



2016

Comprehensive Annual Financial Report

CAFR FOR THE YEAR ENDED JUNE 30, 2016



# City of Buena Park, California

## Comprehensive Annual Financial Report

With Report on Audit by  
Independent Certified Public Accountants

For the Year Ended  
June 30, 2016



Prepared by:  
Finance Department  
Sung Hyun, Director



**City of Buena Park  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2016**

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December 21, 2016

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, 2016.

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, 2016. 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 83,347.

The City of Buena Park operates under the council-manager form of government. In 2016, the City adopted a new by-district voting system. The by-district voting system replaces the previous at-large electoral voting system. The new system includes five voting districts, which will ultimately be represented by elected council members that live in each area. The City Council's five members 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. In 2016, the Council seats for District 3 and District 4 were up for election. In 2018, the Council seats for District 1, District 2, and District 5 will be up for election. 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 adopts two separate annual budgets for each respective fiscal year. The items for consideration for the second fiscal year are limited to an exception basis.

The financial activities of the Buena Park Public Financing Authority, for which the City serves as the governing body, are also included in this report.

## **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, Tesla, and Toyota vehicles, as well as a CarMax Auto Superstore.

The economy continues to grow at a steady and modest pace throughout the state and the region. The labor market remains healthy and wage growth is modestly higher. Consumer confidence remains strong and housing trends remain favorable. Locally, Buena Park continues to experience positive economic growth. The City continues to experience healthy tourism activity, resulting in increased Transient Occupancy Tax revenues for the sixth consecutive year. Construction and development activity is also continuing to increase, as evidenced by the number of building permits issued by the City.

### **Major Initiatives**

The City has completed the following capital improvement projects in FY2015-16:

- Annual Pavement Rehabilitation and Slurry Seal
- Annual Wheelchair Ramps
- Sewer pipe lining
- Annual sewer manhole repairs
- Bellis Park dugout upgrades
- Bellis Park small dog park
- Bellis Park wrought iron fence
- Beach Boulevard median improvements – Orangethorpe to 10<sup>th</sup> Street

### **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. Additionally, the City Council updated the City's

Strategic Plan for 2015-2017. The City continues to identify fiscal stability as a major plan goal. It is one of the many guiding factors when preparing the City's annual budget.

The City Council's approved long-term financial planning policies and principles, along with other approved policies and goals, form the basis for allocating resources to provide quality services and sustaining fiscal health.

The City's Beach Boulevard Streetscape project is now underway and includes landscape improvements, median enhancements, and monument signs. The continuing enhancement of the City's main corridor, Beach Boulevard, remains a priority, with plans for new restaurants, hotels, and venues.

### **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, 2015. 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**

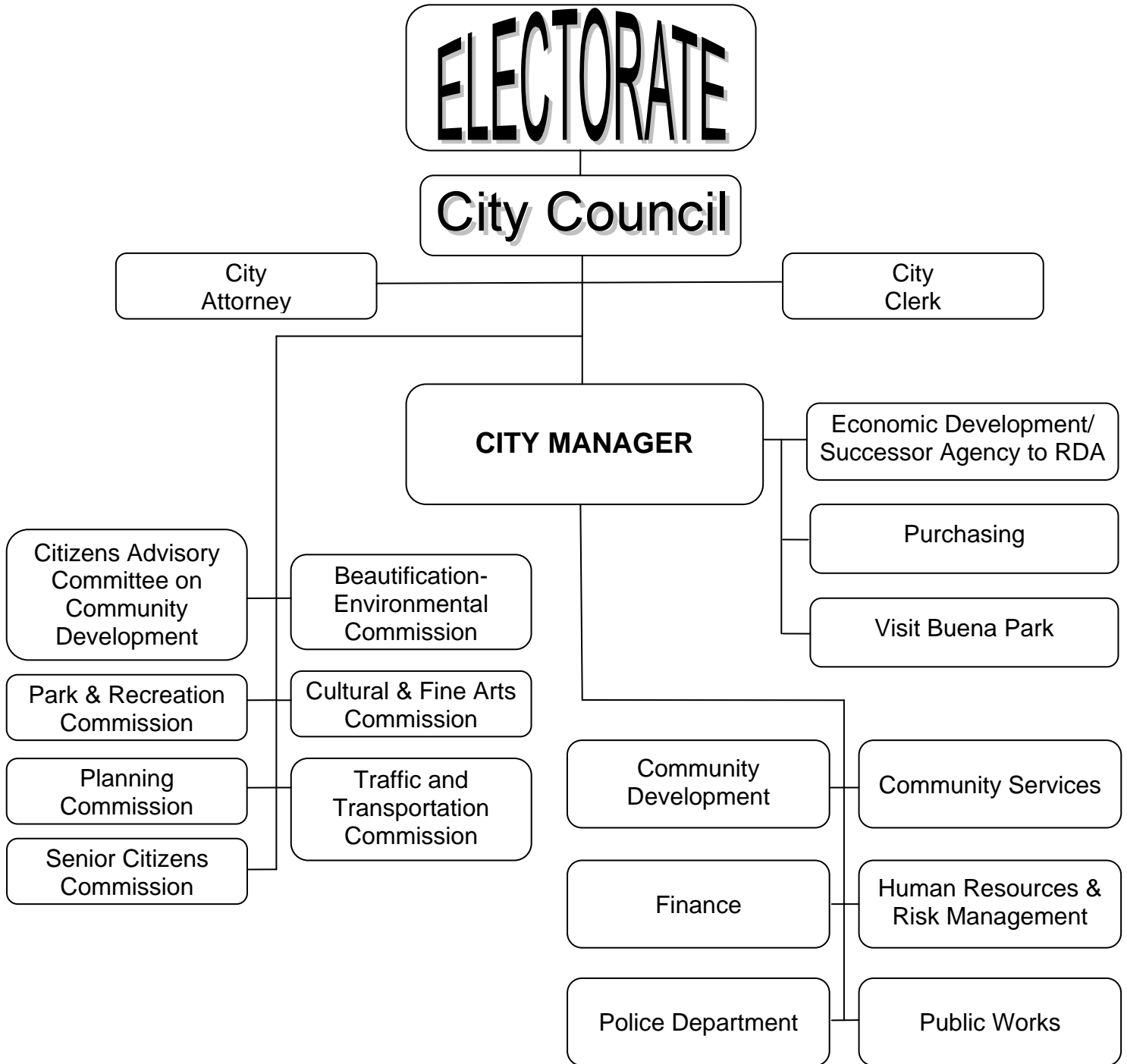
The preparation and publication of this report could not be accomplished without the dedication, professionalism, and teamwork of the Finance Department staff. I would like to express my sincere appreciation to all the members of the Finance Department. In addition, I want to acknowledge the efforts 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

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**CITY OF BUENA PARK**  
**List of Principal Officials**

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CITY COUNCIL

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

ADMINISTRATION AND DEPARTMENT HEADS

City Manager..... James B. Vanderpool  
City Attorney..... Patrick Bobko  
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 ..... David Jacobs



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, 2015**

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

To the Honorable Mayor and Members of the City Council  
of the City of Buena Park  
Buena Park, California  
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***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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information and other postemployment benefits, and budgetary comparison information on pages 5-26 and 104-111 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 118-149, 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 118-149 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 budgetary comparison schedules on pages 118-149 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  
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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 21, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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 21, 2016

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CITY OF BUENA PARK  
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

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, 2016. 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 2015-16 by \$284,020,000. 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, \$242,551,000. These assets are costly yet essential to the functioning of City's business and residential populations. The restricted portion of net position are for resources earmarked for specific programs, and therefore unavailable for general use. The unrestricted portion may be utilized for the City's ongoing obligations to its citizens and creditors.
- Governmental activities net position has decreased by \$9,307,000 while the business-type activities has increased by \$2,237,000. The changes in net position in governmental and business-type activities are primarily due to the current year change in employee pension liability pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68.
- As of June 30, 2016, the City's governmental funds reported combined ending fund balances of \$112,382,000, an increase of \$148,000 in comparison with the prior fiscal year. Approximately 46% of the fund balance, or \$51,615,000 is unassigned and available for use at the government's discretion.

See independent auditors' report.

## CITY OF BUENA PARK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2016

#### **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 are 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 are 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, 2016

**Overview of the Financial Statements (Continued)**

Figure A-1

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

|  | <u>Government-wide<br/>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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul> | <ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures and changes in fund balances</li> </ul>  | <ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in net position</li> <li>• Statement of cash flows</li> </ul> |
| 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, 2016

### 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, 2016

### 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 16 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, and the Housing Successor Special Revenue Fund, all of which are considered to be major funds. Data from the remaining 14 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.

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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

- 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 was established to hold investments for the 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><br><u>2016</u>                         | <u>June 30,</u><br><u>2015</u> | <u>Amount</u><br><u>Increase</u><br><u>(Decrease)</u> | <u>Percent</u><br><u>Increase</u><br><u>(Decrease)</u> |
| Assets                        | \$ 420,768   | \$ 398,496                     | \$ 22,272   | 5.59%  |
| Liabilities                   | (132,457)  | (92,387)                       | (40,070)  | (43.37)%   |
| Deferred Outflow of Resources | 6,810  | 5,250                          | 1,560   | 29.72%   |
| Deferred Inflow of Resources  | <u>(11,101)</u>  | <u>(20,270)</u>                | <u>9,169</u>  | 45.23%   |
| Net Position                  | <u>\$ 284,020</u>                                      | <u>\$ 291,089</u>              | <u>\$ (7,069)</u>                                     | (2.43)%  |
| Unrestricted net assets       | <u>\$ (3,963)</u>                                      | <u>\$ 7,839</u>                | <u>\$ (11,802)</u>                                    | (150.56)%  |
| Long-term debt                | <u>\$ 33,225</u>                                       | <u>\$ 5,785</u>                | <u>\$ 27,440</u>                                      | 474.33%  |
| Program revenues              | <u>\$ 35,325</u>                                       | <u>\$ 33,991</u>               | <u>\$ 1,334</u>                                       | 3.93%  |
| Taxes                         | <u>\$ 50,538</u>                                       | <u>\$ 51,582</u>               | <u>\$ (1,044)</u>                                     | (2.02)%  |
| Other general revenues        | <u>\$ 1,336</u>  | <u>\$ 861</u>                  | <u>\$ 475</u>   | 55.17%   |
| Expenses                      | <u>\$ 80,304</u>                                       | <u>\$ 84,854</u>               | <u>\$ (4,550)</u>                                     | (5.36)%  |

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

**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 Net Position (*in thousands*) at June 30, 2016 and 2015 is as follows:

Governmental Activities:

|                          | <u>June 30,<br/>2016</u> | <u>June 30,<br/>2015</u> | <u>Amount<br/>Increase<br/>(Decrease)</u> | <u>Percent<br/>Increase<br/>(Decrease)</u> |
|--------------------------|--------------------------|--------------------------|---|--|
| <b>Assets:</b>           |                          |                          |   |  |
| Current and other Assets | \$ 110,493               | \$ 133,349               | \$ (22,856)                               | (17.14)%                                   |
| Capital Assets, net      | <u>260,260</u>           | <u>216,987</u>           | <u>43,277</u>                             | 19.95%                                     |
| Total Assets             | <u>370,753</u>           | <u>350,336</u>           | <u>20,417</u>                             | 5.83%                                      |
| Deferred Outflows        | <u>6,468</u>             | <u>4,979</u>             | <u>1,489</u>                              | 29.91%                                     |
| <b>Liabilities:</b>      |                          |                          |   |  |
| Current Liabilities      | 6,341                    | 5,940                    | 401                                       | 6.75%                                      |
| Noncurrent Liabilities   | <u>118,915</u>           | <u>78,965</u>            | <u>39,950</u>                             | 50.59%                                     |
| Total Liabilities        | <u>125,256</u>           | <u>84,905</u>            | <u>19,857</u>                             | 47.53%                                     |
| Deferred Inflows         | <u>10,719</u>            | <u>19,857</u>            | <u>(9,138)</u>                            | 46.02%                                     |
| <b>Net Position:</b>     |                          |                          |   |  |
| Net Investment in        |                          |                          |   |  |
| Capital Assets           | 219,881                  | 216,987                  | 2,894                                     | 1.33%                                      |
| Restricted               | 45,437                   | 45,733                   | (296)                                     | (.65)%                                     |
| Unrestricted             | <u>(24,072)</u>          | <u>(12,168)</u>          | <u>(11,904)</u>                           | (97.83)%                                   |
| Total Net Position       | <u>\$ 241,246</u>        | <u>\$ 250,553</u>        | <u>\$ (9,307)</u>                         | (3.72)%                                    |

