

City of
BUENA PARK  **PARK**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED **JUNE 30, 2014**

City of Buena Park, California

Comprehensive Annual Financial Report

With Report on Audit by
Independent Certified Public Accountants

For the Year Ended
June 30, 2014



Prepared by:
Finance Department
Sung Hyun, Director

**City of Buena Park
 Comprehensive Annual Financial Report
 For the year ended June 30, 2014**

Table of Contents

	<u>Page</u>
 <u>INTRODUCTORY SECTION</u>	
Table of Contents	i
Transmittal Letter	v
Organization Chart	x
Directory of City Officials	xi
GFOA Certificate of Excellence in Financial Reporting	xii
 <u>FINANCIAL SECTION</u>	
Independent Auditors’ Report	1
Management’s Discussion and Analysis	5
 Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	31
Statement of Activities	32
 Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet	38
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	41
Statement of Revenues, Expenditures and Changes in Fund Balances	42
Reconciliation of the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	44

**City of Buena Park
 Comprehensive Annual Financial Report
 For the year ended June 30, 2014**

Table of Contents, Continued

	<u>Page</u>
<u>FINANCIAL SECTION, Continued</u>	
Proprietary Fund Financial Statements:	
Statement of Net Position.....	46
Statement of Revenues, Expenses and Changes in Net Position.....	47
Statement of Cash Flows	48
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position.....	50
Statement of Changes in Fiduciary Net Position.....	51
Notes to Basic Financial Statements	53
Required Supplementary Information (Unaudited):	
Budgets and Budgetary Accounting.....	92
Defined Benefit Pension Plan	97
Other Post Employment Benefits (OPEB).....	98
Supplementary Information:	
Non-Major Governmental Funds:	
Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	108
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Asset Forfeiture Special Revenue Fund	111
Proposition 172 Police Augmentation Special Revenue Fund.....	112
Measure M Turnback Special Revenue Fund.....	113
Measure M2 Special Revenue Fund.....	114

**City of Buena Park
 Comprehensive Annual Financial Report
 For the year ended June 30, 2014**

Table of Contents, Continued

	<u>Page</u>
<u>FINANCIAL SECTION, Continued</u>	
Local Law Enforcement Block Grant Special Revenue Fund.....	115
Orange County Anti-Drug Abuse Special Revenue Fund	116
Traffic Congestion Relief Special Revenue Fund.....	117
State OCATT Special Revenue Fund	118
COPS/SLESF Special Revenue Fund	119
Housing and Community Development Special Revenue Fund	120
AB 2766/AQMD Special Revenue Fund.....	121
Park-in-Lieu Capital Projects Fund.....	122
City Capital Projects Fund	123
Internal Service Funds:	
Combining Statement of Net Position	126
Combining Statement of Revenues, Expenses and Changes in Net Position	128
Combining Statement of Cash Flows.....	130
 <u>STATISTICAL SECTION (Unaudited)</u>	
Net Position by Component	134
Changes in Net Position.....	136
Fund Balances of Governmental Funds.....	140
Changes in Fund Balances of Governmental Funds.....	142
Governmental Activities Tax Revenues by Source	144
Direct and Overlapping Property Tax Rates.....	145
Principal Property Taxpayers.....	146
Secured Property Tax Levies and Collections	147
Assessed Value and Estimated Actual Value of Taxable Property	148
Ratios of Outstanding Debt by Type.....	149
Direct and Overlapping Governmental Activities Debt	150
Legal Debt Margin Information.....	152
Revenue Bond Coverage.....	154

**City of Buena Park
Comprehensive Annual Financial Report
For the year ended June 30, 2014**

Table of Contents, Continued

	<u>Page</u>
<u>STATISTICAL SECTION (Unaudited), Continued</u>	
Demographic and Economic Statistics	155
Principal Employers.....	156
Full-Time Equivalent City Government Employees by Function.....	158
Operating Indicators by Function.....	160
Capital Asset Statistics by Function.....	162



CITY OF BUENA PARK

DEPARTMENT OF FINANCE

December 22, 2014

Honorable Mayor and Members of the City Council
City of Buena Park
Buena Park, California

It is my pleasure to submit the Comprehensive Annual Finance Report (CAFR) of the City of Buena Park (the City) for the fiscal year ended June 30, 2014.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

The City's financial statements have been audited by Badawi & Associates, a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2014. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the specific needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The City of Buena Park's MD&A can be found immediately following the report of the independent auditors.

City of Buena Park Profile

The City of Buena Park was incorporated on January 27, 1953, as a General Law City. In November 2008, voters adopted a City Charter. The City of Buena Park is located at the northwest edge of Orange County, which is located in the southwestern part of the State of California. It occupies a land area of 10.27 square miles and provides a full range of services, including police protection, street and other infrastructure construction and maintenance, and recreational activities to its population of 82,344.

The City of Buena Park operates under the council-manager form of government. The City Council's five members are elected at large to provide the policy-setting and legislative functions of the City for four-year overlapping terms. Elections are held in November of even-numbered years, with either two or three seats to be filled. The mayor is elected by City Council for a one-year term and is the presiding officer of the Council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Clerk, and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The annual budget serves as the foundation for the City's financial planning and policy making. The City Manager presents the proposed budget to the City Council for review prior to the beginning of each fiscal year. The budget is prepared according to fund, function (e.g., public safety), and department (e.g., police). The City Manager or Department Heads may make certain transfers of appropriations within a department. However, the City Manager's approval is required to transfer resources from an operating account to a capital account and to transfer appropriations between departments. Starting in fiscal year 2008-09, the City went to a two year budget process with the goals of saving staff resources and providing a longer term financial plan. The City adopted two separate annual budgets for each respective fiscal year. The items for consideration for the second fiscal year were limited to an exception basis.

The financial activities of the two legally separate entities for which the City serves as the governing body are also included in this report; the Buena Park Foundation and the Buena Park Public Financing Authority.

Local Economy

Buena Park is home to the world-famous Knott's Berry Farm, one of the nation's most popular and largest theme amusement parks. Also located in Buena Park are the Medieval Times Dinner and Tournament, Pirate's Dinner Adventure, and Knott's Soak City. These attractions drive the tourism industry in the City.

In addition to the entertainment-type businesses, Buena Park also offers a complete selection of hotels, restaurants, commercial centers, office complexes, business parks, and the Buena Park Mall. Major nationally recognized employers in the City of Buena Park include Nutrilite, Yamaha, and Georgia Pacific. The City's Auto Center includes dealers of BMW, Buick/GMC, Chevrolet, Ford, Honda, Mercedes-Benz, Nissan, and Toyota vehicles, as well as a CarMax Auto Superstore.

Buena Park continues to recover from the great Recession. There are positive trends across the state and the region. Economic indicators reflect an economy that is growing, albeit, moderately. There is a steady decline in the unemployment rate and housing and construction activity have increased. Locally, the City is also experiencing increased development activity and robust tourism. The City's revenue sources continue to recover, further closing the gap towards a balanced operating budget. The continuing enhancement of the City's main corridor, Beach Boulevard, remains a priority, with plans for new restaurants, hotels, and venues.

Major Initiatives

The City continues to operate under on a budget reduction action plan to address the decreased revenues while maintaining essential services. A major component of this plan is a 5% employee furlough that began on January 1, 2010. Additionally, in a cooperative effort with the City, all the employee labor groups have agreed to a further 3% reduction in compensation. The City has also held a number of vacant positions, resulting in an approximate 10% reduction in the laborforce.

The City suffered a major setback with the passage of AB1x 26, which eliminated redevelopment agencies in California effective February 1, 2012. Redevelopment had been the City's main tool for economic development. The City assumed the role of successor agency to manage the winding down of the redevelopment agency's activities. The City continues to work with the State on the nature of enforceable obligations and disposition of former agency owed properties. Going forward, the City will have to find other options to spur economic development.

Long-term Financial Planning

The City's 2035 General Plan establishes policy direction for the long-range planning and growth of the City. As a part of the General Plan, the City adopted the following economic principles and goals:

- *FISCAL STABILITY*
 - The City of Buena Park seeks fiscal stability and continued financial growth. Stability will enhance opportunity for economic growth sectors of the community.

- *TAX BASE REVENUE GROWTH*
 - Economic growth can bring many benefits to the community, including jobs, housing, and new revenue. New growth will lead to higher tax revenue, thus benefiting residents and the community directly by enhancing many of the public services the City provides. The City will continue to collaborate with the business community to facilitate growth, development, and infrastructure improvements that benefit residents and businesses alike.
- *DIVERSITY*
 - Buena Park understands that part of its economic stronghold stems from its employment diversity of office, retail, manufacturing, and industrial businesses. Retaining and expanding these businesses will continue the economic benefits the City maintains, as well as those seeking employment opportunities in Buena Park.
- *BUSINESS RETENTION AND ATTRACTION*
 - Business retention and attraction are top priorities for Buena Park. The City takes great pride in the long, established history of the many business establishments in the City.
- *JOBS-HOUSING BALANCE*
 - Future mixed-use development in focus areas of the City will provide greater opportunity for jobs-housing balancing.
- *ENTERTAINMENT CORRIDOR AND TOURISM*
 - The Entertainment Corridor along Beach Boulevard provides multiple attractions and destinations for visitors to Buena Park. The City will continue to seek opportunities to grow and expand the experience for tourists who visit Buena Park.
- *REVITALIZATION OF AGING CENTERS*
 - Buena Park recognizes the need to revitalize its older commercial areas and support reinvestment and business growth in these areas. Encouraging economic growth can also help meet identified community needs.
- *RETAIL SECTOR*
 - The stability and growth of the retail sector is vital to the economic well being of the City. Retail opportunities need to respond to both the residents and visitors of Buena Park.
- *MIX OF INDUSTRIAL AND OFFICE USES*
 - A primary factor in identifying focus areas in the City is the need to revitalize and reinvent industrial and office uses to respond to the needs and interests that seek these uses.

There are policies within each principle and goal that provide direction for decision making that encourages economic growth while also maintaining and improving the quality of life in the community.

Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement Award

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Buena Park for its comprehensive annual financial report for the year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and I am submitting it to the GFOA to determine its eligibility for another certificate.

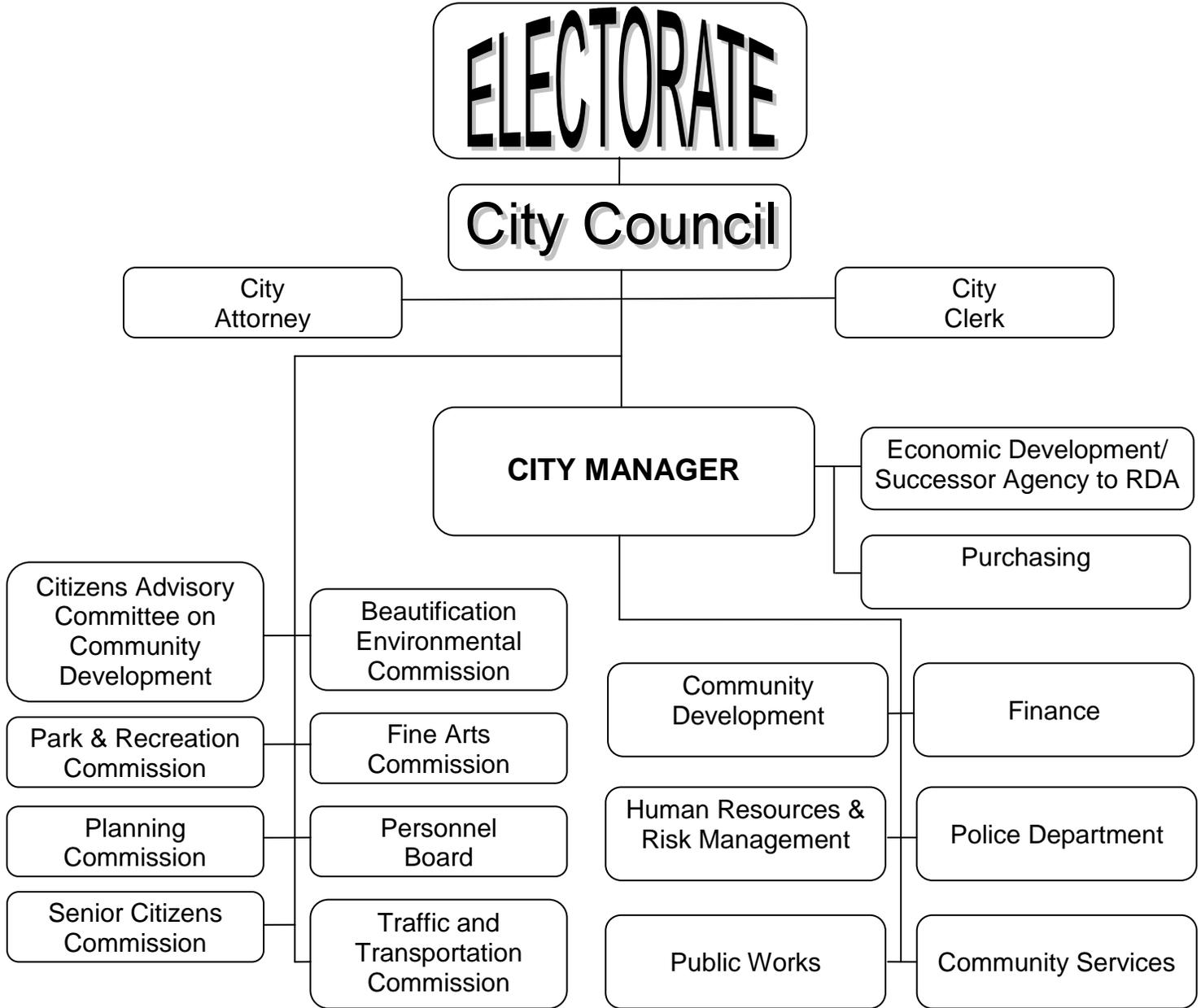
Acknowledgments

The preparation and publication of this report could not be accomplished without the dedication, professionalism, and teamwork of the Finance Department staff. I would like to express my sincere appreciation to all members of the Finance Department. In addition, I want to acknowledge the efforts of the City's independent auditors, Badawi & Associates, who assisted in the preparation of this report. Finally, I would like to thank the City Manager and the City Council for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Sung Hyun
Director of Finance

CITY OF BUENA PARK
Organizational Chart



CITY OF BUENA PARK
List of Principal Officials

CITY COUNCIL

Mayor Steve Berry
Mayor Pro-Tem Arthur C. Brown
Council Member Fred R. Smith
Council Member Elizabeth Swift, Ed.D.
Council Member vacant

ADMINISTRATION AND DEPARTMENT HEADS

City Manager James B. Vanderpool
City Attorney Steven Dorsey
City Clerk Shalice Tilton
Director of Community Development Joel Rosen
Director of Community Services Margaret Riley
Director of Finance Sung Hyun
Director of Human Resources and Risk Management Eddie Fenton
Police Chief Corey Sianez
Director of Public Works/City Engineer James Biery



Government Finance Officers Association

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

Presented to

**City of Buena Park
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Buena Park
Buena Park, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Buena Park, California (City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014, 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, schedules of funded status for pension and other postemployment benefits, and budgetary comparison information on pages 93-97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 111-123, 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 budgetary comparison schedules on pages 111-123 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members of the City Council
of the City of Buena Park
Buena Park, California
Page 3

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi and Associates
Certified Public Accountants
Oakland, California
December 22, 2014

This page intentionally left blank

CITY OF BUENA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

The following discussion and analysis of the financial performance of the City of Buena Park provides an overview of the City's financial activities for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The total assets of the City exceeded its liabilities at the close of fiscal year 2013-14 by \$364,700,000. Net position represents the difference between all of the City's assets and liabilities, including infrastructure (roads, bridges, storm drains, sewers, traffic signals, and water system mains and lines) and other capital assets (buildings and improvements, vehicles, furniture, and equipment). Infrastructure and capital assets represent the largest portion of the City's net position, \$239,283,000. These assets are costly yet essential to the functioning of City's business and residential populations. The restricted portion of net position is for resources earmarked for specific programs, and therefore unavailable for general use. The unrestricted portion, \$80,025,000 may be utilized for the City's ongoing obligations to its citizens and creditors.
- Governmental activities net position increased by \$15,245,000. This increase in net position is due to increases in revenues from transportation and public protection grants, sales taxes, and transient occupancy taxes. An increase of \$2,937,000 is attributable to the water enterprise activity in the business-type activities.
- As of June 30, 2014, the City's governmental funds reported combined ending fund balances of \$87,660,000, an increase of \$25,254,000 in comparison with the prior fiscal year. Approximately 55% of the fund balance, or \$48,190,000 is unassigned and available for use at the government's discretion. The General Fund's portion of the unassigned fund balance is \$48,427,000. The unassigned fund balance for Special Revenue Funds is (\$202,000) and (\$34,000) for other governmental funds.

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2014

Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Also included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Overview of the Financial Statements

The annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for non-major governmental funds and internal service funds. The basic financial statements comprise three components:

- *Government-wide financial statements.* These statements provide both *long-term* and *short-term* information about the City's overall financial status.
- *Fund financial statements.* These statements focus on *individual parts* of the City government, reporting the City's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like public safety were financed in the *short-term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-term* and *long-term* financial information about the activity the City operates like a business, i.e., the Water Enterprise Fund.
- *Notes to financial statements.* - Explains some of the information in the financial statements and provides more detailed data.

The statements are followed by a section of *required supplementary information* that provides additional financial and budgetary information.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

Overview of the Financial Statements (Continued)

Figure A-1
Major Features of the City's Government-wide and Fund Financial Statements

	<u>Government-wide Statements</u>	<u>Fund Statements</u>	
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Scope	Entire City government and the City's component units	The activities of the City that are not proprietary	Activities the City operates similar to private businesses
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2014

Reporting the City as a Whole

The accompanying **government-wide financial statements** include the Statement of Net Position and the Statement of Activities that present financial data for the City as a whole and are designed to provide readers with a broad overview of the City's financial condition. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in the net position. The City's net position – the difference between assets and liabilities – is one way to measure the City's financial health, or financial position. Over time, increases and decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, however, should be considered, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported in this category, such as general government, development, public protection, transportation, environmental, health, and leisure. Sales taxes, property taxes, state subventions, charges for services and other revenues finance most of these activities.
- **Business-type activity** – The City charges a fee to customers to help it cover all or most of the cost of the services accounted for in the Water Enterprise Fund.

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2014

Reporting the City's Major Funds

The **fund financial statements** provide detailed information about the City's most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for utilizing certain taxes, grants, or other money. The City's three fund types – *governmental, proprietary, and fiduciary*, utilize different accounting approaches.

- *Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on near-term inflows and outflows of resources available for spending, as well as balances of resources available for expenditure at the end of the fiscal year. These funds are reported using the *modified accrual* basis of accounting, which measures cash and all other *current financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship or differences between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* is described in a reconciliation following the fund financial statements.

The City maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the State Gasoline Tax Fund, the Residential Rehabilitation Fund, the HOME Loans Fund, and the Housing Successor Special Revenue Fund, all of which are considered to be major funds. Data from the remaining 13 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in a combining statement elsewhere in this report.

- *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provides more detail and additional information, such as cash flows, for proprietary funds. The City's one enterprise fund, the Water Enterprise Fund, is considered to be a major fund of the City. The City uses internal service funds (the other component of proprietary funds) to account for its self-insurance, equipment replacement and maintenance, building maintenance, employee benefits, and information technology support. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements.

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

- Fiduciary funds* - When the City holds assets and acts as a custodian on behalf of another agency, this is reported as a fiduciary fund. Fiduciary funds are similar to governmental funds in that they are reported using the modified accrual basis of accounting. They differ from governmental funds in that they cannot be used to support the City's functions, and must be used only for those purposes required by that agency. The City has two fiduciary funds - the Successor Agency Fund and the CFD Mall Agency Fund. The Successor Agency Fund is a private-purpose trust fund used to account for the assets and liabilities of the former Redevelopment Agency. When the Redevelopment Agency was dissolved in 2012, a fund was established to handle the remaining assets that were required to meet the long-term debts and other enforceable obligations of the former Redevelopment Agency. The CFD Mall Agency Fund, also a private-purpose trust fund, was established to hold investments for debt service related to the mall development. Although the City acts as a fiscal agent for this trust fund and holds the reserve funds for future debt payments, the City has no debt service obligation. Fiduciary funds are presented separately, and are not included in the government-wide financial statements as they do not support the City's programs.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Below is a summary of the City's government-wide financial information (in thousands):

	<u>Total Governmental and Business-type Activities</u>			
	<u>June 30,</u> <u>2014</u>	<u>June 30,</u> <u>2013</u>	<u>Amount</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Assets	\$ 395,233	\$ 350,283	\$ 44,950	12.83%
Liabilities	30,533	26,775	3,758	14.04%
Deferred Inflow of Resources	<u>-</u>	<u>684</u>	<u>(684)</u>	(100.00)%
Net Position	<u>\$ 364,700</u>	<u>\$ 322,824</u>	<u>\$ 41,876</u>	12.97%
Unrestricted net position	<u>\$ 80,025</u>	<u>\$ 63,143</u>	<u>\$ 16,882</u>	26.73%
Long-term debt	<u>\$ 7,568</u>	<u>\$ 9,280</u>	<u>\$ (1,712)</u>	(18.45)%
Program revenues	<u>\$ 36,431</u>	<u>\$ 33,444</u>	<u>\$ 2,987</u>	8.93%
Taxes	<u>\$ 52,513</u>	<u>\$ 53,064</u>	<u>\$ (551)</u>	(1.04)%
Other general revenues	<u>\$ 823</u>	<u>\$ 198</u>	<u>\$ 625</u>	315.66%
Expenses	<u>\$ 71,585</u>	<u>\$ 70,572</u>	<u>\$ 1,013</u>	1.44%

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

As noted earlier, the net position is a useful indicator of a government's financial position. A summary of the Statement of Position (*in thousands*) at June 30, 2014 and 2013 are as follows:

Governmental Activities:

	June 30, 2014	June 30, 2013	Increase (Decrease)	Percent Increase (Decrease)
Assets:				
Current assets	\$ 90,098	\$ 76,142	\$ 13,956	18.33%
Noncurrent assets	<u>256,598</u>	<u>230,389</u>	<u>26,209</u>	11.36%
Total Assets	<u>346,696</u>	<u>306,531</u>	<u>40,1695</u>	13.10%
Liabilities:				
Current liabilities	8,736	5,426	3,310	61.00 %
Noncurrent liabilities	<u>17,562</u>	<u>19,645</u>	<u>(2,083)</u>	(10.60)%
Total Liabilities	<u>26,298</u>	<u>25,071</u>	<u>1,227</u>	4.89%
Net Position:				
Invested in capital assets, net of related debt	218,671	215,872	2,799	1.30%
Restricted	45,392	23,696	21,696	91.56%
Unrestricted	<u>56,334</u>	<u>41,891</u>	<u>14,443</u>	34.48%
Total Net Position	<u>\$ 320,397</u>	<u>\$ 281,459</u>	<u>\$ 38,938</u>	13.84%

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-type Activities:

	June 30, 2014	June 30, 2013	Amount Increase (Decrease)	Percent Increase (Decrease)
Assets:				
Current assets	\$ 27,901	\$ 23,522	\$ 4,379	18.62%
Noncurrent assets	<u>20,637</u>	<u>20,230</u>	<u>407</u>	1.97%
Total Assets	<u>48,538</u>	<u>43,752</u>	<u>4,786</u>	11.52%
Liabilities:				
Current liabilities	4,152	2,287	1,865	81.55%
Noncurrent liabilities	<u>83</u>	<u>100</u>	<u>(17)</u>	(17.00)%
Total Liabilities	<u>4,235</u>	<u>2,387</u>	<u>1,848</u>	7.74 %
Net Position:				
Invested in capital assets, net of related debt	20,612	20,113	449	2.48%
Unrestricted	<u>23,691</u>	<u>21,252</u>	<u>2,439</u>	11.48%
Total Net Position	<u>\$ 44,303</u>	<u>\$ 41,365</u>	<u>\$ 2,938</u>	7.10%

The largest portion of the City's assets reflects its investment in capital assets (i.e., land, buildings, machinery, equipment, and infrastructure) less any related debt utilized to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future expenditure. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's resources are subject to external (legally imposed or statutory) restrictions (\$45,392,000 for governmental activities) on how they may be used. This amount represents 14% of net position for governmental activities. The unrestricted portion (\$56,334,000 for governmental activities and \$23,691,000 for business-type activities), the resources that can be used to finance day-to-day operations without constraints, represents 18% and 53% of net position for governmental and business-type activities, respectively.

