former Community Development Commission of the City of Santa Fe Springs:

- \$28,845,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2001 Series A which are outstanding in the aggregate principal amount of \$13,965,000.
- \$50,915,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Refunding Bonds, 2002 Series A, which are outstanding in the aggregate principal amount of \$5,150,000.
- \$6,530,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Taxable Tax Allocation Refunding Bonds, 2003 Series A (Housing Tax Revenues), which are outstanding in the aggregate principal amount of \$2,775,000.
- \$4,710,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2006 Series A, issued as current interest bonds, which are outstanding in the aggregate principal amount of \$2,875,000.
- \$18,760,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2006 Series B, which are outstanding in the aggregate principal amount of \$7,085,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 16: Subsequent Events (Continued)

The remaining proceeds of the 2016 Bonds will be used to (i) pay the premium of a debt service reserve insurance policy for the 2016 Bonds to be issued by Assured Guaranty Municipal Corp. concurrently with the issuance of the 2016 Bonds in an amount equal to the Reserve Requirement (as hereinafter defined) and (ii) pay the costs of issuing the 2016 Bonds.

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 \$10,624,511 are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill.

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, 2015, 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.

CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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>
Private-Purpose Trust Fund	
Successor Agency	\$ 61,438

The loans and notes receivable balance in the Successor Agency Fund consists of 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. This note bears 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 July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Private-Purpose Trust Activities:				
Capital assets, not being depreciated:				
Land	\$ 5,006,722	\$ -	\$ -	\$ 5,006,722
Total Capital Assets, Not Being Depreciated	<u>\$ 5,006,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,006,722</u>

CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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, 2016:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Private-purpose activities:					
Consolidated Redevelopment					
Project tax allocation bonds:					
2001 Refunding issue	\$ 15,540,000	\$ -	\$ 1,575,000	\$ 13,965,000	\$ 1,640,000
2002 Refunding issue	5,745,000	-	595,000	5,150,000	625,000
2003 Refunding taxable issue	3,005,000	-	230,000	2,775,000	245,000
2006 issue	34,648,493	-	1,740,000	32,908,493	2,130,000
Accreted Interest on					
Capital appreciation bonds	10,642,457	1,527,408	-	12,169,865	-
2007 Refunding issue	37,320,000	-	3,925,000	33,395,000	4,125,000
Issuance discounts/premiums	1,440,588	-	238,494	1,202,094	-
Tax increment loan from					
Los Angeles County	6,467,752	43,268	9,838	6,501,182	-
ERAF loan	267,084	-	267,084	-	-
Advances from City	16,494,244	1,612,587	7,482,320	10,624,511	-
	<u>\$ 131,570,618</u>	<u>\$ 3,183,263</u>	<u>\$ 16,062,736</u>	<u>\$ 118,691,145</u>	<u>\$ 8,765,000</u>

Tax Allocation Bonds		
Year Ending June 30	Principal	Interest
2017	\$ 8,765,000	\$ 5,025,312
2018	9,615,000	4,049,316
2019	10,280,000	4,069,785
2020	10,387,914	1,651,583
2021	9,824,209	1,238,691
2022-2026	36,212,607	1,470,068
2027-2030	3,108,763	-
Total	<u>\$ 88,193,493</u>	<u>\$ 17,504,755</u>
Cumulative accretion interest on Capital appreciation bonds	<u>\$ 12,169,865</u>	
Total Principal, June 30, 2016	<u>\$ 100,363,358</u>	

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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:

Redemption Dates	Redemption Price (% of Principal)
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 of 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 \$2.3 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 \$2.3 million at June 30, 2016. 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 \$18.8 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, 2016, is \$13,965,000.

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:

Redemption Dates	Redemption Price (% of Principal)
September 1, 2011 and thereafter	100%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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 \$1.8 million against total debt service payments of \$1.8 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 \$8.8 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, 2016, is \$5,150,000.

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 \$0.4 million against total debt service payments of \$0.4 million on this bond. Revenues are pledged against the debt service outstanding on the bonds of \$3.9 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, 2016, is \$2,775,000.

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, 2016

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 \$1.0 million at June 30, 2016. Revenues are pledged against the debt service outstanding on the bonds of \$62.7 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, 2016, is \$45,078,358 including \$12,169,865 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 \$4.7 million against total debt service payments of \$4.7 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 \$44.6 million.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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, 2016, is \$33,395,000.

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, 2016, is \$6,501,182.

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. This loan was paid in full at June 30, 2016.

Advances from the City

Advances from the City consisted of advances totaling \$10,624,511.

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, 2016 was \$9,353,730.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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

The City of Santa Fe Springs Successor Agency notified the California Department of Finance of its September 16, 2015 Oversight Board (OB) Resolution on September 21, 2015. OB Resolution No. 2015-006 established a repayment schedule related to loans for the Washington Boulevard redevelopment project area. In a letter dated October 2015, the Department of Finance approved the repayment schedule. HSC Section 34191.4 (b)(3)(A) requires that any interest on the remaining principal amount of the loan that was previously unpaid after the origination of the loan shall be recalculated from the date of origination of the loan as approved by the redevelopment agency on a quarterly basis, at a simple interest rate of three percent. The outstanding balance of the interest due at June 30, 2016 was \$1,270,781.

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, 2015, 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, 2015, (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 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SANTA FE SPRINGS

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

	2015	2016
TOTAL PENSION LIABILITY		
Service Cost	\$ 1,578,729	\$ 1,544,341
Interest	11,142,267	11,550,084
Difference between expected and actual experience	-	714,618
Changes in assumptions	-	(2,672,769)
Benefit payments, including refunds of employee contributions	(8,292,893)	(8,362,515)
Net Change in Total Pension Liability	\$ 4,428,103	\$ 2,773,759
Total Pension Liability - Beginning	151,920,625	156,348,728
Total Pension Liability - Ending (a)	\$ 156,348,728	\$ 159,122,487
PLAN FIDUCIARY NET POSITION		
Contribution - Employer	\$ 2,513,465	\$ 3,368,960
Contribution - Employee	1,210,652	945,614
Net investment income	14,964,552	2,213,275
Benefit payments, including refunds of employee contributions	(8,292,893)	(8,362,515)
Administrative expense	-	(108,707)
Net Change in Fiduciary Net Position	\$ 10,395,776	\$ (1,943,373)
Plan Fiduciary Net Position - Beginning	88,126,871	98,522,647
Plan Fiduciary Net Position - Ending (b)	\$ 98,522,647	\$ 96,579,274
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 57,826,081	\$ 62,543,213
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.01%	60.69%
Covered-Employee Payroll	\$ 8,979,508	\$ 9,086,236
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	643.98%	688.33%

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

Notes to Schedule:

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

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

CITY OF SANTA FE SPRINGS

**MISCELLANEOUS PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015	2016
Actuarially Determined Contribution	\$ 3,554,823	\$ 3,728,926
Contribution in Relation to the Actuarially Determined Contribution	(3,554,823)	(3,728,926)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 9,086,236	\$ 9,040,284
Contributions as a Percentage of Covered-Employee Payroll	39.12%	41.25%

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

Note to Schedule:

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method/period	Level percentage of payroll, closed
Assets valuation method	Market Value
Inflation	2.75%
Salary Increases	3.30% to 14.20%
Payroll Growth	3.00%
Investment rate of return	7.65% net of pension plan investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

**CITY OF SANTA FE SPRINGS
COST SHARING MULTIPLE EMPLOYER BENEFIT PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2016**

	2015	2016
<u>Safety Tier I Rate Plan</u>		
Rate Plan's Proportion of the Net Pension Liability	0.42387%	0.46776%
Rate Plan's Proportionate Share of the Net Pension Liability	\$ 26,375,345	\$ 32,106,855
Rate Plan's Covered Payroll	\$ 5,664,892	\$ 5,824,001
Rate Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	465.59%	551.29%
<u>Safety Tier II Rate Plan</u>		
Rate Plan's Proportion of the Net Pension Liability/(Asset)	0.00011%	-0.00017%
Rate Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 6,675	\$ (11,858)
Rate Plan's Covered Payroll	\$ 524,015	\$ 678,094
Rate Plan's Proportionate Share of the Net Pension Liability/(Asset) as Percentage of Covered Payroll	1.27%	-1.75%
<u>Safety PEPRA Rate Plan</u>		
Rate Plan's Proportion of the Net Pension Liability	0.00000%	-0.00001%
Rate Plan's Proportionate Share of the Net Pension Liability	\$ -	\$ (364)
Rate Plan's Covered Payroll	\$ -	\$ 214,796
Rate Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	0.00%	-0.17%
<u>Total Plan</u>		
Plan's Proportion of the Net Pension Liability	0.42398%	0.46759%
Plan's Proportionate Share of the Net Pension Liability	\$ 26,382,020	\$ 32,094,633
Plan's Covered Payroll	\$ 6,188,907	\$ 6,716,891
Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	426.28%	477.82%
The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%

Notes to Schedule:

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

Changes of Assumptions: The discount rate was changed from 7.5 percent to 7.65 percent (net of administrative expense) to correct for an adjustment to exclude administrative expense.