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

Business-type Activities:

|                          | June 30,<br>2016 | June 30,<br>2015 | Amount<br>Increase<br>(Decrease) | Percent<br>Increase<br>(Decrease) |
|--------------------------|------------------|------------------|----------------------------------|-----------------------------------|
| <b>Assets:</b>           |                  |                  |                                  |                                   |
| Current and other Assets | \$ 27,345        | \$ 27,614        | \$ (269)                         | (.98)%                            |
| Capital Assets, net      | <u>22,670</u>    | <u>20,545</u>    | <u>2,125</u>                     | 10.34%                            |
| Total Assets             | <u>50,015</u>    | <u>48,159</u>    | <u>1,856</u>                     | 3.85%                             |
| <br>                     |                  |                  |                                  |                                   |
| Deferred Outflows        | <u>342</u>       | <u>271</u>       | <u>71</u>                        | 26.20%                            |
| <br><b>Liabilities:</b>  |                  |                  |                                  |                                   |
| Current liabilities      | 2,977            | 2,503            | 474                              | 18.94%                            |
| Noncurrent liabilities   | <u>4,224</u>     | <u>4,978</u>     | <u>(754)</u>                     | (15.18)%                          |
| Total Liabilities        | <u>7,201</u>     | <u>7,481</u>     | <u>(280)</u>                     | (3.74)%                           |
| <br>                     |                  |                  |                                  |                                   |
| Deferred Inflows         | <u>382</u>       | <u>412</u>       | <u>(30)</u>                      | (7.28)%                           |
| <br><b>Net Position:</b> |                  |                  |                                  |                                   |
| Net Investment in        |                  |                  |                                  |                                   |
| Capital Assets           | 22,665           | 20,530           | 2,135                            | 10.40%                            |
| Unrestricted             | <u>20,109</u>    | <u>20,007</u>    | <u>102</u>                       | .51%                              |
| <br>                     |                  |                  |                                  |                                   |
| Total Net Position       | <u>\$ 42,774</u> | <u>\$ 40,537</u> | <u>\$ 2,237</u>                  | 5.52%                             |

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, \$45,437,000 for governmental activities, are subject to external (legally imposed or statutory) restrictions on how they may be used. This amount represents 19% of the net position for governmental activities. The unrestricted portion (\$24,072,000) for governmental activities and \$20,109,000 for business-type activities, are the resources that can be

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

used to finance day-to-day operations without constraints. Unrestricted net position represents (10)% and 47% of net position for governmental and business-type activities, respectively.

For governmental and business-type activities, net position decreased by \$7,070,000. This decrease is primarily attributable to the GASB Statement No. 68 requirement to record the current year change of pension liability, deferred inflows, and deferred outflows of pension resources. (Refer to note 10 of the financial statements). The pension liability is the present value estimate of future benefits. Retirement benefits remain the largest liability for most municipalities, but it is important to note that the payment of this liability extends over decades. The City of Buena Park provides pension benefits to all qualified employees through pension plans administered by the California Public Employees' Retirement System (CalPERS). The City currently has three tiers of pension plans based on the date of hire. Most of the City's current employees are on the most costly tier. The City's retirement plans available to new employees are less costly and, over a period of many years, will greatly reduce the pension liability.

Restricted net position totals \$45,437,000. These assets are committed for special programs or projects, and for contractor and vendor obligations. Unrestricted net position decreased by \$11,803,000, which resulted from the current year change of pension liability.

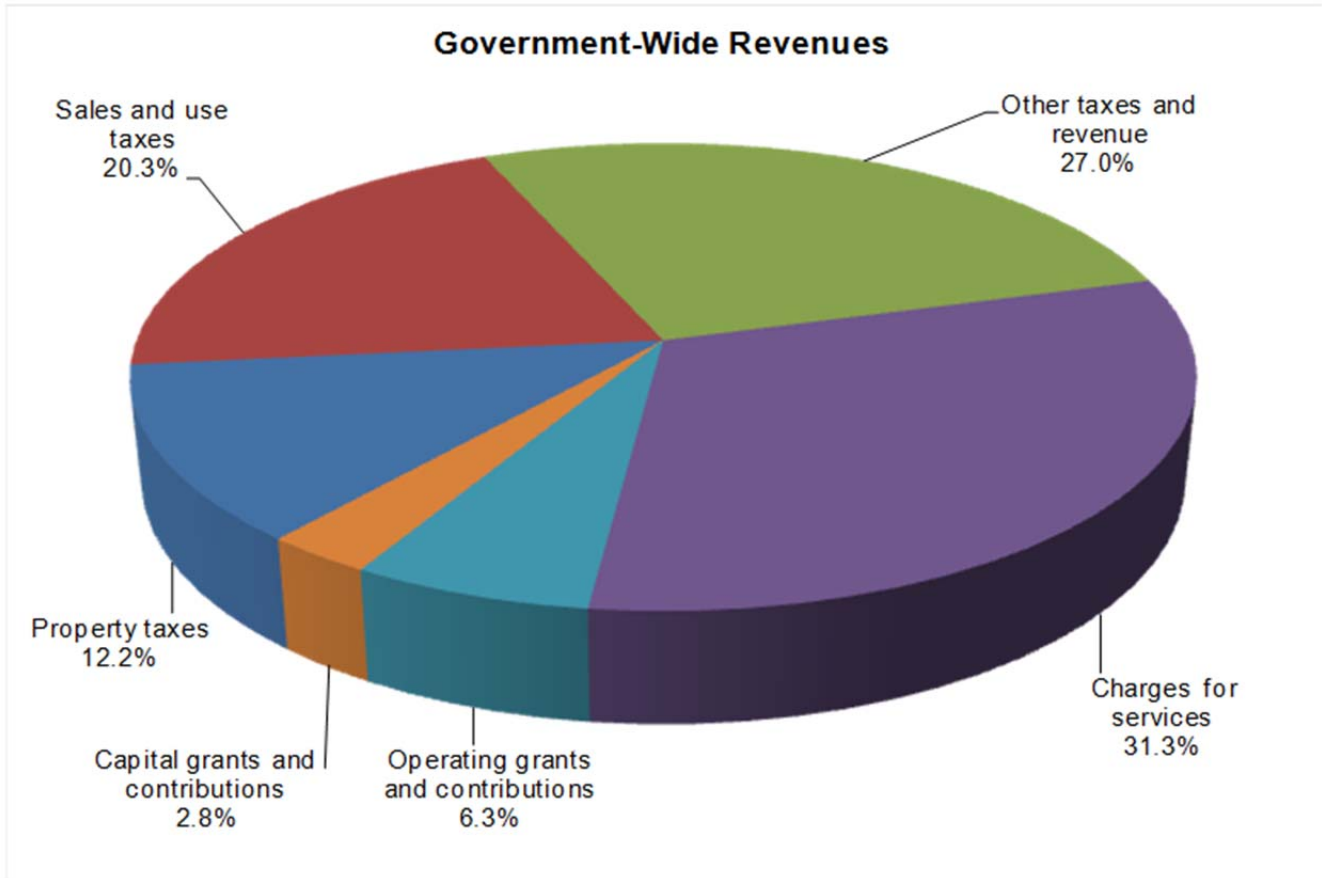
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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**



Total government-wide revenue for governmental and business-type activities is \$87,198,000 in FY15-16, an increase of \$765,000, or 1%, compared to \$86,433,000 in prior year. Program revenue is \$35,325,000, or 41%, of the total revenue, which represents charges for services and grants revenues. General revenue is the remainder \$51,873,000, or 59%, which is primarily comprised of various tax revenues.

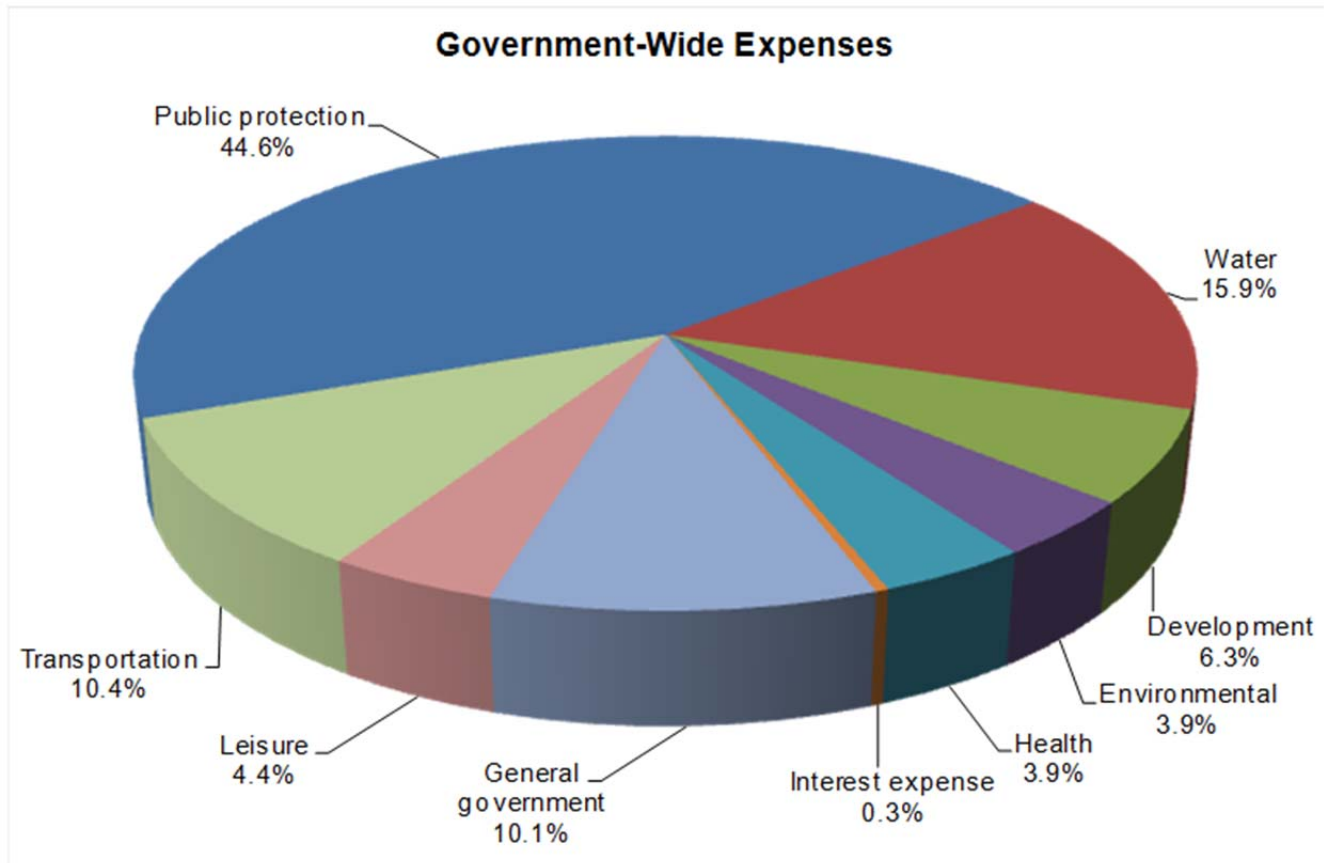
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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**



Total government-wide expenses for governmental and business-type activities is \$80,304,000 in FY15-16, a decrease of \$4,551,000, or 5%, compared to \$84,855,000 in prior year. Consistent to the past years, the public protection expenses are the largest expense for the City, which is \$35,851,000, or 45%, of the total expenses. The water utility cost is the second largest expense, which represents \$12,753,000, or 16%, of the total expenses.