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

For governmental and business-type activities, net position increased overall by \$41,875,000. The main factor for the increase in net position is the addition of the Housing Successor Special Revenue Fund. Due to the State of California's dissolution of redevelopment agencies, the Housing Successor Special Revenue Fund had been combined with the Successor Agency Private-Purpose Trust Fund and classified as a fiduciary fund. When the City elected to assume the affordable housing functions of the Housing Successor, it became reclassified as a special revenue fund and merged into the governmental fund financial statements. This action increased net position by \$24,000,000 (restricted for affordable housing). An additional \$15,000,000 increase in net position is from overall increases in tax and other revenues. In addition, there was an increase in net position by the Water Fund due to revenues collected in excess of expenditures in the amount of \$2,938,000. The Water Fund's expenditures vary from year to year, and depend upon infrastructure requirements. As long-term infrastructure demands are very costly, the Water Fund needs to increase its net position to provide for future demands.

Restricted net position totals \$45,392,000. These assets are committed for special programs or projects, and for contractor and vendor obligations. Unrestricted net position increased by \$16,882,000.

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Change in net position of Governmental Activities (in thousands) is as follows:

	June 30, 2014	June 30, 2013	Amount Increase (Decrease)	Percent Increase (Decrease)
Revenues:				
Program Revenues:				
Charges for services	\$ 9,971	\$ 8,732	\$ 1,239	14.19%
Operating grants and contributions	6,506	5,226	1,280	24.48%
Capital grants and contributions	<u>3,492</u>	<u>2,924</u>	<u>568</u>	19.43%
Total Program Revenues	<u>19,969</u>	<u>16,882</u>	<u>3,087</u>	18.28%
General Revenues:				
Property taxes	8,156	12,041	(3,885)	(32.27)%
Sales and use taxes	20,420	18,913	1,507	7.97%
Property taxes in lieu of sales and use taxes	6,842	6,035	807	13.38%
Transient occupancy taxes	5,007	4,403	604	13.72%
Franchise taxes	1,700	1,729	(29)	(1.68)%
Other taxes	10,388	9,943	445	4.48%
Investment income	609	151	458	303.31%
Other revenue	<u>26</u>	<u>10</u>	<u>16</u>	160.00%
Total General Revenues	<u>53,148</u>	<u>53,225</u>	<u>(77)</u>	(.15)%
Total Revenues	<u>73,117</u>	<u>70,107</u>	<u>3,010</u>	4.29%
Expenses:				
General government	6,491	6,551	(60)	(.92)%
Leisure	3,048	2,905	143	4.92%
Health	3,019	2,796	223	7.98%
Transportation	8,696	7,727	969	12.54%
Public protection	30,563	30,531	32	.11%
Development	2,763	3,167	(404)	(12.76)%
Environmental	2,979	2,952	27	.92%
Interest expense	<u>416</u>	<u>482</u>	<u>(66)</u>	(13.70)%
Total Expenses	<u>57,975</u>	<u>57,111</u>	<u>864</u>	1.51%
Increase in Net Position before transfers	<u>15,142</u>	<u>12,996</u>	<u>2,146</u>	16.51%
Transfers	<u>102</u>	<u>102</u>	<u>-</u>	-
Change in Net Position	15,244	13,098	2,146	16.38%
Net Position - Beginning of Year - as Restated	<u>305,153</u>	<u>268,361</u>	<u>36,792</u>	13.71%
Net Position - End of Year	<u>\$ 320,397</u>	<u>\$ 281,459</u>	<u>\$ 38,938</u>	13.83%

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The cost of all governmental activities for fiscal year 2013-14 was \$57,975,000. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities was only \$38,006,000, because some of the cost was paid by those who directly benefited from the programs, \$9,971,000, or by other governments and organizations that subsidized certain programs with operating grants and contributions, \$6,506,000, and capital grants and contributions, \$3,492,000. The City's governmental program revenues were \$19,969,000. The City paid for the remaining "public benefit" portion of governmental activities with \$53,251,000 in taxes and general revenue (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements.

Total resources available during the year to finance governmental operations were \$378,372,000, consisting of net position - restated at July 1, 2013 of \$305,153,000, program revenues of \$19,969,000, general revenues of \$53,148,000, and transfers of \$102,000. Total expenses for governmental activities during the year were \$57,975,000, thus creating a net position of \$320,397,000 as of June 30, 2014.

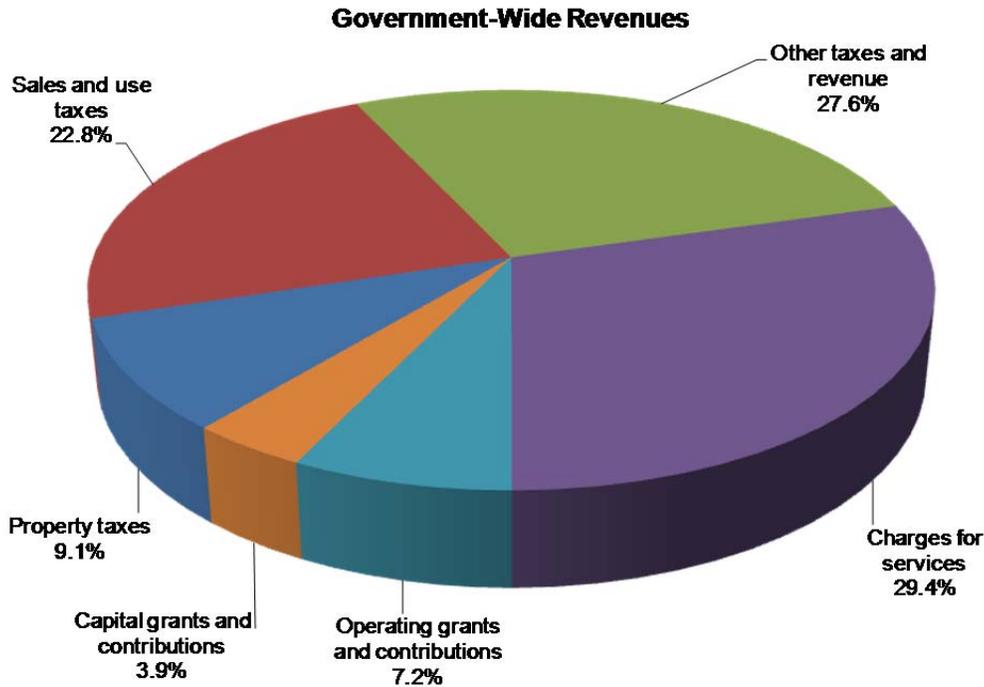
See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)



Program revenues increased \$3,087,000, a change of 18% from the prior year. This is due to the increase in federal and state grants for transportation and housing projects, as well as greater collections of service fees.

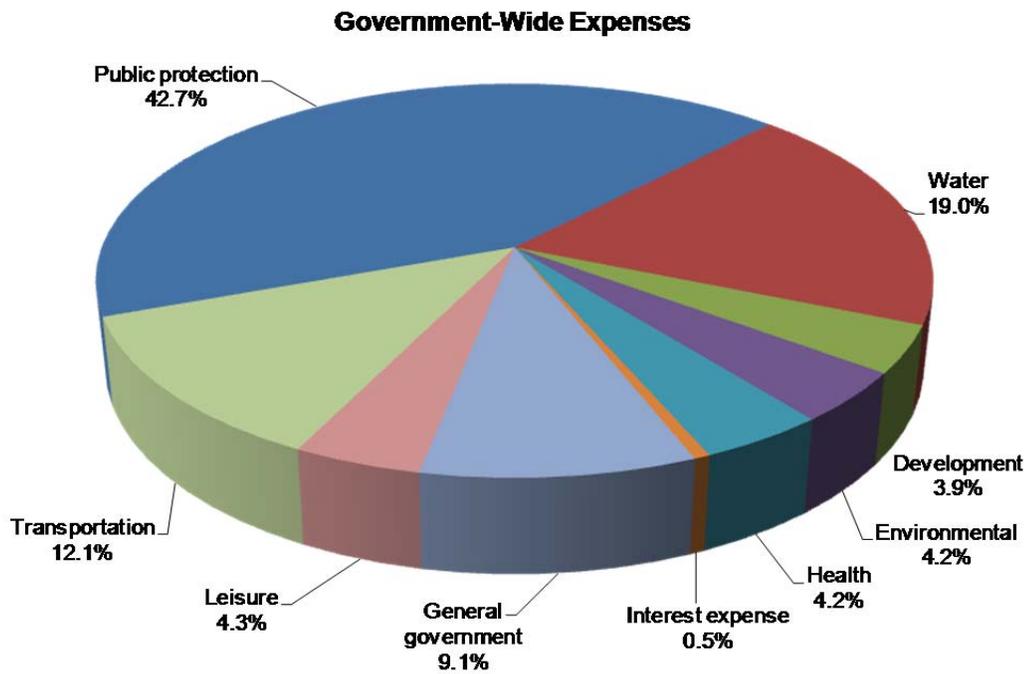
Total general revenues increased slightly, a 4% change from the previous year. The largest changes in revenues are reflected in sales taxes and property taxes in lieu of sales taxes. Sales taxes increased by \$1,507,000, or 8%, a result of the strengthening economy. Property tax revenues generally show conservative changes from year to year, but in 2013-14 there was a 32% decrease, or \$3,885,000 from the previous year. This is due to the decrease in the residual property tax distribution by the County for the balance of property taxes formerly allocated to redevelopment agencies. The dissolution of the redevelopment agencies did not eliminate their legal obligations, requiring them to continue to be funded by property taxes. Any residual property taxes not distributed to redevelopment agencies are then reapportioned to the remaining taxing entities. Amounts collected for residual property taxes will fluctuate greatly from year to year. This decrease in the property taxes was offset by increases in transient occupancy taxes, interest income and other taxes.

See independent auditors' report.

CITY OF BUENA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)



Expenses for the governmental activities increased \$864,000, or 2%. This increase is directly related to increased spending on transportation projects, specifically those related to street rehabilitation.

See independent auditors' report.

CITY OF BUENA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Change in net position of Business-type Activities (in thousands) is as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Revenues:				
Program Revenues:				
Charges for services	\$ <u>16,462</u>	\$ <u>16,562</u>	\$ <u>(100)</u>	(.60)%
Total Program Revenues	<u>16,462</u>	<u>16,562</u>	<u>(100)</u>	(.60)%
General Revenues:				
Investment income	<u>188</u>	<u>37</u>	<u>151</u>	408.11%
Total General Revenues	<u>188</u>	<u>37</u>	<u>151</u>	408.11%
Total Revenues	<u>16,650</u>	<u>16,599</u>	<u>51</u>	.31%
Expenses:				
Water utility	<u>13,611</u>	<u>13,461</u>	<u>150</u>	1.12%
Total Expenses	<u>13,611</u>	<u>13,461</u>	<u>150</u>	1.12%
Increase in Net Position before transfers	<u>3,039</u>	<u>3,138</u>	<u>(99)</u>	(3.26)%
Transfers	<u>(102)</u>	<u>(102)</u>	<u>-</u>	-
Change in Net Position	2,937	3,036	(99)	(3.26)%
Net Position - Beginning of Year	<u>41,365</u>	<u>38,329</u>	<u>3,036</u>	7.92%
Net Position - End of Year	<u>\$ 44,302</u>	<u>\$ 41,365</u>	<u>\$ 2,937</u>	7.10%

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-type Activities (Continued):

The cost of all proprietary (business-type) activities in 2013-14 was \$13,611,000. As shown in the Statement of Activities and Changes in Net Position, the amount paid by users of the systems was \$16,462,000, investment income totaled \$188,000, and transfers were \$102,000. Beginning net position was \$41,365,000 and ending net position was \$44,302,000. Of the ending net position, \$20,612,000, or 47%, was invested in capital assets and \$23,690,000, or 53%, was unrestricted.

Total water revenues increased by \$51,000 from the previous year, an increase of less than 1%. This increase is attributable to a \$151,000 increase in interest income, or 408%, due to more cash available for investment purposes. Water utility revenues decreased by \$100,000. In spite of the unusually warm weather, water consumption decreased slightly compared to the prior year, a positive reaction to water conservation efforts.

Water utility costs increased by \$150,000, or 1%. Although there was no increase in water consumption, the cost to purchase water increased. Water utility costs include all the costs to provide water to the public. These costs include labor, materials and supplies, water production and water distribution charges. There are two methods of water production: Pumping water from the ground, and purchasing water from the Metropolitan Water District. Pumping water is 40% cheaper than purchasing water. However, there are restrictions that limit the amount of water that can be pumped. These restrictions take into account various factors including water demand, drought, rainfall, levels of groundwater, and conservation demands.

Interfund transfers remained at \$102,000, similar to last fiscal year. Of that amount, \$72,000 was transferred to the General Fund for rent payment for City-owned well sites, and \$30,000 for the Water Fund's portion of public liability insurance. Activity for the 2013-14 fiscal year increased net position by \$2,937,000.

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

Financial Analysis of the City's Governmental Funds

Below is an analysis of the City's governmental fund activities for the year (in thousands):

	June 30, <u>2014</u>	June 30, <u>2013</u>	Amount Increase <u>(Decrease)</u>	Percent Increase <u>(Decrease)</u>
Total Fund Balances:				
General Fund	\$ 59,733	\$ 47,000	\$ 12,733	27.09%
State Gas Tax Fund	4,968	4,720	248	5.26%
Residential Rehabilitation Fund	(202)	(264)	62	(23.48)%
Home Loan Fund	277	317	(40)	(12.62)%
Housing Successor Fund	14,334	-	14,344	-
Non-major Governmental Funds	<u>8,550</u>	<u>10,633</u>	<u>(2,083)</u>	(19.59)%
 Total Fund Balances	 <u>\$ 87,660</u>	 <u>\$ 62,406</u>	 <u>\$ 25,253</u>	 40.47%

At the close of the current fiscal year, the City's governmental fund balances reported a combined ending balance of \$87,659,000, an increase of \$25,253,000, or 40% in comparison to the prior year. This increase is due to the addition of the Housing Successor Fund. In prior year financial statements, the Housing Successor Fund was combined with the Successor Agency (formerly the Redevelopment Agency) and had been designated as a fiduciary fund and excluded from the governmental fund statements. Once the City assumed responsibility for the Housing Successor, this fund was classified as governmental in nature and combined into the governmental activities, increasing the total fund balance by \$14,344,000.

The fund balance for the General Fund was \$59,733,000, an increase of \$12,733,000, or 27% from the previous year. General fund revenues continue to outpace expenditures, primarily due to the improving economy resulting in greater tax revenues. Expenditures for the most part remained static, the overall result being a larger fund balance. The State Gas Tax Fund has a fund balance of \$4,968,000, a \$248,000 increase from the previous fiscal year. The State Gas Tax Fund operates with revenues collected from a supplemental tax on gasoline sales and is used to maintain and improve streets and highways. The balance of this fund will vary from year to year depending on the

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

amount spent on street projects. The HOME Loan Fund balance is \$277,000, a decrease of \$40,000 from the previous year. The HOME Loan program is temporary and funded by grants received from the State of California. Once all grants are applied, The HOME Loan Fund will no longer operate. Non-major Governmental Funds show a decrease in fund balance of \$2,084,000. Non-major Governmental Funds consists of multiple funds, the largest fund balances are from the Measure M2 Fund and from the Park-in-lieu Funds. Both funds are used to support capital improvement projects; Measure M2 funds are derived from a portion of sales tax and distributed by the State of California for the purpose of street projects and improvements. Park-in-lieu operates from the collection of developer fees that are used to improve the City's public parks. Revenues increased for each fund, Measure M2 collected \$118,000 more fees than the prior year, and Park-in-lieu, \$66,000. Both funds increased spending significantly; Measure M2 spent \$1,890,000 more than the previous year on street improvement projects and Park-in-lieu spent \$521,000 more on public park projects, creating the decrease in fund balance for the non-major governmental funds.

Financial Analysis of the City's Proprietary Funds

Below is an analysis of the net position of the City's proprietary funds (in thousands):

	June 30 2014	June 30, 2013	Amount Increase (Decrease)	Percent Increase (Decrease)
Total Net Position:				
Water Fund	\$ 44,302	\$ 41,365	\$ 2,937	7.10%
Internal Service Funds	<u>8,765</u>	<u>8,826</u>	<u>(61)</u>	(.70)%
Total Net Position	<u>\$ 53,067</u>	<u>\$ 50,191</u>	<u>\$ 2,876</u>	5.73%

	June 30, 2014	June 30, 2013	Amount Increase (Decrease)	Percent Increase (Decrease)
Unrestricted Net Position:				
Water Fund	\$ 23,690	\$ 21,253	\$ 2,437	11.47%
Internal Service Funds	<u>6,656</u>	<u>6,824</u>	<u>(168)</u>	(2.47)%
Total Unrestricted Net Position	<u>\$ 30,346</u>	<u>\$ 28,077</u>	<u>\$ 2,269</u>	8.08%

Total net position of the Water Enterprise Fund increased \$2,937,000, and the unrestricted portion increased \$2,437,000. Although there was an increase in the net position because the charges for services exceeded total expenses, this increase was impacted by higher water utility costs.

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

The function of the Internal Service Funds is to provide services to other City departments. These services include the following: equipment and vehicle maintenance and replacement, worker's compensation, public liability, employee benefits, building and grounds maintenance, and information technology support. The Internal Service Funds total net position decreased by \$61,000, and the unrestricted portion decreased by \$168,000. The reason for the change was due to an increase in public liability claims payments and pending, but yet unpaid claims.

Debt Administration

Below is a schedule of the changes to the City's long-term debt (in thousands). Additional information on the City's long-term debt is shown in note 8 of the financial statements.

	Balance at July 1, <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance at June 30, <u>2014</u>
Governmental Activities:				
Note Payable	\$ 10,890	\$ -	\$ (1,634)	\$ 9,256
Claims payable	7,426	1,993	(1,648)	7,771
Employee leave benefits	2,312	246	(199)	2,359
Termination benefits	<u>179</u>	<u>-</u>	<u>(179)</u>	<u>-</u>
 Total Governmental Activities	 <u>20,807</u>	 <u>2,239</u>	 <u>(3,660)</u>	 <u>19,386</u>
 Business-type Activities:				
Loans payable	33	-	(9)	24
Notes payable	84	-	(84)	-
Employee leave benefits	117	4	(11)	110
Termination benefits	<u>45</u>	<u>-</u>	<u>(45)</u>	<u>-</u>
 Total Business-type Activities	 <u>279</u>	 <u>4</u>	 <u>(149)</u>	 <u>134</u>
 Total Long-Term Obligations	 <u>\$ 21,086</u>	 <u>\$ 2,243</u>	 <u>\$ (3,809)</u>	 <u>\$ 19,520</u>

As of June 30, 2014 the City's total debt decreased by \$1,566,000.

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

Capital Assets

The capital assets of the City are the assets having a historic cost of more than \$1,000 and a useful life of greater than two years that are used in the performance of the City's functions, including infrastructure assets. The City has elected to use the "Basic Approach" as defined by GASB Statement No. 34 for infrastructure reporting. The following infrastructure networks are recorded as capital assets in the government-wide financial statements:

- Road system, which includes street and alley rights-of-way, pavement, alleys, medians, curbs, gutters, sidewalks, traffic signals, interconnect cables, and bridges.
- Storm drain system, which includes storm drain lines and storm drain catch basins.
- Sewer system, which includes sewer lines.
- Water system, which includes water lines, water wells, and booster pump stations.

Below is a schedule of the City's capital assets, net of accumulated depreciation (in thousands):

	June 30, 2014	June 30, 2013	Amount Increase (Decrease)	Percent Increase (Decrease)
Governmental Activities:				
Rights-of-Way	\$ 48,663	\$ 48,582	\$ 81	.17%
Land	11,784	11,784	-	-
Construction in progress	6,619	7,430	(811)	(10.92)%
Buildings	73,893	74,083	(190)	(.26)%
Improvements	7,497	6,519	978	15.01%
Machinery and equipment	7,645	5,645	2,000	35.43%
Furniture and fixtures	796	811	(15)	(1.85)%
Infrastructure:				
Road system	59,280	58,667	613	1.05%
Storm drain system	<u>2,493</u>	<u>2,352</u>	<u>141</u>	6.00%
 Total Governmental Activities	 <u>218,670</u>	 <u>215,873</u>	 <u>2,797</u>	 1.30%

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

Capital Assets (Continued)

	June 30, <u>2014</u>	June 30, <u>2013</u>	Amount Increase <u>(Decrease)</u>	Percent Increase <u>(Decrease)</u>
Business-type Activities:				
Land	\$ 2	\$ 2	\$ -	-
Construction in progress	1,641	2,357	(716)	(30.38)%
Buildings	4	5	(1)	(20.00)%
Improvements	457	239	218	91.22%
Pumps and reservoirs	969	655	314	47.94 %
Hydrants, meters and connections	639	646	(7)	(1.09)%
Machinery and equipment	426	448	(22)	(4.91)%
Infrastructure:				
Wells	2,648	2,757	(109)	(3.96)%
Water and sewer lines	<u>13,850</u>	<u>13,121</u>	<u>729</u>	5.56%
 Total Business-type Activities	 <u>20,636</u>	 <u>20,230</u>	 <u>406</u>	 2.01%
 Total Capital Assets	 <u>\$ 239,306</u>	 <u>\$ 236,103</u>	 <u>\$ 3,203</u>	 1.36%

Capital assets from governmental activities increased \$2,797,000, or 1%, and business-type activities increased \$406,000, also 1%. The increase in governmental activities capital assets was primarily due to the completion of renovations to the Senior Center, multiple park projects, and City-wide street improvements. For business-type activities the increase was due to the water telemetry and security system upgrades, and sewer lining replacement. Further information on the City's capital assets can be found in note 7 of the financial statements.

Capital asset and infrastructure projects completed in 2013-14 totaled \$10,626,000. These improvements include:

- Installation of Field Lights at Multiple Parks.
- Valley View Signal Synchronization.
- Street Improvements from La Palma/Beach to East City Limits.
- Dolly Avenue Street Improvements.
- Idaho and Washington Street Improvements.
- Holder Street Improvements.

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2014

General Fund Budgetary Highlights

Actual General Fund revenues were \$8,947,000 higher than the \$54,703,000 budgeted for 2013-14. This increase is from tax revenues. The original budget for the General Fund increased from \$54,632,000 to \$54,703,000. This increase of \$71,000 was from a combination of new grant awards and the carry-over of unspent awards from the previous fiscal year.

Actual expenditures for the General Fund were \$3,123,000 below budget. \$1,579,000 of the savings was due to a decrease in labor costs because of a 5% furlough and 3% in employee concessions, as well as unfilled positions. The remaining savings of \$1,544,000 are temporary, as they were budgeted for professional services and capital improvement costs that were not spent in the 2013-14 fiscal year but will be carried forward into the next fiscal year. Comparing the fiscal year 2013-14 General Fund original budget for expenditures and transfers amount of \$53,748,000 to the final budgeted amount of \$54,206,000 shows a net increase of \$458,000. The net increase from the total original budgeted expenditures to the final budget can be summarized as follows:

- Appropriations of \$52,000 for general government
- Appropriations of \$32,000 for leisure
- Appropriations of \$3,000 for transportation
- Appropriations of \$51,000 for public protection
- Appropriations of \$92,000 for development
- Appropriations of \$6,000 for environmental
- Appropriations of \$222,000 for capital outlay

The changes between the original and the amended budget were due to budget carryovers for contractual fees and services. In addition, there were increases and adjustments for capital improvement projects, police protection programs and other public work projects.