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

**CITY OF SANTA FE SPRINGS
COST SHARING MULTIPLE EMPLOYER BENEFIT PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, 2016**

	2015	2016
Safety Tier I Rate Plan		
Actuarially Determined Contribution	\$ 1,736,362	\$ 1,009,085
Contribution in Relation to the Actuarially Determined Contribution	(1,736,362)	(1,009,085)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Payroll	\$ 5,824,001	\$ 5,856,556
Contributions as a Percentage of Covered-Employee Payroll	29.81%	17.23%
Safety Tier II Rate Plan		
Actuarially Determined Contribution	\$ 156,403	\$ 127,912
Contribution in Relation to the Actuarially Determined Contribution	(156,403)	(127,912)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Payroll	\$ 678,094	\$ 739,592
Contributions as a Percentage of Covered-Employee Payroll	23.07%	17.29%
Safety PEPRA Rate Plan		
Safety PEPRA Rate Plan	\$ -	\$ 29,502
Contribution in Relation to the Actuarially Determined Contribution	-	(29,502)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Payroll	\$ -	\$ 247,437
Contributions as a Percentage of Covered-Employee Payroll	0.00%	11.92%
Total Plan		
Actuarially Determined Contribution	\$ 1,892,765	\$ 1,166,499
Contribution in Relation to the Actuarially Determined Contribution	(1,892,765)	(1,166,499)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Payroll	\$ 6,502,095	\$ 6,843,585
Contributions as a Percentage of Covered-Employee Payroll	29.11%	17.05%

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

Note to Schedule:

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method/period	Level percent payroll/closed
Asset valuation method	Market value
Inflation	2.75%
Salary increases	3.30% to 14.20%
Payroll growth	3.00%
Investment rate of return	7.5% net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society.
Mortality	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

CITY OF SANTA FE SPRINGS

REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Schedule of Funding Progress for Post-Employment 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
6/30/2011	\$ 911	\$ 47,020	\$ 46,109	2%	\$ 17,925	257%
6/30/2013	3,451	54,521	51,070	6%	13,917	367%
6/30/2015	8,396	57,619	49,223	15%	13,554	363%

CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$41,753,000	\$39,761,000	\$39,978,116	\$217,116
Licenses and permits	2,131,300	2,295,200	2,536,719	241,519
Intergovernmental	2,675,600	2,696,600	2,738,633	42,033
Charges for services	4,989,300	5,643,500	6,078,086	434,586
Interest and rentals	1,341,600	1,346,700	1,686,756	340,056
Fines and forfeitures	442,400	497,900	515,632	17,732
Miscellaneous	928,700	2,144,800	1,857,809	(286,991)
Total Revenues	54,261,900	54,385,700	55,391,751	1,006,051
Expenditures:				
General government	6,073,600	5,634,700	5,448,699	186,001
Public safety	27,819,000	27,546,200	27,684,386	(138,186)
Community development	3,390,700	3,098,500	3,304,563	(206,063)
Public works	3,546,800	3,512,700	3,460,033	52,667
Culture and leisure	7,642,900	7,493,900	7,322,163	171,737
Human services	3,267,800	3,212,600	3,022,969	189,631
Capital outlay	733,500	617,600	424,146	193,454
Debt service:				
Principal retirement	989,000	989,000	988,940	60
Interest and fiscal charges	199,100	199,100	209,663	(10,563)
Total Expenditures	53,662,400	52,304,300	51,865,562	438,738
Excess (Deficiency) of Revenues Over (Under) Expenditures	599,500	2,081,400	3,526,189	1,444,789
Other Financing Sources (Uses):				
Transfers in	1,943,000	1,881,600	1,612,028	(269,572)
Proceeds from sale of capital asset	8,000	13,900	34,954	21,054
Transfers out	(2,400,000)	(8,691,900)	(8,753,473)	(61,573)
Contributions from successor agency	51,200	48,400	48,465	65
Total Other Financing Sources (Uses)	(397,800)	(6,748,000)	(7,058,026)	(310,026)
Net Change in Fund Balances	201,700	(4,666,600)	(3,531,837)	1,134,763
Fund Balances, Beginning of Year, as restated	38,732,432	38,732,432	38,732,432	-
Fund Balances, End of Year	\$38,934,132	\$34,065,832	\$35,200,595	\$1,134,763

CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE
LOW AND MODERATE INCOME HOUSING ASSETS FUND
YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Use of money and property	\$ 5,500	\$ 5,500	\$ 14,069	\$ 8,569
Miscellaneous	144,500	144,500	570,684	426,184
Total Revenues:	150,000	150,000	584,753	434,753
Expenditures				
Community development	30,000	216,400	216,115	285
Total Expenditures	30,000	216,400	216,115	285
Excess (Deficiency) of Revenues Over (Under) Expenditures	120,000	(66,400)	368,638	435,038
Other Financing Sources (Uses):				
Transfers in	-	787,200	848,773	61,573
Total Other Financing Sources (Uses)	-	787,200	848,773	61,573
Net Change in Fund Balances	120,000	720,800	1,217,411	496,611
Fund Balances, Beginning of Year, as restated	8,647,033	8,647,033	8,647,033	-
Fund Balances, End of Year	\$8,767,033	\$ 9,367,833	\$ 9,864,444	\$ 496,611

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:

Heritage Springs Street Maintenance District
Business License Surcharge
Community Development Block Grant Program Income Fund
Villages Service District
Heritage Art Education Endowment Fund

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.

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.

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.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

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.

PERMANENT FUND

Heritage Art Education Endowment 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.

CITY OF SANTA FE SPRINGS

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

Special Revenue Funds			
	State Gas Tax	County Transit Tax	Street Lighting Maintenance District
Assets:			
Pooled cash and investments	\$ 138,961	\$ 1,357,328	\$ 112,593
Receivables:			
Accounts	-	-	-
Notes and loans	-	-	-
Due from other governments	-	5,675	4,711
Total Assets	\$ 138,961	\$ 1,363,003	\$ 117,304
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Total Liabilities	-	-	-
Fund Balances:			
Restricted for:			
Community development projects	-	-	-
Public safety	-	-	-
Public works	138,961	1,363,003	117,304
Art in public places	-	-	-
Total Fund Balances	138,961	1,363,003	117,304
Total Liabilities, Resources and Fund Balances	\$ 138,961	\$ 1,363,003	\$ 117,304

CITY OF SANTA FE SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(CONTINUED)

Special Revenue Funds				
	Heritage Springs Street Maintenance District	Art in Public Places	Business License Surcharge	Air Quality Improvement
Assets:				
Pooled cash and investments	\$ 183,007	\$ 1,127,575	\$ 9,981	\$ 76,850
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	-	6,031
Total Assets	\$ 183,007	\$ 1,127,575	\$ 9,981	\$ 82,881
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other governments	-	-	717	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	717	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	9,264	-
Public safety	-	-	-	-
Public works	183,007	-	-	82,881
Art in public places	-	1,127,575	-	-
Total Fund Balances	183,007	1,127,575	9,264	82,881
Total Liabilities, Resources and Fund Balances	\$ 183,007	\$ 1,127,575	\$ 9,981	\$ 82,881

CITY OF SANTA FE SPRINGS

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

Special Revenue Funds				
	Community Development Block Grant	Fire Grants	Public Safety Augmentation	Supplemental Law Enforcement Services
Assets:				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ 313
Receivables:				
Accounts	-	620	-	-
Notes and loans	-	-	-	-
Due from other governments	108,889	657,551	31,320	-
Total Assets	\$ 108,889	\$ 658,171	\$ 31,320	\$ 313
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 27,761	\$ -	\$ -	\$ -
Accrued liabilities	589	4,189	-	-
Due to other governments	-	-	-	-
Due to other funds	80,539	653,982	31,320	-
Total Liabilities	108,889	658,171	31,320	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	313
Public works	-	-	-	-
Art in public places	-	-	-	-
Total Fund Balances	-	-	-	313
Total Liabilities, Resources and Fund Balances	\$ 108,889	\$ 658,171	\$ 31,320	\$ 313

CITY OF SANTA FE SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(CONTINUED)