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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

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

|  | <u>June 30,<br/>2016</u> | <u>June 30,<br/>2015</u> | <u>Amount<br/>Increase<br/>(Decrease)</u> | <u>Percent<br/>Increase<br/>(Decrease)</u> |
|--|--------------------------|--------------------------|---|--|
| Revenues:                                      |                          |                          |   |  |
| Program Revenues:                              |                          |                          |   |  |
| Charges for services                           | \$ 13,195                | \$ 10,465                | \$ 2,730                                  | 26.09%                                     |
| Operating grants and contributions             | 5,521                    | 6,121                    | (600)                                     | (9.80)%                                    |
| Capital grants and contributions               | <u>2,485</u>             | <u>2,134</u>             | <u>351</u>                                | 16.45%                                     |
| Total Program Revenues                         | <u>21,201</u>            | <u>18,720</u>            | <u>2,481</u>                              | 13.25%                                     |
| General Revenues:                              |                          |                          |   |  |
| Property taxes                                 | 10,661                   | 9,709                    | 952                                       | 9.81%                                      |
| Sales and use taxes                            | 17,701                   | 15,889                   | 1,812                                     | 11.41%                                     |
| Property taxes in lieu of sales and use taxes  | 2,533                    | 7,355                    | (4,822)                                   | (65.56)%                                   |
| Transient occupancy taxes                      | 6,442                    | 5,686                    | 756                                       | 13.30%                                     |
| Franchise taxes                                | 1,776                    | 2,002                    | (226)                                     | (11.29)%                                   |
| Other taxes                                    | 11,424                   | 10,940                   | 484                                       | 4.43%                                      |
| Investment income                              | 1,025                    | 591                      | 434                                       | 73.44%                                     |
| Other revenue                                  | <u>11</u>                | <u>136</u>               | <u>(125)</u>                              | (91.91)%                                   |
| Total General Revenues                         | <u>51,573</u>            | <u>52,308</u>            | <u>(735)</u>                              | (1.41)%                                    |
| Total Revenues                                 | <u>72,774</u>            | <u>71,028</u>            | <u>1,746</u>                              | 2.46%                                      |
| Expenses:                                      |                          |                          |   |  |
| General government                             | 8,098                    | 7,125                    | 973                                       | 13.66%                                     |
| Leisure  | 3,570                    | 3,071                    | 499                                       | 16.25%                                     |
| Health   | 3,155                    | 3,000                    | 155                                       | 5.17%                                      |
| Transportation                                 | 8,380                    | 9,875                    | (1,495)                                   | (15.14)%                                   |
| Public protection                              | 35,851                   | 31,841                   | 4,010                                     | 12.59%                                     |
| Development                                    | 5,055                    | 12,700                   | (7,645)                                   | 60.20%                                     |
| Environmental                                  | 3,167                    | 2,987                    | 180                                       | 6.03%                                      |
| Interest expense                               | <u>275</u>               | <u>347</u>               | <u>(72)</u>                               | (20.75)%                                   |
| Total Expenses                                 | <u>67,551</u>            | <u>70,946</u>            | <u>(3,395)</u>                            | 4.79%                                      |
| Increase in Net Position before transfers      | <u>5,223</u>             | <u>82</u>                | <u>5,141</u>                              | 6269.51%                                   |
| Transfers                                      | <u>98</u>                | <u>76</u>                | <u>22</u>                                 | 28.95%                                     |
| Change in Net Position                         | 5,321                    | 158                      | 5,163                                     | 3267.72%                                   |
| Net Position - Beginning of Year - as Restated | <u>235,925</u>           | <u>250,395</u>           | <u>(14,470)</u>                           | (5.78)%                                    |
| Net Position - End of Year                     | <u>\$ 241,246</u>        | <u>\$ 250,553</u>        | <u>\$ (9,307)</u>                         | (3.72)%                                    |

See independent auditors' report.



CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The cost of all governmental activities for fiscal year 2015-16 is \$67,551,000. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities is \$46,350,000, because some of the cost is paid by those who directly benefited from the programs, \$13,195,000, or by other governments and organizations that subsidized certain programs with operating grants and contributions, \$5,521,000, and capital grants and contributions, \$2,485,000. The City's governmental program revenues are \$21,201,000. The City paid for the remaining "public benefit" portion of governmental activities with \$50,538,000 in taxes and general revenue (some of which could only be used for certain programs) and with \$1,035,000 other revenues, such as interest and general entitlements.

Total resources available during the year to finance governmental operations are \$308,797,000, consisting of net position - restated at July 1, 2015 of \$235,925,000, program revenues of \$21,201,000, general revenues of \$51,573,000, and transfers of \$98,000. Total expenses for governmental activities during the year are \$67,551,000, thus creating a net position of \$241,246,000 as of June 30, 2016.

Program revenues increased \$2,481,000, a change of 13% from the prior year. This is primarily due to an increase in development charges due to new housing projects.

Total general revenues decreased by \$735,000, a change of 1% from the previous year. This decrease is the result of the \$3,010,000 drop in total sales and use taxes revenue (i.e., "sales and use taxes" revenue and "property taxes in lieu of sales and use taxes" revenue) due to the relocation of one of the City's major retailers. Before 2012-13, most California cities had tools to attract out-of-state businesses with sales and/or property tax incentives. These tools were unavailable once the State of California eliminated redevelopment. As the contracts between the former redevelopment agencies and businesses expire, the result for some cities is the loss of jobs and a decline in sales tax when businesses depart California for other states providing sales tax/property tax incentives. Fortunately, this decrease in sales and use taxes revenues has been offset by increases in other general revenues because of an improving economy. Property taxes have improved by 10% due to a rebound in the housing market. Buena Park's transient occupancy taxes have improved by 13%, an indication of the buoyed tourism market in this city due to the many new attractions available.

Total expenses decreased \$3,395,000, or 5%. This decrease in expense is largely due to the \$7,645,000 decrease in development expenses. Compared to the prior year, there was substantially less transfer of City land inventory to developers for the creation of low and moderate income housing in the current year. Offsetting the decrease in development expenses, public protection expenses increased by \$4,010,000 from the previous year due to an increase in police department expenditures, the Orange County Fire Authority's annual contract, purchases of equipment from asset forfeiture monies, and increase in pension expense pursuant to GASB Statement No. 68.

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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

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

|  | <u>June 30,<br/>2016</u> | <u>June 30,<br/>2015</u> | <u>Amount<br/>Increase<br/>(Decrease)</u> | <u>Percent<br/>Increase<br/>(Decrease)</u> |
|--|--------------------------|--------------------------|---|--|
| Revenues:                                      |                          |                          |   |  |
| Program Revenues:                              |                          |                          |   |  |
| Charges for services                           | \$ 14,123                | \$ 15,270                | \$ (1,147)                                | (7.51)%                                    |
| Total Program Revenues                         | <u>14,123</u>            | <u>15,270</u>            | <u>(1,147)</u>                            | <u>(7.51)%</u>                             |
| General Revenues:                              |                          |                          |   |  |
| Investment income                              | <u>300</u>               | <u>135</u>               | <u>165</u>                                | 122.22%                                    |
| Total General Revenues                         | <u>300</u>               | <u>135</u>               | <u>165</u>                                | 122.22%                                    |
| Total Revenues                                 | <u>14,423</u>            | <u>15,405</u>            | <u>(982)</u>                              | <u>(6.38)%</u>                             |
| Expenses:                                      |                          |                          |   |  |
| Water utility                                  | <u>12,753</u>            | <u>13,908</u>            | <u>(1,155)</u>                            | (8.31)%                                    |
| Total Expenses                                 | <u>12,753</u>            | <u>13,908</u>            | <u>(1,155)</u>                            | (8.31)%                                    |
| Increase in Net Position before transfers      | <u>1,670</u>             | <u>1,497</u>             | <u>173</u>                                | 11.56%                                     |
| Transfers                                      | <u>(98)</u>              | <u>(76)</u>              | <u>(22)</u>                               | (28.95)%                                   |
| Change in Net Position                         | 1,572                    | 1,421                    | 151                                       | 10.63%                                     |
| Net Position - Beginning of Year - As Restated | <u>41,202</u>            | <u>39,116</u>            | <u>2,086</u>                              | 5.33%                                      |
| Net Position - End of Year                     | <u>\$ 42,774</u>         | <u>\$ 40,537</u>         | <u>\$ 2,237</u>                           | 5.52%                                      |

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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The cost of all proprietary (business-type) activities in 2015-16 was \$12,753,000. As shown in the Statement of Activities and Changes in Net Position, the amount paid by users of the system was \$14,123,000, investment income totaled \$300,000, and transfers are \$98,000. Beginning net position was restated to \$41,202,000 and ending net position was \$42,774,000. Of the ending net position, \$22,665,000, or 53%, was invested in capital assets and \$20,109,000, or 47%, was unrestricted.

Total water revenues decreased by \$982,000 from the previous year, or 6%. This decrease in revenues is due to our customers' continuing efforts to conserve water as mandated by the State.

Water utility costs decreased by \$1,155,000, or 8%. The total water utility costs decreased due to the decrease in water consumption. 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.

Net interfund transfers are \$98,000. Of that amount, \$72,000 is transferred to the General Fund for rent payment for City-owned well sites, and \$30,000 to the Public Liability Fund for the Water Fund's portion of liability insurance. A transfer in of \$4,000 from the State Gas Tax Fund supplemented the Water Fund's cost to update the City-wide GIS project. Activity for the 2015-16 fiscal year increased net position by \$2,237,000.

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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

**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,<br>2016      | June 30,<br>2015      | Amount<br>Increase<br>(Decrease) | Percent<br>Increase<br>(Decrease) |
|-----------------------------|-----------------------|-----------------------|----------------------------------|-----------------------------------|
| Total Fund Balances:        |                       |                       |                                  |                                   |
| General Fund                | \$ 68,146             | \$ 68,143             | \$ 3                             | .01%                              |
| State Gas Tax Fund          | 3,413                 | 4,586                 | (1,173)                          | (25.58)%                          |
| Housing Successor Fund      | 23,845                | 23,502                | 343                              | 1.46%                             |
| Other Governmental<br>Funds | <u>16,978</u>         | <u>16,003</u>         | <u>975</u>                       | 6.09%                             |
| <br>Total Fund<br>Balances  | <br><u>\$ 112,382</u> | <br><u>\$ 112,234</u> | <br><u>\$ 148</u>                | <br>.13%                          |

At the close of the current fiscal year, the City's governmental fund balances reported a combined ending balance of \$112,382,000, an increase of \$148,000, in comparison to the prior year.

The fund balance for the General Fund is \$68,146,000, an increase of \$3,000 from the previous year. General fund revenues continue to outpace expenditures, primarily due to the improving economy resulting in greater tax revenues. The State Gas Tax Fund has a fund balance of \$3,413,000, a \$1,173,000 decrease 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 amount spent on street projects. The Housing Successor Fund is a remnant of the previous Redevelopment Agency that was eliminated in 2012. The Housing Successor's purpose is to provide low and moderate income housing to the population of Buena Park. The fund balance increase of \$343,000 is primarily due to the accrued interest income of the outstanding loans.

Other Governmental Funds show an increase in fund balance of \$975,000. Other Governmental Funds consists of multiple funds, the largest fund balances are from the Measure M2 Fund, the Housing and Community Development Fund, the HOME Loans Fund, and the Park-in-lieu Fund. Measure M2 funds are derived from a portion of sales tax and distributed by Orange County Transportation Authority for the purpose of street projects and improvements. The Housing and Community Development Fund is supported by the federal Community Development Block Grant and assists community programs and issues home improvement loans and grants to qualified homeowners. The HOME Loans Fund is a federal and state funded program with the purpose of assisting first time homebuyers and providing home improvement loans to current qualified

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

homeowners. The Park-in-lieu Fund operates from the collection of developer fees that are used to improve the City's public parks. Spending for the Housing and Community Development Fund and for the HOME Loans Fund are "grant driven", so these funds must be spent before they collect grant revenues. Measure M2 and Park-in-lieu cannot spend in excess of the revenues they collect, so spending may vary from year to year. The \$975,000 increase in fund balance of Other Governmental Funds is primarily due to \$1,106,000 higher in the Park-in-lieu Fund's net revenue and increase in fund balance in the current year compared to prior year.