Economic Factors and Next Year's Budgets and Rates

The key assumptions in the General Fund forecast for fiscal year 2014-15 were:

- Increase in tourism
- Increase in Sales Tax
- Moderate Property Tax revenues
- Moderate increase in development activity

See independent auditors' report.

CITY OF BUENA PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units or need additional financial information, contact the Finance Director's Office, at City of Buena Park, 6650 Beach Boulevard, Buena Park, California 90622.

See independent auditors' report.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This page intentionally left blank

City of Buena Park
Statement of Net Position
June 30, 2014

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and investments	\$ 81,277,999	\$ 25,096,740	\$ 106,374,739
Accounts receivable	3,277,567	2,739,043	6,016,610
Interest receivable	168,320	55,503	223,823
Taxes receivable	90,968	-	90,968
Due from other governments	5,017,594	-	5,017,594
Prepaid items	172,900	10,000	182,900
Inventory	92,292	-	92,292
Total current assets	<u>90,097,640</u>	<u>27,901,286</u>	<u>117,998,926</u>
Noncurrent assets:			
Property held for resale	13,949,425	-	13,949,425
Due from Successor Agency	7,071,318	-	7,071,318
Loans receivable, net of \$5,558,620 allowance	16,493,605	-	16,493,605
Net OPEB Asset	412,530	-	412,530
Capital assets:			
Non-depreciable	67,065,982	1,640,819	68,706,801
Depreciable, net	151,605,178	18,995,757	170,600,935
Total capital asset	<u>218,671,160</u>	<u>20,636,576</u>	<u>239,307,736</u>
Total noncurrent assets	<u>256,598,038</u>	<u>20,636,576</u>	<u>277,234,614</u>
Total assets	<u>346,695,678</u>	<u>48,537,862</u>	<u>395,233,540</u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,721,905	3,720,376	8,442,281
Accrued liabilities	646,779	52,479	699,258
Interest payable	31,559	327,983	359,542
Deposits payable	1,060,203	-	1,060,203
Retention payable	173,319	-	173,319
Unearned revenue	278,064	-	278,064
Employee leave benefits - due within 1 year	21,000	42,000	63,000
Claims payable - due within 1 year	100,000	-	100,000
Long-term debt - due within one year	1,703,089	9,736	1,712,825
Total current liabilities	<u>8,735,918</u>	<u>4,152,574</u>	<u>12,888,492</u>
Noncurrent liabilities:			
Employee leave benefits - due in more than 1 yr	2,338,219	67,747	2,405,966
Claims payable - due in more than 1 yr	7,670,780	-	7,670,780
Long-term debt - due in more than one year	7,553,304	14,932	7,568,236
Total noncurrent liabilities	<u>17,562,303</u>	<u>82,679</u>	<u>17,644,982</u>
Total liabilities	<u>26,298,221</u>	<u>4,235,253</u>	<u>30,533,474</u>
NET POSITION			
Net investment in capital assets	<u>218,671,160</u>	<u>20,611,908</u>	<u>239,283,068</u>
Restricted for:			
Residential housing	31,086,019	-	31,086,019
Transportation	8,499,130	-	8,499,130
Development	3,727,901	-	3,727,901
Environment	228,462	-	228,462
Public protection	1,850,879	-	1,850,879
Total restricted	<u>45,392,391</u>	<u>-</u>	<u>45,392,391</u>
Unrestricted	<u>56,333,906</u>	<u>23,690,701</u>	<u>80,024,607</u>
Total net position	<u>\$ 320,397,457</u>	<u>\$ 44,302,609</u>	<u>\$ 364,700,066</u>

See accompanying Notes to Basic Financial Statements.

City of Buena Park
Statement of Activities
For the year ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 6,490,811	\$ 131,520	\$ 37,660	\$ -	\$ 169,180
Leisure	3,048,233	823,724	32,661	-	856,385
Health	3,018,963	3,118,315	-	-	3,118,315
Transportation	8,695,536	226,473	2,732,413	3,467,135	6,426,021
Public protection	30,562,980	3,648,526	2,601,049	25,000	6,274,575
Development	2,763,214	1,839,406	1,101,827	-	2,941,233
Environmental	2,978,732	183,435	-	-	183,435
Interest on long-term debt	416,234	-	-	-	-
Total governmental activities	57,974,703	9,971,399	6,505,610	3,492,135	19,969,144
Business-type activities:					
Water	13,610,538	16,462,151	-	-	16,462,151
Total business-type activities	13,610,538	16,462,151	-	-	16,462,151
Total primary government	\$ 71,585,241	\$ 26,433,550	\$ 6,505,610	\$ 3,492,135	\$ 36,431,295

General Revenues:

Taxes:
Property taxes
Sales taxes
Property taxes in lieu of sales and use taxes
Transient occupancy taxes
Franchise taxes
Other taxes
Total taxes
Investment income
Other
Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as restated

Net position - end of year

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (6,321,631)	\$ -	\$ (6,321,631)
(2,191,848)	-	(2,191,848)
99,352	-	99,352
(2,269,515)	-	(2,269,515)
(24,288,405)	-	(24,288,405)
178,019	-	178,019
(2,795,297)	-	(2,795,297)
(416,234)	-	(416,234)
<u>(38,005,559)</u>	<u>-</u>	<u>(38,005,559)</u>
-	2,851,613	2,851,613
<u>-</u>	<u>2,851,613</u>	<u>2,851,613</u>
(38,005,559)	2,851,613	(35,153,946)
8,156,186	-	8,156,186
20,419,865	-	20,419,865
6,842,386	-	6,842,386
5,006,548	-	5,006,548
1,699,685	-	1,699,685
10,388,274	-	10,388,274
52,512,944	-	52,512,944
609,314	187,833	797,147
26,437	-	26,437
102,170	(102,170)	-
<u>53,250,865</u>	<u>85,663</u>	<u>53,336,528</u>
15,245,306	2,937,276	18,182,582
305,152,151	41,365,333	346,517,484
<u>\$ 320,397,457</u>	<u>\$ 44,302,609</u>	<u>\$ 364,700,066</u>

This page intentionally left blank

FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

This page intentionally left blank

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

State Gas Tax Special Revenue Fund accounts for street and maintenance projects of the public works department. Financing is provided by the City's allocation of State gasoline taxes.

Residential Rehabilitation Special Revenue Fund accounts for revenue received from the Department of Housing and Urban Development for housing improvement projects of the planning and public works departments.

HOME Loans Special Revenue Fund accounts for grant monies received from the first-time homebuyer down payment assistance program.

Housing Successor Special Revenue Fund accounts for future affordable housing projects.

Non-Major Governmental Funds is the aggregate of all the non-major governmental funds.

City of Buena Park
Balance Sheet
Governmental Funds
June 30, 2014

	Major Funds			
	General	State	Residential	HOME Loans
		Special Revenue	Gasoline Tax Special Revenue	
ASSETS				
Cash and investments	\$ 49,149,155	\$ 6,327,403	\$ -	\$ 241,448
Accounts receivable	2,181,725	753,437	-	-
Interest receivable	102,124	8,771	-	501
Taxes receivable	90,968	-	-	-
Loans receivable	-	-	2,056,915	4,549,418
Due from other governments	3,956,829	247,560	-	250,000
Prepaid items	99,009	-	-	-
Inventory	92,292	-	-	-
Property held for resale	-	-	-	-
Due from other funds	557,484	-	-	-
Due from Successor Agency	7,071,318	-	-	-
Total assets	\$ 63,300,904	\$ 7,337,171	\$ 2,056,915	\$ 5,041,367
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 867,034	\$ 1,522,235	\$ 749	\$ 38,226
Accrued liabilities	601,589	5,757	-	-
Deposits payable	959,658	-	-	-
Retention payable	-	88,153	-	-
Unearned revenue	-	-	-	175,967
Due to other funds	-	-	201,636	-
Total liabilities	2,428,281	1,616,145	202,385	214,193
Deferred Inflows of Resources				
Unavailable revenue	1,139,715	753,437	2,056,915	4,549,418
Total deferred inflows of resources	1,139,715	753,437	2,056,915	4,549,418
Fund Balances: (Note 12)				
Nonspendable	5,848,355	-	-	-
Restricted	1,414,264	4,967,589	-	277,756
Assigned	4,043,025	-	-	-
Unassigned	48,427,264	-	(202,385)	-
Total fund balances	59,732,908	4,967,589	(202,385)	277,756
Total liabilities, deferred inflows of resources, and fund balances	\$ 63,300,904	\$ 7,337,171	\$ 2,056,915	\$ 5,041,367

See accompanying Notes to Basic Financial Statements.

<u>Major Funds</u>		
<u>Housing Successor Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,039,422	\$ 9,639,257	\$ 66,396,685
-	328,382	3,263,544
2,155	23,914	137,465
-	-	90,968
15,387,882	-	21,994,215
58,409	504,796	5,017,594
-	-	99,009
-	-	92,292
13,338,477	610,948	13,949,425
-	-	557,484
-	-	7,071,318
<u>\$ 29,826,345</u>	<u>\$ 11,107,297</u>	<u>\$ 118,669,999</u>
\$ 2,849	\$ 1,749,274	\$ 4,180,367
719	23,979	632,044
100,545	-	1,060,203
-	85,166	173,319
-	102,097	278,064
-	355,848	557,484
<u>104,113</u>	<u>2,316,364</u>	<u>6,881,481</u>
<u>15,387,882</u>	<u>241,385</u>	<u>24,128,752</u>
<u>15,387,882</u>	<u>241,385</u>	<u>24,128,752</u>
-	-	5,848,355
14,334,350	7,974,652	28,968,611
-	609,281	4,652,306
-	(34,385)	48,190,494
<u>14,334,350</u>	<u>8,549,548</u>	<u>87,659,766</u>
<u>\$ 29,826,345</u>	<u>\$ 11,107,297</u>	<u>\$ 118,669,999</u>

This page intentionally left blank

City of Buena Park
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2014

Total Fund Balances - Total Governmental Funds \$ 87,659,766

Amounts reported for governmental activities in the Statement of Net Position were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Non-depreciable	\$ 67,065,982	\$ -	\$ 67,065,982
Depreciable, net	151,605,178	(2,108,608)	149,496,570
Total capital assets	<u>\$ 218,671,160</u>	<u>\$ (2,108,608)</u>	<u>216,562,552</u>

Unavailable revenue recorded in the fund financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in the Government-Wide Financial Statements. 24,128,752

Loans and notes receivable were recorded at gross amounts in the governmental funds. However, in the Government-Wide Financial Statement an estimated amount for allowance for potential forgiveness has been expensed. The following amount represents the current year balance for allowance for potential forgiveness. (5,558,620)

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet. (31,559)

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position. 8,764,683

Governmental funds report all contributions in relation to the Annual Required Contribution (ARC) for OPEB as expenditures, but in the Statement of Net Position any excess or deficiencies in relation to the ARC are recorded as an asset or a liability 412,530

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Claims and judgments payable - due within one year	\$ (100,000)	\$ 100,000	\$ -
Employee leave benefits - due within one year	(21,000)	21,000	-
Bonds payable - due within one year	(1,703,089)	-	(1,703,089)
Long term liabilities - due in more than one year	(17,562,303)	7,724,745	(9,837,558)
Total long-term liabilities	<u>\$ (19,386,392)</u>	<u>\$ 7,845,745</u>	<u>(11,540,647)</u>

Net Position of Governmental Activities \$ 320,397,457

See accompanying Notes to Basic Financial Statements.

City of Buena Park
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2014

	Major Funds			
	General	State Gasoline Tax Special Revenue	Residential Rehabilitation Special Revenue	HOME Loans Special Revenue
REVENUES:				
Taxes	\$ 45,978,079	\$ -	\$ -	\$ -
Licenses and permits	495,798	-	-	-
Fines and forfeitures	736,235	-	-	-
Intergovernmental	8,062,396	4,565,080	46,364	396,898
Charges for services	6,880,083	-	-	-
Investment income	433,011	23,163	15,547	3,553
Miscellaneous	1,064,625	-	-	-
Total revenues	63,650,227	4,588,243	61,911	400,451
EXPENDITURES:				
Current:				
General government	5,851,978	-	-	-
Leisure	2,447,507	-	-	-
Health	2,959,883	-	-	-
Transportation	4,196,522	432,175	-	-
Public protection	27,941,438	-	-	-
Development	1,533,647	-	-	439,813
Environmental	2,846,951	-	-	-
Capital outlay	87,506	5,603,634	-	-
Debt Service:				
Principal retirement	1,633,379	-	-	-
Interest and other charges	421,658	-	-	-
Total expenditures	49,920,469	6,035,809	-	439,813
REVENUES OVER (UNDER) EXPENDITURES	13,729,758	(1,447,566)	61,911	(39,362)
OTHER FINANCING SOURCES (USES):				
Transfers in	79,670	1,717,906	-	-
Transfers out	(1,163,220)	(22,500)	-	-
Proceeds from sale of capital assets	86,483	-	-	-
Total other financing sources (uses)	(997,067)	1,695,406	-	-
Net change in fund balances	12,732,691	247,840	61,911	(39,362)
FUND BALANCES:				
Beginning of year, as restated	47,000,217	4,719,749	(264,296)	317,118
End of year	\$ 59,732,908	\$ 4,967,589	\$ (202,385)	\$ 277,756

See accompanying Notes to Basic Financial Statements.

Major Funds		
Housing Successor Special Revenue	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 411,867	\$ 46,389,946
-	-	495,798
-	-	736,235
132,718	3,053,948	16,257,404
-	362,753	7,242,836
173,880	113,713	762,867
32,756	302,630	1,400,011
<u>339,354</u>	<u>4,244,911</u>	<u>73,285,097</u>
-	-	5,851,978
-	-	2,447,507
-	-	2,959,883
-	379,859	5,008,556
-	812,216	28,753,654
55,385	647,713	2,676,558
-	73,488	2,920,439
-	2,970,587	8,661,727
-	-	1,633,379
-	148	421,806
<u>55,385</u>	<u>4,884,011</u>	<u>61,335,487</u>
<u>283,969</u>	<u>(639,100)</u>	<u>11,949,610</u>
-	494,488	2,292,064
-	(1,939,174)	(3,124,894)
-	-	86,483
-	<u>(1,444,686)</u>	<u>(746,347)</u>
283,969	(2,083,786)	11,203,263
<u>14,050,381</u>	<u>10,633,334</u>	<u>76,456,503</u>
<u>\$ 14,334,350</u>	<u>\$ 8,549,548</u>	<u>\$ 87,659,766</u>

City of Buena Park

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Change in Fund Balances to the Government-Wide Statement of Activities For the year ended June 30, 2014

Net Change in Fund Balances - Total Governmental Funds	\$ 11,203,263
Amounts reported for governmental activities in the Statement of Activities were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period, net of Internal Service Funds of \$475,264	8,245,970
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of Internal Service Funds of \$360,006	(5,315,246)
In the statement of activities, only the gain or (loss) on the sale of capital assets is reported, whereas in the governmental funds proceeds from sales increases financial resources. The difference between proceeds and the loss on disposal of capital assets:	(238,050)
Accrued compensated leave payable was an expenditure in governmental funds, but the accrued payable increased compensated leave liabilities in the Government-Wide Statement of Net Position.	137,312
OPEB 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.	112,266
Bond proceeds provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt repayments	1,633,379
Note and loan revenues that did not meet the revenue recognition criteria in the governmental funds but were recognized as revenue in the Government-Wide Financial Statements.	(688,828)
Loans and notes receivable were recorded at gross amounts in the governmental funds. However, in the Government-Wide Financial Statement an estimated amount for allowance for potential forgiveness has been expensed. The following amount represents the current year amount for allowance for potential forgiveness.	211,503
Interest expense on long-term debt is reported on the accrual basis on the Government-Wide Statements, but expenditures on long-term debt in the governmental funds statements are recorded when paid. The following amount represents the change in accrued interest from the prior year.	5,572
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.	(61,835)
Change in Net Position of Governmental Activities	<u>\$ 15,245,306</u>

PROPRIETARY FUND FINANCIAL STATEMENTS

Water Fund accounts for the activities of the water utilities system, which provides service to the residents of the City and some neighboring cities.

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies on a cost reimbursement basis.

City of Buena Park
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities	Governmental Activities
	Water	Internal
	Enterprise Fund	Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 25,096,740	\$ 14,881,314
Accounts receivable, net	2,739,043	14,023
Interest receivable	55,503	30,855
Loans receivable	-	58,010
Prepays items	10,000	73,891
Total current assets	<u>27,901,286</u>	<u>15,058,093</u>
Noncurrent assets:		
Capital assets:		
Non-depreciable	1,640,819	-
Depreciable, net	18,995,757	2,108,608
Total capital assets	<u>20,636,576</u>	<u>2,108,608</u>
Total noncurrent assets	<u>20,636,576</u>	<u>2,108,608</u>
Total Assets	<u>48,537,862</u>	<u>17,166,701</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	3,720,376	541,538
Accrued liabilities	52,479	14,735
Deposits payable	327,983	-
Employee leave benefits - due within one year	42,000	21,000
Loans payable - due within one year	9,736	-
Claims payable - due within one year	-	100,000
Total current liabilities	<u>4,152,574</u>	<u>677,273</u>
Noncurrent liabilities:		
Employee leave benefits - due in more than one year	67,747	53,965
Loans payable - due in more than one year	14,932	-
Claims payable - due in more than one year	-	7,670,780
Total noncurrent liabilities	<u>82,679</u>	<u>7,724,745</u>
Total liabilities	<u>4,235,253</u>	<u>8,402,018</u>
NET POSITION		
Net investment in capital assets	20,611,908	2,108,608
Unrestricted	23,690,701	6,656,075
Total net position	<u>\$ 44,302,609</u>	<u>\$ 8,764,683</u>

See accompanying Notes to Basic Financial Statements.

City of Buena Park
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2014

	Business-Type Activities <u>Water</u> <u>Enterprise Fund</u>	Governmental Activities <u>Internal</u> <u>Service Funds</u>
OPERATING REVENUES:		
Charges for services	\$ 16,462,151	\$ 5,677,347
Total operating revenues	<u>16,462,151</u>	<u>5,677,347</u>
OPERATING EXPENSES:		
Self-insurance	-	2,848,171
Employee benefits	-	199,599
Maintenance and supplies	-	3,184,881
Information systems	-	232,362
Water services	12,215,864	-
Health services	560,708	-
Depreciation	794,446	360,006
Total operating expenses	<u>13,571,018</u>	<u>6,825,019</u>
OPERATING INCOME (LOSS)	<u>2,891,133</u>	<u>(1,147,672)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	187,833	134,242
Gain (loss) on sale of property	(36,036)	16,595
Interest expense	(3,484)	-
Total nonoperating revenues (expenses)	<u>148,313</u>	<u>150,837</u>
INCOME (LOSS) BEFORE TRANSFERS	3,039,446	(996,835)
Transfers in	-	950,000
Transfers out	(102,170)	(15,000)
Total transfers	<u>(102,170)</u>	<u>935,000</u>
Change in net position	2,937,276	(61,835)
NET POSITION:		
Beginning of year	<u>41,365,333</u>	<u>8,826,518</u>
End of year	<u>\$ 44,302,609</u>	<u>\$ 8,764,683</u>

See accompanying Notes to Basic Financial Statements.

City of Buena Park
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2014

	Business-type Activities Water Enterprise Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from other funds	\$ -	\$ 5,663,702
Cash received from customers	16,466,180	-
Cash payments to suppliers for goods and services	(8,695,474)	(4,615,740)
Cash paid to employees	(2,144,380)	(1,257,214)
Net cash provided by (used in) operating activities	5,626,326	(209,252)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in	-	950,000
Transfers out	(102,170)	(15,000)
Net cash provided by (used in) noncapital financing activities	(102,170)	935,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(1,236,944)	(475,264)
Proceed from sale of capital assets	-	25,697
Long-term debt repayment	(92,813)	-
Interest paid and fiscal charges	(4,952)	-
Net cash (used in) capital and related financing activities	(1,334,709)	(449,567)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income received	195,315	149,012
Net cash provided by investing activities	195,315	149,012
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,384,762	425,193
CASH AND CASH EQUIVALENTS - Beginning of year	20,711,978	14,456,121
CASH AND CASH EQUIVALENTS - End of year	\$ 25,096,740	\$ 14,881,314
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 2,891,133	\$ (1,147,672)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	794,446	360,006
Changes in assets and liabilities:		
Accounts receivable	(1,748)	(8,552)
Loans receivable	-	(5,093)
Prepaid items	-	(3,487)
Accounts payable	1,943,471	242,174
Accrued liabilities	23,086	3,228
Deposits payable	5,777	-
Employee leave benefits	(29,839)	5,433
Termination benefits payable	-	-
Claims payable	-	344,711
Total adjustments	2,735,193	938,420
Net cash provided by (used in) operating activities	\$ 5,626,326	\$ (209,252)

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

Private Purpose Trust Funds

Successor Agency Trust Fund accounts for assets and liabilities transferred from the City to the Successor Agency Trust Fund.

Agency Funds

CFD Mall Agency Fund accounts for assets and liabilities related to the Community Facilities District Buena Park Mall.

City of Buena Park
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Successor Agency Private-Purpose Trust Fund	CFD Mall Agency Fund
ASSETS		
Cash and Investments	\$ 15,216,909	-
Due from other government	16,736	-
Interest receivable	31,999	-
Restricted cash and Investments	8,261,763	7,392,723
Loans Receivable, net of \$93,551 allowance	221,729	-
Property Held for Resale	46,329,201	-
Total assets	70,078,337	7,392,723
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	48,098	-
Total deferred outflows of resources	48,098	-
LIABILITIES		
Liabilities:		
Accounts Payable	53,243	-
Accrued Liabilities	7,833	-
Interest Payable	1,166,717	-
Deposits Payable	85,000	-
Bonds Payable, due within one year	2,760,000	-
Bonds Payable, due in more than one year	83,521,999	-
Due to the City of Buena Park	7,071,318	-
Due to bondholders	-	7,392,723.00
Total liabilities	94,666,110	7,392,723.00
NET POSITION		
Net Position held in trust for Successor Agency	\$ (24,539,675)	

See accompanying Notes to Basic Financial Statements.

City of Buena Park
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended June 30, 2014

	Successor Agency Trust Fund
	<u> </u>
ADDITIONS:	
Taxes	\$ 16,703,372
Interest income	297,544
Program income	43,751
Gain from debt forgiveness	4,318,718
	<u> </u>
Total additions	21,363,385
	<u> </u>
DEDUCTIONS:	
Administrative cost	416,314
Contractual obligations	6,647,710
Loss on sale of land	6,944,329
Interest on bonds	4,733,833
	<u> </u>
Total Deductions	18,742,186
	<u> </u>
Change in net position	2,621,199
NET POSITION:	
Beginning of year, as restated	<u>(27,160,874)</u>
End of year	<u>\$ (24,539,675)</u>

See accompanying Notes to Basic Financial Statements.

This page intentionally left blank

NOTES TO BASIC FINANCIAL STATEMENTS

City of Buena Park

Notes to Basic Financial Statements

For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

The City of Buena Park was incorporated January 27, 1953 under the general laws of the State of California. The City became a charter City in November 2008.

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

The Buena Park Public Financing Authority (PFA) was formed for the purpose of financing acquisitions and infrastructure improvements. The PFA and the City have a financial and operational relationship, which requires that the PFA's financial statements be blended into the City's financial statements. The PFA's Board consists exclusively of all five members of the City Council. Separately issued financial statements of the PFA are not available.

B. Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar programs are recognized as revenue as soon as all eligibility requirements imposed by providers have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Amounts are considered measurable when they can be estimated, or otherwise determined. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay for liabilities in the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 City.

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 enterprise fund and internal service funds are charges to customers for services provided. Operating expenses for the City's enterprise fund and internal service 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's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service fund are consolidated in the governmental activities column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public protection, development, etc.).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

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

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

Government-wide and Fund Financial Statements

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

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

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

The City's basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-wide Financial Statements

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

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

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major governmental funds are reported as separate columns in the fund financial statements.

Fund Classifications

The City reports the following major governmental funds:

The *General Fund* - is the general operating fund of the City. This fund is used to account for all financial resources of the City, except for those required to be accounted for in another fund.

The *State Gasoline Tax Fund* is used to account for street and maintenance projects of the public works department. Financing is provided by the City's allocation of State gasoline taxes.

The *Residential Rehabilitation Fund* - is used to account for revenue received from Department of Housing and Urban Development for housing improvement projects of the planning and public works departments.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

The *HOME Loans Fund* - is used to account for grant monies received from the first-time homebuyer down payment assistance program.

The *Housing Successor Fund* - is used to account for future affordable housing projects. The majority of revenues recorded in the fund are loan repayments and proceeds for sale of properties held for low and moderate income housing purposes.

The City reports the following major proprietary fund:

The *Water Enterprise Fund* - is used to account for the costs (including depreciation) of providing water services to the general public and to account for the user charges by which these costs are recovered.

Additionally, the City reports the following fund types:

The *Internal Service Funds* - are used to finance and account for activities involved in rendering management information, equipment replacement and maintenance, building maintenance, employee benefits and self-insurance services to departments within the City. Costs of materials and services used are accumulated in these funds and charged to the user departments as such goods are delivered or services are rendered.

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

Buena Park Mall Community Facilities District Agency Fund – accounts for assets held by the City for the Buena Park Mall Community Facilities District.

Successor Agency Private Purpose Trust Fund – accounts for assets and liabilities transferred in fiscal year 2012 from the Redevelopment Agency of the City of Buena Park to the Successor Agency Trust Fund.

C. Cash, Cash Equivalents and Investments

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

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash, Cash Equivalents and Investments, Continued

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

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

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

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

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

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

For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

D. Inventories

Inventories held by the General Fund are stated at cost on a first-in, first-out basis. The General Fund inventories are recorded as an expenditure when used (consumption method).

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Property Held for Resale

Property held for resale held in the Fiduciary Fund represents land, structures and their related improvements that were acquired for resale in accordance with the objectives of the Central Business District Redevelopment Project. Property held for resale is also reported in the Housing and Community Development special revenue fund. Property held for resale is valued at the lower of cost or expected net realizable value.

F. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, furniture, and infrastructure assets (e.g. roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. Generally, capital asset purchases in excess of \$1,000 are capitalized if they have an expected useful life of two years or more.

For capital assets, depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings	25 - 45 years
Pumping Plant, Reservoir, Wells	15 - 50 years
Distribution System	25 - 50 years
Sewer Lines	75 years
Water System	20 - 75 years
Improvements	10 - 40 years
Machinery and Equipment	2 - 20 years
Furniture and Fixtures	2 - 20 years
Infrastructure	25 - 75 years

The City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City conducted a valuation of its infrastructure assets as of July 1, 2002. This valuation determined the original cost using one of the following methods:

- Use of historical records where available.
- Standard unit costs appropriate for the construction/acquisition date.
- Present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date.

Accumulated depreciation is defined as the total depreciation from the date of construction/acquisition to the current date on a straight line method using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

Interest accrued during capital assets construction, if any, is capitalized for the business-type activities as part of the asset cost.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Interest Payable

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

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

H. Unearned revenue

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

I. Claims and Judgments

The City records a liability for litigation, judgments and claims when it is probable that an asset has been impaired or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the internal service funds which account for the City's self-insurance activities.

J. 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 one item that qualifies for reporting in this category. It is the deferred charge on refunding debt reported in the government-wide 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: sales tax and grant related revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Long-Term Debt

Government-Wide Financial Statements – Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount.

Fund Financial Statements – The governmental fund financial statements do not present long-term debt. As such, long-term debt is shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Bond premiums and discounts, as well as issuance costs, are recognized during the current period as other financing sources or uses. Bond proceeds are reported as other financing sources.

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

L. Property Taxes

Property taxes are reported on the modified accrual basis. Accordingly, they are recognized as levied provided they meet the modified accrual criteria. Property taxes not meeting the criteria are deferred until they are received or otherwise meet the criteria.

Property taxes were levied on assessed valuations on March 1 and became a lien on the property assessed on that date. Taxes on the secured rolls are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Taxes on unsecured property were assessed and payable on March 1 and became delinquent the following August 31.

All property taxes are collected by the County of Orange Tax Collector and are apportioned to participating agencies in accordance with a prearranged schedule of apportionments as follows:

Lien Date	January 1	
Levy Date	July 1 to June 30	
Due Date	November 1	- 1st Installment
	March 1	- 2nd Installment
Collection Date	December 10	- 1st Installment
	April 10	- 2nd Installment

The state constitutional amendment Proposition 13 (now Article XIII A to the Constitution) which became effective July 1, 1978, altered the method of property tax assessment. This amendment essentially reduces the total property tax levy to one percent of full cash value on the 1975-76 assessment adjusted upward by the lesser of the increase in CPI or per capita income indices or two percent compounded for each succeeding year except that property changing ownership subsequent to July 1, 1978 and improvements are reassessed at the time of the exchange or improvement and adjusted each year thereafter at the appropriate rate.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Net Position

Government-Wide Financial Statements

In the Government-Wide Financial Statements, net position are classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of governments.

Unrestricted – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position” as defined above.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City’s policy is to apply restricted net position first.

N. Fund Balances

Fund Financial Statements

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). The new classification of fund balances is as follows:

Nonspendable Fund Balances

These include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact, e.g., the principal of an endowment fund. Examples of “not in spendable form” include inventory, prepaid amounts, long-term notes and loans, property held for resale and other items not expected to be converted to cash. However, if the proceeds from the eventual sale or liquidation of the items would be considered restricted, committed or assigned (as defined further on) then these amounts would be included in the restricted, committed or assigned instead of the nonspendable classification. A debt service reserve fund held by a trustee is an example of fund balance in nonspendable form that is classified as restricted instead of nonspendable since the reserve is eventually liquidated to make the final debt service principal payment.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Fund Balances, Continued

Restricted Fund Balances

Restricted fund balances have externally enforceable limitations on use. The limitations on use can be imposed by creditors, grantors, or contributors as well as by constitutional provisions, City charter, enabling legislation, laws and government regulations.

Committed Fund Balances

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (Resolution) of the City Council are classified as committed fund balances.

Assigned Fund Balances

Fund balance amounts for which the City Council has expressed intent for use but not taken formal action to commit are reported as assigned under GASB 54.

Unassigned Fund Balance

These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, or negative balances. For all funds other than the General Fund, amounts expended in excess of resources that are restricted, committed, or assigned, negative unassigned fund balance may be necessary to report.

Hierarchy of Expenditures to Classify Fund Balance Amounts

To determine the composition of ending fund balances, the Council established the order in which restricted and unrestricted (committed, assigned and unassigned) funds are to be expended. To this purpose, for expenditures made in any governmental fund, the restricted amounts will be reduced first, followed by committed amounts, assigned amounts, and then unassigned amounts.

The City uses encumbrance accounting throughout the fiscal year to encumber appropriations based upon purchase orders issued to the City's vendors. Encumbrances outstanding at year-end are reported as expenditures in the budgetary financial statements reported in the Required Supplementary Information and the Supplementary Information. General fund encumbrances not lapsed at year-end are reported as assigned amounts. For all other funds, encumbrances not lapsed at year-end are reported as part of the funds' restricted or committed balances according to the original source of funds.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. *Compensated Leave Payable*

For governmental funds, compensated leave payable is recorded as current and noncurrent liabilities and as expenses only on the Government-Wide Financial Statements. For proprietary funds, current and non-current liabilities for compensated leave payable are recorded as expenses in both the Government-Wide Financial Statement and the Fund Financial Statement.

P. *Use of Estimates*

The preparation of the Basic Financial Statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

Q. *New Pronouncements*

In 2014, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62* – The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. There was no effect on net position as part of implementation of this standard.
- GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* – The objective of this statement is to improve financial reporting by state and local governmental pension plans. There was no effect on net position as part of implementation of this standard.
- GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* – The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. There was no effect on net position as part of implementation of this standard.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

2. CASH AND INVESTMENTS

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

A. Summary of Cash and Investments

The following is a summary of cash and investments at June 30, 2014:

	<u>Government-Wide Statement of Net Position</u>			
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and investments	\$ 80,238,577	\$ 25,096,740	\$ 16,256,331	\$ 121,591,648
Restricted cash and investments	-	-	15,654,486	15,654,486
Total cash and investments:	\$ 80,238,577	\$ 25,096,740	\$ 31,910,817	\$ 137,246,134

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

Cash on hand	\$ 24,349
Deposits with financial institution	10,085,504
Total cash on hand and deposits	<u>10,109,853</u>
Local Agency Investment funds	30,003,921
Investments	81,477,874
Total investments	<u>111,481,795</u>
Total City Treasury	<u>121,591,648</u>
Cash with fiscal agent	<u>15,654,486</u>
Total cash and investments	<u>\$ 137,246,134</u>

B. Deposits

The carrying amount of the City's cash deposit was a positive amount of \$10,085,504 at June 30, 2014. Bank balances before reconciling items were a positive amount of \$15,923,004 at June 30, 2014. The City has waived the collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

2. CASH AND INVESTMENTS, Continued

B. Deposits, Continued

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

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

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

C. Investments

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Securities issued by the U.S. Treasury	5 years	No limit	No limit
U.S. Agency Securities and Instrumentalies	5 years	No limit	No limit
Banker's acceptances	180 days	20%	30% of portfolio
Negotiable Certificates of Deposit	5 years	30%	No limit
Repurchase Agreements	10 days	15%	No limit
Medium-term Notes	5 years	30%	No limit
Commercial Paper	270 days	20%	10% of portfolio
Local Agency Investment Fund (LAIF)	N/A	35%	No limit
Mutual Funds	5 years	15%	No limit

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

2. CASH AND INVESTMENTS, Continued

C. Investments, Continued

Investments are stated at fair value using the aggregate method in all funds, resulting in the following investment income in all funds:

Interest income	\$	1,267,234
Unrealized loss in changes in fair value of investments		<u>(472,594)</u>
Total investment income	\$	<u>794,640</u>

The City's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold. Generally the City's practice is to buy and hold investments until maturity dates. Consequently, the City's investments are carried at fair value.

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2014, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

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

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

As of June 30, 2014, the City had \$30,003,921 invested in LAIF, which had invested 1.86% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 1.96% in the previous year. The LAIF fair value factor of 1.00029875 was used to calculate the fair value of the investments in LAIF.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

2. CASH AND INVESTMENTS, Continued

D. Risk Disclosures

Interest Risk: Interest rate risk is the market value fluctuation due to overall changes in the interest rates. It is mitigated by limiting the average maturity of the City's portfolio not to exceed three years.

Investments held in the City Treasury grouped by maturity date at June 30, 2014, are shown below:

<u>Investment Type</u>	<u>Total</u>	<u>12 month or less</u>	<u>13-36 months</u>	<u>37-60 months</u>
United States Treasury Securities	\$ 18,228,424	\$ 1,613,563	\$ 11,421,146	\$ 5,193,715
United States Government Sponsored Enterprise Securities	38,168,295	4,607,788	23,077,529	10,482,978
Medium-Term Corporate Notes (MTN)	19,683,643	4,931,857	7,650,873	7,100,913
Money Market Mutual Funds	5,397,512	5,397,512	-	-
Local Agency Investment Fund (LAIF)	30,003,921	30,003,921	-	-
Total	<u>\$ 111,481,795</u>	<u>\$ 46,554,641</u>	<u>\$ 42,149,548</u>	<u>\$ 22,777,606</u>

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the Standard and Poor's rating as of year- end for each investment type.

At June 30, 2014, the City's deposits and investments were rated as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Minimum</u>						
			<u>AAA</u>	<u>AA+</u>	<u>AA</u>	<u>AA-</u>	<u>A+</u>	<u>A</u>	<u>Unrated</u>
United States Treasury Securities	\$ 18,228,424	N/A	\$ -	\$ 18,228,424	\$ -	\$ -	\$ -	\$ -	\$ -
United States Government Sponsored Enterprise Securities	38,168,295	N/A	-	38,168,295	-	-	-	-	-
Medium-Term Corporate Notes (MTN)	19,683,643	A	-	2,870,293	4,169,811	3,228,785	5,128,182	4,286,572	-
Money Market Mutual Funds	5,397,512	N/A	5,397,512	-	-	-	-	-	-
Local Agency Investment Fund (LAIF)	30,003,921	N/A	-	-	-	-	-	-	30,003,921
Total	<u>\$ 111,481,795</u>		<u>\$ 5,397,512</u>	<u>\$ 59,267,012</u>	<u>\$ 4,169,811</u>	<u>\$ 3,228,785</u>	<u>\$ 5,128,182</u>	<u>\$ 4,286,572</u>	<u>\$ 30,003,921</u>

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

2. CASH AND INVESTMENTS, Continued

D. Risk Disclosures, Continued

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 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. At June 30, 2014, the City deposits (bank balances) were insured by the Federal Depository Insurance Corporation up to \$250,000 and the remaining balances were collateralized under California law.

Concentration of Credit Risks: The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent 5% or more of total City's investments (excluding held by bond trustee) are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>Percent of Investment</u>
Government of United States	United States Treasury Securities	\$ 18,228,423	24%
Federal National Mortgage Association	Sponsored Enterprise Securities United States Government	11,702,423	15%
Federal Home Loan Mortgage Corp	Sponsored Enterprise Securities United States Government	9,784,400	13%
Federal Home Loan Bank	Sponsored Enterprise Securities United States Government	8,560,253	11%
Federal Farm Credit Bank	Sponsored Enterprise Securities United States Government	8,121,217	11%

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

3. INTERFUND TRANSACTIONS

A. Due To/From Other Funds

At June 30, 2014, the City had the following due to/from other funds:

<u>Due To General Fund</u>	<u>Due From Other Funds</u>
Residential Rehabilitation Special Revenue	\$ 201,636
Non-Major Governmental Funds	355,848
Total	<u>\$ 557,484</u>

The amounts due to the General Fund from other funds represent reclassified temporary negative cash balances pending grant reimbursements or other receivables. Current interfund balances arise in the normal course of operations and are expected to be repaid shortly after the end of the fiscal year.

B. Transfers

At June 30, 2014, the City had the following transfers in/out which arise in the normal course of operations.

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General</u>	<u>State Gas Tax</u>	<u>Non-Major Governmental Funds</u>	<u>Internal Service Funds</u>	
Major Govt Funds					
General Fund	\$ -	\$ -	\$ 273,220	\$ 890,000	\$ 1,163,220
State Gas Tax	7,500	-	-	15,000	22,500
Non-major Govtl Funds	-	1,717,906	221,268	-	1,939,174
Total Govt Funds	<u>7,500</u>	<u>1,717,906</u>	<u>494,488</u>	<u>905,000</u>	<u>3,124,894</u>
Water Enterprise Fund	72,170	-	-	30,000	102,170
Internal Service Funds	-	-	-	15,000	15,000
Total	<u>\$ 79,670</u>	<u>\$ 1,717,906</u>	<u>\$ 494,488</u>	<u>\$ 950,000</u>	<u>\$ 3,242,064</u>

Transfers from the General Fund to the internal service fund were to cover public liability claims. Transfers from the General Fund to non major governmental funds were to supplement activities for special revenue funds as deficits were anticipated in those funds, to fund a fire building replacement.

Transfers within non major funds were to cover anticipated deficits and for capital improvement projects.

Transfers from the Water Enterprise fund were to compensate the General Fund for rent of City owned property and public liability claims.

Transfers within internal service funds were to cover public liability claims.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

4. LOANS AND NOTES RECEIVABLE

The City acting as the successor agency of the former redevelopment agency engages in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. In the governmental fund financial statements, these loans have been offset by deferred inflows of resources as they are not expected to be repaid immediately.

Loans and notes receivable, including accrued interest and related deferred inflows of resources, comprised balances from the following programs, all of which are discussed below:

Description	Balance June 30, 2014
Governmental Funds:	
Home Improvement Loans	\$ 2,056,915
Low and Moderate Income Housing Loans	9,829,262
First Time Home Buyer Loans	4,549,418
Total governmental funds	<u>\$ 16,435,595</u>
Internal Service Funds:	
Employee Computer Loans	<u>\$ 58,010</u>
Total Primary Government	<u>\$ 16,493,605</u>
Fiduciary Funds:	
Successor Agency - Redevelopment Loans	<u>\$ 221,729</u>
	<u>\$ 221,729</u>

5. DEFERRED INFLOWS OF RESOURCES AND DEFERRED OUTFLOWS OF RESOURCES

A. *Deferred Inflows of Resources*

Deferred inflows of resources reported in the governmental funds' balance sheet represent unavailable revenues that were earned by the City, however were not collected within sixty days from June 30, 2014.

B. *Deferred Outflows of Resources*

Deferred outflows of resources reported in the Successor Agency Private Purpose Trust Fund represent the unamortized balance of a deferred loss on refunding resulting from the issuance of the Tax Allocation Refunding Bonds, Series 2000.

6. UNEARNED REVENUE

Unearned revenues in the Government-Wide Financial Statements represent amounts for which revenues have not been earned. At June 30, 2014, unearned revenues in the Government-Wide Financial Statements were \$278,064.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

7. CAPITAL ASSETS

A. Government-Wide Financial Statements

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

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
Capital assets, not being depreciated:				
Rights-of-way	\$ 48,581,693	\$ 81,725	\$ -	\$ 48,663,418
Land	11,783,793	-	-	11,783,793
Construction in progress	7,429,568	7,885,968	(8,696,765)	6,618,771
Total non-depreciable assets	67,795,054	7,967,693	(8,696,765)	67,065,982
Depreciable assets:				
Buildings	82,700,467	1,485,695	-	84,186,162
Improvements	14,093,137	1,473,520	-	15,566,657
Machinery and equipment	15,847,186	2,890,901	(436,729)	18,301,358
Furniture and fixtures	1,299,396	39,644	-	1,339,040
Infrastructure:				
Road system	96,644,293	3,366,886	(661,272)	99,349,907
Storm drain system	3,986,498	193,660	-	4,180,158
Total depreciable assets	214,570,977	9,450,306	(1,098,001)	222,923,282
Less accumulated depreciation:				
Buildings	(8,617,965)	(1,675,209)	-	(10,293,174)
Improvements	(7,573,804)	(496,398)	-	(8,070,202)
Machinery and equipment	(10,201,729)	(879,449)	425,466	(10,655,712)
Furniture and fixtures	(488,681)	(53,899)	-	(542,580)
Infrastructure:				
Road system	(37,977,686)	(2,517,143)	425,383	(40,069,446)
Storm drain system	(1,633,836)	(53,154)	-	(1,686,990)
Total accumulated depreciation	(66,493,701)	(5,675,252)	850,849	(71,318,104)
Total depreciable assets, net	148,077,276	3,775,054	(247,152)	151,605,178
Total capital assets	\$ 215,872,330	\$ 11,742,747	\$ (8,943,917)	\$ 218,671,160

Depreciation expense by program for capital assets for the year ended June 30, 2014 was as follows:

General government	\$ 522,026
Leisure	551,873
Transportation	2,986,660
Public Protection	1,212,689
Development	41,998
Internal Service Fund Depreciation charged to Programs	360,006
Total depreciation expense	\$ 5,675,252

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

7. CAPITAL ASSETS, CONTINUED

A. Government-Wide Financial Statements, Continued

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

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
Non-depreciable assets:				
Land	\$ 2,500	\$ -	\$ -	\$ 2,500
Construction in progress	2,357,040	1,492,990	(2,209,711)	1,640,319
Total non-depreciable assets	<u>2,359,540</u>	<u>1,492,990</u>	<u>(2,209,711)</u>	<u>1,642,819</u>
Depreciable assets:				
Buildings	43,672	-	-	43,672
Improvements	273,740	231,149	-	504,889
Pumps and reservoirs	2,043,238	351,645	-	2,394,883
Hydrants, meters, and connections	4,889,534	33,951	-	4,923,485
Machinery and equipment	1,249,850	31,329	-	1,281,179
Infrastructure:				
Wells	4,691,845	-	-	4,691,845
Water and sewer lines	28,099,874	1,305,591	(161,884)	29,243,581
Total depreciable assets	<u>41,291,753</u>	<u>1,953,665</u>	<u>(161,884)</u>	<u>43,083,534</u>
Less accumulated depreciation:				
Buildings	(38,745)	(1,457)	-	(40,202)
Improvements	(34,482)	(13,687)	-	(48,169)
Pumps and reservoirs	(1,388,158)	(37,627)	-	(1,425,785)
Hydrants, meters, and connections	(4,243,237)	(40,817)	-	(4,284,054)
Machinery and equipment	(802,342)	(52,639)	-	(854,981)
Infrastructure:				
Wells	(1,934,886)	(108,484)	-	(2,043,370)
Water and sewer lines	(14,979,329)	(539,735)	125,848	(15,393,216)
Total accumulated depreciation	<u>(23,421,179)</u>	<u>(794,446)</u>	<u>125,848</u>	<u>(24,089,777)</u>
Total depreciable assets, net	<u>17,870,574</u>	<u>1,159,219</u>	<u>(36,036)</u>	<u>18,993,757</u>
Total capital assets	<u>\$ 20,230,114</u>	<u>\$ 2,652,209</u>	<u>\$ (2,245,747)</u>	<u>\$ 20,636,576</u>

Depreciation expense for the year ended June 30, 2014 was as follows:

Water	<u>\$ 794,446</u>
Total depreciation expense	<u>\$ 794,446</u>

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

7. CAPITAL ASSETS, CONTINUED

B. Governmental Fund Financial Statements

The governmental fund financial statements do not present general government capital assets but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

8. LONG-TERM DEBT

A. Governmental Activities

The following is a summary of long-term debt transactions including amortization for the year ended June 30, 2014:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
Governmental Activities:					
Note Payable	\$ 10,889,772	\$ -	\$ (1,633,379)	\$ 9,256,393	\$ 1,703,089
Claims Payable	7,426,069	1,992,721	(1,648,010)	7,770,780	100,000
Employee Leave Benefits	2,311,652	246,120	(198,553)	2,359,219	21,000
Termination Benefits	179,446	-	(179,446)	-	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 20,806,939</u>	<u>\$ 2,238,841</u>	<u>\$ (3,659,388)</u>	<u>\$ 19,386,392</u>	<u>\$ 1,824,089</u>

Note Payable

In April 2009, the City entered into a credit agreement with Union Bank, whereby the City could borrow up to \$17,000,000. On May 28, 2009, the City issued a note to the bank in exchange for \$16,780,000. These funds were used to prepay the unfunded actuarial accrued liability related to the City's defined benefit plan for safety employees. This 10-year note matures on May 28, 2019 and bears interest at a rate of 4.16%. Principal and interest are due in monthly installments of \$171,253 commencing July 1, 2009.

The annual debt service requirements on this note are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 1,703,089	\$ 351,981	\$ 2,055,070
2016	1,774,430	280,608	2,055,038
2017	1,850,194	204,844	2,055,038
2018	1,928,428	126,610	2,055,038
2019	2,000,252	44,995	2,045,247
Total	<u>\$ 9,256,393</u>	<u>\$ 1,009,038</u>	<u>\$ 10,265,431</u>

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Claims Payable

Claims payable are typically paid from the Workers' Compensation Self-Insurance Fund and the Public Liability Self-Insurance Fund. There is no fixed payment schedule for claims liabilities.