	Special Revenue Fund	Permanent Fund	
	Community Development Block Grant Program Income	Heritage Art Education Endowment Fund	Total Nonmajor Governmental Funds
Assets:			
Pooled cash and investments	\$ -	\$ 424,293	\$ 3,430,901
Receivables:			
Accounts	-	-	620
Notes and loans	19,250	-	19,250
Due from other governments	-	-	814,177
Total Assets	\$ 19,250	\$ 424,293	\$ 4,264,948
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 27,761
Accrued liabilities	-	-	4,778
Due to other governments	-	-	717
Due to other funds	-	-	765,841
Total Liabilities	-	-	799,097
Fund Balances:			
Restricted for:			
Community development projects	19,250	-	28,514
Public safety	-	-	313
Public works	-	-	1,885,156
Art in public places	-	424,293	1,551,868
Total Fund Balances	19,250	424,293	3,465,851
Total Liabilities, Resources and Fund Balances	\$ 19,250	\$ 424,293	\$ 4,264,948

CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

		Special Revenue Funds		
		State Gas Tax	County Transit Tax	Street Lighting Maintenance District
Revenues:				
Taxes		\$ -	\$ -	\$ -
Intergovernmental		385,223	767,607	-
Interest and rentals		757	5,549	444
Miscellaneous		-	5,675	192,973
Total Revenues		385,980	778,831	193,417
Expenditures:				
Current:				
General government		-	-	-
Public safety		-	-	-
Community development		-	-	-
Parks and recreation		494,200	414,474	183,000
Public works		-	-	-
Capital outlay		-	-	-
Total Expenditures		494,200	414,474	183,000
Excess (Deficiency) of Revenues				
Over (Under) Expenditures		(108,220)	364,357	10,417
Net Change in Fund Balances		(108,220)	364,357	10,417
Fund Balances:				
Beginning of year		247,181	998,646	106,887
Restatements		-	-	-
Beginning of year, as restated		247,181	998,646	106,887
End of Year		\$ 138,961	\$ 1,363,003	\$ 117,304

CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Heritage Springs Street Maintenance District	Art in Public Places	Business License Surcharge	Air Quality Improvement
Revenues:				
Taxes	\$ -	\$ -	\$ 2,748	\$ -
Intergovernmental	-	-	-	-
Interest and rentals	-	4,840	-	301
Miscellaneous	-	445,815	-	22,323
Total Revenues	-	450,655	2,748	22,624
Expenditures:				
Current:				
General government	-	-	699	-
Public safety	-	-	-	-
Community development	-	355,578	-	-
Parks and recreation	-	-	-	2,062
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	355,578	699	2,062
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	95,077	2,049	20,562
Net Change in Fund Balances	-	95,077	2,049	20,562
Fund Balances:				
Beginning of year	183,007	1,032,498	7,215	62,319
Restatements	-	-	-	-
Beginning of year, as restated	183,007	1,032,498	7,215	62,319
End of Year	\$ 183,007	\$ 1,127,575	\$ 9,264	\$ 82,881

CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Community Development Block Grant	Fire Grants	Public Safety Augmentation	Supplemental Law Enforcement Services
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	275,713	588,892	175,872	114,618
Interest and rentals	-	-	-	287
Miscellaneous	-	-	-	-
Total Revenues	275,713	588,892	175,872	114,905
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	425,415	175,872	121,500
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	15,789	-	-	-
Capital outlay	259,924	163,477	-	-
Total Expenditures	275,713	588,892	175,872	121,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(6,595)
Net Change in Fund Balances	-	-	-	(6,595)
Fund Balances:				
Beginning of year	-	-	-	6,908
Restatements	-	-	-	-
Beginning of year, as restated	-	-	-	6,908
End of Year	\$ -	\$ -	\$ -	\$ 313

CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

(CONTINUED)

	Special Revenue Fund	Permanent Fund	
	Community Development Block Grant Program Income	Heritage Art Education Endowment Fund	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ -	\$ -	\$ 2,748
Intergovernmental	-	-	2,307,925
Interest and rentals	-	1,874	14,052
Miscellaneous	-	-	666,786
Total Revenues	-	1,874	2,991,511
Expenditures:			
Current:			
General government	-	-	699
Public safety	-	-	722,787
Community development	-	-	355,578
Parks and recreation	-	-	1,093,736
Public works	-	-	15,789
Capital outlay	-	-	423,401
Total Expenditures	-	-	2,611,990
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,874	379,521
Net Change in Fund Balances	-	1,874	379,521
Fund Balances:			
Beginning of year	-	422,419	3,067,080
Restatements	19,250	-	19,250
Beginning of year, as restated	19,250	422,419	3,086,330
End of Year	\$ 19,250	\$ 424,293	\$ 3,465,851

CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE
 STATE GAS TAX
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ -	\$ 494,200	\$ 385,223	\$ (108,977)
Use of money and property	-	-	757	757
Total Revenues:	-	494,200	385,980	(108,220)
Expenditures				
Parks and recreation	-	494,200	494,200	-
Total Expenditures	-	494,200	494,200	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(108,220)	(108,220)
Net Change in Fund Balances	-	-	(108,220)	(108,220)
Fund Balances, Beginning of Year	247,181	247,181	247,181	-
Fund Balances, End of Year	\$ 247,181	\$ 247,181	\$ 138,961	\$ (108,220)

CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE
COUNTY TRANSIT TAX
YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 710,100	\$ 710,100	\$ 767,607	\$ 57,507
Use of money and property	-	-	5,549	5,549
Miscellaneous	-	-	5,675	5,675
Total Revenues:	710,100	710,100	778,831	68,731
Expenditures				
Parks and recreation	612,900	664,200	414,474	249,726
Total Expenditures	612,900	664,200	414,474	249,726
Excess (Deficiency) of Revenues Over (Under) Expenditures	97,200	45,900	364,357	318,457
Net Change in Fund Balances	97,200	45,900	364,357	318,457
Fund Balances, Beginning of Year	998,646	998,646	998,646	-
Fund Balances, End of Year	\$ 1,095,846	\$ 1,044,546	\$ 1,363,003	\$ 318,457

CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE
 STREET LIGHTING MAINTENANCE DISTRICT
 YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 444	\$ 444
Miscellaneous	-	183,000	192,973	9,973
Total Revenues:	-	183,000	193,417	10,417
Expenditures				
Parks and recreation	-	183,000	183,000	-
Total Expenditures	-	183,000	183,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	10,417	10,417
Net Change in Fund Balances	-	-	10,417	10,417
Fund Balances, Beginning of Year	106,887	106,887	106,887	-
Fund Balances, End of Year	\$ 106,887	\$ 106,887	\$ 117,304	\$ 10,417

CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE
ART IN PUBLIC PLACES
YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 4,840	\$ 4,840
Miscellaneous	100,000	100,000	445,815	345,815
Total Revenues:	100,000	100,000	450,655	350,655
Expenditures				
Community development	460,900	458,500	355,578	102,922
Total Expenditures	460,900	458,500	355,578	102,922
Excess (Deficiency) of Revenues Over (Under) Expenditures	(360,900)	(358,500)	95,077	453,577
Net Change in Fund Balances	(360,900)	(358,500)	95,077	453,577
Fund Balances, Beginning of Year	1,032,498	1,032,498	1,032,498	-
Fund Balances, End of Year	\$ 671,598	\$ 673,998	\$ 1,127,575	\$ 453,577

CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 301	\$ 301
Miscellaneous	20,800	20,800	22,323	1,523
Total Revenues:	20,800	20,800	22,624	1,824
Expenditures				
Parks and recreation	-	-	2,062	(2,062)
Total Expenditures	-	-	2,062	(2,062)
Net Change in Fund Balances	20,800	20,800	20,562	(238)
Fund Balances, Beginning of Year	62,319	62,319	62,319	-
Fund Balances, End of Year	\$ 83,119	\$ 83,119	\$ 82,881	\$ (238)

CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 158,000	\$ 174,500	\$ 275,713	\$ 101,213
Total Revenues:	158,000	174,500	275,713	101,213
Expenditures				
Public works	16,500	16,500	15,789	711
Capital outlay	158,000	158,000	259,924	(101,924)
Total Expenditures	174,500	174,500	275,713	(101,213)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,500)	-	-	-
Net Change in Fund Balances	(16,500)	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ (16,500)	\$ -	\$ -	\$ -

CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE
 FIRE GRANTS
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ -	\$ 259,400	\$ 588,892	\$ 329,492
Total Revenues:	-	259,400	588,892	329,492
Expenditures				
Public safety	-	86,800	425,415	(338,615)
Capital outlay	-	172,600	163,477	9,123
Total Expenditures	-	259,400	588,892	(329,492)
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE
 PUBLIC SAFETY AUGMENTATION
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 142,000	\$ 148,000	\$ 175,872	\$ 27,872
Total Revenues:	142,000	148,000	175,872	27,872
Expenditures				
Public safety	142,000	148,000	175,872	(27,872)
Total Expenditures	142,000	148,000	175,872	(27,872)
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

CITY OF SANTA FE SPRINGS

BUDGETARY COMPARISON SCHEDULE
SUPPLEMENTAL LAW ENFORCEMENT SERVICES
YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 100,000	\$ 114,600	\$ 114,618	\$ 18
Use of money and property	-	-	287	287
Total Revenues:	100,000	114,600	114,905	305
Expenditures				
Public safety	100,000	121,500	121,500	-
Total Expenditures	100,000	121,500	121,500	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	(6,900)	(6,595)	305
Net Change in Fund Balances	-	(6,900)	(6,595)	305
Fund Balances, Beginning of Year	6,908	6,908	6,908	-
Fund Balances, End of Year	\$ 6,908	\$ 8	\$ 313	\$ 305

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, 2016

Governmental Activities - Internal Service Funds				
	Equipment Replacement	Employee Benefits	Risk Management	Totals
Assets:				
Current:				
Cash and investments	\$ 1,533,445	\$ 1,556,085	\$ 714,000	\$ 3,803,530
Total Assets	\$ 1,533,445	\$ 1,556,085	\$ 714,000	\$ 3,803,530
Net Position:				
Unrestricted	\$ 1,533,445	\$ 1,556,085	\$ 714,000	\$ 3,803,530
Total Net Position	\$ 1,533,445	\$ 1,556,085	\$ 714,000	\$ 3,803,530

CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016

	Governmental Activities - Internal Service Funds			
	Equipment Replacement	Employee Benefits	Risk Management	Totals
Operating Revenues:				
Sales and service charges	\$ 16,300	\$ -	\$ -	\$ 16,300
Total Operating Revenues	16,300	-	-	16,300
Operating Expenses:				
Labor and benefits	-	892,249	-	892,249
Total Operating Expenses	-	892,249	-	892,249
Operating Income (Loss)	16,300	(892,249)	-	(875,949)
Nonoperating Revenues (Expenses):				
Other non-operating revenue	25,000	-	-	25,000
Total Nonoperating Revenues (Expenses)	25,000	-	-	25,000
Income (Loss) Before Transfers	41,300	(892,249)	-	(850,949)
Transfers in	545,000	1,130,000	73,700	1,748,700
Transfers out	(538,386)	-	-	(538,386)
Changes in Net Position	47,914	237,751	73,700	359,365
Net Position:				
Beginning of Year	1,485,531	1,318,334	640,300	3,444,165
End of Fiscal Year	\$ 1,533,445	\$ 1,556,085	\$ 714,000	\$ 3,803,530

CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016

	Governmental Activities - Internal Service Funds			
	Equipment Replacement	Employee Benefits	Risk Management	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 16,300	\$ -	\$ -	\$ 16,300
Cash paid to employees for services	-	(892,249)	-	(892,249)
Net Cash Provided (Used) by Operating Activities	16,300	(892,249)	-	(875,949)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	(538,386)	-	-	(538,386)
Cash transfers in	545,000	1,130,000	73,700	1,748,700
Net Cash Provided (Used) by Non-Capital Financing Activities	6,614	1,130,000	73,700	1,210,314
Cash Flows from Capital and Related Financing Activities:				
Proceeds from other non-operating revenue	25,000	-	-	25,000
Net Cash Provided (Used) by Capital and Related Financing Activities	25,000	-	-	25,000
Net Increase (Decrease) in Cash and Cash Equivalents	47,914	237,751	73,700	359,365
Cash and Cash Equivalents at Beginning of Year	1,485,531	1,318,334	640,300	3,444,165
Cash and Cash Equivalents at End of Year	\$ 1,533,445	\$ 1,556,085	\$ 714,000	\$ 3,803,530

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, 2016

	Assessment Districts	Community Facilities Assessment Districts	Totals
Assets:			
Pooled cash and investments	\$ 323,651	\$ 61,258	\$ 384,909
Receivables:			
Accounts	-	6,332	6,332
Restricted assets:			
Cash and investments with fiscal agents	207,390	-	207,390
Total Assets	\$ 531,041	\$ 67,590	\$ 598,631
Liabilities:			
Deposits payable	\$ 531,041	\$ 67,590	\$ 598,631
Total Liabilities	\$ 531,041	\$ 67,590	\$ 598,631

CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2016

	Balance 7/1/2015	Additions	Deductions	Balance 6/30/2016
<u>Assessment Districts</u>				
Assets:				
Pooled cash and investments	\$ 169,325	\$ 206,842	\$ 52,516	\$ 323,651
Restricted assets:				
Cash and investments with fiscal agents	321,645	52,516	166,771	207,390
Total Assets	\$ 490,970	\$ 259,358	\$ 219,287	\$ 531,041
Liabilities:				
Deposits payable	\$ 490,970	\$ 206,842	\$ 166,771	\$ 531,041
Total Liabilities	\$ 490,970	\$ 206,842	\$ 166,771	\$ 531,041
<u>Community Facilities Assessment Districts</u>				
Assets:				
Pooled cash and investments	\$ 68,016	\$ 462	\$ 7,220	\$ 61,258
Receivables:				
Accounts	6,332	-	-	6,332
Total Assets	\$ 74,348	\$ 462	\$ 7,220	\$ 67,590
Liabilities:				
Deposits payable	\$ 67,128	\$ 462	\$ -	\$ 67,590
Due to other governments	7,220	-	7,220	-
Total Liabilities	\$ 74,348	\$ 462	\$ 7,220	\$ 67,590
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 237,341	\$ 207,304	\$ 59,736	\$ 384,909
Receivables:				
Accounts	6,332	-	-	6,332
Cash and investments with fiscal agents	321,645	52,516	166,771	207,390
Total Assets	\$ 565,318	\$ 259,820	\$ 226,507	\$ 598,631
Liabilities:				
Deposits payable	\$ 558,098	\$ 207,304	\$ 166,771	\$ 598,631
Due to other governments	7,220	-	7,220	-
Total Liabilities	\$ 565,318	\$ 207,304	\$ 173,991	\$ 598,631

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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.

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Operating Information	
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.	140

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

	Fiscal Year			
	2007	2008	2009	2010
Governmental activities:				
Net investment in capital assets	\$ 16,802,657	\$ 31,856,729	\$ 89,373,619	\$ 80,697,495
Restricted	11,122,372	5,501,527	7,643,082	8,867,118
Unrestricted	68,046,186	64,776,353	6,730,597	2,627,357
Total governmental activities net position	<u>\$ 95,971,215</u>	<u>\$ 102,134,609</u>	<u>\$ 103,747,298</u>	<u>\$ 92,191,970</u>
Business-type activities:				
Net investment in capital assets	\$ 10,161,603	\$ 10,160,632	\$ 12,659,705	\$ 13,780,267
Unrestricted	6,500,887	5,848,194	2,074,635	(636,433)
Total business-type activities net position	<u>\$ 16,662,490</u>	<u>\$ 16,008,826</u>	<u>\$ 14,734,340</u>	<u>\$ 13,143,834</u>
Primary government:				
Net investment in capital assets	\$ 26,964,260	\$ 42,017,361	\$ 102,033,324	\$ 94,477,762
Restricted	11,122,372	5,501,527	7,643,082	8,867,118
Unrestricted	74,547,073	70,624,547	8,805,232	1,990,924
Total primary government net position	<u>\$ 112,633,705</u>	<u>\$ 118,143,435</u>	<u>\$ 118,481,638</u>	<u>\$ 105,335,804</u>