**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,<br>2016 | June 30, 2015<br>As Restated | Amount<br>Increase<br>(Decrease) | Percent<br>Increase<br>(Decrease) |
|------------------------|------------------|------------------------------|----------------------------------|-----------------------------------|
| Total Net Position:    |                  |                              |                                  |                                   |
| Water Fund             | \$ 42,774        | \$ 41,201                    | \$ 1,573                         | 3.82%                             |
| Internal Service Funds | <u>6,208</u>     | <u>7,198</u>                 | <u>(990)</u>                     | (13.75)%                          |
| Total Net Position     | <u>\$ 48,982</u> | <u>\$ 48,399</u>             | <u>\$ 583</u>                    | 1.21%                             |

|                                    | June 30,<br>2016 | June 30,<br>2015 | Amount<br>Increase<br>(Decrease) | Percent<br>Increase<br>(Decrease) |
|------------------------------------|------------------|------------------|----------------------------------|-----------------------------------|
| Unrestricted Net Position:         |                  |                  |                                  |                                   |
| Water Fund                         | \$ 20,109        | \$ 20,671        | \$ 562                           | 2.72%                             |
| Internal Service Funds             | <u>3,709</u>     | <u>4,973</u>     | <u>(1,264)</u>                   | (25.42)%                          |
| Total Unrestricted<br>Net Position | <u>\$ 23,818</u> | <u>\$ 25,644</u> | <u>\$ (1,826)</u>                | (7.12)%                           |

Total net position of the Water Enterprise Fund increased \$1,573,000, and the unrestricted portion increased \$562,000. The increase in the net position is because the charges for services are higher than the total expenses, and that the pension expenses and the current year increase in pension liability for the enterprise fund is lower compared to prior year.

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 \$990,000, and the See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

unrestricted portion decreased by \$1,264,000. This is primarily due to the current year increase in employee pension liability.

**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<br>July 1, 2015<br><u>As Restated</u> | <u>Additions</u>    | <u>Deletions</u>      | Balance at<br>June 30,<br>2016 |
|---------------------------------------|--|---------------------|-----------------------|--------------------------------|
| <b>Governmental Activities:</b>       |  |                     |                       |                                |
| Claims payable                        | \$ 8,071   | \$ 2,879            | \$ (1,648)            | \$ 9,302                       |
| Employee leave benefits               | 2,244  | 515                 | (199)                 | 2,560                          |
| Pension note payable                  | 7,554  | -                   | (1,774)               | 5,780                          |
| Note payable - OCTA                   | -  | 526                 | -                     | 526                            |
| Sales tax payable                     | <u>31,158</u>                                    | <u>-</u>            | <u>(2,284)</u>        | <u>28,874</u>                  |
| <br>Total Governmental<br>Activities  | <br><u>49,028</u>                                | <br><u>3,920</u>    | <br><u>(5,905)</u>    | <br><u>47,042</u>              |
| <b>Business-type Activities:</b>      |  |                     |                       |                                |
| Loans payable                         | 15   | -                   | (10)                  | 5                              |
| Employee leave benefits               | <u>118</u>                                       | <u>27</u>           | <u>(11)</u>           | <u>134</u>                     |
| <br>Total Business-type<br>Activities | <br><u>133</u>                                   | <br><u>27</u>       | <br><u>(21)</u>       | <br><u>139</u>                 |
| <br>Total Long-Term<br>Obligations    | <br><u>\$ 49,161</u>                             | <br><u>\$ 3,947</u> | <br><u>\$ (5,926)</u> | <br><u>\$ 47,181</u>           |

As of June 30, 2016 the City's total debt decreased by \$1,980,000.

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

**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,<br>2016   | June 30,<br>2015   | Amount<br>Increase<br>(Decrease) | Percent<br>Increase<br>(Decrease) |
|--------------------------------------|--------------------|--------------------|----------------------------------|-----------------------------------|
| Governmental Activities:             |                    |                    |                                  |                                   |
| Rights-of-Way                        | \$ 48,678          | \$ 48,677          | \$ 1                             | .00%                              |
| Land                                 | 11,784             | 11,784             | -                                | -                                 |
| Construction in progress             | 3,571              | 968                | 2,603                            | 268.91%                           |
| Buildings                            | 73,344             | 74,571             | (1,227)                          | (1.65)%                           |
| Improvements                         | 7,360              | 7,127              | 233                              | 3.27%                             |
| Machinery and equipment              | 8,257              | 8,006              | 251                              | 3.14%                             |
| Furniture and fixtures               | 687                | 739                | (52)                             | (7.04)%                           |
| Infrastructure:                      |                    |                    |                                  |                                   |
| Road system                          | 62,681             | 62,563             | 118                              | .19%                              |
| Storm drain system                   | <u>3,519</u>       | <u>2,552</u>       | <u>967</u>                       | 37.89%                            |
| <br>Total Governmental<br>Activities | <br><u>219,881</u> | <br><u>216,987</u> | <br><u>2,894</u>                 | <br>1.33%                         |

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

**Capital Assets (Continued)**

|                                       | June 30,<br><u>2016</u> | June 30,<br><u>2015</u> | Amount<br>Increase<br><u>(Decrease)</u> | Percent<br>Increase<br><u>(Decrease)</u> |
|---------------------------------------|-------------------------|-------------------------|---|--|
| <b>Business-type Activities:</b>      |                         |                         |   |  |
| Land                                  | \$ 2                    | \$ 2                    | \$ -                                    | -  |
| Construction in progress              | 2,402                   | 996                     | 1,406                                   | 141.17%                                  |
| Buildings                             | 50                      | 3                       | 47                                      | 1566.67%                                 |
| Improvements                          | 793                     | 625                     | 168                                     | 26.88%                                   |
| Pumps and reservoirs                  | 894                     | 931                     | (37)                                    | (3.98)%                                  |
| Hydrants, meters and<br>connections   | 863                     | 597                     | 266                                     | 44.56%                                   |
| Machinery and equipment               | 380                     | 396                     | (16)                                    | (4.04)%                                  |
| <b>Infrastructure:</b>                |                         |                         |   |  |
| Wells                                 | 2,433                   | 2,540                   | (107)                                   | (4.21)%                                  |
| Water and sewer lines                 | <u>14,853</u>           | <u>14,455</u>           | <u>398</u>                              | 2.75%                                    |
| <br>Total Business-type<br>Activities | <br><u>22,670</u>       | <br><u>20,545</u>       | <br><u>2,125</u>                        | <br>10.34%                               |
| <br>Total Capital Assets              | <br><u>\$ 242,551</u>   | <br><u>\$ 237,532</u>   | <br><u>\$ 5,019</u>                     | <br>2.11%                                |

Capital assets from governmental activities increased \$2,894,000, or 1%, and business-type activities increased \$2,125,000, or 10%. There were multiple projects started in 2015-16, so the primary reason for the net increases in both the governmental and business-type activities is the increase in construction in progress. 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 2015-16 totaled \$6,549,000. These improvements include:

- Annual Pavement Rehabilitation and Slurry Seal
- Annual Wheelchair Ramps
- Sewer Pipe Lining
- Annual Sewer Manhole Repairs
- Bellis Park Dugout Upgrades
- Bellis Park Small Dog Park
- Bellis Park Wrought Iron Fence
- Beach Boulevard Median Improvements – Orangethorpe to 10<sup>th</sup> Street

See independent auditors' report.



## CITY OF BUENA PARK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2016

#### **General Fund Budgetary Highlights**

Actual General Fund revenues are \$3,712,000 higher than the \$57,937,000 budgeted for 2015-16. This increase is from tax revenues. The original budget for the General Fund increased from \$57,536,000 to \$57,937,000. This increase of \$401,000 is from the intergovernmental revenues.

Actual expenditures for the General Fund are \$2,925,000 below budget. \$2,267,000 of the savings is due to numerous vacant and unfilled positions citywide. The remaining savings of \$658,000 are temporary, as they are budgeted for professional services and capital improvement costs that are not spent in the 2015-16 fiscal year but will be carried forward into the next fiscal year. Comparing the fiscal year 2015-16 General Fund original budget for expenditures and transfers amount of \$58,129,000 to the final budgeted amount of \$63,675,000 shows a net increase of \$5,546,000. The net increase from the total original budgeted expenditures to the final budget primarily comprises the following appropriation adjustments:

- Appropriations of \$2,336,000 for general government
- Appropriations of \$222,000 for leisure
- Appropriations of \$295,000 for transportation
- Appropriations of \$1,210,000 for public protection
- Appropriations of \$112,000 for development
- Appropriations of \$75,000 for environmental

The changes between the original and the amended budget are due to budget carryovers for contractual fees and services. In addition, there are 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 2016-17 are:

- Steady and moderate economic growth
- Moderate increase in tourism
- Moderate increase in Sales Tax
- Moderate increase in Property Tax revenues
- Increase in development and construction activity

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2016

**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.

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# **BASIC FINANCIAL STATEMENTS**

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# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**City of Buena Park**  
**Statement of Net Position**  
**June 30, 2016**

|   | Primary Government      |                          |                       |
|---|-------------------------|--------------------------|-----------------------|
|   | Governmental Activities | Business-Type Activities | Total                 |
| <b>ASSETS</b>                                   |                         |                          |                       |
| Current assets:                                 |                         |                          |                       |
| Cash and investments                            | \$ 84,219,766           | \$ 24,936,923            | \$ 109,156,689        |
| Accounts receivable                             | 21,222,486              | 2,355,194                | 23,577,680            |
| Interest receivable                             | 143,531                 | 42,718                   | 186,249               |
| Taxes receivable                                | 160,135                 | -                        | 160,135               |
| Due from other governments                      | 4,592,548               | -                        | 4,592,548             |
| Prepaid items                                   | 65,149                  | 10,000                   | 75,149                |
| Inventory                                       | 88,867                  | -                        | 88,867                |
| <b>Total current assets</b>                     | <b>110,492,482</b>      | <b>27,344,835</b>        | <b>137,837,317</b>    |
| Noncurrent assets:                              |                         |                          |                       |
| Property held for resale                        | 7,575,052               | -                        | 7,575,052             |
| Due from Successor Agency                       | 7,191,489               | -                        | 7,191,489             |
| Loans receivable, net                           | 25,044,363              | -                        | 25,044,363            |
| Net OPEB Asset                                  | 568,667                 | -                        | 568,667               |
| Capital assets:                                 |                         |                          |                       |
| Non-depreciable                                 | 64,032,884              | 2,404,498                | 66,437,382            |
| Depreciable, net                                | 155,847,784             | 20,265,696               | 176,113,480           |
| <b>Total capital asset</b>                      | <b>219,880,668</b>      | <b>22,670,194</b>        | <b>242,550,862</b>    |
| <b>Total noncurrent assets</b>                  | <b>260,260,239</b>      | <b>22,670,194</b>        | <b>282,930,433</b>    |
| <b>Total assets</b>                             | <b>370,752,721</b>      | <b>50,015,029</b>        | <b>420,767,750</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                         |                          |                       |
| Deferred employer pension contributions         | 5,895,642               | 342,215                  | 6,237,857             |
| Deferred outflows of resources pension          | 572,079                 | -                        | 572,079               |
| <b>Total deferred outflows of resources</b>     | <b>6,467,721</b>        | <b>342,215</b>           | <b>6,809,936</b>      |
| <b>LIABILITIES</b>                              |                         |                          |                       |
| Current liabilities:                            |                         |                          |                       |
| Accounts payable                                | 1,639,773               | 2,454,575                | 4,094,348             |
| Accrued liabilities                             | 1,274,671               | 107,660                  | 1,382,331             |
| Interest payable                                | 19,701                  | 368,551                  | 388,252               |
| Deposits payable                                | 1,241,302               | -                        | 1,241,302             |
| Retention payable                               | 29,751                  | -                        | 29,751                |
| Unearned revenue                                | 59,041                  | -                        | 59,041                |
| 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            | 1,955,393               | 4,764                    | 1,960,157             |
| <b>Total current liabilities</b>                | <b>6,340,632</b>        | <b>2,977,550</b>         | <b>9,318,182</b>      |
| Noncurrent liabilities:                         |                         |                          |                       |
| Employee leave benefits - due in more than 1 yr | 2,539,221               | 91,971                   | 2,631,192             |
| Claims payable - due in more than 1 yr          | 9,201,900               | -                        | 9,201,900             |
| Long-term debt - due in more than one year      | 33,224,991              | -                        | 33,224,991            |
| Net pension liability                           | 73,948,956              | 4,131,595                | 78,080,551            |
| <b>Total noncurrent liabilities</b>             | <b>118,915,068</b>      | <b>4,223,566</b>         | <b>123,138,634</b>    |
| <b>Total liabilities</b>                        | <b>125,255,700</b>      | <b>7,201,116</b>         | <b>132,456,816</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                         |                          |                       |
| Deferred inflows of resources - pension         | 10,718,672              | 381,991                  | 11,100,663            |
| <b>Total deferred inflows of resources</b>      | <b>10,718,672</b>       | <b>381,991</b>           | <b>11,100,663</b>     |
| <b>NET POSITION</b>                             |                         |                          |                       |
| Net investment in capital assets                | 219,880,668             | 22,665,430               | 242,546,098           |
| Restricted for:                                 |                         |                          |                       |
| Residential housing                             | 32,991,902              | -                        | 32,991,902            |
| Transportation                                  | 7,062,193               | -                        | 7,062,193             |
| Development                                     | 4,035,491               | -                        | 4,035,491             |
| Environment                                     | 367,096                 | -                        | 367,096               |
| Public protection                               | 980,578                 | -                        | 980,578               |
| <b>Total restricted</b>                         | <b>45,437,260</b>       | <b>-</b>                 | <b>45,437,260</b>     |
| Unrestricted                                    | (24,071,858)            | 20,108,707               | (3,963,151)           |
| <b>Total net position</b>                       | <b>\$ 241,246,070</b>   | <b>\$ 42,774,137</b>     | <b>\$ 284,020,207</b> |

See accompanying Notes to Basic Financial Statements.