Employee Leave Benefits

Employee leave benefits payable to employees upon termination. The City's policies relating to the payment of these benefits are discussed in Note 1 of the notes to the financial statements. The liability at June 30, 2014, in the amount of \$2,359,219, is expected to be paid primarily by the general fund transfers to the accrued leave internal service fund in future years. There is no fixed schedules for the employee leave benefits liability.

Termination Benefits Payable

In April 2010, in an effort to reduce overall labor costs to address the projected structural budget deficit, the City Council approved the Supplemental Employee Retirement Plan (SERP). The plan offered early retirement incentives to encourage employees to voluntarily retire from the City on or before June 30, 2010.

The SERP was offered to employees and would provide a benefit equal to 60% of the employee's base salary, to a maximum benefit amount of \$40,000. The benefit will be used to purchase an annuity to provide a supplemental monthly retirement payment. Fifteen city employees elected to participate in the SERP. The plan is funded over a five-year period. The cost of future annuity premium payments, reported in the governmental activities and business-type activities is \$0 and \$0, respectively.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

8. LONG-TERM DEBT, Continued

B. Business-Type Activities

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
Business-Type Activities					
Loan Payable	\$ 33,567	\$ -	\$ (8,899)	\$ 24,668	\$ 9,736
Note Payable	83,890	-	(83,890)	-	-
Employee Leave Benefits	117,254	3,987	(11,494)	109,747	42,000
Termination Benefits	44,664	-	(44,664)	-	-
Total	\$ 279,375	\$ 3,987	\$ (148,947)	\$ 134,415	\$ 51,736

Loan Payable- Economic Development Administration Loan

The Economic Development Administration (EDA) of the U.S. Department of Commerce loan commitment recorded in the enterprise fund requires equal annual payments of principal and interest at 5% through July 1, 2017. As of June 30, 2014 the principal amount outstanding was \$24,668.

The annual debt service requirements on the loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 9,736	\$ 1,218	\$ 10,954
2016	10,224	730	10,954
2017	4,708	183	4,891
Total	\$ 24,668	\$ 2,131	\$ 26,799

Loan Payable- Orange County Water District

On April 17, 1996, the City entered into an agreement with the Orange County Water District (OCWD) for the acquisition, construction, installation and operation of two new groundwater production wells. Under this agreement, OCWD will provide a loan to the City to finance all initial costs, not to exceed \$1,000,000 per well, for the design and construction of the wells. The City will repay OCWD with installment payments over a fifteen year period at 3.50% interest. The note payable is recorded in the Water Enterprise Fund. As of June 30, 2014 the principal amount outstanding was \$0.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

Employee Leave Benefits

Employee leave benefits payable to employees upon termination. The City's policies relating to the payment of these benefits are discussed in Note 1 of the notes to the financial statements. The liability at June 30, 2014 was \$109,747. There is no fixed payment schedule for the employee leave benefits liability. The general fund is normally used to liquidate employee leave benefit obligations.

C. Fiduciary Funds Activities

	Balance July 1, 2013	Additions	Deletions	Amortization	Balance June 30, 2014	Due Within One Year
Fiduciary Funds Activities						
Tax Allocation Bonds						
2000 Tax Allocation Bonds	\$ 1,460,000	\$ -	\$ (710,000)	\$ -	\$ 750,000	\$ 750,000
2003 Tax Allocation Bonds	15,738,423	-	(1,070,000)	(2,994)	14,665,429	1,105,000
2008 Tax Allocation Bonds, Series A	48,365,188	-	(235,000)	(3,618)	48,126,570	255,000
2008 Tax Allocation Bonds, Series B	23,345,000	-	(605,000)	-	22,740,000	650,000
Total Tax Allocation Bonds	88,908,611	-	(2,620,000)	(6,612)	86,281,999	2,760,000
Loan Payable	4,318,718	-	(4,318,718)	-	-	-
Total	\$ 93,227,329	\$ -	\$ (6,938,718)	\$ (6,612)	\$ 86,281,999	\$ 2,760,000

Tax Allocation Refunding Bonds, Series 2000

\$8,265,000 Tax Allocation Refunding Bonds, Series 2000; issued February 2, 2000; \$8,265,000 of serial bonds are due in annual principal installments through maturity on September 1, 2014; secured by tax increment revenues; interest ranging from 4.00% to 5.40%. The reserve requirement of \$790,500 is covered by \$395,250 held by the Successor Agency Private Purpose Trust fund and a financial guarantee insurance policy worth \$395,250. As of June 30, 2014 the principal amount outstanding was \$750,000.

Year Ending June 30,	Principal	Interest	Total
2015	\$ 750,000	\$ 20,250	\$ 770,250
Total	\$ 750,000	\$ 20,250	\$ 770,250

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

8. LONG-TERM DEBT, Continued

C. Fiduciary Funds Activities, Continued

Series 2003 Tax Allocation Refunding Bonds

On July 2, 2003, the Redevelopment Agency of the City of Buena Park issued \$24,055,000 of Tax Allocation Bonds to provide funds to advance refund the 1992 Refunding Tax Allocation Bond Series A and B issued by the Agency. The 2003 Bonds were issued at a premium of \$63,363. This premium is being amortized on a straight-line basis as interest expense through 2024. The advance refunding met the requirements of an in-substance defeasance and the 1992 Tax Allocation Bonds were removed from the Agency's long-term debt. The principal balance on the 1992 Tax Allocation Bonds was paid off on September 2, 2003.

The 2003 Tax Allocation Bonds are special obligations of the Agency secured by tax increment revenues on parity with the Agency's \$8,265,000 aggregate principal amount of the 2000 Refunding Tax Allocation Bonds issued for redevelopment purposes. The reserve requirement of \$1,658,129 is covered by \$1,671,995 held by the Successor Agency Private Purpose Trust.

The Bonds are payable in annual installments through maturity on September 1, 2004. Interest is payable semiannually on March 1 and September 1, with rates ranging from 2.0% to 4.2% per annum. Bonds outstanding at June 30, 2014 were \$14,665,429.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$495,798. This difference, net of accumulated amortization, is reported in the accompanying financial statements as a deferred outflow of resources and is being charged to interest expense through the year 2014. As of June 30, 2014 the unamortized balance of the deferred loss on refunding was \$48,098.

Future debt services requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 1,105,000	\$ 547,441	\$ 1,652,441
2016	1,140,000	509,535	1,649,535
2017	1,180,000	468,345	1,648,345
2018	1,220,000	424,535	1,644,535
2019	1,270,000	377,835	1,647,835
2020-2024	8,720,000	1,115,653	9,835,653
Subtotal	14,635,000	<u>\$ 3,443,344</u>	<u>\$ 18,078,344</u>
Bond premium	30,429		
Total	<u>\$ 14,665,429</u>		

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

8. LONG-TERM DEBT, Continued

C. Fiduciary Funds Activities, Continued

2008 Tax Allocation Bonds, Series A

On February 26, 2008, Redevelopment Agency of the City of Buena Park issued \$48,800,000 Tax Allocation Bonds, Series A for redevelopment purposes. The 2008 Bonds were issued at a premium of \$99,183. This premium is being amortized on a straight-line basis as interest expense through 2035.

The 2008 Tax Allocation Bonds, Series A, are special obligation of the Agency secured by tax increment revenues on a parity with the Agency's \$8,265,000 and \$20,635,000 aggregate principal amount of the Tax Allocation Bonds, Series 2000 and 2003 Tax Allocation Refunding Bonds, respectively. The reserve requirement of \$3,700,972 is covered by \$3,701,031 held in a reserve fund by the fiscal agent for the bonds.

The Bonds are payable in annual installments through maturity on September 1, 2035. Interest is payable semiannually on March 1 and September 1, with rates ranging from 3.0% to 6.25% per annum. Bonds outstanding at June 30, 2014 were \$48,126,570.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 255,000	\$ 2,650,192	\$ 2,905,192
2016	500,000	2,634,593	3,134,593
2017	540,000	2,612,483	3,152,483
2018	575,000	2,588,223	3,163,223
2019	625,000	2,561,510	3,186,510
2020-2024	3,995,000	12,283,744	16,278,744
2025-2029	15,255,000	9,932,294	25,187,294
2030-3034	19,190,000	4,917,157	24,107,157
2034-2036	7,115,000	431,406	7,546,406
Subtotal	48,050,000	\$ 40,611,602	\$ 88,661,602
Bond premium	76,570		
Total	\$ 48,126,570		

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

8. LONG-TERM DEBT, Continued

C. Fiduciary Funds Activities, Continued

2008 Tax Allocation Bonds, Series B

On June 4, 2008, Redevelopment Agency of the City of Buena Park issued \$26,920,000 Tax Allocation Bonds, Series B for redevelopment purposes. The 2008 Tax Allocation Bonds, Series B, are a special obligation of the Agency secured by tax increment revenues on a parity with the Agency's \$8,265,000, \$20,635,000, and \$48,800,000 aggregate principal amount of the Tax Allocation Bonds, Series 2000, 2003 Tax Allocation Refunding Bonds, and 2008 Tax Allocation Bonds, Series A, respectively. The reserve requirement of \$2,493,224 is covered by \$2,493,264 held in a reserve fund by the fiscal agent for the bonds.

The Bonds are payable in annual installments through maturity on September 1, 2023. Interest is payable semiannually on March 1 and September 1, with rates ranging from 5.093% to 6.253% per annum. Bonds outstanding at June 30, 2014 were \$22,740,000.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	650,000	1,385,941	2,035,941
2016	1,915,000	1,308,055	3,223,055
2017	2,030,000	1,188,265	3,218,265
2018	2,155,000	1,061,187	3,216,187
2019	2,280,000	926,519	3,206,519
2020-2024	13,710,000	2,245,452	15,955,452
Total	\$ 22,740,000	\$ 8,115,419	\$ 30,855,419

Loan Payable

A loan made by a developer, in the amount of \$4,318,718, to the Redevelopment Agency of the City of Buena Park for the acquisition of real property; interest at 8.00% compounded annually; quarterly payments at least equal to 40.00% of the sales tax revenue received and retained by the City. The term of the loan ended May 2014, at which time any unpaid principal and interest was forgiven by the developer. As of June 30, 2014, the amount outstanding was \$0.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

9. RISK MANAGEMENT

A. Claims Activity

In the self-insurance internal service funds, the City has recorded liabilities in the amount of \$7,426,069 for lawsuits and other claims arising in the ordinary course of City operations. The City is self-insured in both workers' compensation and general liability for the first \$500,000 per claim. The City maintains coverage in excess of this self-insured retention limit through the California Insurance Pool Authority (CIPA) for workers' compensation and general liability claims. CIPA is a public entity risk pool which operates a risk management and insurance program for 13 member cities within California, and is self-sustaining through member premiums.

The City has entered into contracts with claims administrators to process claims against the City for workers' compensation and general liability claims. Liabilities have been recorded for estimated losses from claims and judgments in the amount of \$6,628,038 for workers' compensation and \$1,142,742 for general liability. Losses for claims incurred but not reported are recorded when the probable amount of loss can be reasonably estimated.

B. Claims Activity

For the past three fiscal years, the City settled no cases at amounts in excess of the policy limits of applicable insurance coverage.

For the Years Ended June 30,	Claims Payable July 1	Fiscal Year		Claims Payable June 30	Claims Due Within One Year
		Claims and Changes in Estimates	Claims Payments		
2011-2012	\$ 6,949,855	\$ 1,114,964	\$ (914,443)	\$ 7,150,376	\$ 100,000
2012-2013	7,150,376	1,656,702	(1,381,009)	7,426,069	100,000
2013-2014	7,426,069	1,992,721	(1,648,010)	7,770,780	100,000

10. EMPLOYEE RETIREMENT PLANS

A. Pension Plan

All qualified permanent and probationary employees are eligible to participate in pension plans offered by the California Public Employees' Retirement System (PERS).

Plan Description – PERS is an 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. State statutes and City resolution establish benefit provisions, which are reflected in a contract between the City and PERS. Copies of PERS' annual financial report may be obtained from CALPERS at P.O. Box 942709, Sacramento, California 94229-2709.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

10. EMPLOYEE RETIREMENT PLANS, CONTINUED

A. Pension Plan, Continued

Funding Policy – The Plan’s provisions and benefits in effect at June 30, 2014, are summarized as follows:

	<u>Safety</u>	<u>Miscellaneous</u>
Benefit vesting schedule	5 years service	5 years service
Benefit payment	monthly for life	monthly for life
Earliest retirement age	50	55
Benefit factor for each year of service, as a % of annual salary	3% at age 50	2% at age 55
Required employee contribution rates	9%	8%
Required employer contribution rates	27.877%	16.221%
Actuarially required contribution:		
Employer	\$ 2,246,873	\$ 1,765,332
Employee	\$ 745,456	\$ 861,603

The Plans are funded by contributions from both the City and its employees. However, certain labor contracts require the City to also pay employee contributions. See the Required Supplementary Information for the Schedule of Funding Progress.

Annual Pension Cost – For the fiscal year ending June 30, 2014, the City’s annual pension cost of \$4,012,205 for PERS was equal to the City’s required and actual contributions. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 3.55% to 14.45% for miscellaneous employees and from 3.55% to 14.55% for safety employees depending on age, service, and type of employment, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The average remaining amortization period at June 30, 2011, was 23 years for miscellaneous and 18 years for safety employees for prior and current service unfunded liability.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

10. EMPLOYEE RETIREMENT PLANS, Continued

A. Pension Plan, Continued

Three-Year Trend Information For PERS

Miscellaneous Plan

<u>Fiscal Year</u>	Annual Pension Cost (APC)	Percentage of APC	Net Pension
	<u>Miscellaneous</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/2012	1,861,698	100%	-
6/30/2013	1,644,322	100%	-
6/30/2014	1,765,332	100%	-

Safety Plan

<u>Fiscal Year</u>	Annual Pension Cost (APC)	Percentage of APC	Net Pension
	<u>Safety</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/2012	2,292,231	100%	-
6/30/2013	2,213,631	100%	-
6/30/2014	2,246,873	100%	-

Funding Status as of the Most Recent Actuarial Date

The City's safety employees are part of the CalPERS risk pool for cities and other governmental entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

10. EMPLOYEE RETIREMENT PLANS, Continued

A. Pension Plan, Continued

Funding Status as of the Most Recent Actuarial Date, Continued

Miscellaneous Plan

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as Percentage of Covered Payroll</u>
6/30/2013	\$ 84,450,927	\$ 114,039,180	\$ 29,588,253	74.1%	\$ 10,963,930	269.9%

The Schedule of Funding Progress provided in the Required Supplementary Information shows that the actuarial value of the plan assets decreased relative to the actuarial accrued liability for benefits from June 30, 2011 to June 30, 2013.

11. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City provides post-retirement medical benefits to retirees through the California Public Employees' Retirement System California Employer's Retiree Benefit Trust Fund (the PERS CERBT fund). The program is an agent multiple-employer defined benefit health care plan that provides health care insurance for eligible retirees. These benefits are available to employees who retire with the City at age 50 or older with at least 5 years of CalPERS service or those who satisfy certain disability requirements. The City pays monthly medical premiums ranging from \$126 to \$420 for each employees depending upon which group the employee belongs to and the number of individual covered by the policy. The Plan does not provide a publicly available financial report.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

11. OTHER POST EMPLOYMENT BENEFITS (OPEB), CONTINUED

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City, City Council, and/or the employee associations. Currently, contributions are not required from the plan members. During the fiscal year ended June 30, 2014, the City elected to fund 134% of 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 the normal cost each year and amortize any unfunded liabilities over a period not to exceed thirty years. The ARC for fiscal year 2013-14 was \$588,134.

Annual OPEB Cost

The City's annual OPEB cost, net OPEB obligation (asset) and the related information for 2014 were as follows:

Annual required contribution	\$ 588,134
Interest on net OPEB obligation	(22,519)
Amortization of net OPEB obligation	109,059
Annual OPEB cost	<u>674,674</u>
Payments made	(786,940)
Increase in net OPEB obligation	<u>(112,266)</u>
Net OPEB obligation - beginning of the year	<u>(300,264)</u>
Net OPEB obligation - ending of year	<u><u>\$ (412,530)</u></u>

For fiscal year 2013, the City's annual OPEB cost was \$674,674 and more than the City's required contribution. The City's actual contribution during the fiscal year was \$786,940. The required contribution for the fiscal year 2014 was determined as part of the July 1, 2013 actuarial valuation, and the entry age normal cost method was used. The actuarial assumptions included: (a) 7.61% investment rate of return (net of administrative expenses), (b) projected annual salary increases of 2.75%, (c) inflation rate of 2.75% and (d) medical plan premium cost will increase at a rate ranging from 4.0% per annum. The City's unfunded actuarial accrued liability will be amortized as a level percentage of pay over a closed period of 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members at 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 value of assets consistent with the long-term perspective of the calculations.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

11. OTHER POST EMPLOYMENT BENEFITS (OPEB), CONTINUED

Three Year Trend Information

For fiscal year 2014, the City's annual OPEB cost (expense) of \$674,674 was more than the ARC. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for 2014 and the two preceding years, were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset</u>
6/30/2012	636,448	136%	277,192
6/30/2013	636,448	117%	300,264
6/30/2014	674,674	117%	412,530

Funding Status and Funding Progress

As of July 1, 2013, the most current actuarial valuation date, the plan was 6% funded. The actuarial accrued liability for benefits was \$7.6 million and the actuarial value of assets was \$.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$6.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$21.6 million and the ratio of the UAAL to the covered payroll was 31%.

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 rates of employee turnover, retirement, mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

12. CLASSIFICATION OF FUND BALANCES

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

	Major Governmental Funds					Non Major Government Funds	Total Government
	General	State Gas Tax	Residential Rehabilitation	HOME Deferred Loans	Housing Successor		
Fund Balances							
Nonspendable fund balance:							
Prepays	\$ 99,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,009
Inventory	92,292	-	-	-	-	-	92,292
Receivable from Successor Agency	5,657,054	-	-	-	-	-	5,657,054
	<u>5,848,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,848,355</u>
Restricted fund balance for:							
Low/Mod Housing	1,414,264	-	-	277,756	14,334,350	523,940	16,550,310
Public Protection	-	-	-	-	-	1,884,698	1,884,698
Environmental	-	-	-	-	-	228,462	228,462
Transportation	-	4,967,589	-	-	-	1,609,651	6,577,240
Development	-	-	-	-	-	3,727,901	3,727,901
	<u>1,414,264</u>	<u>4,967,589</u>	<u>-</u>	<u>277,756</u>	<u>14,334,350</u>	<u>7,974,652</u>	<u>28,968,611</u>
Assigned fund balance for:							
Low/Mod Housing	4,043,025	-	-	-	-	-	4,043,025
Capital projects	-	-	-	-	-	609,281	609,281
	<u>4,043,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>609,281</u>	<u>4,652,306</u>
Unassigned fund balance							
Other Purposes	48,427,264	-	(202,385)	-	-	(34,385)	48,190,494
	<u>48,427,264</u>	<u>-</u>	<u>(202,385)</u>	<u>-</u>	<u>-</u>	<u>(34,385)</u>	<u>48,190,494</u>
Total Fund Balances	<u>\$ 59,732,908</u>	<u>\$ 4,967,589</u>	<u>\$ (202,385)</u>	<u>\$ 277,756</u>	<u>\$ 14,334,350</u>	<u>\$ 8,549,548</u>	<u>\$ 87,659,766</u>

13. DEFICIT FUND BALANCES

The following funds reported deficits in fund balances at June 30, 2014:

Residential Rehabilitation Special Revenue Fund	\$ 202,385
Measure M Turnback	\$ 566
State OCATT Special Revenue Funds	\$ 33,819

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

14. MORTGAGE REVENUE BONDS

In July 2000, the city of Buena Park issued, in conjunction with Walden Glen, LP, Variable Rate Demand Multifamily Housing Revenue Bonds, Series 2000 to provide funds for rehabilitation and permanent financing for a multifamily housing facility located in the City. The debt is a special obligation of the limited partnership and is payable solely from payments made on mortgage loans and are secured by a pledge of such mortgage loans. Neither the faith nor the taxing power of the City of Buena Park has been pledged to the payment of the bonds. Accordingly, the debt is not reported a liability in the accompanying financial statements.

15. SUCCESSOR AGENCY PRIVATE PURPOSE 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. Many cities (and some counties) in California had established a redevelopment agency. In many cases, such redevelopment agencies were included within the reporting entity of the city or county as a blended component unit (since the governing board of the city or county, in many cases, also served as the governing board of the redevelopment agency).

The Bill provides that upon dissolution of a redevelopment agency, the entity that established the redevelopment agency may elect to serve as the "Successor Agency" to hold the assets of the former redevelopment agency until they are distributed to other units of state and local government after the payment of enforceable obligations that were in effect as of the signing of the Bill. If the entity that established the redevelopment agency declines to accept the role of Successor Agency, other local agencies may elect to perform this role. If no local agency accepts the role of Successor Agency, the Governor is empowered by the Bill to establish a "designated local authority" to perform this role. The City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Resolution No. 12685

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 approval of a newly established Oversight Board, remaining assets can only be used to pay enforceable obligations in existence as of February 1, 2012, the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). The Bill sets forth a process for each agency to identify and report these enforceable obligations on an Enforceable Obligation Payment Schedule (EOPS) and a Recognized Obligation Payment Schedule (ROPS).

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

15. SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, CONTINUED

Upon the date of the dissolution (February 1, 2012), significant matters previously controlled by the city councils of the cities that created each redevelopment agency are now subject to the approval of a seven-member Oversight Board, including the following:

- Approval of the sale and distribution of all assets
- Approval of any change in obligation terms
- Approval of any prepayment or defeasance of debt
- Approval of acceptance of grants
- Approval of funding of debt service reserves
- Approval of the budget for any remaining activities

Many of these actions and determinations of the Successor Agency also require the approval of the California Department of Finance (DOF).

In future fiscal years, Successor Agencies will only be allocated property tax 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.

Under AB 1X 26, agencies that accept the role of Successor Agency will serve as custodian for the assets of the dissolved redevelopment agency pending distribution to the appropriate taxing entities after the payment of enforceable obligations. Accordingly, the net position of the dissolved redevelopment agency that are held pending distribution are accounted for in a private-purpose trust fund.

In June 2012, the California legislature passed AB 1484. AB 1484 provided clarification regarding the dissolution process and imposed new requirements. AB 1484 declared that Successor Agencies are separate legal entities distinct from the sponsoring government, clarified matters pertaining to the affordable housing programs previously performed by the former redevelopment agency, clarified matters pertaining to EOPS and ROPS, established the requirement for all Successor Agencies to have a due diligence review, established a process to receive a Finding of Completion that will provide significant benefits to local agencies (allowing them to begin spending debt proceeds and providing a formula for the repayment of money previously borrowed from the sponsoring government), and made a number of other significant changes in the dissolution process and the post-dissolution activities of Successor Agencies.

City of Buena Park
Notes to Basic Financial Statements
For the year ended June 30, 2014

16. DISTRIBUTION OF SALES TAX REVENUES

Due to the nature of how sales tax revenues are generated from certain transactions, there is currently ongoing discussion as to whether all sales tax remitted to the City of Buena Park by the State of California Board of Equalization were related to transactions occurring within the City, and if reallocation of those sales tax revenues is required by the Board of Equalization.

17. PRIOR PERIOD ADJUSTMENT

The City recorded a prior period adjustments to account for the activities of the Housing Successor previously accounted for in the Successor Agency Private Purpose Trust Fund in a governmental fund as part of the primary government.