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

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

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 73,525,440	\$ 141,935,739	\$ 159,461,487	\$ 163,745,920	\$ 163,742,164	\$ 159,942,690
10,414,337	9,077,534	9,905,210	9,651,144	29,208,112	32,373,440
12,973,592	24,344,782	27,007,854	37,672,916	(50,143,910)	(49,235,190)
<u>\$ 96,913,369</u>	<u>\$ 175,358,055</u>	<u>\$ 196,374,551</u>	<u>\$ 211,069,980</u>	<u>\$ 142,806,366</u>	<u>\$ 143,080,940</u>
\$ 11,835,708	\$ 12,353,517	\$ 15,742,624	\$ 16,386,459	\$ 15,541,573	\$ 17,182,873
521,782	1,060,256	3,375,412	3,952,242	(2,072,299)	(728,889)
<u>\$ 12,357,490</u>	<u>\$ 13,413,773</u>	<u>\$ 19,118,036</u>	<u>\$ 20,338,701</u>	<u>\$ 13,469,274</u>	<u>\$ 16,453,984</u>
\$ 85,361,148	\$ 154,289,256	\$ 175,204,111	\$ 180,132,379	\$ 179,283,737	\$ 177,125,563
10,414,337	9,077,534	9,905,210	9,651,144	29,208,112	32,373,440
13,495,374	25,405,038	30,383,266	41,625,158	(52,216,209)	(49,964,079)
<u>\$ 109,270,859</u>	<u>\$ 188,771,828</u>	<u>\$ 215,492,587</u>	<u>\$ 231,408,681</u>	<u>\$ 156,275,640</u>	<u>\$ 159,534,924</u>

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

	Fiscal Year			
	2007	2008	2009	2010
Expenses:				
Governmental activities:				
General government	\$ 8,969,662	\$ 10,752,925	\$ 4,182,328	3,438,268
Public safety	24,794,390	25,158,056	27,819,575	27,580,109
Community development	19,635,755	13,673,467	20,631,199	30,950,225
Public works	7,343,144	6,800,109	7,169,870	6,711,824
Culture and leisure	9,661,420	9,490,393	7,856,203	12,002,498
Human services	4,150,468	5,070,440	4,128,929	3,468,839
Unallocated depreciation	59,449	13,421	61,695	21,617
Interest on long-term liabilities	6,284,405	7,935,213	8,087,433	7,911,796
Total governmental activities expenses	80,898,693	78,894,024	79,937,232	92,085,176
Business-type activities:				
Water utility	8,059,941	8,728,782	9,455,272	9,080,895
Total primary government expenses	88,958,634	87,622,806	89,392,504	101,166,071
Program revenues:				
Governmental activities:				
Charges for services:				
General government	612,834	1,048,110	1,137,500	732,638
Public safety	2,649,239	2,586,088	2,924,531	2,870,405
Community development	2,397,946	3,464,909	3,048,561	3,758,049
Public works	549,718	698,895	455,206	291,322
Culture and leisure	1,186,334	1,186,328	934,448	1,082,696
Human services	696,758	747,761	653,585	721,334
Operating grants and contributions	4,386,968	3,834,943	3,249,259	5,188,053
Capital grants and contributions	758,661	2,701,218	1,843,328	2,978,733
Total governmental activities program revenues	13,238,458	16,268,252	14,246,418	17,623,230
Business-type activities:				
Charges for services:				
Water utility	8,724,832	9,008,023	9,221,517	9,168,719
Capital grants and contributions	104,327	142,589	176,868	26,667
Total business-type activities program revenues	8,829,159	9,150,612	9,398,385	9,195,386
Total primary government program revenues	22,067,617	25,418,864	23,644,803	26,818,616
Net revenues (expenses):				
Governmental activities	(67,660,235)	(62,625,772)	(65,690,814)	(74,461,946)
Business-type activities	769,218	421,830	(56,887)	114,491
Total net revenues (expenses)	(66,891,017)	(62,203,942)	(65,747,701)	(74,347,455)

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

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 2,163,896	\$ 3,883,766	\$ 5,773,716	\$ 5,941,165	\$ 5,614,730	\$ 5,692,938
26,383,489	27,242,545	28,371,664	25,903,765	28,215,907	31,438,552
20,666,314	13,832,431	3,420,343	4,050,792	3,794,506	4,020,001
10,044,324	8,874,948	22,545,319	16,997,746	14,269,841	9,510,398
8,229,998	8,480,678	7,916,483	7,690,481	7,681,363	8,103,268
2,919,442	2,929,811	2,664,800	2,881,556	3,133,900	3,326,615
62,365	17,182,873	64,246	-	-	-
7,249,129	(728,889)	343,881	213,286	239,719	207,917
77,718,957	81,698,163	71,100,452	63,678,791	62,949,966	62,299,689
9,737,232	10,028,948	9,738,082	10,781,780	10,911,725	10,056,785
87,456,189	91,727,111	80,838,534	74,460,571	73,861,691	72,356,474
686,006	717,021	746,832	2,027,076	1,975,162	2,067,142
2,773,032	2,801,311	2,792,442	2,937,252	2,985,378	3,485,203
3,859,883	3,137,047	4,018,338	2,460,571	1,953,691	2,558,688
308,852	336,955	260,835	756,730	753,510	824,258
466,019	443,425	636,462	556,566	533,242	516,907
654,912	641,003	579,073	522,881	520,428	450,564
5,172,057	6,100,535	4,714,266	3,405,177	2,090,135	2,414,716
4,851,876	6,016,364	36,562,363	18,887,861	6,801,309	596,380
18,772,637	20,193,661	50,310,611	31,554,114	17,612,855	12,913,858
9,852,607	11,748,391	13,063,973	13,139,026	12,252,452	11,445,171
223,673	914,585	4,002,420	632,638	111,777	796,442
10,076,280	12,662,976	17,066,393	13,771,664	12,364,229	12,241,613
28,848,917	32,856,637	67,377,004	45,325,778	29,977,084	25,155,471
(58,946,320)	(61,504,502)	(20,789,841)	(32,124,677)	(45,337,111)	(49,385,831)
339,048	2,634,028	7,328,311	2,989,884	1,452,504	2,184,828
(58,607,272)	(58,870,474)	(13,461,530)	(29,134,793)	(43,884,607)	(47,201,003)

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

	Fiscal Year			
	2007	2008	2009	2010
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Sales and use taxes	\$ 26,373,068	\$ 25,716,341	\$ 23,237,402	19,214,299
Property taxes	29,796,606	30,792,418	33,478,543	34,470,314
Franchise taxes	3,090,282	2,902,765	2,857,707	2,524,816
Motor vehicle in lieu tax - general purpose	1,390,299	1,446,785	1,505,277	1,569,001
Business operations taxes	867,675	816,384	805,857	783,107
Utility users taxes	-	-	-	-
Other taxes	660,346	734,885	723,819	576,767
Investment income	4,946,163	4,845,514	3,006,525	1,699,361
Other	1,348,127	287,751	391,132	356,634
Loss on disposal of asset	-	(54,467)	-	-
Transfers to Successor Agency	-	-	-	-
Transfers	1,609,356	1,300,790	1,297,241	1,712,319
Extraordinary gain	-	-	-	-
Total governmental activities	<u>70,081,922</u>	<u>68,789,166</u>	<u>67,303,503</u>	<u>62,906,618</u>
Business-type activities:				
Investment income	324,780	225,296	79,642	7,322
Other	-	-	-	-
Transfers	(1,609,356)	(1,300,790)	(1,297,241)	(1,712,319)
Total business-type activities	<u>(1,284,576)</u>	<u>(1,075,494)</u>	<u>(1,217,599)</u>	<u>(1,704,997)</u>
Total primary government	<u>68,797,346</u>	<u>67,713,672</u>	<u>66,085,904</u>	<u>61,201,621</u>
Changes in Net Position:				
Governmental activities	2,421,687	6,163,394	1,612,689	(11,555,328)
Business-type activities	(515,358)	(653,664)	(1,274,486)	(1,590,506)
Total primary government	<u>\$ 1,906,329</u>	<u>\$ 5,509,730</u>	<u>\$ 338,203</u>	<u>(13,145,834)</u>

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

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

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 20,254,386	\$ 22,868,333	\$ 23,655,903	\$ 26,096,479	\$ 26,432,547	\$ 25,518,717
33,167,105	11,386,328	3,150,294	3,601,771	4,088,687	3,425,637
2,553,493	2,499,668	2,443,761	2,779,357	2,978,360	3,034,652
1,574,226	1,519,877	1,542,531	1,595,953	1,686,499	1,716,181
775,506	771,766	778,483	768,575	780,747	801,658
1,023,863	4,342,780	6,095,190	6,634,353	6,836,360	6,669,155
570,792	518,095	890,344	416,269	567,503	531,045
2,380,810	1,988,650	1,384,050	1,416,003	1,440,422	1,807,176
236,254	3,425,588	1,413,449	2,216,285	2,692,622	2,988,717
-	-	-	42,312	-	-
-	-	(1,181,525)	-	-	-
1,131,284	1,582,575	1,633,857	1,597,099	1,224,700	1,073,642
-	76,845,362	-	(2,249,862)	19,954,190	-
63,667,719	127,749,022	41,806,337	44,914,594	68,682,637	47,566,580
5,892	4,830	9,809	11,929	15,849	27,006
-	-	-	107,631	240,554	156,955
(1,131,284)	(1,582,575)	(1,633,857)	(1,597,099)	(1,224,700)	(1,073,642)
(1,125,392)	(1,577,745)	(1,624,048)	(1,477,539)	(968,297)	(889,681)
62,542,327	126,171,277	40,182,289	43,437,055	67,714,340	46,676,899
4,721,399	66,244,520	21,016,496	12,789,917	23,345,526	(1,819,251)
(786,344)	1,056,283	5,704,263	1,512,345	484,207	1,295,147
\$ 3,935,055	\$ 67,300,803	\$ 26,720,759	\$ 14,302,262	\$ 23,829,733	\$ (524,104)