**City of Buena Park**  
**Statement of Activities**  
**For the year ended June 30, 2016**

| Functions/Programs               | Expenses             | Program Revenues     |                                    |                                  | Total                |
|----------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|----------------------|
|                                  |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |                      |
| <b>Primary Government:</b>       |                      |                      |                                    |                                  |                      |
| <b>Governmental activities:</b>  |                      |                      |                                    |                                  |                      |
| General government               | \$ 8,098,002         | \$ 207,035           | \$ 51,938                          | \$ -                             | \$ 258,973           |
| Leisure                          | 3,569,607            | 892,971              | 30,486                             | -                                | 923,457              |
| Health                           | 3,155,191            | 3,227,243            | -                                  | -                                | 3,227,243            |
| Transportation                   | 8,380,252            | 226,639              | 1,797,806                          | 2,461,799                        | 4,486,244            |
| Public protection                | 35,851,177           | 3,315,077            | 652,697                            | 22,917                           | 3,990,691            |
| Development                      | 5,054,674            | 5,098,927            | 2,987,859                          | -                                | 8,086,786            |
| Environmental                    | 3,167,221            | 227,411              | -                                  | -                                | 227,411              |
| Interest on long-term debt       | 274,674              | -                    | -                                  | -                                | -                    |
| Total governmental activities    | 67,550,798           | 13,195,303           | 5,520,786                          | 2,484,716                        | 21,200,805           |
| <b>Business-type activities:</b> |                      |                      |                                    |                                  |                      |
| Water                            | 12,753,278           | 14,123,897           | -                                  | -                                | 14,123,897           |
| Total business-type activities   | 12,753,278           | 14,123,897           | -                                  | -                                | 14,123,897           |
| <b>Total primary government</b>  | <b>\$ 80,304,076</b> | <b>\$ 27,319,200</b> | <b>\$ 5,520,786</b>                | <b>\$ 2,484,716</b>              | <b>\$ 35,324,702</b> |

**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<br>Activities | Business-Type<br>Activities | Total                 |
|----------------------------|-----------------------------|-----------------------|
| \$ (7,839,029)             | \$ -                        | \$ (7,839,029)        |
| (2,646,150)                | -                           | (2,646,150)           |
| 72,052                     | -                           | 72,052                |
| (3,894,008)                | -                           | (3,894,008)           |
| (31,860,486)               | -                           | (31,860,486)          |
| 3,032,112                  | -                           | 3,032,112             |
| (2,939,810)                | -                           | (2,939,810)           |
| (274,674)                  | -                           | (274,674)             |
| <u>(46,349,993)</u>        | <u>-</u>                    | <u>(46,349,993)</u>   |
| -                          | 1,370,619                   | 1,370,619             |
| -                          | 1,370,619                   | 1,370,619             |
| <u>(46,349,993)</u>        | <u>1,370,619</u>            | <u>(44,979,374)</u>   |
| 10,660,600                 | -                           | 10,660,600            |
| 17,701,370                 | -                           | 17,701,370            |
| 2,533,447                  | -                           | 2,533,447             |
| 6,442,461                  | -                           | 6,442,461             |
| 1,776,161                  | -                           | 1,776,161             |
| 11,423,680                 | -                           | 11,423,680            |
| <u>50,537,719</u>          | <u>-</u>                    | <u>50,537,719</u>     |
| 1,024,947                  | 300,219                     | 1,325,166             |
| 10,370                     | -                           | 10,370                |
| 98,331                     | (98,331)                    | -                     |
| <u>51,671,367</u>          | <u>201,888</u>              | <u>51,873,255</u>     |
| 5,321,374                  | 1,572,507                   | 6,893,881             |
| <u>235,924,696</u>         | <u>41,201,630</u>           | <u>277,126,326</u>    |
| <u>\$ 241,246,070</u>      | <u>\$ 42,774,137</u>        | <u>\$ 284,020,207</u> |

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# FUND FINANCIAL STATEMENTS

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*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*

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## 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.

**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, 2016**

|  | Major Funds          |                              |                                   |                          |
|--|----------------------|------------------------------|-----------------------------------|--------------------------|
|  | General              | State                        |                                   | Other Governmental Funds |
|  |                      | Gasoline Tax Special Revenue | Housing Successor Special Revenue |                          |
| <b>ASSETS</b>  |                      |                              |                                   |                          |
| Cash and investments   | \$ 54,150,712        | \$ 3,350,031                 | \$ 2,416,112                      | \$ 9,379,736             |
| Accounts receivable  | 20,069,697           | 323,478                      | -                                 | 829,311                  |
| Interest receivable  | 91,878               | 5,725                        | 4,148                             | 16,068                   |
| Taxes receivable   | 160,135              | -                            | -                                 | -                        |
| Loans receivable, net  | -                    | -                            | 17,863,601                        | 7,157,480                |
| Due from other governments   | 4,085,084            | 130,350                      | -                                 | 377,114                  |
| Prepaid items  | 65,149               | -                            | -                                 | -                        |
| Inventory  | 88,867               | -                            | -                                 | -                        |
| Property held for resale   | 3,397,951            | -                            | 3,566,153                         | 610,948                  |
| Due from other funds   | 181,155              | -                            | -                                 | -                        |
| Due from Successor Agency  | 7,191,489            | -                            | -                                 | -                        |
| <b>Total assets</b>  | <b>\$ 89,482,117</b> | <b>\$ 3,809,584</b>          | <b>\$ 23,850,014</b>              | <b>\$ 18,370,657</b>     |
| <b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>         |                      |                              |                                   |                          |
| <b>Liabilities:</b>  |                      |                              |                                   |                          |
| Accounts payable   | \$ 1,120,777         | \$ 72,700                    | \$ -                              | \$ 247,917               |
| Accrued liabilities  | 1,090,709            | 8,857                        | 5,420                             | 139,654                  |
| Deposits payable   | 1,241,302            | -                            | -                                 | -                        |
| Retention payable  | 15,730               | 6,329                        | -                                 | 7,692                    |
| Unearned revenue   | 59,041               | -                            | -                                 | -                        |
| Due to other funds   | -                    | -                            | -                                 | 181,155                  |
| <b>Total liabilities</b>   | <b>3,527,559</b>     | <b>87,886</b>                | <b>5,420</b>                      | <b>576,418</b>           |
| <b>Deferred Inflows of Resources</b>                                       |                      |                              |                                   |                          |
| Unavailable revenue  | 17,808,808           | 308,552                      | -                                 | 815,684                  |
| <b>Total deferred inflows of resources</b>                                 | <b>17,808,808</b>    | <b>308,552</b>               | <b>-</b>                          | <b>815,684</b>           |
| <b>Fund Balances: (Note 12)</b>  |                      |                              |                                   |                          |
| Nonspendable   | 9,305,158            | -                            | -                                 | -                        |
| Restricted   | 1,438,298            | 3,413,146                    | 23,844,594                        | 16,501,184               |
| Assigned   | 5,704,972            | -                            | -                                 | 559,976                  |
| Unassigned   | 51,697,322           | -                            | -                                 | (82,605)                 |
| <b>Total fund balances</b>   | <b>68,145,750</b>    | <b>3,413,146</b>             | <b>23,844,594</b>                 | <b>16,978,555</b>        |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 89,482,117</b> | <b>\$ 3,809,584</b>          | <b>\$ 23,850,014</b>              | <b>\$ 18,370,657</b>     |

See accompanying Notes to Basic Financial Statements.

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Total  
Governmental  
Funds

---

\$ 69,296,591  
21,222,486  
117,819  
160,135  
25,021,081  
4,592,548  
65,149  
88,867  
7,575,052  
181,155  
7,191,489

---

\$ 135,512,372

\$ 1,441,394  
1,244,640  
1,241,302  
29,751  
59,041  
181,155

---

4,197,283

---

18,933,044

---

18,933,044

---

9,305,158  
45,197,222  
6,264,948  
51,614,717

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112,382,045

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\$ 135,512,372

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**City of Buena Park**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2016**

**Total Fund Balances - Total Governmental Funds** \$ 112,382,045

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-<br>Wide Statement<br>of Net Position | Internal<br>Service Funds | Total              |
| Non-depreciable  | \$ 64,032,884                                    | \$ -                      | \$ 64,032,884      |
| Depreciable, net   | 155,847,784                                      | (2,498,403)               | 153,349,381        |
| Total capital assets   | <u>\$ 219,880,668</u>                            | <u>\$ (2,498,403)</u>     | <u>217,382,265</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. 18,933,044

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. (19,701)

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. 6,207,618

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 568,667

Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred. 5,759,909

In the Government-Wide Financial Statements, certain differences between actuarial amounts and actual results for pension are deferred and amortized over a period of time, however these differences do not impact the Governmental Funds Balance Sheet:

|  |              |
|--|--------------|
| Deferred outflows of resources - pension | 572,079      |
| Deferred inflows of resources - pension  | (10,567,164) |

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

|  |  |                           |                      |
|--|--|---------------------------|----------------------|
|  | Government-<br>Wide Statement<br>of Net Position | Internal<br>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                | (1,955,393)                                      | -                         | (1,955,393)          |
| Net pension liability                              | (73,948,956)                                     | 1,638,709                 | (72,310,247)         |
| Long term liabilities - due in more than one year  | (44,966,112)                                     | 9,259,060                 | (35,707,052)         |
| Total long-term liabilities                        | <u>\$ (120,991,461)</u>                          | <u>\$ 11,018,769</u>      | <u>(109,972,692)</u> |

**Net Position of Governmental Activities** \$ 241,246,070

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, 2016**

|   | Major Funds       |  |                                      | Non-Major<br>Governmental<br>Funds |
|---|-------------------|--|--------------------------------------|------------------------------------|
|   | General           | State<br>Gasoline Tax<br>Special Revenue | Housing Successor<br>Special Revenue |                                    |
| <b>REVENUES:</b>                            |                   |  |                                      |                                    |
| Taxes                                       | \$ 43,045,136     | \$ -                                     | \$ -                                 | \$ 355,319                         |
| Licenses and permits                        | 903,194           | -  | -                                    | -                                  |
| Fines and forfeitures                       | 811,614           | -  | -                                    | -                                  |
| Intergovernmental                           | 7,508,842         | 2,499,018                                | 677,978                              | 4,867,148                          |
| Charges for services                        | 7,699,530         | -  | 8,930                                | 2,114,667                          |
| Investment income                           | 851,462           | 39,601                                   | 121,678                              | 124,612                            |
| Miscellaneous                               | 829,409           | 120,000                                  | 8,930                                | 8,107                              |
| <b>Total revenues</b>                       | <b>61,649,187</b> | <b>2,658,619</b>                         | <b>817,516</b>                       | <b>7,469,853</b>                   |
| <b>EXPENDITURES:</b>                        |                   |  |                                      |                                    |
| Current:                                    |                   |  |                                      |                                    |
| General government                          | 7,282,013         | -  | -                                    | -                                  |
| Leisure                                     | 2,881,917         | -  | -                                    | -                                  |
| Health                                      | 3,028,750         | -  | -                                    | -                                  |
| Transportation                              | 4,686,149         | 586,649                                  | -                                    | 381,558                            |
| Public protection                           | 32,404,362        | -  | -                                    | 932,898                            |
| Development                                 | 2,433,549         | -  | 474,659                              | 1,918,967                          |
| Environmental                               | 3,045,715         | -  | -                                    | -                                  |
| Capital outlay                              | 647,728           | 4,204,073                                | -                                    | 2,831,486                          |
| Debt Service:                               |                   |  |                                      |                                    |
| Principal retirement                        | 4,058,612         | -  | -                                    | -                                  |
| Interest and other charges                  | 280,606           | -  | -                                    | 118                                |
| <b>Total expenditures</b>                   | <b>60,749,401</b> | <b>4,790,722</b>                         | <b>474,659</b>                       | <b>6,065,027</b>                   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>899,786</b>    | <b>(2,132,103)</b>                       | <b>342,857</b>                       | <b>1,404,826</b>                   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                   |  |                                      |                                    |
| Transfers in                                | 257,946           | 1,000,820                                | -                                    | 254,196                            |
| Transfers out                               | (1,683,000)       | (41,339)                                 | -                                    | (683,532)                          |
| Proceeds from long term debt                | 526,000           | -  | -                                    | -                                  |
| Proceeds from sale of capital assets        | 1,413             | -  | -                                    | -                                  |
| <b>Total other financing sources (uses)</b> | <b>(897,641)</b>  | <b>959,481</b>                           | <b>-</b>                             | <b>(429,336)</b>                   |
| <b>Net change in fund balances</b>          | <b>2,145</b>      | <b>(1,172,622)</b>                       | <b>342,857</b>                       | <b>975,490</b>                     |
| <b>FUND BALANCES:</b>                       |                   |  |                                      |                                    |
| Beginning of year,                          | 68,143,605        | 4,585,768                                | 23,501,737                           | 16,003,065                         |
| End of year                                 | \$ 68,145,750     | \$ 3,413,146                             | \$ 23,844,594                        | \$ 16,978,555                      |

See accompanying Notes to Basic Financial Statements.