Government-wide Statements

	Net Position, as Previously Reported	Prior Period Adjustments				Net Position, as Restated
		Cash and Investments	Receivables, net of allow ance	Property held for Resale	Liabilities	
Government-Wide Statements						
Governmental Activities	281,459,456	\$ 835,795	\$ 9,644,855	\$ 13,338,477	\$ (126,432)	\$ 305,152,151

Fund Statements

	Fund Balance, as Previously Reported	Prior Period Adjustments				Fund Balance, as Restated	
		Cash and Investments	Receivables, net of allow ance	Property held for Resale	Liabilities		Unavailable Revenues
Fund Statements							
<u>Governmental Funds</u>							
Housing Successor Special Revenue Fund	-	\$ 835,795	\$ 15,414,978	\$ 13,338,477	\$ (126,432)	\$ (15,412,437)	\$ 14,050,381
<u>Fiduciary Funds</u>							
Successor Agency	(3,468,179)	\$ (835,795)	\$ (9,644,855)	\$ (13,338,477)	\$ 126,432	\$ -	\$ (27,160,874)

**REQUIRED
SUPPLEMENTARY INFORMATION**

City of Buena Park
Required Supplementary Information
For the year ended June 30, 2014

1. BUDGETS AND BUDGETARY ACCOUNTING

A. Budgetary Control and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for governmental funds. The City's budget ordinance requires that in June of each year the City Administrator must submit a preliminary budget that includes projected expenditures and the means of financing them to the City Council for the fiscal year commencing the following July 1. As modified during public study sessions, the preliminary budget becomes the proposed budget. Following public hearings on the proposed budget, the final annual budget is adopted by the City Council in June of the fiscal year. After adoption of the final budget, transfers of appropriations within the general fund departments may be done by the City Manager. Budget transfers within a department/fund may be done by department heads. Budget modifications between funds and increases or decreases to a fund's overall budget must be approved by the City Council. Numerous properly authorized amendments are made during the fiscal year.

Budgetary control is enhanced by integrating the budget into the general ledger accounts. Encumbrance accounting (e.g. purchase orders) is employed by the City.

City of Buena Park
Required Supplementary Information, Continued
For the year ended June 30, 2014

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

B. Budgetary Comparison Schedules

The following are the budget comparison schedules for all major Governmental Funds.

Budgetary Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Taxes	\$ 39,133,800	\$ 39,133,800	\$ 45,978,079	\$ 6,844,279
Licenses and permits	681,100	681,100	495,798	(185,302)
Fines and forfeitures	755,580	755,580	736,235	(19,345)
Intergovernmental	6,528,840	6,586,597	8,062,396	1,475,799
Charges for services	6,800,040	6,813,849	6,880,083	66,234
Investment income	620,000	620,000	433,011	(186,989)
Miscellaneous	112,500	112,500	1,064,625	952,125
Total revenues	54,631,860	54,703,426	63,650,227	8,946,801
EXPENDITURES:				
Current:				
General government:				
City Council	284,750	284,749	289,813	(5,064)
City Manager	810,700	810,700	814,787	(4,087)
Community Support Services	644,470	681,470	583,351	98,119
City Attorney	169,070	169,070	231,743	(62,673)
City Clerk	413,590	413,590	374,726	38,864
Internal Support Services	961,310	942,310	846,942	95,368
Finance	857,480	857,480	755,194	102,286
Public Works	1,254,270	1,287,916	1,101,734	186,182
Non-departmental	912,000	912,000	853,688	58,312
Total General Government	6,307,640	6,359,285	5,851,978	507,307
Leisure:				
Recreation Administration	2,390,840	2,423,136	2,447,507	(24,371)
Health:				
Public Works	3,041,540	3,041,540	2,959,883	81,657
Transportation				
Police Department	94,850	94,850	97,075	(2,225)
Public Works	4,717,770	4,720,685	4,099,447	621,238
Total Transportation	4,812,620	4,815,535	4,196,522	619,013
Public Protection:				
Community Development Services	516,300	529,353	434,460	94,893
Fire Department	9,190,270	9,190,270	9,185,212	5,058
Police Department	19,697,520	19,735,347	18,321,766	1,413,581
Total Public Protection	29,404,090	29,454,970	27,941,438	1,513,532
Development:				
Community Development Services	1,606,290	1,698,786	1,471,573	227,213
Public Works	160,030	160,030	62,074	97,956
Total Development	1,766,320	1,858,816	1,533,647	325,169

City of Buena Park
Required Supplementary Information, Continued
For the year ended June 30, 2014

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

B. Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule, General Fund, Continued

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES: Continued				
Environmental:				
Recreation, Parks, and Community Services	2,712,140	2,717,890	2,846,951	(129,061)
Capital Outlay	94,840	317,099	87,506	229,593
Debt Service:				
Principal	1,634,050	1,634,050	1,633,379	671
Interest and Other Charges	420,990	420,990	421,658	(668)
Total expenditures	52,585,070	53,043,311	49,920,469	3,122,842
REVENUES OVER (UNDER) EXPENDITURES	2,046,790	1,660,115	13,729,758	12,069,643
OTHER FINANCING SOURCES (USES):				
Transfers in	163,690	163,690	79,670	(84,020)
Transfers out	(1,163,220)	(1,163,220)	(1,163,220)	-
Proceeds from sale of capital assets	2,000	2,000	86,483	84,483
Total other financing sources (uses)	(997,530)	(997,530)	(997,067)	463
Net change in fund balance	\$ 1,049,260	\$ 662,585	12,732,691	\$ 12,070,106
FUND BALANCE:				
Beginning of year			47,000,217	
End of year			\$ 59,732,908	

City of Buena Park
Required Supplementary Information, Continued
For the year ended June 30, 2014

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

B. Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule, Gasoline Tax Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 2,442,090	\$ 3,012,122	\$ 4,565,080	\$ 1,552,958
Investment income	130,000	130,000	23,163	116,762
Total revenues	<u>2,572,090</u>	<u>3,142,122</u>	<u>4,588,243</u>	<u>1,669,720</u>
EXPENDITURES:				
Community development	573,120	574,848	432,175	142,673
Capital outlay	2,849,000	11,474,459	5,603,634	5,870,825
Total expenditures	<u>3,422,120</u>	<u>12,049,307</u>	<u>6,035,809</u>	<u>6,013,498</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(850,030)</u>	<u>(8,907,185)</u>	<u>(1,447,566)</u>	<u>7,459,619</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,059,000	1,059,000	1,717,906	658,906
Transfers out	(22,500)	(312,463)	(22,500)	334,963
Total other financing sources (uses)	<u>1,036,500</u>	<u>746,537</u>	<u>1,695,406</u>	<u>993,869</u>
Net change in fund balance	<u>\$ 186,470</u>	<u>\$ (8,160,648)</u>	247,840	<u>\$ 8,453,488</u>
FUND BALANCE:				
Beginning of year			<u>4,719,749</u>	
End of year			<u>\$ 4,967,589</u>	

City of Buena Park
Required Supplementary Information, Continued
For the year ended June 30, 2014

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

B. Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule , Residential Rehabilitation Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 46,364	\$ 46,364
Investment income	28,500	28,500	15,547	(12,953)
Total revenues	28,500	28,500	61,911	33,411
Net change in fund balance	\$ 28,500	\$ 28,500	61,911	\$ 33,411
FUND BALANCE:				
Beginning of year			(264,296)	
End of year			\$ (202,385)	

Budgetary Comparison Schedule , Home Loans Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 800,000	\$ 800,000	\$ 396,898	\$ (403,102)
Investment income	22,000	22,000	3,553	(18,447)
Total revenues	822,000	822,000	400,451	(421,549)
EXPENDITURES:				
Development	750,000	750,000	439,813	310,187
Total expenditures	750,000	750,000	439,813	310,187
Net change in fund balance	\$ 72,000	\$ 72,000	(39,362)	\$ (111,362)
FUND BALANCE:				
Beginning of year			317,118	
End of year			\$ 277,756	

City of Buena Park
Required Supplementary Information, Continued
For the year ended June 30, 2014

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

B. Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule, Housing Successor Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 132,718	\$ 132,718
Investment income	-	-	173,880	173,880
Miscellaneous	-	-	32,756	-
Total revenues	-	-	339,354	306,598
EXPENDITURES:				
Development	-	95,250	55,385	39,865
Total expenditures	-	95,250	55,385	39,865
Net change in fund balance	\$ -	\$ (95,250)	283,969	\$ 379,219
FUND BALANCE:				
Beginning of year			14,050,381	
End of year			<u>\$ 14,334,350</u>	

2. DEFINED BENEFIT PENSION PLAN

A schedule of funding progress for the past three actuarial valuations is presented below.

Safety Plan

The City's safety employees are part of the CalPERS risk pool for cities and other governmental entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool.

Miscellaneous Plan

Actuarial Valuation Date *	Actuarial Asset Value	Actuarial Accrued Liability	Actuarial Accrued Liability	Funded Ratio AVA	Covered Payroll	Percentage of Covered Payroll
6/30/11	90,737,838	106,925,990	16,188,152	84.9%	13,749,224	117.7%
6/30/12	93,518,527	109,953,460	16,434,933	85.1%	13,282,075	123.7%
6/30/13	84,450,927	114,039,180	29,588,253	74.1%	10,963,930	269.9%

*Latest information available

City of Buena Park
Required Supplementary Information, Continued
For the year ended June 30, 2014

3. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A schedule of funding progress for the actuarial valuation of July 1, 2013 and the two preceding valuations is presented below.

Actuarial Valuation Date *	Actuarial Asset Value	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll **	Unfunded Actuarial Liability as Percentage of Covered Payroll
7/1/2010	\$ 322,652	\$ 7,909,600	\$ 7,586,948	4.08%	\$ 20,410,000	37.17%
6/30/2011	\$ 481,847	\$ 7,554,954	\$ 7,073,107	6.38%	\$ 21,683,514	32.62%
7/1/2013	\$ 881,813	\$ 7,631,630	\$ 6,749,817	11.55%	\$ 21,661,546	31.16%

* Based on the most recent actuarial valuation available

** Annual payroll of active employees covered by the plan

SUPPLEMENTARY INFORMATION

This page intentionally left blank

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Asset Forfeiture Fund accounts for the assets seized as a result of drug enforcement activities.

Proposition 172 Police Augmentation Fund accounts for the half-cent sales tax remitted to the City from other governmental agencies to be expended for public safety.

Measure M Turnback Fund accounts for various transportation projects associated with Measure M funding.

Measure M2 Fund accounts for Measure M2 funds restricted for transportation facility and service improvements.

Local Law Enforcement Block Grant Fund accounts for grant monies received for local law enforcement activities.

Orange County Anti-Drug Abuse Fund accounts for revenue received for multi-jurisdiction anti-drug task force.

Traffic Congestion Relief Fund accounts for the Governor's transportation congestion relief program revenue received for the repair and reconstruction of streets.

State OCATT Fund accounts for revenue received for investigation and prosecution of criminals belonging to major auto theft rings.

COPS/SLESF Fund accounts for COPS/SLESF revenue received for policing and law enforcement activities.

Housing and Community Development Fund accounts for commercial and residential improvement projects of the planning, economic development, and public works departments. Financing is provided by a federal grant from the Department of Housing and Urban Development.

AB 2766/AQMD Fund accounts for AB 2766/AQMD revenue received for air quality improvement projects.

CAPITAL PROJECT FUND

Park-in-Lieu Fund accounts for recreational development projects financed by developer fees paid in-lieu of park development.

City Capital Projects Fund accounts for the acquisition or construction of major capital facilities in the City.

This page intentionally left blank

City of Buena Park
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Special Revenue				
	Asset Forfeiture	Proposition 172			Local Law
		Police Augmentation	Measure M Turnback	Measure M2	Enforcement Block Grant
ASSETS					
Cash and investments	\$ 1,424,136	\$ 362,608	\$ -	\$ 1,339,929	\$ 31,698
Accounts receivable	77	-	-	129,272	2,936
Interest receivable	2,953	779	667	5,664	66
Due from other governments	-	70,605	-	243,744	-
Prepaid items	-	-	-	-	-
Property held for resale	-	-	-	-	-
Total assets	\$ 1,427,166	\$ 433,992	\$ 667	\$ 1,718,609	\$ 34,700
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 4,257	\$ 9,255	\$ -	\$ 127,106	\$ -
Accrued liabilities	-	3,637	-	7,332	-
Retention payable	-	-	-	2,166	-
Unearned revenue	102,097	-	-	-	-
Due to other funds	-	-	1,233	-	-
Total liabilities	106,354	12,892	1,233	136,604	-
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	129,272	-
Total deferred inflows of resources	-	-	-	129,272	-
Fund Balances: (Note 12)					
Restricted	1,320,812	421,100	-	1,452,733	34,700
Assigned	-	-	-	-	-
Unassigned	-	-	(566)	-	-
Total fund balances	1,320,812	421,100	(566)	1,452,733	34,700
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,427,166	\$ 433,992	\$ 667	\$ 1,718,609	\$ 34,700

Special Revenue						Capital Projects
Orange County	Traffic			Housing and		
Anti-Drug	Congestion	State		Community	AB 2766/	Park
Abuse	Relief	OCATT	COPS/SLESF	Development	AQMD	In-lieu
\$ 19,797	\$ 156,593	\$ -	\$ 91,901	\$ -	\$ 227,989	\$ 5,376,586
-	-	166,943	-	-	-	-
41	325	-	191	-	473	11,494
-	-	-	-	190,447	-	-
-	-	-	-	-	-	-
-	-	-	-	610,948	-	-
<u>\$ 19,838</u>	<u>\$ 156,918</u>	<u>\$ 166,943</u>	<u>\$ 92,092</u>	<u>\$ 801,395</u>	<u>\$ 228,462</u>	<u>\$ 5,388,080</u>
\$ -	\$ -	\$ -	\$ -	\$ 31,477	\$ -	\$ 1,577,179
-	-	2,280	3,844	6,886	-	-
-	-	-	-	-	-	83,000
-	-	-	-	-	-	-
-	-	164,663	-	189,952	-	-
-	-	166,943	3,844	228,315	-	1,660,179
-	-	33,819	-	49,140	-	-
-	-	33,819	-	49,140	-	-
19,838	156,918	-	88,248	523,940	228,462	3,727,901
-	-	-	-	-	-	-
-	-	(33,819)	-	-	-	-
<u>19,838</u>	<u>156,918</u>	<u>(33,819)</u>	<u>88,248</u>	<u>523,940</u>	<u>228,462</u>	<u>3,727,901</u>
<u>\$ 19,838</u>	<u>\$ 156,918</u>	<u>\$ 166,943</u>	<u>\$ 92,092</u>	<u>\$ 801,395</u>	<u>\$ 228,462</u>	<u>\$ 5,388,080</u>

City of Buena Park
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Capital Projects	Total Non-Major Governmental Funds
	City Capital Projects	Funds
ASSETS		
Cash and investments	\$ 608,020	\$ 9,639,257
Accounts receivable	29,154	328,382
Interest receivable	1,261	23,914
Due from other governments	-	504,796
Prepaid items	-	-
Property held for resale	-	610,948
Total assets	\$ 638,435	\$ 11,107,297
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 1,749,274
Accrued liabilities	-	23,979
Retention payable	-	85,166
Unearned revenue	-	102,097
Due to other funds	-	355,848
Total liabilities	-	2,316,364
Deferred Inflows of Resources:		
Unavailable revenue	29,154	241,385
Total deferred inflows of resources	29,154	241,385
Fund Balances: (Note 9)		
Restricted	-	7,974,652
Assigned	609,281	609,281
Unassigned	-	(34,385)
Total fund balances	609,281	8,549,548
Total liabilities, deferred inflows of resources, and fund balances	\$ 638,435	\$ 11,107,297

This page intentionally left blank

City of Buena Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2014

	Special Revenue				
	Asset Forfeiture	Proposition 172 Police Augmentation	Measure M Turnback	Measure M2	Local Law Enforcement Block Grant
REVENUES:					
Taxes	\$ -	\$ 411,867	\$ -	\$ -	\$ -
Intergovernmental	572,330	-	-	1,394,297	8,235
Charges for Services	-	-	-	-	-
Investment income	9,723	2,664	12,539	20,770	335
Miscellaneous	266,120	-	-	-	-
Total revenues	848,173	414,531	12,539	1,415,067	8,570
EXPENDITURES:					
Current:					
Transportation	-	-	-	379,859	-
Public Protection	133,604	261,288	-	-	43,721
Development	-	-	-	-	-
Environmental	-	-	-	-	-
Capital Outlay	205,253	-	-	129,272	-
Debt Service:					
Interest and Other Charges	148	-	-	-	-
Total expenditures	339,005	261,288	-	509,131	43,721
REVENUES OVER (UNDER) EXPENDITURES	509,168	153,243	12,539	905,936	(35,151)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	54,000
Transfers out	-	(54,000)	(323,038)	(1,394,868)	-
Total other financing sources (uses)	-	(54,000)	(323,038)	(1,394,868)	54,000
Net change in fund balances	509,168	99,243	(310,499)	(488,932)	18,849
FUND BALANCES:					
Beginning of year	811,644	321,857	309,933	1,941,665	15,851
End of year	\$ 1,320,812	\$ 421,100	\$ (566)	\$ 1,452,733	\$ 34,700

Special Revenue						Capital Projects
Orange County Anti-Drug Abuse	Traffic Congestion Relief	State OCATT	COPS/SLESF	Housing and Community Development	AB 2766/ AQMD	Park In-lieu
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	98,014	113,557	658,565	208,950	-
-	3,383	-	-	-	-	359,370
176	1,380	-	1,270	2,208	1,316	56,525
-	-	-	-	2,290	-	24,220
176	4,763	98,014	114,827	663,063	210,266	440,115
-	-	-	-	-	-	-
-	-	130,012	243,591	-	-	-
-	-	-	-	647,461	-	252
-	-	-	-	-	73,488	-
-	-	-	-	167,268	86,434	2,382,360
-	-	-	-	-	-	-
-	-	130,012	243,591	814,729	159,922	2,382,612
176	4,763	(31,998)	(128,764)	(151,666)	50,344	(1,942,497)
-	-	-	173,220	167,268	-	-
-	-	-	-	-	-	(167,268)
-	-	-	173,220	167,268	-	(167,268)
176	4,763	(31,998)	44,456	15,602	50,344	(2,109,765)
19,662	152,155	(1,821)	43,792	508,338	178,118	5,837,666
\$ 19,838	\$ 156,918	\$ (33,819)	\$ 88,248	\$ 523,940	\$ 228,462	\$ 3,727,901

City of Buena Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2014

	Capital Projects	Total Non-Major Governmental Funds
	City Capital Projects	
REVENUES:		
Taxes	\$ -	\$ 411,867
Intergovernmental	-	3,053,948
Charges for Services	-	362,753
Investment income	4,807	113,713
Miscellaneous	10,000	302,630
Total revenues	14,807	4,244,911
EXPENDITURES:		
Current:		
Transportation	-	379,859
Public Protection	-	812,216
Development	-	647,713
Environmental	-	73,488
Capital Outlay	-	2,970,587
Debt Service:		
Interest and Other Charges	-	148
Total expenditures	-	4,884,011
REVENUES OVER (UNDER) EXPENDITURES	14,807	(639,100)
OTHER FINANCING SOURCES (USES):		
Transfers in	100,000	494,488
Transfers out	-	(1,939,174)
Total other financing sources (uses)	100,000	(1,444,686)
Net change in fund balances	114,807	(2,083,786)
FUND BALANCES:		
Beginning of year	494,474	10,633,334
End of year	\$ 609,281	\$ 8,549,548

City of Buena Park

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Asset Forfeiture Special Revenue Fund For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 275,000	\$ 275,000	\$ 572,330	\$ 297,330
Investment income	20,000	20,000	9,723	(10,277)
Miscellaneous	-	-	266,120	266,120
Total revenues	295,000	295,000	848,173	553,173
EXPENDITURES:				
Current:				
Public protection	144,870	156,970	133,604	23,366
Capital outlay	86,140	615,939	205,253	410,686
Debt service:				
Interest and other charges	1,000	1,000	148	852
Total expenditures	232,010	773,909	339,005	434,904
Net change in fund balance	\$ 62,990	\$ (478,909)	509,168	\$ 988,077
FUND BALANCE:				
Beginning of year			811,644	
End of year			\$ 1,320,812	

City of Buena Park

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Proposition 172 Police Augmentation Special Revenue Fund For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 300,000	\$ 300,000	\$ 411,867	\$ 111,867
Investment income	3,000	3,000	2,664	(336)
Total revenues	303,000	303,000	414,531	111,531
EXPENDITURES:				
Current:				
Public protection	247,580	306,027	261,288	44,739
Total expenditures	247,580	306,027	261,288	44,739
REVENUES OVER (UNDER) EXPENDITURES	55,420	(3,027)	153,243	156,270
OTHER FINANCING SOURCES (USES):				
Transfers out	(54,000)	(54,000)	(54,000)	-
Total other financing sources (uses)	(54,000)	(54,000)	(54,000)	-
Net change in fund balance	\$ 1,420	\$ (57,027)	99,243	\$ 156,270
FUND BALANCE:				
Beginning of year			321,857	
End of year			<u>\$ 421,100</u>	

City of Buena Park

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Measure M Turnback Special Revenue Fund For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	12,539	12,539
Total revenues	-	-	12,539	12,539
EXPENDITURES:				
Capital outlay	-	181,000	-	181,000
Total expenditures	-	181,000	-	181,000
REVENUES OVER (UNDER) EXPENDITURES	-	(181,000)	12,539	193,539
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(323,038)	(323,038)
Total other financing sources (uses)	-	-	(323,038)	(323,038)
Net change in fund balance	\$ -	\$ (181,000)	(310,499)	\$ (129,499)
FUND BALANCE:				
Beginning of year			309,933	
End of year			<u>\$ (566)</u>	

City of Buena Park
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure M2 Special Revenue Fund
For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,294,250	\$ 1,494,121	\$ 1,394,297	\$ (99,824)
Investment income	20,000	20,000	20,770	770
Total revenues	1,314,250	1,514,121	1,415,067	(99,054)
EXPENDITURES:				
Current:				
Transportation	407,280	407,280	379,859	27,421
Total expenditures	407,280	607,151	509,131	98,020
REVENUES OVER (UNDER) EXPENDITURES	906,970	906,970	905,936	(1,034)
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,059,000)	(1,059,000)	(1,394,868)	(335,868)
Total other financing sources (uses)	(1,059,000)	(1,059,000)	(1,394,868)	(335,868)
Net change in fund balance	\$ (152,030)	\$ (152,030)	(488,932)	\$ (336,902)
FUND BALANCE:				
Beginning of year			1,941,665	
End of year			\$ 1,452,733	

City of Buena Park

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Local Law Enforcement Block Grant Special Revenue Fund For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 16,580	\$ 8,235	\$ (8,345)
Total revenues	-	16,580	8,570	(8,010)
EXPENDITURES:				
Current:				
Public protection	54,000	70,580	43,721	26,859
Total expenditures	54,000	70,580	43,721	26,859
REVENUES OVER (UNDER) EXPENDITURES	(54,000)	(54,000)	(35,151)	18,849
OTHER FINANCING SOURCES (USES):				
Transfers in	54,000	54,000	54,000	-
Total other financing sources (uses)	54,000	54,000	54,000	-
Net change in fund balance	\$ -	\$ -	18,849	\$ 18,849
FUND BALANCE:				
Beginning of year			15,851	
End of year			<u>\$ 34,700</u>	

City of Buena Park

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Orange County Anti-Drug Abuse Special Revenue Fund For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 176	\$ 176
Total revenues	-	-	176	176
Net change in fund balance	\$ -	\$ -	176	\$ 176
FUND BALANCE:				
Beginning of year			19,662	
End of year			<u>\$ 19,838</u>	

City of Buena Park

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Traffic Congestion Relief Special Revenue Fund For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 20,000	\$ 20,000	\$ 3,383	\$ (16,617)
Investment income	1,000	1,000	1,380	380
Total revenues	21,000	21,000	4,763	(16,237)
Net change in fund balance	\$ 21,000	\$ 21,000	4,763	\$ (16,237)
FUND BALANCE:				
Beginning of year			152,155	
End of year			<u>\$ 156,918</u>	