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

	Fiscal Year			
	2007	2008	2009	2010
General fund:				
Reserved	\$ 14,388,788	\$ 13,617,551	\$ 15,279,818	\$ 15,789,234
Unreserved	17,017,518	15,099,382	11,632,731	7,821,085
Total general fund	<u>\$ 31,406,306</u>	<u>\$ 28,716,933</u>	<u>\$ 26,912,549</u>	<u>\$ 23,610,319</u>
All other governmental funds:				
Reserved	\$ 39,559,163	\$ 42,709,013	\$ 46,410,455	\$ 53,512,156
Unreserved, reported in:				
Special revenue funds	2,640,445	2,158,778	1,955,895	1,514,867
Debt service funds	(2,040,292)	(1,679,421)	(1,679,353)	(1,954,284)
Capital project funds	56,216,049	47,613,794	44,588,079	22,540,869
Total all other governmental funds	<u>\$ 96,375,365</u>	<u>\$ 90,802,164</u>	<u>\$ 91,275,076</u>	<u>\$ 75,613,608</u>

	Fiscal Year					
	2011*	2012	2013	2014	2015	2016
General fund:						
Nonspendable	\$ 6,028,152	\$ 6,047,653	\$ 5,224,843	\$ 5,585,494	\$ 4,753,064	\$ 12,721,050
Restricted	1,326,532	181,532	-	98,801	98,821	322,843
Committed	1,455,318	1,455,318	225,000	225,000	225,000	225,000
Assigned	-	-	9,337,498	-	2,399,700	630,000
Unassigned	16,439,102	23,978,015	15,744,237	18,583,574	20,027,817	21,301,702
Total general fund	<u>\$ 25,249,104</u>	<u>\$ 31,662,518</u>	<u>\$ 30,531,578</u>	<u>\$ 24,492,869</u>	<u>\$ 27,504,402</u>	<u>\$ 35,200,595</u>
All other governmental funds:						
Nonspendable	\$ 9,148,250	\$ 7,634,198	1,018,291	5,688,704	4,330,950	-
Restricted	68,588,092	4,401,519	8,894,627	3,863,639	25,059,379	32,050,597
Assigned	-	-	4,579,545	7,794,387	9,480,556	15,036,492
Unassigned	(5,724,815)	(1,621,191)	-	(40,661)	(16,968)	(13,040)
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>	<u>\$ 38,853,917</u>	<u>\$ 47,074,049</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

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			
	2007	2008	2009	2010
Revenues:				
Taxes	\$ 60,787,976	\$ 60,962,794	61,103,328	\$ 57,569,302
Licenses and permits	1,629,490	1,701,480	1,524,535	2,115,081
Fines, forfeitures and seizures	609,712	548,283	529,748	503,749
Interest and rentals	5,953,140	5,892,674	4,062,816	2,745,752
From other agencies	5,917,337	7,578,801	5,641,140	9,270,391
Charges for current services	4,739,147	5,305,063	5,212,477	5,365,282
Other	2,491,930	1,702,360	2,178,637	1,194,374
Total revenues	<u>82,128,732</u>	<u>83,691,455</u>	<u>80,252,681</u>	<u>78,763,931</u>
Expenditures:				
Current:				
General government	8,407,116	4,111,182	3,381,651	2,718,500
Public safety	25,077,753	25,824,532	26,691,447	26,459,351
Community development	16,535,419	19,500,243	18,917,170	29,453,154
Public works	4,496,028	4,641,050	4,503,733	4,413,626
Culture and leisure	9,025,881	8,511,379	7,507,153	6,886,004
Human services	3,982,317	4,117,257	3,905,691	3,238,862
Capital outlay	5,839,038	15,234,728	5,271,884	12,913,273
Loss on sale of property	2,394,149	-	-	-
Debt service:				
Interest	6,222,003	6,175,132	7,022,705	6,801,175
Principal retirement	4,814,783	6,309,031	6,587,336	6,962,183
Bond issuance costs	1,783,534	-	-	-
Total expenditures	<u>88,578,021</u>	<u>94,424,534</u>	<u>83,788,770</u>	<u>99,846,128</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,449,289)</u>	<u>(10,733,079)</u>	<u>(3,536,089)</u>	<u>(21,082,197)</u>
Other financing sources (uses):				
Proceeds (loss) from sale of assets	-	-	80,445	(64,538)
Lease purchase agreements	108,986	107,588	-	-
Loan issuance	1,326,493	1,062,127	826,931	470,718
Bond issuance	91,911,529	-	-	-
Payment to refunded bond escrow agent	(45,656,679)	-	-	-
Contributions from successor agency	-	-	-	-
Transfer to private-purpose trust fund	-	-	-	-
Transfers in	23,177,837	15,611,252	14,613,933	14,483,825
Transfers out	(21,568,481)	(14,310,462)	(13,316,692)	(12,771,506)
Total other financing sources (uses)	<u>49,299,685</u>	<u>2,470,505</u>	<u>2,204,617</u>	<u>2,118,499</u>
Extraordinary loss	-	-	-	-
Net change in fund balances	<u>\$ 42,850,396</u>	<u>\$ (8,262,574)</u>	<u>(1,331,472)</u>	<u>\$ (18,963,698)</u>
Debt service as a percentage of noncapital expenditures	15.4%	15.9%	17.2%	15.8%

* 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

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

Fiscal Year					
2011	2012 *	2013	2014	2015	2016
\$ 58,310,307	\$ 42,294,544	\$ 36,999,332	\$ 40,296,804	\$ 41,684,204	\$ 39,980,864
1,867,845	2,102,755	2,969,902	2,747,847	2,206,324	2,536,719
465,360	428,472	344,325	491,503	529,250	515,632
2,321,749	1,995,506	1,398,990	1,416,003	1,440,422	1,807,176
10,644,890	12,349,659	35,766,822	23,165,769	11,054,345	5,257,715
5,292,591	5,031,896	4,965,080	5,147,329	5,250,369	6,078,535
1,573,488	4,532,497	3,907,821	2,493,091	2,855,254	3,146,736
80,476,230	68,735,329	86,352,272	75,758,346	65,020,168	59,323,377
1,670,047	3,826,155	5,629,632	5,064,465	5,483,276	5,449,398
25,439,776	33,199,540	25,846,858	25,203,933	26,968,072	28,407,173
19,344,105	13,434,645	3,346,701	3,991,264	3,755,596	3,876,256
7,563,987	5,966,489	4,240,659	4,456,233	4,591,234	4,553,769
7,295,141	7,604,051	7,130,910	6,974,428	6,995,907	7,337,952
2,731,901	2,790,524	2,481,419	2,579,037	2,798,407	3,022,969
3,719,878	4,498,772	32,091,957	21,383,923	9,745,411	2,621,810
-	-	-	-	-	-
6,081,574	3,042,465	310,664	278,854	240,815	209,663
7,178,400	7,295,987	789,060	983,524	1,045,658	988,940
	119,993	-			
81,024,809	81,778,621	81,867,860	70,915,661	61,624,376	56,467,930
(548,579)	(13,043,292)	4,484,412	4,842,685	3,395,792	2,855,447
9,924	23,496	50,662	42,312	25,000	34,954
-	-	-	-	-	-
596,075	-	-	-	-	-
-	7,759,094	-	-	-	-
-	-	-	-	-	-
-	995,421	(1,181,525)	-	100,238	48,465
-	-	-	-	(20,000)	-
23,360,976	22,577,622	6,600,367	8,805,993	6,524,301	8,616,801
(22,229,692)	(20,995,047)	(5,642,617)	(10,517,883)	(4,749,901)	(8,753,473)
1,737,283	10,360,586	(173,113)	(1,669,578)	1,879,638	(53,253)
-	(52,500,881)	-	(8,408,716)	19,954,190	-
\$ 1,188,704	\$ (55,183,587)	\$ 4,311,299	\$ (5,235,609)	\$ 25,229,620	\$ 2,802,194
17.2%	13.5%	2.2%	2.1%	2.2%	2.2%