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|    |                                |
|----|--------------------------------|
|    | Total<br>Governmental<br>Funds |
|    |                                |
| \$ | 43,400,455                     |
|    | 903,194                        |
|    | 811,614                        |
|    | 15,552,986                     |
|    | 9,823,127                      |
|    | 1,137,353                      |
|    | 966,446                        |
|    | 72,595,175                     |
|    |                                |
|    | 7,282,013                      |
|    | 2,881,917                      |
|    | 3,028,750                      |
|    | 5,654,356                      |
|    | 33,337,260                     |
|    | 4,827,175                      |
|    | 3,045,715                      |
|    | 7,683,287                      |
|    | 4,058,612                      |
|    | 280,724                        |
|    | 72,079,809                     |
|    | 515,366                        |
|    |                                |
|    | 1,512,962                      |
|    | (2,407,871)                    |
|    | 526,000                        |
|    | 1,413                          |
|    | (367,496)                      |
|    | 147,870                        |
|    |                                |
|    | 112,234,175                    |
| \$ | 112,382,045                    |

**City of Buena Park**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances to the Government-Wide Statement of Activities**  
**For the year ended June 30, 2016**

|  |                     |
|--|---------------------|
| <b>Net Change in Fund Balances - Total Governmental Funds</b>  | <b>\$ 147,870</b>   |
| 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 \$690,796              | 8,406,604           |
| 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 \$417,449  | (5,763,163)         |
| 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:  | (22,865)            |
| 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.  | (318,584)           |
| 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.  | (26,411)            |
| 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 proceeds  | (526,000)           |
| Long-term debt repayments  | 4,058,612           |
| Long term receivables that did not meet the revenue recognition criteria in the governmental funds but were recognized as revenue in the Government-Wide Financial Statements.   | 95,176              |
| Pension expense related to the net pension liability does not require the use of current financial resources and therefore was not included in the Governmental Funds but should be recognized in the Statement of Net Position for full accrual:  |                     |
| - Pension contributions in current year are reported as deferred outflow of resources  | 5,759,909           |
| - Pension expense as a result of the change in pension liability   | (5,505,725)         |
| 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.   | 6,050               |
| 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.  | (990,099)           |
| <b>Change in Net Position of Governmental Activities</b>   | <b>\$ 5,321,374</b> |

See accompanying Notes to Basic Financial Statements.

## 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, 2016**

|   | Business-type<br>Activities<br>Water<br>Enterprise Fund | Governmental<br>Activities<br>Internal<br>Service Funds |
|---|---|---|
| <b>ASSETS</b>                                       |   |   |
| Current assets:                                     |   |   |
| Cash and investments                                | \$ 24,936,923   | \$ 14,923,175   |
| Accounts receivable, net                            | 2,355,194   | -   |
| Interest receivable                                 | 42,718  | 25,712  |
| Loans receivable                                    | -   | 23,282  |
| Prepays items                                       | 10,000  | -   |
| Total current assets                                | 27,344,835  | 14,972,169  |
| Noncurrent assets:                                  |   |   |
| Capital assets:                                     |   |   |
| Non-depreciable                                     | 2,404,498   | -   |
| Depreciable, net                                    | 20,265,696  | 2,498,403   |
| Total capital assets                                | 22,670,194  | 2,498,403   |
| Total noncurrent assets                             | 22,670,194  | 2,498,403   |
| <b>Total assets</b>                                 | 50,015,029  | 17,470,572  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>               |   |   |
| Deferred employer pension contributions             | 342,215   | 135,733   |
| <b>Total deferred outflows of resources</b>         | 342,215   | 135,733   |
| <b>LIABILITIES</b>                                  |   |   |
| Current Liabilities:                                |   |   |
| Accounts payable                                    | 2,454,575   | 198,379   |
| Accrued liabilities                                 | 107,660   | 30,031  |
| Deposits payable                                    | 368,551   | -   |
| Employee leave benefits - due within one year       | 42,000  | 21,000  |
| Loans payable - due within one year                 | 4,764   | -   |
| Claims payable - due within one year                | -   | 100,000   |
| Total current liabilities                           | 2,977,550   | 349,410   |
| Noncurrent liabilities:                             |   |   |
| Employee leave benefits - due in more than one year | 91,971  | 57,160  |
| Claims payable - due in more than one year          | -   | 9,201,900   |
| Net pension liability                               | 4,131,595   | 1,638,709   |
| Total noncurrent liabilities                        | 4,223,566   | 10,897,769  |
| <b>Total liabilities</b>                            | 7,201,116   | 11,247,179  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |   |   |
| Deferred inflows of resources - pension             | 381,991   | 151,508   |
| <b>Total deferred inflows of resources</b>          | 381,991   | 151,508   |
| <b>NET POSITION</b>                                 |   |   |
| Net investment in capital assets                    | 22,665,430  | 2,498,403   |
| Unrestricted  | 20,108,707  | 3,709,215   |
| <b>Total net position</b>                           | \$ 42,774,137   | \$ 6,207,618  |

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, 2016**

|   | Business-Type<br>Activities<br><u>Water</u><br><u>Enterprise Fund</u> | Governmental<br>Activities<br><u>Internal</u><br><u>Service Funds</u> |
|---|---|---|
| <b>OPERATING REVENUES:</b>                    |   |   |
| Charges for services                          | \$ 14,123,897   | \$ 5,915,878  |
| <b>Total operating revenues</b>               | <u>14,123,897</u>   | <u>5,915,878</u>  |
| <b>OPERATING EXPENSES:</b>                    |   |   |
| Self-insurance                                | -   | 3,771,275   |
| Employee benefits                             | -   | 218,156   |
| Maintenance and supplies                      | -   | 3,377,438   |
| Information systems                           | -   | 320,165   |
| Water services                                | 11,056,179  | -   |
| Health services                               | 774,334   | -   |
| Depreciation                                  | 878,797   | 417,449   |
| <b>Total operating expenses</b>               | <u>12,709,310</u>   | <u>8,104,483</u>  |
| <b>OPERATING INCOME (LOSS)</b>                | <u>1,414,587</u>  | <u>(2,188,605)</u>  |
| <b>NONOPERATING REVENUES (EXPENSES):</b>      |   |   |
| Investment income                             | 300,219   | 178,666   |
| Gain (loss) on sale of property               | (43,220)  | 26,600  |
| Interest expense                              | (748)   | -   |
| <b>Total nonoperating revenues (expenses)</b> | <u>256,251</u>  | <u>205,266</u>  |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>         | 1,670,838   | (1,983,339)   |
| Transfers in                                  | 3,839   | 1,008,240   |
| Transfers out                                 | (102,170)   | (15,000)  |
| <b>Total transfers</b>                        | <u>(98,331)</u>   | <u>993,240</u>  |
| <b>Change in net position</b>                 | 1,572,507   | (990,099)   |
| <b>NET POSITION:</b>                          |   |   |
| Beginning of year, as restated                | <u>41,201,630</u>   | <u>7,197,717</u>  |
| End of year                                   | <u>\$ 42,774,137</u>  | <u>\$ 6,207,618</u>   |

See accompanying Notes to Basic Financial Statements.

**City of Buena Park**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2016**

|   | Business-type<br>Activities<br>Water<br>Enterprise Fund | Governmental<br>Activities<br>Internal<br>Service Funds |
|---|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |   |   |
| Cash received from other funds  | \$ -  | \$ 5,953,921  |
| Cash received from customers  | 13,989,153  | -   |
| Cash payments to suppliers for goods and services                                       | (9,195,461)   | (5,768,751)   |
| Cash paid to employees  | (2,385,012)   | (967,746)   |
| <b>Net cash provided by (used in) operating activities</b>                              | <b>2,408,680</b>  | <b>(782,576)</b>  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                                 |   |   |
| Transfers in  | 3,839   | 1,008,240   |
| Transfers out   | (102,170)   | (15,000)  |
| <b>Net cash provided by (used in) noncapital financing activities</b>                   | <b>(98,331)</b>   | <b>993,240</b>  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                        |   |   |
| Acquisition of capital assets   | (3,050,034)   | (690,796)   |
| Proceed from sale of capital assets   | 3,081   | 27,031  |
| Long-term debt repayment  | (10,195)  | -   |
| Interest paid and fiscal charges  | (748)   | -   |
| <b>Net cash (used in) capital and related financing activities</b>                      | <b>(3,057,896)</b>                                      | <b>(663,765)</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |   |   |
| Investment income received  | 297,911   | 177,193   |
| <b>Net cash provided by investing activities</b>  | <b>297,911</b>  | <b>177,193</b>  |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>  | <b>(449,636)</b>  | <b>(275,908)</b>  |
| <b>CASH AND CASH EQUIVALENTS - Beginning of year</b>                                    | <b>25,386,559</b>                                       | <b>15,199,083</b>                                       |
| <b>CASH AND CASH EQUIVALENTS - End of year</b>  | <b>\$ 24,936,923</b>                                    | <b>\$ 14,923,175</b>                                    |
| <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b> |   |   |
| Operating income  | \$ 1,414,587  | \$ (2,188,605)  |
| Adjustments to reconcile operating income to net cash provided by operating activities: |   |   |
| Depreciation  | 878,797   | 417,449   |
| Changes in assets and liabilities:  |   |   |
| Accounts receivable   | (177,849)   | 24,722  |
| Loans receivable  | -   | 13,321  |
| Prepaid items   | -   | 53,631  |
| Deferred employer pension contributions   | (70,842)  | (29,988)  |
| Accounts payable  | 386,658   | (259,729)   |
| Accrued liabilities   | 49,605  | 7,820   |
| Deposits payable  | 43,105  | -   |
| Employee leave benefits   | 15,969  | (2,099)   |
| Claims payable  | -   | 1,231,108   |
| Net pension liability   | (101,302)   | (41,158)  |
| Deferred inflows of resources - pension   | (30,048)  | (9,048)   |
| <b>Total adjustments</b>  | <b>994,093</b>  | <b>1,406,029</b>  |
| <b>Net cash provided by (used in) operating activities</b>                              | <b>\$ 2,408,680</b>                                     | <b>\$ (782,576)</b>                                     |

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, 2016**

|   | Successor Agency<br>Private-Purpose<br>Trust Fund | CFD Mall<br>Agency Fund |
|---|---|-------------------------|
| <b>ASSETS</b>                                   |   |                         |
| Cash and Investments                            | \$ 9,447,878                                      | \$ -                    |
| Interest receivable                             | 16,184  | -                       |
| Restricted cash and Investments                 | 7,866,638   | 7,128,923               |
| Loans Receivable                                | 162,970   | -                       |
| Property Held for Resale                        | 6,129,609   | -                       |
| Construction in progress                        | 2,669,822   | -                       |
| <b>Total assets</b>                             | <b>26,293,101</b>                                 | <b>7,128,923</b>        |
| <b>LIABILITIES</b>                              |   |                         |
| <b>Liabilities:</b>                             |   |                         |
| Accounts Payable                                | 257,938   | -                       |
| Accrued Liabilities                             | 6,459   | -                       |
| Retention payable                               | 59,137  | -                       |
| Interest Payable                                | 1,454,528   | -                       |
| Unearned revenue                                | 13,129  | -                       |
| Bonds Payable, due within one year              | 3,750,000   | -                       |
| Bonds Payable, due in more than one year        | 76,203,775  | -                       |
| Due to the City of Buena Park                   | 7,191,489   | -                       |
| Due to bondholders                              | -   | 7,128,923               |
| <b>Total liabilities</b>                        | <b>88,936,455</b>                                 | <b>7,128,923</b>        |
| <b>NET POSITION</b>                             |   |                         |
| Net Position held in trust for Successor Agency | <b>\$ (62,643,354)</b>                            |                         |

See accompanying Notes to Basic Financial Statements.