City of Buena Park

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual State OCATT Special Revenue Fund For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 171,430	\$ 171,430	\$ 98,014	\$ (73,416)
Total revenues	<u>171,430</u>	<u>171,430</u>	<u>98,014</u>	<u>(73,416)</u>
EXPENDITURES:				
Current:				
Public protection	171,430	171,430	130,012	41,418
Total expenditures	<u>171,430</u>	<u>171,430</u>	<u>130,012</u>	<u>41,418</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(31,998)	<u>\$ (31,998)</u>
FUND BALANCE:				
Beginning of year			(1,821)	
End of year			<u>\$ (33,819)</u>	

City of Buena Park

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual COPS/SLESF Special Revenue Fund For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 113,557	\$ 13,557
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>114,827</u>	<u>14,827</u>
EXPENDITURES:				
Current:				
Public protection	273,220	273,220	243,591	29,629
Total expenditures	<u>273,220</u>	<u>273,220</u>	<u>243,591</u>	<u>29,629</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(173,220)</u>	<u>(173,220)</u>	<u>(128,764)</u>	<u>44,456</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	173,220	173,220	173,220	-
Total other financing sources (uses)	<u>173,220</u>	<u>173,220</u>	<u>173,220</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	44,456	<u>\$ 44,456</u>
FUND BALANCE:				
Beginning of year			<u>43,792</u>	
End of year			<u>\$ 88,248</u>	

City of Buena Park

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Housing and Community Development Special Revenue Fund For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 723,380	\$ 723,380	\$ 658,565	\$ (64,815)
Investment income	3,500	3,500	2,208	(1,292)
Miscellaneous	-	-	2,290	2,290
Total revenues	726,880	726,880	663,063	(63,817)
EXPENDITURES:				
Current:				
Development	723,380	723,380	647,461	75,919
Capital outlay	-	173,055	167,268	5,787
Total expenditures	723,380	896,435	814,729	81,706
REVENUES OVER (UNDER) EXPENDITURES	3,500	(169,555)	(151,666)	17,889
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	167,268	167,268
Total other financing sources (uses)	-	-	167,268	167,268
Net change in fund balance	\$ 3,500	\$ (169,555)	15,602	\$ 185,157
FUND BALANCE:				
Beginning of year			508,338	
End of year			\$ 523,940	

City of Buena Park

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual AB 2766/AQMD Special Revenue Fund For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 208,950	\$ 108,950
Investment income	2,500	2,500	1,316	(1,184)
Total revenues	<u>102,500</u>	<u>102,500</u>	<u>210,266</u>	<u>107,766</u>
EXPENDITURES:				
Current:				
Environmental	-	90,680	73,488	17,192
Capital outlay	-	164,761	86,434	78,327
Total expenditures	<u>-</u>	<u>255,441</u>	<u>159,922</u>	<u>95,519</u>
Net change in fund balance	<u>\$ 102,500</u>	<u>\$ (152,941)</u>	50,344	<u>\$ 203,285</u>
FUND BALANCE:				
Beginning of year			<u>178,118</u>	
End of year			<u>\$ 228,462</u>	

City of Buena Park

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Park-in-Lieu Capital Projects Fund For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 350,000	\$ 350,000	\$ 359,370	\$ 9,370
Investment income	150,000	150,000	56,525	(93,475)
Total revenues	500,000	500,000	440,115	(59,885)
EXPENDITURES:				
Current:				
Development	-	-	252	(252)
Capital outlay	-	3,444,324	2,382,360	1,061,964
Total expenditures	-	3,444,324	2,382,612	1,061,712
REVENUES OVER (UNDER) EXPENDITURES	500,000	(2,944,324)	(1,942,497)	1,001,827
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(167,268)	(167,268)
Total other financing sources (uses)	-	-	(167,268)	(167,268)
Net change in fund balance	\$ 500,000	\$ (2,944,324)	(2,109,765)	\$ 834,559
FUND BALANCE:				
Beginning of year			5,837,666	
End of year			<u>\$ 3,727,901</u>	

City of Buena Park
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
City Capital Projects Fund
For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	3,000	3,000	4,807	1,807
Miscellaneous	-	-	10,000	10,000
Total revenues	3,000	3,000	14,807	11,807
EXPENDITURES:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	3,000	3,000	14,807	11,807
OTHER FINANCING SOURCES (USES):				
Transfers in	100,000	100,000	100,000	-
Total other financing sources (uses)	100,000	100,000	100,000	-
Net change in fund balance	\$ 103,000	\$ 103,000	114,807	\$ 11,807
FUND BALANCE:				
Beginning of year			494,474	
End of year			<u>\$ 609,281</u>	

This page intentionally left blank

INTERNAL SERVICE FUNDS

Workers' Compensation Insurance Fund accounts for all workers' compensation self-insurance activities.

Public Liability Self-Insurance Fund accounts for the cost of providing general liability insurance coverage to the various City departments. Such costs are charged to the departments at a fixed rate.

Accrued Leave Fund accounts for vacation and sick leave pay-out to retiring employees.

Equipment Maintenance and Replacement Fund accounts for the costs of movable equipment used by other City departments. Such costs are based upon actual usage at a fixed rate throughout the year.

Buildings and Grounds Maintenance Fund accounts for the costs of maintaining City buildings and grounds. Such costs are charged to the various departments based upon each department's estimated usage of the buildings and surrounding grounds.

Management Information Systems Fund accounts for the the costs of providing computer equipment and maintenance to the various City departments. Such costs are based upon the number of computer users in each department.

City of Buena Park
Combining Statement of Net Position
Internal Service Funds
Year Ended June 30, 2014

	Workers' Compensation Insurance	Public Liability Self -Insurance	Accrued Leave
ASSETS			
Current assets:			
Cash and investments	\$ 7,047,169	\$ 1,281,042	\$ 1,121,537
Accounts receivable, net	-	-	-
Interest receivable	14,611	2,656	2,327
Loans receivable	-	-	-
Prepaid items	-	-	-
Total current assets	<u>7,061,780</u>	<u>1,283,698</u>	<u>1,123,864</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable	-	-	-
Depreciable, net	-	-	-
Total capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>7,061,780</u>	<u>1,283,698</u>	<u>1,123,864</u>
LIABILITIES			
Current liabilities:			
Accounts payable	22,256	237,843	-
Accrued liabilities	-	-	-
Employee leave benefits - due within one year	-	-	-
Claims payable - due within one year	100,000	-	-
Total current liabilities	<u>122,256</u>	<u>237,843</u>	<u>-</u>
Noncurrent liabilities:			
Employee leave benefits - due in more than one year	-	-	-
Claims payable - due in more than one year	6,528,038	1,142,742	-
Total noncurrent liabilities	<u>6,528,038</u>	<u>1,142,742</u>	<u>-</u>
Total Liabilities	<u>6,650,294</u>	<u>1,380,585</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	-	-	-
Unrestricted	411,486	(96,887)	1,123,864
Total Net Position	<u>\$ 411,486</u>	<u>\$ (96,887)</u>	<u>\$ 1,123,864</u>

<u>Equipment Maintenance & Replacement</u>	<u>Buildings and Grounds Maintenance</u>	<u>Management Information System</u>	<u>Total</u>
\$ 3,586,387	\$ 467,998	\$ 1,377,181	\$ 14,881,314
4,023	10,000	-	14,023
7,436	970	2,855	30,855
58,010	-	-	58,010
-	-	73,891	73,891
<u>3,655,856</u>	<u>478,968</u>	<u>1,453,927</u>	<u>15,058,093</u>
-	-	-	-
<u>1,758,914</u>	<u>3,955</u>	<u>345,739</u>	<u>2,108,608</u>
<u>1,758,914</u>	<u>3,955</u>	<u>345,739</u>	<u>2,108,608</u>
<u>1,758,914</u>	<u>3,955</u>	<u>345,739</u>	<u>2,108,608</u>
<u>5,414,770</u>	<u>482,923</u>	<u>1,799,666</u>	<u>17,166,701</u>
156,030	110,960	14,449	541,538
7,245	5,894	1,596	14,735
11,000	10,000	-	21,000
-	-	-	100,000
<u>174,275</u>	<u>126,854</u>	<u>16,045</u>	<u>677,273</u>
35,517	18,448	-	53,965
-	-	-	7,670,780
<u>35,517</u>	<u>18,448</u>	<u>-</u>	<u>7,724,745</u>
<u>209,792</u>	<u>145,302</u>	<u>16,045</u>	<u>8,402,018</u>
1,758,914	3,955	345,739	2,108,608
<u>3,446,064</u>	<u>333,666</u>	<u>1,437,882</u>	<u>6,656,075</u>
<u>\$ 5,204,978</u>	<u>\$ 337,621</u>	<u>\$ 1,783,621</u>	<u>\$ 8,764,683</u>

City of Buena Park
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2014

	Workers' Compensation Insurance	Public Liability Self -Insurance	Accrued Benefits
OPERATING REVENUES			
Charges for Services	\$ 1,187,796	\$ -	\$ 146,664
Total operating revenues	1,187,796	-	146,664
OPERATING EXPENSES			
Self-insurance	1,619,396	1,228,775	-
Employee benefits	-	-	199,599
Maintenance and supplies	-	-	-
Information systems	-	-	-
Depreciation	-	-	-
Total operating expenses	1,619,396	1,228,775	199,599
Operating income (loss)	(431,600)	(1,228,775)	(52,935)
NONOPERATING REVENUES			
Investment income	66,565	12,608	10,605
Gain(loss) on sale of property	-	-	-
Total nonoperating revenues (expenses)	66,565	12,608	10,605
INCOME (LOSS) BEFORE TRANSFERS	(365,035)	(1,216,167)	(42,330)
Transfers in	-	950,000	-
Transfers out	-	-	-
Total transfers	-	950,000	-
Change in net position	(365,035)	(266,167)	(42,330)
NET POSITION:			
Beginning of Year	776,521	169,280	1,166,194
End of Year	\$ 411,486	\$ (96,887)	\$ 1,123,864

<u>Equipment Maintenance & Replacement</u>	<u>Buildings and Grounds Maintenance</u>	<u>Management Information System</u>	<u>Total</u>
\$ 2,109,399	\$ 1,883,244	\$ 350,244	\$ 5,677,347
<u>2,109,399</u>	<u>1,883,244</u>	<u>350,244</u>	<u>5,677,347</u>
-	-	-	2,848,171
-	-	-	199,599
1,449,492	1,735,389	-	3,184,881
-	-	232,362	232,362
278,215	1,043	80,748	360,006
<u>1,727,707</u>	<u>1,736,432</u>	<u>313,110</u>	<u>6,825,019</u>
<u>381,692</u>	<u>146,812</u>	<u>37,134</u>	<u>(1,147,672)</u>
28,996	2,909	12,559	134,242
19,520	-	(2,925)	16,595
<u>48,516</u>	<u>2,909</u>	<u>9,634</u>	<u>150,837</u>
430,208	149,721	46,768	(996,835)
-	-	-	950,000
-	(15,000)	-	(15,000)
-	(15,000)	-	935,000
<u>430,208</u>	<u>134,721</u>	<u>46,768</u>	<u>(61,835)</u>
4,774,770	202,900	1,736,853	8,826,518
<u>\$ 5,204,978</u>	<u>\$ 337,621</u>	<u>\$ 1,783,621</u>	<u>\$ 8,764,683</u>

City of Buena Park
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2014

	Workers' Compensation Insurance	Public Liability Self -Insurance	Accrued Benefits
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds	\$ 1,187,796	\$ -	\$ 146,664
Cash payments to suppliers for goods and services	(1,574,960)	(741,093)	323,525
Cash paid to employees	-	-	(523,124)
Net cash provided by (used in) operating activities	(387,164)	(741,093)	(52,935)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	-	950,000	-
Transfers out	-	-	-
Net cash provided by (used in) noncapital financing activities	-	950,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	-	-	-
Proceeds from sale of capital assets	-	-	-
Net cash (used in) capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income received	74,421	14,441	11,815
Net cash provided by investing activities	74,421	14,441	11,815
Net increase (decrease) in cash and cash equivalents	(312,743)	223,348	(41,120)
CASH AND CASH EQUIVALENTS:			
Beginning of year	7,359,912	1,057,694	1,162,657
End of year	\$ 7,047,169	\$ 1,281,042	\$ 1,121,537
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (431,600)	\$ (1,228,775)	\$ (52,935)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	-	-
Changes in assets and liabilities:			
Accounts receivable	-	-	-
Loans receivable	-	-	-
Prepaid items	-	-	-
Accounts payable	21,007	166,400	-
Accrued liabilities	-	-	-
Employee leave benefits	-	-	-
Claims payable	23,429	321,282	-
Total adjustments	44,436	487,682	-
Net cash provided by (used in) operating activities	\$ (387,164)	\$ (741,093)	\$ (52,935)

Equipment Maintenance & Replacement	Buildings and Grounds Maintenance	Management Information System	Total
\$ 2,105,754	\$ 1,873,244	\$ 350,244	\$ 5,663,702
(930,354)	(1,448,114)	(244,744)	(4,615,740)
(411,239)	(293,062)	(29,789)	(1,257,214)
764,161	132,068	75,711	(209,252)
-	-	-	950,000
-	(15,000)	-	(15,000)
-	(15,000)	-	935,000
(402,825)	-	(72,439)	(475,264)
25,697	-	-	25,697
(377,128)	-	(72,439)	(449,567)
31,194	3,301	13,840	149,012
31,194	3,301	13,840	149,012
418,227	120,369	17,112	425,193
3,168,160	347,629	1,360,069	14,456,121
\$ 3,586,387	\$ 467,998	\$ 1,377,181	14,881,314
\$ 381,692	\$ 146,812	\$ 37,134	\$ (1,147,672)
278,215	1,043	80,748	360,006
1,448	(10,000)	-	(8,552)
(5,093)	-	-	(5,093)
-	-	(3,487)	(3,487)
102,792	(9,013)	(39,012)	242,174
1,618	1,282	328	3,228
3,489	1,944	-	5,433
-	-	-	344,711
382,469	(14,744)	38,577	938,420
\$ 764,161	\$ 132,068	\$ 75,711	\$ (209,252)

This page intentionally left blank

Statistical Section

This part of the City of Buena Park's 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.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	134-143
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	144-148
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	149-154
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	155-157
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	158-163

City of Buena Park
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
Governmental Activities					
Invested in Capital Assets, net of related debt	\$ 92,880	\$ 102,068	\$ 115,185	\$ 46,057	\$ 114,928
Restricted	60,922	74,527	92,175	183,500	146,683
Unrestricted	27,464	32,070	40,045	48,731	35,482
Total governmental activities net position	<u>\$ 181,266</u>	<u>\$ 208,665</u>	<u>\$ 247,405</u>	<u>\$ 278,288</u>	<u>\$ 297,093</u>
Business-type Activities					
Invested in Capital Assets, net of related debt	\$ 9,430	\$ 10,181	\$ 10,804	\$ 16,884	\$ 18,726
Restricted	-	-			
Unrestricted	5,175	4,846	6,223	7,888	9,145
Total business-type activities net position	<u>\$ 14,605</u>	<u>\$ 15,027</u>	<u>\$ 17,027</u>	<u>\$ 24,772</u>	<u>\$ 27,871</u>
Primary Government					
Invested in Capital Assets, net of related debt	\$ 102,310	\$ 112,249	\$ 125,989	\$ 62,941	\$ 133,654
Restricted	60,922	74,527	92,175	183,500	146,683
Unrestricted	32,639	36,916	46,268	56,619	44,627
Total primary government net position	<u>\$ 195,871</u>	<u>\$ 223,692</u>	<u>\$ 264,432</u>	<u>\$ 303,060</u>	<u>\$ 324,964</u>

Source: City of Buena Park Finance Department

2009-10	2010-11	2011-12	2012-13	2013-14
\$ 105,023	\$ 200,780	\$ 214,554	\$ 215,872	\$ 218,671
170,117	66,102	25,378	23,696	45,392
20,221	21,066	22,020	41,891	56,334
<u>\$ 295,361</u>	<u>\$ 287,948</u>	<u>\$ 261,952</u>	<u>\$ 281,459</u>	<u>\$ 320,397</u>
\$ 19,287	\$ 19,708	\$ 20,068	\$ 20,113	\$ 20,612
12,499	15,041	18,261	21,253	23,691
<u>\$ 31,786</u>	<u>\$ 34,749</u>	<u>\$ 38,329</u>	<u>\$ 41,366</u>	<u>\$ 44,303</u>
\$ 124,310	\$ 220,488	\$ 234,622	\$ 235,985	\$ 239,283
170,117	66,102	25,378	23,696	45,392
32,720	36,107	40,281	63,144	80,025
<u>\$ 327,147</u>	<u>\$ 322,697</u>	<u>\$ 300,281</u>	<u>\$ 322,825</u>	<u>\$ 364,700</u>

City of Buena Park
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
Expenses					
Governmental activities:					
General government	\$ 5,439	\$ 6,377	\$ 6,328	\$ 6,259	\$ 6,634
Leisure	1,932	2,010	2,649	3,226	2,525
Health	2,524	2,592	2,686	2,830	3,176
Transportation	7,233	6,743	8,094	8,815	8,388
Public Protection	24,551	27,387	27,856	29,208	31,195
Development	7,410	8,276	11,229	15,028	15,512
Environmental	2,178	2,392	2,504	2,635	2,949
Interest	1,589	1,675	1,627	2,384	5,828
Total governmental activities net expenses	<u>52,856</u>	<u>57,452</u>	<u>62,973</u>	<u>70,385</u>	<u>76,207</u>
Business-type activities:					
Water	9,534	\$ 10,269	\$ 11,129	\$ 10,783	\$ 11,410
Total business-type activities net assets	<u>9,534</u>	<u>10,269</u>	<u>11,129</u>	<u>10,783</u>	<u>11,410</u>
Total primary government expenses	<u>\$ 62,390</u>	<u>\$ 67,721</u>	<u>\$ 74,102</u>	<u>\$ 81,168</u>	<u>\$ 87,617</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 390	\$ 398	\$ 488	\$ 496	\$ 782
Leisure	527	543	584	555	585
Health	2,255	2,421	2,457	2,606	2,828
Transportation	347	333	328	313	271
Public Protection	1,907	2,127	1,922	2,130	2,170
Development	1,447	1,062	1,104	921	700
Environmental	23	759	19	60	-
Operating contributions and grants	5,307	3,957	5,071	3,692	4,706
Capital contributions and grants	4,854	9,261	12,067	7,384	3,871
Total governmental activities program revenues	<u>17,057</u>	<u>20,861</u>	<u>24,040</u>	<u>18,157</u>	<u>15,913</u>
Business-type activities:					
Charges for services:					
Water utility	9,741	9,929	12,559	12,772	13,846
Capital contributions and grants	-	-	588	5,553	554
Total business-type activities program revenues	<u>9,741</u>	<u>9,929</u>	<u>13,147</u>	<u>18,325</u>	<u>14,400</u>
Primary government program revenues	<u>\$ 26,798</u>	<u>\$ 30,790</u>	<u>\$ 37,187</u>	<u>\$ 36,482</u>	<u>\$ 30,313</u>
Net (Expense)/Revenue					
Governmental activities	\$ (35,799)	\$ (36,591)	\$ (38,933)	\$ (52,228)	\$ (60,294)
Business-type activities	<u>207</u>	<u>(340)</u>	<u>2,018</u>	<u>7,542</u>	<u>2,990</u>
Total primary government net expense	<u>\$ (35,592)</u>	<u>\$ (36,931)</u>	<u>\$ (36,915)</u>	<u>\$ (44,686)</u>	<u>\$ (57,304)</u>

Source: City of Buena Park Finance Department

2009-10	2010-11	2011-12	2012-13	2013-14
\$ 6,361	\$ 7,161	\$ 6,145	\$ 6,551	\$ 6,491
2,561	2,514	2,626	2,905	3,048
2,780	2,776	2,777	2,796	3,018
8,774	8,295	8,041	7,727	8,696
30,707	29,074	29,780	30,531	30,563
24,516	19,530	9,217	3,166	2,763
3,118	2,832	2,724	2,952	2,979
5,954	6,271	3,537	482	416
<u>84,771</u>	<u>78,453</u>	<u>64,847</u>	<u>57,110</u>	<u>57,974</u>

\$ 11,682	\$ 11,341	\$ 12,596	\$ 13,461	\$ 13,611
<u>11,682</u>	<u>11,341</u>	<u>12,596</u>	<u>13,461</u>	<u>13,611</u>

\$ 96,453	\$ 89,794	\$ 77,443	\$ 70,571	\$ 71,585
-----------	-----------	-----------	-----------	-----------

\$ 702	\$ 100	\$ 221	\$ 174	\$ 132
738	1,003	1,334	733	824
2,949	2,946	3,016	2,972	3,118
295	231	413	163	226
2,291	2,561	2,650	2,685	3,649
1,354	1,178	1,683	1,844	1,839
1	-	-	160	183
7,613	5,594	7,032	5,226	6,506
2,749	2,095	3,668	2,924	3,492
<u>18,692</u>	<u>15,708</u>	<u>20,017</u>	<u>16,881</u>	<u>19,969</u>

14,769	14,904	16,223	16,562	16,462
890	-	-	-	-
<u>15,659</u>	<u>14,904</u>	<u>16,223</u>	<u>16,562</u>	<u>16,462</u>

\$ 34,351	\$ 30,612	\$ 36,240	\$ 33,443	\$ 36,431
-----------	-----------	-----------	-----------	-----------

\$ (66,079)	\$ (62,745)	\$ (44,830)	\$ (40,229)	\$ (38,005)
3,977	3,563	3,627	3,101	2,851

\$ (62,102)	\$ (59,182)	\$ (41,203)	\$ (37,128)	\$ (35,154)
-------------	-------------	-------------	-------------	-------------

City of Buena Park
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 21,576	\$ 26,090	\$ 30,936	\$ 33,107	\$ 33,819
Sales taxes	11,930	13,439	17,476	21,697	13,801
Property taxes in lieu of sales taxes	4,049	5,039	5,521	4,804	6,563
Transient occupancy taxes	4,525	5,091	4,938	4,784	3,909
Franchise taxes	1,561	1,581	1,590	1,773	1,756
Other taxes	7,252	8,806	9,962	10,228	10,175
Investment income	2,125	2,782	5,210	5,533	8,023
Other	138	559	578	580	1,063
Transfers	330	644	330	334	350
Gain/loss on sale of property	-	560	136	-	-
Extraordinary item	-	-	-	-	-
Total governmental activities	<u>53,486</u>	<u>64,591</u>	<u>76,677</u>	<u>82,840</u>	<u>79,459</u>
Business-type activities:					
Investment income	104	169	312	347	395
Other	101	1,153		190	64
Transfers	(330)	(560)	(330)	(334)	(350)
Total business-type activities	<u>(125)</u>	<u>762</u>	<u>(18)</u>	<u>203</u>	<u>109</u>
Total primary government	<u>\$ 53,361</u>	<u>\$ 65,353</u>	<u>\$ 76,659</u>	<u>\$ 83,043</u>	<u>\$ 79,568</u>
Change in Net Position					
Governmental activities	\$ 17,687	\$ 28,000	\$ 37,744	\$ 30,612	\$ 19,165
Business-type activities	82	422	2,000	7,745	3,099
Total primary government	<u>\$ 17,769</u>	<u>\$ 28,422</u>	<u>\$ 39,744</u>	<u>\$ 38,357</u>	<u>\$ 22,264</u>