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

<u>Fiscal Year</u>	<u>Secured Property</u>	<u>Unsecured Property</u>	<u>Less Property Exemptions</u>	<u>Grand Total</u>	<u>Homeowner's Exemption</u>	<u>Net Taxable Value</u>	<u>Total Direct Tax Rate</u>
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%
2015	5,819,662	1,002,581	67,730	6,754,513	15,194	6,739,319	0.077%
2016	5,954,556	993,740	88,515	6,859,781	15,058	6,844,723	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, Assessor

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

Fiscal Year	Basic 1% Direct Tax Rate		Override Assessments					Total
	City of Santa Fe Springs	Los Angeles County	Elementary Schools	Los Angeles County	Rio Hondo Community College District	Whittier Union High School District	Metro. Water District	
2007	0.077	0.923	0.035	0.001	0.015	0.044	0.004	1.099
2008	0.077	0.923	0.075	0.000	0.014	0.044	0.004	1.137
2009	0.077	0.923	0.074	0.000	0.023	0.037	0.004	1.138
2010	0.077	0.923	0.073	0.000	0.027	0.042	0.004	1.146
2011	0.077	0.923	0.076	0.000	0.034	0.042	0.004	1.156
2012	0.077	0.923	0.053	0.000	0.034	0.043	0.004	1.134
2013	0.077	0.923	0.069	0.000	0.028	0.046	0.004	1.147
2014	0.077	0.923	0.085	0.000	0.029	0.045	0.004	1.163
2015	0.077	0.923	0.080	0.000	0.028	0.053	0.004	1.165
2016	0.077	0.923	0.065	0.000	0.027	0.051	0.004	1.147

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% rate is levied by the City of Santa Fe Springs and the other taxing agencies for which the subject property resides within. In addition to the 1.00% general levy, Los Angeles County, various school districts, Rio Hondo College District, Whittier Union High School District, and Metropolitan Water District all levy direct assessments in addition to the 1.00% general levy.

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 Ten Years Ago

Taxpayer	FY 2015-16		FY 2006-07	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Golden Springs Dev Co LLC	\$ 298,513,979	4.35%	\$ 173,983,775	2.54%
Breitburn Operating LP	248,760,890	3.63%	61,079,109	0.89%
Legacy Partners Ii Santa Fe Sp	88,271,608	1.29%		
Mcmaster Carr Supply Company	76,793,914	1.12%	51,055,929	0.74%
Teachers Insurance Annuity Ass	64,437,803	0.94%	64,770,000	0.94%
Gateway Santa Fe Springs Indus	60,000,000	0.87%		
Amb Us Logistics Fund LP	54,366,252	0.79%		
Freeway Springs LLC	49,167,563	0.72%		
Heraeus Metal Processing Inc.	45,142,488	0.66%		
Vons Companies Inc.	44,925,931	0.65%	35,921,304	0.52%
Mckesson Property Company Inc.	43,520,823	0.63%		
Catellus Dev Corp	42,640,189	0.62%		
Maruichi American Corp	40,751,939	0.59%	45,895,556	0.67%
Centro Watt Property Owner Ii	40,081,767	0.58%	42,372,368	0.62%
Bloomfield Commerce Center Cor	39,421,855	0.57%	34,590,443	0.50%
Carmenita Plaza LLC	36,077,257	0.53%	25,229,697	0.37%
Prologis	35,059,686	0.51%		
Goodman Santa Fe Springs Spe L	34,852,712	0.51%		
PPF Industrial Valley View Lp	34,524,387	0.50%	30,322,617	0.44%
14141 Alondra Lp	33,543,562	0.49%	21,749,581	0.32%
Shaw Diversified Services Inc.	33,185,279	0.48%	23,817,059	0.35%
CFH Envlp Ltd. Ptnshp	33,103,848	0.48%	28,508,199	0.42%
Sorensen Industrial LLC	30,243,730	0.44%		
Pr Mid Counties LLC	29,199,307	0.43%		
Solaris Paper Inc.	28,953,001	0.42%		
Ari Heritage Corp			56,403,434	0.82%
Northwestern Mutual Life			47,277,000	0.69%
Doug Fir Llc			34,429,966	0.50%
Nnn Sfs Towne Center Llc			31,528,200	0.46%
Prudential Insurance Co Of			25,583,731	0.37%
First Industrial Lp			24,731,054	0.36%
Roll Properties Intl			23,795,485	0.35%
Villages At Heritage Springs			22,072,700	0.32%
Painter Business Park Llc			21,708,484	0.32%
Inland Paperboard Andpackaging			19,852,465	0.29%
Southwest Forest Industries In			19,043,304	0.28%
	<u>\$ 1,565,539,770</u>	<u>22.82%</u>	<u>\$ 965,721,460</u>	<u>14.08%</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 Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%
2015	35,511,774	35,217,986	99.17%	-	35,217,986	99.17%
2016	34,092,546	33,826,245	99.22%	-	33,826,245	99.22%

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

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
	Loans	Tax Allocation Bonds	Pension Obligation Bonds	Capitalized Lease Obligations	Total Governmental Activities	Revenue Bonds
2007	11,035,729	149,005,755	-	133,348	160,174,832	7,781,103
2008	11,637,827	144,980,330	-	96,936	156,715,093	7,621,416
2009	11,938,543	140,121,585	-	35,815	152,095,943	7,456,728
2010	11,717,893	135,078,706	-	-	146,796,599	7,282,040
2011	8,910,568	129,859,479	-	-	138,770,047	7,102,352
2012 ²	802,216	-	7,091,000	612,094	8,505,310	6,917,664
2013 ²	503,156	-	6,601,000	612,094	7,716,250	9,282,194
2014 ²	257,024	-	5,944,000	531,702	6,732,726	9,231,693
2015 ²	-	-	5,238,000	449,068	5,687,068	9,069,544
2016 ²	-	-	4,334,000	364,128	4,698,128	8,902,394

NOTES:

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

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

² 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 as of July 1, 2011.

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
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Continued)

<u>Total Primary Government</u>	<u>Percentage of Personal Income¹</u>	<u>Debt Per Capita¹</u>
167,955,935	53.46%	9,410
164,336,509	51.02%	9,238
159,552,671	47.72%	8,972
154,078,639	45.05%	8,695
145,872,399	43.51%	8,868
15,422,974	4.81%	934
16,998,444	5.11%	1,011
15,964,419	4.81%	966
14,756,612	3.93%	837
13,600,522	3.49%	737

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

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value¹	Per Capita
	Tax Allocation Bonds	Pension Obligation Bonds	Total General Bonded Debt		
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 ²	-	7,091,000	7,091,000	0.12%	429
2013 ²	-	6,601,000	6,601,000	0.11%	393
2014 ²	-	5,944,000	5,944,000	0.09%	360
2015 ²	-	5,238,000	5,238,000	0.08%	297
2016 ²	-	4,334,000	4,334,000	0.06%	235

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).

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

²Tax 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

CITY OF SANTA FE SPRINGS
Direct and Overlapping Debt
June 30, 2016

2015-16 Assessed Valuation: \$6,874,971,507

	Total Debt 6/30/16	% Applicable (1)	City's Share of Debt 6/30/16
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Los Angeles County Flood Control District			
Limited Obligations	\$ 12,630,000	0.550%	\$ 69,465
Metropolitan Water District	92,865,000	0.281	260,951
Cerritos Community College District	274,447,223	4.541	12,462,648
Rio Hondo Community College District	158,962,824	15.089	23,985,901
Whittier Union High School District	136,938,592	23.551	32,250,408
ABC Unified School District	35,029,966	3.072	1,076,121
Norwalk-La Mirada Unified School District	151,692,323	13.022	19,753,374
Little Lake City School District	42,404,901	59.247	25,123,632
Los Nietos School District	24,485,132	68.541	16,782,354
South Whittier School District	15,127,465	46.862	7,089,033
Whittier City School District	58,750,000	0.496	291,400
City of Santa Fe Springs Heritage Springs Assessment District	1,695,000	100.00	1,695,000
Los Angeles County Regional Park and Open Space Assessment District	50,610,000	0.540	273,294
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$141,113,581

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$2,029,010,694	0.540%	\$10,956,658
Los Angeles County Superintendent of Schools Certificates of Participation	7,944,360	0.540	42,900
Norwalk-La Mirada Unified School District Certificates of Participation	2,770,165	13.022	360,731
Whittier City School District Certificates of Participation	10280,000	0.496	50,989
City of Santa Fe Springs Pension Obligation Bonds	4,334,000	100.00	4,334,000
Los Angeles County Sanitation District No. 18 Authority	9,424,824	19.201	1,809,660
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$17,554,938

<u>OVERLAPPING TAX INCREMENT DEBT</u>			
<u>(Successor Agency):</u>	\$88,193,493	100.00 %	\$88,193,493

TOTAL DIRECT DEBT	\$4,334,000
TOTAL OVERLAPPING DEBT	\$242,528,012

COMBINED TOTAL DEBT **\$246,862,012 (2)**

- (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.