**City of Buena Park**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**Year Ended June 30, 2016**

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|                                    | Successor Agency<br>Trust Fund |
|------------------------------------|--------------------------------|
|                                    | <u>                    </u>    |
| <b>ADDITIONS:</b>                  |                                |
| Taxes                              | \$ 8,343,211                   |
| Interest income                    | 84,649                         |
| Program income                     | <u>147,900</u>                 |
| <b>Total additions</b>             | <u>8,575,760</u>               |
| <b>DEDUCTIONS:</b>                 |                                |
| Administrative cost                | 576,866                        |
| Contractual obligations            | 264,239                        |
| Contribution of land to developers | 31,007,654                     |
| Interest on bonds                  | <u>4,390,200</u>               |
| <b>Total Deductions</b>            | <u>36,238,959</u>              |
| <b>Change in net position</b>      | (27,663,199)                   |
| <b>NET POSITION:</b>               |                                |
| Beginning of year,                 | <u>(34,980,155)</u>            |
| End of year                        | <u><u>\$ (62,643,354)</u></u>  |

See accompanying Notes to Basic Financial Statements.

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# NOTES TO BASIC FINANCIAL STATEMENTS

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# City of Buena Park

## Notes to Basic Financial Statements

### For the year ended June 30, 2016

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#### 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, 2016**

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**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, 2016**

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**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 *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.



**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

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, 2016**

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**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. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City does not have any investments that are measured using Level 3 inputs.

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

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

For 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, 2016**

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**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 and General 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, 2016**

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**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 net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government reports, deferred employer pension contributions, and other pension plan related deferrals in this category in the government-wide and enterprise statements of net position. Employer pension contributions made during period between the measurement date and the report date are deferred and reflected as a reduction in the net pension liability in the subsequent fiscal year. Other pension related deferrals are described in Note 10.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The government reports two items in this category, unavailable revenue and amounts related to changes in the City's net pension liability that are deferred and amortized over a stated period. Unavailable revenue arises only under a modified accrual basis of accounting and accordingly is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: grant revenues and other contractual revenues due from third parties. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. Certain changes in the City's net pension liability are required to be deferred and reflected in pension expense over a closed amortization period. Pension related deferrals are described in Note 10.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**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. Issuance costs, except for prepaid bond insurance are expensed at the time of debt issuance.

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, 2016**

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**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, 2016**

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**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, 2016**

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**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. *Pension***

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

**R. *New Pronouncements***

In 2016, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 72, *Fair Value Measurement and Application* – This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. There was no impact on beginning net position as part of implementation of this accounting standard.
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* - The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. There was no impact on beginning net position as part of implementation of this accounting standard.



**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**R. New Pronouncements, Continued**

- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* – The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. There was no impact on beginning net position as part of implementation of this accounting standard.
- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* - This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. There was no impact on beginning net position as part of implementation of this accounting standard.
- GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statement No. 67, No. 68, and No. 73* - This Statement addresses certain issues that had been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in the required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City updated covered employee payroll information in the required supplementary information as part of implementation of this accounting standard.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**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, 2016:

|                                    | <u>Government-Wide Statement of Net Position</u> |                                     |                            |                       |
|------------------------------------|--|-------------------------------------|----------------------------|-----------------------|
|                                    | <u>Governmental<br/>Activities</u>               | <u>Business-Type<br/>Activities</u> | <u>Fiduciary<br/>Funds</u> | <u>Total</u>          |
| Cash and investments               | \$ 84,219,766                                    | \$ 24,936,923                       | \$ 9,447,878               | \$ 118,604,567        |
| Restricted cash and investments    | -  | -                                   | 14,995,561                 | 14,995,561            |
| <b>Total cash and investments:</b> | <b>\$ 84,219,766</b>                             | <b>\$ 24,936,923</b>                | <b>\$ 24,443,439</b>       | <b>\$ 133,600,128</b> |

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

|                                     |                       |
|-------------------------------------|-----------------------|
| Cash on hand                        | \$ 24,348             |
| Deposits with financial institution | 2,006,836             |
| Total cash on hand and deposits     | <u>2,031,184</u>      |
| Local Agency Investment funds       | 34,206,254            |
| Investments                         | 82,367,129            |
| Total investments                   | <u>116,573,383</u>    |
| <b>Total City Treasury</b>          | <u>118,604,567</u>    |
| Cash with fiscal agent              | <u>14,995,561</u>     |
| <b>Total cash and investments</b>   | <u>\$ 133,600,128</u> |

**B. Deposits**

The carrying amount of the City's cash deposit was a positive amount of \$2,006,836 at June 30, 2016. Bank balances before reconciling items were a positive amount of \$4,513,286 at June 30, 2016. 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.

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.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**2. CASH AND INVESTMENTS, Continued**

**B. Deposits, Continued**

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, 2016**

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**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   | \$        | 609,299                 |
| Unrealized loss in changes in fair value of investments |           | <u>757,651</u>          |
| <b>Total investment income</b>                          | <b>\$</b> | <b><u>1,366,950</u></b> |

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, 2016, 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, 2016, the City had \$34,206,254 invested in LAIF, which had invested 2.81% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.08% in the previous year. The LAIF fair value factor of 1.000621222 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, 2016**

**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, 2016, 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                        | \$ 18,174,011         | \$ 4,610,541            | \$ 9,030,649         | \$ 4,532,821         |
| United States Government Sponsored Enterprise Securities | 39,302,039            | 12,737,013              | 11,210,515           | 15,354,511           |
| Medium-Term Corporate Notes (MTN)                        | 19,584,956            | 2,331,234               | 13,164,438           | 4,089,284            |
| Money Market Mutual Funds                                | 5,306,123             | 5,306,123               | -                    | -                    |
| Local Agency Investment Fund (LAIF)                      | 34,206,254            | 34,206,254              | -                    | -                    |
| Total  | <u>\$ 116,573,383</u> | <u>\$ 59,191,165</u>    | <u>\$ 33,405,602</u> | <u>\$ 23,976,616</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, 2016, 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>Unrated</u>    |
|---------------------------------|-----------------------|-----------------------------|---------------------|----------------------|-------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
|                                 |                       |                             | <u>AAA</u>          | <u>AA+</u>           | <u>AA</u>         | <u>AA-</u>          | <u>A+</u>           | <u>A</u>            | <u>A-</u>           |                   |
| United States                   |                       |                             |                     |                      |                   |                     |                     |                     |                     |                   |
| Treasury Securities             | \$ 18,174,011         | N/A                         | \$ -                | \$ 18,174,011        | \$ -              | \$ -                | \$ -                | \$ -                | \$ -                | -                 |
| United States Government        |                       |                             |                     |                      |                   |                     |                     |                     |                     |                   |
| Sponsored Enterprise Securities | 39,302,039            | N/A                         | -                   | 39,302,039           | -                 | -                   | -                   | -                   | -                   | -                 |
| Medium-Term                     |                       |                             |                     |                      |                   |                     |                     |                     |                     |                   |
| Corporate Notes (MTN)           | 19,584,956            | A                           | 449,041             | 2,033,507            | 556,384           | 4,277,416           | 5,077,417           | 6,181,874           | 1,009,317           | -                 |
| Money Market                    |                       |                             |                     |                      |                   |                     |                     |                     |                     |                   |
| Mutual Funds                    | 5,306,123             | N/A                         | 5,306,123           | -                    | -                 | -                   | -                   | -                   | -                   | -                 |
| Local Agency                    |                       |                             |                     |                      |                   |                     |                     |                     |                     |                   |
| Investment Fund                 | 34,206,254            | N/A                         | -                   | -                    | -                 | -                   | -                   | -                   | -                   | 34,206,254        |
| Total                           | <u>\$ 116,573,383</u> |                             | <u>\$ 5,755,164</u> | <u>\$ 59,509,557</u> | <u>\$ 556,384</u> | <u>\$ 4,277,416</u> | <u>\$ 5,077,417</u> | <u>\$ 6,181,874</u> | <u>\$ 1,009,317</u> | <u>34,206,254</u> |

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**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, 2016, 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:

| Issuer                                | Investment Type  | Reported Amount | Percent of Investment |
|---------------------------------------|--|-----------------|-----------------------|
| Government of United States           | United States Treasury Securities                        | \$ 18,174,011   | 23%                   |
| Federal Home Loan Bank                | Sponsored Enterprise Securities United States Government | 12,764,392      | 16%                   |
| Federal National Mortgage Association | Sponsored Enterprise Securities United States Government | 11,520,672      | 15%                   |
| Federal Home Loan Mortgage Corp.      | Sponsored Enterprise Securities United States Government | 8,181,707       | 10%                   |
| Federal Farm Credit Bank              | Sponsored Enterprise Securities United States Government | 6,835,221       | 9%                    |

**E. Fair Value of Investments**

Investments (except those that may be reported at amortized cost) are measured at fair value on a recurring basis. *Recurring* fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2016 are described on the following page.

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

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**2. CASH AND INVESTMENTS, Continued**

**E. Fair Value of Investments, Continued**

| Investment Type  | Total                 | Fair Value Measurement Using |                      |             |
|--|-----------------------|------------------------------|----------------------|-------------|
|  |                       | Level 1                      | Level 2              | Level 3     |
| Securities of U.S. Government                            |                       |                              |                      |             |
| United States Treasury Securities                        | \$ 18,174,011         | \$ 18,174,011                | \$ -                 | \$ -        |
| United States Government Sponsored Enterprise Securities | 39,302,039            | -                            | 39,302,039           | -           |
| Medium-Term Corporate Notes                              | 19,584,956            | -                            | 19,584,956           | -           |
| Local Agency Investment Fund                             | 34,206,254            | -                            | 34,206,254           | -           |
| <b>Total investments subject to leveling</b>             | <b>111,267,260</b>    | <b>\$ 18,174,011</b>         | <b>\$ 93,093,249</b> | <b>\$ -</b> |
| Investments not subject to leveling:                     |                       |                              |                      |             |
| Money Market Funds                                       | 20,301,684            |                              |                      |             |
| <b>Total Investments</b>                                 | <b>\$ 131,568,944</b> |                              |                      |             |
| Investments held by the City                             | \$ 116,573,383        |                              |                      |             |
| Investments held by fiscal agent                         | 14,995,561            |                              |                      |             |
| <b>Total Investments</b>                                 | <b>\$ 131,568,944</b> |                              |                      |             |

Treasury securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Federal Agriculture Mortgage Corporation, Federal Farm Credit Bank Bonds, Federal Home Loan Banks, Federal Home Loan Mortgage Corporate Notes and Federal National Mortgage Association Notes categorized as Level 2 are valued based on matrix pricing which use observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

The City's fair value for its investment in the State of California Local Agency Investment Fund (LAIF) is based on the fair market value factors provided by LAIF that are calculated based on the total fair market value of the pool. LAIF includes investments categorized as Level 1 such as United States Treasury securities, Federal Agency securities, and supranational debentures that are valued based on prices quoted in active markets and investments categorized as Level 2 such as negotiable certificates of deposit and bank notes that are based on market corroborated pricing utilizing inputs such as yield curves and indices that are derived principally from or corroborated by observable market data by correlation to other means.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**3. INTERFUND TRANSACTIONS**