Source: City of Buena Park Finance Department

	2009-10	2010-11	2011-12	2012-13	2013-14
\$	32,643	\$ 33,351	\$ 21,564	\$ 12,041	\$ 8,156
	14,886	19,848	18,520	18,913	20,420
	4,888	6,450	4,956	6,035	6,842
	3,663	3,816	4,050	4,403	5,007
	1,618	1,757	1,697	1,729	1,700
	9,873	3,446	9,330	9,943	10,388
	2,086	1,545	963	151	609
	30	42	96	10	26
	377	849	289	102	102
	-	-	-	-	-
	-	-	(42,631)	-	-
	<u>70,064</u>	<u>71,104</u>	<u>18,834</u>	<u>53,327</u>	<u>53,250</u>
	315	247	242	37	188
	-	-	-	-	-
	<u>(377)</u>	<u>(849)</u>	<u>(289)</u>	<u>(102)</u>	<u>(102)</u>
	<u>(62)</u>	<u>(602)</u>	<u>(47)</u>	<u>(65)</u>	<u>86</u>
\$	<u>70,002</u>	<u>70,502</u>	<u>18,787</u>	<u>53,262</u>	<u>53,336</u>
\$	3,985	\$ 8,359	\$ (25,996)	\$ 13,098	\$ 15,245
	3,915	2,961	3,580	3,036	2,937
\$	<u>7,900</u>	<u>11,320</u>	<u>(22,416)</u>	<u>16,134</u>	<u>18,182</u>

City of Buena Park
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
General Fund					
Reserved	\$ 5,222	\$ 4,417	\$ 3,797	\$ 4,790	\$ 6,347
Unreserved, designated	-	-	3,917	9,926	1,206
Unreserved, undesignated	18,079	21,942	23,998	26,930	20,983
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 23,301</u>	<u>\$ 26,359</u>	<u>\$ 31,712</u>	<u>\$ 41,646</u>	<u>\$ 28,536</u>
All Other Governmental Funds					
Reserved	\$ 32,835	\$ 61,587	\$ 72,044	\$ 139,427	\$ 146,544
Unreserved, designated reported in:					
Capital projects funds	-	-	-	1,500	-
Unreserved, undesignated reported in:					
Special revenue funds	8,985	4,932	5,155	3,585	8,187
Capital projects funds	12,698	(2,571)	3,020	20,711	21,750
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 54,518</u>	<u>\$ 63,948</u>	<u>\$ 80,219</u>	<u>\$ 165,223</u>	<u>\$ 176,481</u>

Effective June 30, 2011 the City implemented GASB Statement No. 54 (refer to Notes to Financial Statements item 1-N). Fund balances in governmental funds are reported in the following classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Source: City of Buena Park Finance Department

2009-10	2010-11	2011-12	2012-13	2013-14
\$ 4,018				
5,016				
15,777				
-	\$ 458	\$ 279	\$ 5,765	\$ 5,848
-	-	-	1,414	1,414
-	-	-	-	-
-	242	-	-	4,043
-	33,758	29,302	39,821	48,428
<u>\$ 24,811</u>	<u>\$ 34,458</u>	<u>\$ 29,581</u>	<u>\$ 47,000</u>	<u>\$ 59,733</u>
\$ 132,108				
-				
10,103				
15,727				
-	\$ 611	\$ 612	\$ 14	
-	147,330	16,940	15,164	\$ 27,554
-	331	370	494	609
-	(1,712)	(331)	(266)	(237)
<u>\$ 157,938</u>	<u>\$ 146,560</u>	<u>\$ 17,591</u>	<u>\$ 15,406</u>	<u>\$ 27,926</u>

City of Buena Park
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Years			
	2004-05	2005-06	2006-07	2007-08
Revenues				
Taxes	\$ 45,807	\$ 53,940	\$ 63,079	\$ 71,149
Licenses and permits	761	557	492	475
Fines and forfeitures	1,125	1,011	879	958
Intergovernmental	12,535	12,983	22,181	16,626
Charges for services	4,956	6,237	5,326	5,631
Investment income	2,242	2,683	5,088	5,916
Miscellaneous	2,260	1,396	2,697	1,698
Total revenues	69,686	78,807	99,742	102,453
Expenditures				
General government	4,994	5,397	5,441	5,567
Leisure	1,553	1,692	2,317	2,962
Health	2,524	2,592	2,687	2,654
Transportation	4,469	4,888	4,863	2,830
Public protection	24,101	26,444	27,918	5,497
Development	7,675	8,760	12,657	28,883
Environmental	2,240	2,370	2,589	18,277
Debt service:				
Principal retirement	1,321	1,501	1,547	1,601
Interest and other charges	1,818	2,058	1,895	1,929
Bond issuance costs	-	-		2,085
Advance refunding escrow	-	-		
Capital Outlay	6,324	11,749	15,999	10,173
Total expenditures	57,019	67,451	77,913	82,458
Excess (deficiency) of revenues over (under) expenditures	12,667	11,356	21,829	19,995
Other Financing Sources (Uses)				
Transfers in	2,620	5,863	24,802	73,079
Transfers out	(6,451)	(5,838)	(25,007)	(74,530)
Issuance of debt	-	-		75,720
Bond Premium				99
Refunding bonds issued at a premium	-	-		
Payment to refunded bond escrow agent	-	-		
Sale of property	-	1,107		575
Sale of capital assets	-	-		
Total other financing sources (uses)	(3,831)	1,132	(205)	74,943
Extraordinary item				
Net change in fund balances	8,836	12,488	21,624	94,938
Fund balances - July 1, restated	68,983	77,819	90,307	111,961
Fund balances - June 30	\$ 77,819	\$ 90,307	\$ 111,931	\$ 206,899
Debt service as a percentage of noncapital expenditures	11.66%	6.42%	5.45%	3.48%

Source: City of Buena Park Finance Department

2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
\$ 65,899	\$ 60,868	\$ 63,523	\$ 54,422	\$ 46,806	\$ 46,390
446	487	386	545	515	496
917	976	1,110	874	710	736
15,176	14,264	12,921	15,295	14,344	16,257
5,972	6,183	6,193	6,719	7,000	7,243
7,066	3,391	8,526	1,386	244	763
3,479	2,639	1,044	2,147	411	1,400
<u>98,955</u>	<u>88,808</u>	<u>93,703</u>	<u>81,388</u>	<u>70,030</u>	<u>73,285</u>
5,727	5,540	4,507	5,041	6,016	5,852
2,138	2,177	2,140	2,132	2,362	2,448
2,853	2,999	2,832	2,777	2,780	2,960
3,176	2,780	2,776	5,369	4,877	5,008
5,865	5,776	5,711	28,695	28,813	28,754
47,024	28,861	28,732	12,786	2,756	2,676
16,686	25,360	26,839	2,724	2,935	2,920
1,656	4,162	4,327	4,481	1,568	1,633
5,612	6,468	6,093	3,030	487	422
143	-	-	-	-	-
<u>26,687</u>	<u>24,424</u>	<u>11,393</u>	<u>13,663</u>	<u>7,794</u>	<u>8,662</u>
<u>117,567</u>	<u>108,547</u>	<u>95,350</u>	<u>80,698</u>	<u>60,388</u>	<u>61,335</u>
(18,612)	(19,739)	(1,647)	690	9,642	11,950
40,472	19,226	15,205	20,537	2,604	2,292
(40,462)	(19,733)	(15,291)	(21,131)	(3,437)	(3,124)
16,780	-	-	-	-	-
-	-	-	-	-	-
-	2	2	-	-	-
<u>16,790</u>	<u>(505)</u>	<u>(84)</u>	<u>(594)</u>	<u>3</u>	<u>86</u>
			(133,942)	-	-
(1,822)	(20,244)	(1,731)	96	8,812	11,204
<u>206,838</u>	<u>202,993</u>	<u>182,749</u>	<u>181,018</u>	<u>53,594</u>	<u>76,456</u>
<u>\$ 205,016</u>	<u>\$ 182,749</u>	<u>\$ 181,018</u>	<u>\$ 47,172</u>	<u>\$ 62,406</u>	<u>\$ 87,660</u>
7.97%	12.64%	13.25%	12.00%	3.85%	3.87%

City of Buena Park
 Governmental Activities Tax Revenues By Source
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

Fiscal Year	Property Tax	Sales and Use Tax	Property Tax in Lieu of Sales Tax	Transient Occupancy Tax	Franchise Tax	Other Taxes
2004-05	\$ 21,576	\$ 11,930	\$ 4,049	\$ 4,525	\$ 1,561	\$ 7,252
2005-06	26,090	13,439	5,039	5,091	1,581	8,806
2006-07	30,936	17,476	5,521	4,938	1,590	9,962
2007-08	33,107	21,697	4,804	4,784	1,773	10,228
2008-09	33,818	13,801	6,563	3,909	1,756	10,175
2009-10	32,643	14,886	4,888	3,663	1,618	9,873
2010-11	33,351	14,892	4,956	3,816	1,757	9,896
2011-12	21,564	18,520	4,956	4,050	1,697	9,330
2012-13	12,041	18,913	6,034	4,403	1,729	9,943
2013-14	8,156	20,420	6,842	5,007	1,700	10,388

Source: City of Buena Park Finance Department

City of Buena Park
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rate	Overlapping Rates	
		Buena Park Schools	Metro Water District
2004-05	1.0000	0.0477	0.0058
2005-06	1.0000	0.0492	0.0052
2006-07	1.0000	0.0448	0.0047
2007-08	1.0000	0.0459	0.0045
2008-09	1.0000	0.1317	0.0043
2009-10	1.0000	0.1998	0.0043
2010-11	1.0000	0.2121	0.0037
2011-12	1.0000	0.2222	0.0037
2012-13	1.0000	0.0529	0.0035
2013-14	1.0000	0.2679	0.0035

Source: Orange County Auditor/Controller

City of Buena Park
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	<u>2013-14</u>			<u>2004-05</u>		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Knott's Berry Farm	\$ 295,405,062	1	3.74%	\$ 254,447,807	1	4.86%
Comref So California Industiral Sub	141,274,725	2	1.79%			
Alticor Inc	104,825,550	3	1.33%	32,693,303	5	0.62%
PRI Buena Park Indl California LLC	88,472,065	4	1.12%			
Coventry II DDR Buena Park Place LP	82,639,590	5	1.05%			
Bottling Group LLC	50,235,805	6	0.64%			
Metropolitan Life Insurance Co.	47,381,256	7	0.60%			
J C Penney Properties, Inc.	46,416,658	8	0.59%			
Georgia-Pacific Corrugated LLC	45,254,014	9	0.57%			
HK Fullerton LLC	29,961,278	10	0.38%			
Prologis California I LLC				63,419,661	2	1.21%
Nabisco Inc.				60,479,608	3	1.15%
OMP Commerce Center BP				43,118,525	4	0.82%
Amcor Sunclipse North America				29,860,337	6	0.57%
Sunrise Buena Park				29,270,905	7	0.56%
Rslphs Grocery Company				28,697,548	8	0.55%
Amway Corporation				25,467,532	9	0.49%
PFG Buena Park LLC				24,993,615	10	0.48%
	<u>\$ 931,866,003</u>		<u>11.81%</u>	<u>\$ 592,448,841</u>		<u>11.31%</u>

Source: HdL Companies
Excludes government and tax-exempt property owners

City of Buena Park
Secured Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Fiscal year ended June 30	Total Tax Levy	Collected within the fiscal year of the levy		Collections in Subsequent Years	Total collections to date	
		Amount	% of Levy		Amount	% of Levy
2004-05	5,421,516	5,343,610	98.56%	77,906	5,421,516	100.00%
2005-06	5,803,838	5,689,465	98.03%	114,373	5,803,838	100.00%
2006-07	5,972,094	5,885,260	98.55%	86,834	5,972,094	100.00%
2007-08	6,144,400	5,927,041	96.46%	217,359	6,144,400	100.00%
2008-09	6,254,724	6,032,374	96.45%	83,392	6,115,766	97.78%
2009-10	6,199,970	4,489,359	72.41%	133,841	4,623,200	74.57%
2010-11	6,197,224	6,056,832	97.73%	92,138	6,148,970	99.22%
2011-12	6,204,221	6,048,762	97.49%	87,455	6,136,217	98.90%
2012-13	6,265,913	6,160,983	98.33%	61,657	6,222,640	99.31%
2013-14	6,445,329	6,291,083	97.61%	(2)	6,291,083	97.61%

(1) Property tax totals are net of 1915 act bond

(2) Information not available

Source: Orange County Auditor/Controller

City of Buena Park
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other* Property	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2004-05	3,509,777	879,365	483,837	856,771	118,759	5,848,509	1.00
2005-06	3,894,858	964,520	576,312	763,352	122,037	6,321,079	1.00
2006-07	4,361,702	1,129,515	585,221	769,675	132,101	6,978,214	1.00
2007-08	4,774,547	1,191,585	659,512	835,226	137,704	7,598,574	1.00
2008-09	4,911,052	1,236,725	771,025	810,115	163,420	7,892,337	1.00
2009-10	4,685,423	1,366,864	958,560	558,019	183,480	7,752,346	1.00
2010-11	4,766,232	1,459,433	936,848	447,890	222,581	7,832,984	1.00
2011-12	4,827,360	1,451,380	941,195	400,690	228,963	7,849,588	1.00
2012-13	4,912,135	1,468,514	961,969	406,360	238,873	7,987,851	1.00
2013-14	5,042,078	1,432,849	1,112,097	451,647	236,998	8,275,669	1.00

*Other property includes recreational, institutional, vacant, and miscellaneous property.

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: Orange County Assessor, HdL Coren & Cone

City of Buena Park
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amounts)

Fiscal Year	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		Total Primary Government	Restricted for Debt Service	Net Bonded Debt	% of Personal Income (1)	Per Capita (1)
	Revenue Bonds	Section 108 Loans	Notes Payable	Revenue Bonds	Notes Payable					
2004-05	30,146	4,319		733	1350	36,548	20,574	35,198	2.22%	437
2005-06	28,687	4,319		644	1215	34,865	31,000	33,650	2.02%	417
2006-07	27,181	4,319		551	1074	33,125	25,107	32,051	1.80%	395
2007-08	101,440	4,319		452	928	107,139	47,317	106,211	5.68%	1,299
2008-09	99,822	4,319	16,780	348	777	122,046	54,653	104,489	5.49%	1,269
2009-10	97,075	4,319	15,403	238	621	117,656	65,254	101,632	5.44%	1,220
2010-11	94,283	4,319	13,960	122	459	113,143	8,262	98,724	5.42%	1,173
2011-12	-	-	12,458	-	291	12,749	-	-	0.70%	157
2012-13	-	-	10,890	-	117	11,007	-	-	0.58%	134
2013-14	-	-	9,255	-	25	9,280	-	-	0.49%	113

Note: Due to the dissolution of the Redevelopment Agency, outstanding revenue bonds and section 108 loans are no longer included in the governmental activities (see Note 17). Details regarding the outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 155 for personal income and population data.

Source: City of Buena Park Finance Department

City of Buena Park
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ⁽¹⁾</u>	<u>Estimated Share of Overlapping Debt</u>
City of Buena Park direct debt			
Police Pension Obligation Loan	\$ 9,256	100%	<u>\$ 9,256</u>
Total Direct Debt			<u>9,256</u>
Overlapping debt			
Metropolitan Water District	132,275	0.36%	476
Orange County and School District	633,873	11.87%	<u>75,241</u>
Total Overlapping Debt			<u>75,717</u>
 Total direct and overlapping debt			 <u><u>\$ 84,973</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Buena Park. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

⁽¹⁾ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

This page intentionally left blank

City of Buena Park
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (amounts expressed in thousands)

	Fiscal Year				
	2005	2006	2007	2008	2009
Debt limit	\$ 859,252	\$ 946,662	\$ 1,026,917	\$ 1,117,886	\$ 1,159,337
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 859,252</u>	<u>\$ 946,662</u>	<u>\$ 1,026,917</u>	<u>\$ 1,117,886</u>	<u>\$ 1,159,337</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2013-14:

Assessed value	\$ 7,892,269
Add back: exempt real property	\$ 146,402
Total assessed value	<u>\$ 8,038,671</u>
Debt limit (15% of total assessed value)	\$ 1,205,801
Debt applicable to limit:	-
Legal debt margin	<u>\$ 1,205,801</u>

Note: Under state finance law, the City of Buena Park's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Sources: City of Buena Park Finance Department
 HdL

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 1,135,269	\$ 1,141,557	\$ 1,143,040	\$ 1,183,672	\$ 1,205,801
-	-	-	-	-
<u>\$ 1,135,269</u>	<u>\$ 1,141,557</u>	<u>\$ 1,143,040</u>	<u>\$ 1,183,672</u>	<u>\$ 1,205,801</u>
0%	0%	0%	0%	0%

City of Buena Park
Revenue Bond Coverage
1996 Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenue ⁽¹⁾	Principal	Interest	Total	Coverage
2004	40,466,558	210,000	128,232	338,232	11964%
2005	43,782,676	220,000	117,732	337,732	12964%
2006	48,933,841	235,000	106,513	341,513	14329%
2007	53,703,477	245,000	87,683	332,683	16143%
2008	61,137,010	260,000	74,170	334,170	18295%
2009	54,742,230	275,000	59,587	334,587	16361%
2010	49,234,955	290,000	43,905	333,905	14745%
2011	58,077,593	305,000	27,093	332,093	17488%
2012	54,626,400	320,000	18,400	338,400	16143%
2013	-	-	-	-	-
2014	-	-	-	-	-

⁽¹⁾ Total General Fund revenues

Note: The information for the 2000, 2003, 2008 Series A, and 2008 Series B Tax Allocation Refunding Bonds are no longer included in the statistical section of the City of Buena Park's Comprehensive Annual Financial Report. Effective February 1, 2012 the State of California dissolved all redevelopment agencies, including the Redevelopment Agency of the City of Buena Park. A Successor Agency was set up to handle the ongoing debt service obligations of the former redevelopment agency. The Successor Agency acts in a fiduciary capacity only and is therefore excluded from the government-wide financial statements because any resources of this Agency cannot be used to support the government's programs. Likewise, the liabilities, including the debt service are not included in the financial or statistical sections.

City of Buena Park
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2004-05	80,574	1,586,583	19,691	5.4%
2005-06	80,670	1,662,689	20,611	4.8%
2006-07	81,082	1,782,020	21,978	4.3%
2007-08	81,775	1,871,503	22,886	4.9%
2008-09	82,332	1,901,540	23,096	6.6%
2009-10	83,281	1,868,659	22,438	11.2%
2010-11	84,141	1,822,746	21,663	11.9%
2011-12	81,460	1,831,384	22,482	10.8%
2012-13	81,953	1,882,624	22,972	7.1%
2013-14	82,344	1,887,654	22,924	6.3%

Source: HdL, Coren & Cone

City of Buena Park
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2013-14</u>			<u>2004-05</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment*</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment</u>
Knott's Berry Farm	5,071	1	12.74%	5,136	1	13.07%
Prologis California I LLC	800	2	2.01%			
J.C. Penney	526	3	1.32%			
Leach Corporation	483	4	1.21%	381	7	0.97%
Access Business Group, LLC	479	5	1.20%			
Pepsi	477	6	1.20%	420	4	1.07%
ADP	358	7	0.90%	420	5	1.07%
Yamaha	350	8	0.88%	394	6	1.00%
City of Buena Park	274	9	0.69%	353	8	0.90%
Wal-Mart Stores	269	10	0.68%	280	9	0.71%
Georgia Pacific				625	2	1.59%
Nutrilite				512	3	1.30%
Medieval Times				222	10	0.56%
Total	<u>9,087</u>		<u>22.83%</u>	<u>8,743</u>		<u>22.25%</u>

* Based upon U.S. Department of Labor's estimate of 39,800 residents employed in 2013-14 and 39,300 employed in 2004-05.

Sources: City of Buena Park Finance Department, State of California Employment Development Department

This page intentionally left blank

City of Buena Park
 Full-Time Equivalent City Employees by Function
 Last Ten Fiscal Years

Function	2004-05	2005-06	2006-07	2007-08	2008-09
General Government	40	40	41	37	38
Public Safety	143	143	143	143	143
Public Works	46	46	46	47	47
Community Services	25	25	25	26	26
Community Development	30	30	30	28	28
Water	29	29	29	29	29
 Total	 <u>313</u>	 <u>313</u>	 <u>314</u>	 <u>310</u>	 <u>311</u>

Source: City of Buena Park Budget

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
38	38	38	31	34
143	143	142	141	138
47	47	47	41	40
26	26	26	19	19
28	28	28	21	16
<u>29</u>	<u>28</u>	<u>28</u>	<u>27</u>	<u>27</u>
<u><u>311</u></u>	<u><u>310</u></u>	<u><u>309</u></u>	<u><u>280</u></u>	<u><u>274</u></u>

City of Buena Park
Operating Indicators by Function
Last Ten Fiscal Years

Function:	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Police						
Calls dispatched	38,900	37,183	32,646	37,154	38,704	36,499
Crime reports	14,000	10,819	4,617	9,900	5,784	9,741
Moving citations	7,000	5,206	5,737	7,198	2,519	10,151
Parking citations	17,000	19,883	19,506	19,764	6,190	17,055
Streets and Highways						
Asphalt repair (in tons)	396	315	454	316	326	330
Curb & gutter repair (lineal ft.)	910	1,188	2,428	1,699	1,858	1,860
Sidewalk repair (lineal ft.)	793	1,462	1,832	3,322	2,988	3,000
Water						
Number of customer accounts	19,250	19,250	19,300	19,300	19,300	19,300
Average daily consumption (millions of gallons)	14.9	15	15	15	15	15
Water samples taken (annual)	1,200	1,200	1,200	1,200	1,200	1,200
Sewers						
Feet of sewer mains root cut/ chemically treated	25,000	25,000	25,000	22,000	22,000	22,000
Maintenance						
Graffiti removals	6,316	5,309	5,191	5,100	5,032	5,600
Streetsweeping miles	23,000	23,000	23,000	23,000	23,000	23,000
Trees pruned per year	4,085	4,511	4,785	4,834	5,294	5,200
Culture and Recreation						
Youth sports	1,441	1,405	1,380	1,390	1,100	1,050
Aquatics	21,842	29,603	27,974	28,570	29,550	27,500
Picnic rentals	8,550	6,500	10,400	9,500	14,745	12,500
Leisure classes	9,733	7,869	8,294	8,622	8,370	9,402
Senior Center participants	52,550	55,240	87,801	132,849	136,888	136,000

Source: City of Buena Park

2010-11	2011-12	2012-13	2013-14
35,139	34,031	32,126	43,650
9,535	8,617	8,251	9,883
9,344	7,389	7,044	5,572
14,980	12,477	12,548	14,560
297	343	293	269
1,256	919	887	1,022
2,616	1,483	1,211	1,324
19,300	19,300	18,921	19,300
15	12.5	13.6	13.6
1,200	1,200	1,200	1,200
22,000	22,000	29,405	29,274
5,600	5,600	10,000	9,240
23,000	23,000	23,000	23,000
4,887	5,000	5,975	5,344
1,050	1,100	1,000	900
29,000	29,500	29,500	25,749
12,500	12,500	15,000	17,000
9,434	9,450	4,832	5,095
130,000	102,803	111,366	110,410

City of Buena Park
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function:	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Public Safety						
Police stations	1	1	1	1	1	1
Number of patrol units	28	28	28	30	30	30
Highways and streets						
Miles of streets	146.9	147.3	147.6	147.6	147.6	147.6
Traffic Signals	70	70	70	70	70	70
Water						
Number of active water wells	7	7	7	8	8	8
Number of reservoirs	1	1	1	1	1	1
Miles of lines & mains	216	217	220	220	220	220
Sewer						
Miles of sanitary sewers	168	168	168	168	168	168
Miles of flood control channel	21	21	21	21	21	21
Culture and Recreation						
Number of parks	11	11	11	11	11	11
Number of community facilities	1	1	1	1	1	2

Source: City of Buena Park

2010-11	2011-12	2012-13	2013-14
1 30	1 30	1 30	1 30
147.6 70	147.6 70	147.6 70	147.6 70
8 1 220	8 1 220	8 1 220	8 1 220
168 21	168 21	168 21	168 21
11 2	11 3	11 3	11 3

This page intentionally left blank