<u>Ratios to 2015-16 Assessed Valuation:</u>	
Total Overlapping Tax and Assessment Debt.....	2.05%
Total Direct Debt (\$4,334,000)	0.06%
Combined Total Debt.....	3.59%

<u>Ratios to Redevelopment Successor Agency Incremental Valuation (\$3,715,133,259):</u>	
Total Overlapping Tax Increment Debt	2.37%

AB:(\$475)

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

	Fiscal Year Ended June 30			
	2007	2008	2009	2010
Assessed valuation	\$ 5,069,519,480	\$ 5,499,958,005	\$ 5,865,229,569	\$ 6,045,200,975
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 1,267,379,870	\$ 1,374,989,501	\$ 1,466,307,392	\$ 1,511,300,244
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 190,106,981	\$ 206,248,425	\$ 219,946,109	\$ 226,695,037
Total net debt applicable to the limit:				
General obligation bonds ¹				
Legal Debt Margin	<u>\$ 190,106,981</u>	<u>\$ 206,248,425</u>	<u>\$ 219,946,109</u>	<u>\$ 226,695,037</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.

¹The 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			
	2011	2012	2013	2014
Assessed valuation	\$ 6,002,303,665	\$ 6,042,251,000	\$ 6,206,250,000	\$ 6,389,364,000
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 1,500,575,916	\$ 1,510,562,750	\$ 1,551,562,500	\$ 1,597,341,000
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 225,086,387	\$ 226,584,413	\$ 232,734,375	\$ 239,601,150
Total net debt applicable to the limit:				
General obligation bonds ¹		\$ 7,091,000	\$ 6,601,000	\$ 5,944,000
Legal Debt Margin	<u>\$ 225,086,387</u>	<u>\$ 219,493,413</u>	<u>\$ 226,133,375</u>	<u>\$ 233,657,150</u>
Total debt applicable to the limit				
as a percentage of debt limit	0.0%	0.0%	2.8%	2.5%

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.

¹The 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	
	2015	2016
Assessed valuation	\$ 6,754,513,000	6,874,971,507
Conversion percentage	25%	25%
Adjusted assessed valuation	\$ 1,688,628,250	1,718,742,877
Debt limit percentage	15%	15%
Debt limit	\$ 253,294,238	257,811,432
Total net debt applicable to the limit:		
General obligation bonds ¹	<u>5,238,000</u>	<u>4,334,000</u>
Legal Debt Margin	<u>\$ 248,056,238</u>	<u>253,477,432</u>
Total debt applicable to the limit		
as a percentage of debt limit	2.1%	1.7%

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.

¹The 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

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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	
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	8,865,034	2,888,187	195,000	356,307	5.24
2013	13,063,973	8,604,389	4,459,584	200,000	338,298	8.28
2014	13,879,295	9,453,643	4,425,652	155,000	319,342	9.33
2015	12,604,783	9,674,355	2,930,428	165,000	373,579	5.44
2016	12,398,568	9,210,440	3,188,128	170,000	365,329	5.96

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.

¹The 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)

Fiscal Year	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
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 ¹	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-

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.

¹The 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 Fiscal Years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2007	17,849	314,198	17,603	3.9%
2008	17,790	322,079	18,104	4.3%
2009	17,784	334,332	18,800	6.2%
2010	17,721	342,015	19,300	9.7%
2011	16,450	335,251	20,380	10.6%
2012	16,516	320,960	19,433	9.2%
2013	16,816	332,410	19,767	9.1%
2014	16,524	331,945	20,089	8.2%
2015	17,627	375,077	21,279	8.4%
2016	18,459	389,558	21,104	8.0%

NOTE:

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

Employer	FY 2015-16		FY 2006-07	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
McMaster Carr Supply Company	876	1.95%	712	1.28%
The Vons Companies, Inc.	685	1.53%	715	1.29%
L. A. Specialty Produce Company	550	1.23%	437	0.79%
Southern Wine and Spirits	428	0.95%		
Swift & Company	424	0.94%		
FUJI Food Products, Inc	423	0.94%		
Vance and Hines, Inc.	414	0.92%	293	0.53%
Trojan Battery Company LLC	357	0.80%	397	0.71%
FedEx Ground Package System Inc.	350	0.78%		
Performance Team	337	0.75%		
Shaw Diversified Services, Inc.			534	0.96%
Vans, a Division of VF Outdoor Inc.				
Wal-Mart			289	0.52%
Xerox				
L.C. Special Markets, Inc.			275	0.49%
Superior Super Warehouse			269	0.48%
Unified Western Grocers, Inc.			260	0.47%
	<u>4,844</u>	<u>8.84%</u>	<u>4,181</u>	<u>7.52%</u>

NOTE:

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

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

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

	Full-time and Part-time Employees as of June 30th									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government	51	52	49	41	39	38	36	37	39	38
Public Safety	103	91	94	84	87	72	68	79	83	83
Public Works	61	66	66	61	56	50	50	57	54	56
Planning and Community Development	25	23	23	21	19	7	4	4	6	7
Community Services - Administration	4	5	3	0	0	0	1	1	1	4
Community Services - Parks and Recreation	125	128	118	94	103	88	64	75	88	88
Community Services - Library Services	45	38	40	24	23	23	16	14	17	22
Community Services - Human Services	<u>65</u>	<u>63</u>	<u>65</u>	<u>46</u>	<u>40</u>	<u>42</u>	<u>41</u>	<u>48</u>	<u>48</u>	<u>54</u>
Total	<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>	<u><u>336</u></u>	<u><u>352</u></u>

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

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

	Fiscal Year					
	2007	2008	2009	2010	2011	2012
Fire:						
Number of emergency calls	3,279	2,945	2,963	3,027	2,945	2,963
Inspections	2,459	2,540	2,519	2,573	2,645	2,255
Public works:						
Street resurfacing (miles)	1.5	1.5	1.5	2	2.5	2
Parks and recreation:						
Number of recreation classes	462	480	413	401	412	362
**Number of facility rentals	1,501	2,105	1,302	1,196	1,259	2,710
Human services:						
Children served in the City's childcare centers	500	500	489	463	426	371
Number of facility rentals	1,389	1,115	971	452	73 *	42
Water:						
Average daily consumption (thousands of gallons)	7,547	6,089	5,873	5,526	5,593	5,743

NOTES:

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

**Numbers were modified from 2011 and on to include all facility rentals (i.e. parks, meeting rooms, fields, Clake Estate, Social Hall, Heritage Park, etc.)

Source: City of Santa Fe Springs

CITY OF SANTA FE SPRINGS
Operating Indicators by Function
Last Ten Fiscal Years
(Continued)

Fiscal Year			
2013	2014	2015	2016
3,166	3,260	3,439	3,928
3,793	2,864	3,325	2,428
3	5	3	1.5
289	425	368	335
2,536	2,605	3,038	3,822
306	296	286	807
* 51 *	528	333	305
5,915	5,197	5,207	5,580

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

	Fiscal Year					
	2007	2008	2009	2010	2011	2012
Fire:						
Fire stations *	4	4	4	4	4	4
Public works:						
Streets (miles)	110	110	110	110	110	110
Traffic signals	71	71	71	75	75	75
Streetlights	2,407	2,407	2,407	2,960	2,960	2,960
Parks and recreation:						
**Parks/Fields	10	10	10	10	10	10
**Community services facilities	6	6	6	6	6	6
Human services:						
Child care centers	3	3	3	3	3	3
Community services facilities	1	1	1	1	1	1
Water:						
Water mains (miles)	91	91	91	107	107	107
Number of service connections	5,730	6,203	6,203	6,308	6,368	6,332

NOTES:

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

**Numbers were modified to include all City fields and additional facilities not captured elsewhere on this report.

Source: City of Santa Fe Springs

CITY OF SANTA FE SPRINGS
Capital Asset Statistics by Function
Last Ten Fiscal Years
(Continued)

Fiscal Year			
2013	2014	2015	2016
4	4	4	4
110	110	110	110
75	75	75	81
2,960	2,960	2,960	3,174
11	11	11	11
6	4	4	4
3	3	3	3
2	2	1	1
107	107	107	108
6,156	6,150	6,330	6,335

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