**A. Due To/From Other Funds**

At June 30, 2016, the City had the following due to/from other funds:

| <u>Due To General Fund</u>   | <u>Due From Other Funds</u> |
|------------------------------|-----------------------------|
| Non-Major Governmental Funds | \$ 181,155                  |
| Total                        | <u>\$ 181,155</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, 2016, the City had the following transfers in/out which arise in the normal course of operations.

| Transfers Out          | Transfers In             |                            |                            |                             |                              | Total                      |
|------------------------|--------------------------|----------------------------|----------------------------|-----------------------------|------------------------------|----------------------------|
|                        | General                  | State<br>Gas Tax           | Non-Major<br>Govt<br>Funds | Water<br>Enterprise<br>Fund | Internal<br>Service<br>Funds |                            |
| Major Govt Funds       |                          |                            |                            |                             |                              |                            |
| General Fund           | \$ -                     | \$ 578,000                 | \$ 215,000                 | \$ -                        | \$ 890,000                   | <b>\$ 1,683,000</b>        |
| State Gas Tax          | 22,500                   | -                          | -                          | 3,839                       | 15,000                       | <b>41,339</b>              |
| Non-major Govtl Funds  | 163,276                  | 422,820                    | 39,196                     | -                           | 58,240                       | <b>683,532</b>             |
| Total Govt Funds       | <u>185,776</u>           | <u>1,000,820</u>           | <u>254,196</u>             | <u>3,839</u>                | <u>963,240</u>               | <b>2,407,871</b>           |
| Water Enterprise Fund  | 72,170                   | -                          | -                          | -                           | 30,000                       | <b>102,170</b>             |
| Internal Service Funds | -                        | -                          | -                          | -                           | 15,000                       | <b>15,000</b>              |
| <b>Total</b>           | <u><b>\$ 257,946</b></u> | <u><b>\$ 1,000,820</b></u> | <u><b>\$ 254,196</b></u>   | <u><b>\$ 3,839</b></u>      | <u><b>\$ 1,008,240</b></u>   | <u><b>\$ 2,525,041</b></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, 2016**

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**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<br>June 30, 2016    |
|--|-----------------------------|
| Governmental Funds:                    |                             |
| Home Improvement Loans                 | \$ 2,153,344                |
| Low and Moderate Income Housing Loans  | 23,869,244                  |
| First Time Home Buyer Loans            | 5,004,136                   |
| Subtotal                               | <u>31,026,724</u>           |
| Allowance for uncollectible loans      | <u>(6,005,643)</u>          |
| Total governmental funds               | <u>\$ 25,021,081</u>        |
| Internal Service Funds:                |                             |
| Employee Computer Loans                | <u>\$ 23,282</u>            |
| <b>Total Primary Government</b>        | <u><b>\$ 25,044,363</b></u> |
| Fiduciary Funds:                       |                             |
| Successor Agency - Redevelopment Loans | <u>\$ 162,970</u>           |
|  | <u><u>\$ 162,970</u></u>    |

**5. UNEARNED REVENUE**

Unearned revenues in the Government-Wide Financial Statements represent cash collected prior to June 30, 2016 for community classes and other activities that take place in the future. At June 30, 2016, unearned revenues in the Government-Wide Financial Statements were \$59,041.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**6. 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<br>July 1, 2015 | Additions           | Retirements           | Balance<br>June 30, 2016 |
|--|-------------------------|---------------------|-----------------------|--------------------------|
| Capital assets, not being depreciated: |                         |                     |                       |                          |
| Rights-of-way                          | \$ 48,677,665           | \$ -                | \$ -                  | \$ 48,677,665            |
| Land                                   | 11,783,793              | -                   | -                     | 11,783,793               |
| Construction in progress               | 968,447                 | 7,251,849           | (4,648,870)           | 3,571,426                |
| <b>Total non-depreciable assets</b>    | <b>61,429,905</b>       | <b>7,251,849</b>    | <b>(4,648,870)</b>    | <b>64,032,884</b>        |
| Depreciable assets:                    |                         |                     |                       |                          |
| Buildings                              | 86,612,709              | 573,223             | -                     | 87,185,932               |
| Improvements                           | 15,693,040              | 788,397             | (57,102)              | 16,424,335               |
| Machinery and equipment                | 19,456,016              | 1,273,530           | (309,098)             | 20,420,448               |
| Furniture and fixtures                 | 1,339,040               | 6,976               | -                     | 1,346,016                |
| Infrastructure:                        |                         |                     |                       |                          |
| Road system                            | 103,863,578             | 2,812,313           | (296,683)             | 106,379,208              |
| Storm drain system                     | 4,306,280               | 1,040,368           | -                     | 5,346,648                |
| <b>Total depreciable assets</b>        | <b>231,270,663</b>      | <b>6,494,807</b>    | <b>(662,883)</b>      | <b>237,102,587</b>       |
| Less accumulated depreciation:         |                         |                     |                       |                          |
| Buildings                              | (12,042,134)            | (1,799,632)         | -                     | (13,841,766)             |
| Improvements                           | (8,565,626)             | (555,737)           | 57,102                | (9,064,261)              |
| Machinery and equipment                | (11,450,321)            | (1,021,600)         | 308,283               | (12,163,638)             |
| Furniture and fixtures                 | (600,444)               | (58,473)            | -                     | (658,917)                |
| Infrastructure:                        |                         |                     |                       |                          |
| Road system                            | (41,300,938)            | (2,670,782)         | 273,816               | (43,697,904)             |
| Storm drain system                     | (1,753,929)             | (74,388)            | -                     | (1,828,317)              |
| <b>Total accumulated depreciation</b>  | <b>(75,713,392)</b>     | <b>(6,180,612)</b>  | <b>639,201</b>        | <b>(81,254,803)</b>      |
| <b>Total depreciable assets, net</b>   | <b>155,557,271</b>      | <b>314,195</b>      | <b>(23,682)</b>       | <b>155,847,784</b>       |
| <b>Total capital assets</b>            | <b>\$ 216,987,176</b>   | <b>\$ 7,566,044</b> | <b>\$ (4,672,552)</b> | <b>\$ 219,880,668</b>    |

Depreciation expense by program for capital assets for the year ended June 30, 2016 was as follows:

|  |                     |
|--|---------------------|
| General government                                     | \$ 549,257          |
| Leisure  | 580,661             |
| Transportation   | 3,313,107           |
| Public Protection                                      | 1,275,949           |
| Development  | 44,189              |
| Internal Service Fund Depreciation charged to Programs | 417,449             |
| <b>Total depreciation expense</b>                      | <b>\$ 6,180,612</b> |

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**6. 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<br>July 1, 2015 | Additions           | Retirements           | Balance<br>June 30, 2016 |
|---------------------------------------|-------------------------|---------------------|-----------------------|--------------------------|
| <b>Non-depreciable assets:</b>        |                         |                     |                       |                          |
| Land                                  | \$ 2,500                | \$ -                | \$ -                  | \$ 2,500                 |
| Construction in progress              | 996,397                 | 3,305,567           | (1,899,966)           | 2,401,998                |
| Total non-depreciable assets          | <u>998,897</u>          | <u>3,305,567</u>    | <u>(1,899,966)</u>    | <u>2,404,498</u>         |
| <b>Depreciable assets:</b>            |                         |                     |                       |                          |
| Buildings                             | 43,672                  | 48,906              | -                     | 92,578                   |
| Improvements                          | 698,751                 | 202,545             | -                     | 901,296                  |
| Pumps and reservoirs                  | 2,394,883               | -                   | -                     | 2,394,883                |
| Hydrants, meters, and connections     | 4,923,485               | 307,544             | -                     | 5,231,029                |
| Machinery and equipment               | 1,304,934               | 39,724              | -                     | 1,344,658                |
| <b>Infrastructure:</b>                |                         |                     |                       |                          |
| Wells                                 | 4,691,845               | -                   | -                     | 4,691,845                |
| Water and sewer lines                 | 30,254,410              | 1,042,633           | (185,372)             | 31,111,671               |
| Total depreciable assets              | <u>44,311,980</u>       | <u>1,641,352</u>    | <u>(185,372)</u>      | <u>45,767,960</u>        |
| <b>Less accumulated depreciation:</b> |                         |                     |                       |                          |
| Buildings                             | (41,359)                | (1,157)             | -                     | (42,516)                 |
| Improvements                          | (73,413)                | (34,938)            | -                     | (108,351)                |
| Pumps and reservoirs                  | (1,463,354)             | (37,570)            | -                     | (1,500,924)              |
| Hydrants, meters, and connections     | (4,326,229)             | (41,581)            | -                     | (4,367,810)              |
| Machinery and equipment               | (908,673)               | (56,067)            | -                     | (964,740)                |
| <b>Infrastructure:</b>                |                         |                     |                       |                          |
| Wells                                 | (2,151,855)             | (107,531)           | -                     | (2,259,386)              |
| Water and sewer lines                 | (15,800,736)            | (599,953)           | 142,152               | (16,258,537)             |
| Total accumulated depreciation        | <u>(24,765,619)</u>     | <u>(878,797)</u>    | <u>142,152</u>        | <u>(25,502,264)</u>      |
| Total depreciable assets, net         | <u>19,546,361</u>       | <u>762,555</u>      | <u>(43,220)</u>       | <u>20,265,696</u>        |
| <b>Total capital assets</b>           | <u>\$ 20,545,258</u>    | <u>\$ 4,068,122</u> | <u>\$ (1,943,186)</u> | <u>\$ 22,670,194</u>     |

Depreciation expense for the year ended June 30, 2016 was as follows:

|                                   |                   |
|-----------------------------------|-------------------|
| Water                             | <u>\$ 878,797</u> |
| <b>Total depreciation expense</b> | <u>\$ 878,797</u> |

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**6. 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.

**7. LONG-TERM DEBT**

**A. Governmental Activities**

The following is a summary of long-term debt transactions including amortization for the year ended June 30, 2016:

|  | Balance<br>June 30, 2015<br>(as restated) | Additions    | Deletions      | Balance<br>June 30, 2016 | Due Within<br>One Year | Due in more than<br>One Year |
|--|---|--------------|----------------|--------------------------|------------------------|------------------------------|
| Governmental Activities:                               |   |              |                |                          |                        |                              |
| Claims Payable   | \$ 8,070,792                              | \$ 2,879,118 | \$ (1,648,010) | \$ 9,301,900             | \$ 100,000             | \$ 9,201,900                 |
| Employee Leave Benefits                                | 2,243,736                                 | 515,038      | (198,553)      | 2,560,221                | 21,000                 | 2,539,221                    |
| Pension Note Payable                                   | 7,554,523                                 | -            | (1,774,431)    | 5,780,092                | 1,850,193              | 3,929,899                    |
| Note payable - OCTA                                    | -   | 526,000      | -              | 526,000                  | 105,200                | 420,800                      |
| Sales tax payable                                      | 31,158,473                                | -            | (2,284,181)    | 28,874,292               | -                      | 28,874,292                   |
| Subtotal   | 38,712,996                                | 526,000      | (4,058,612)    | 35,180,384               | 1,955,393              | 33,224,991                   |
| Total Governmental Activities<br>Long-Term Liabilities | \$ 49,027,524                             | \$ 3,920,156 | \$ (5,905,175) | \$ 47,042,505            | \$ 2,076,393           | \$ 44,966,112                |

**Pension 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<br>June 30, | Principal    | Interest   | Total        |
|-------------------------|--------------|------------|--------------|
| 2017                    | \$ 1,850,193 | \$ 204,844 | \$ 2,055,037 |
| 2018                    | 1,928,428    | 126,610    | 2,055,038    |
| 2019                    | 2,001,471    | 44,995     | 2,046,466    |
| Total                   | \$ 5,780,092 | \$ 376,449 | \$ 6,156,541 |

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**7. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

**Note Payable – OCTA**

In April 2009, the City entered into an agreement with Orange County Transportation Authority (OCTA) to purchase three vacant parcels of land located on Auto Center Drive for the purposes of resale. The total purchase price of the land was \$1,040,000, which included a \$514,000 down payment and a promissory note of \$526,000. The promissory note is secured by a lien on the parcels. The promissory note is to be repaid over a five (5) year period in annual principal installments of \$105,200, and accrues interest at a rate of two percent (2%) adjusted for OCTA's short-term portfolio rate of return for the prior fiscal year.

The annual debt service requirements (assuming a 2% interest rate) are as follows:

| Year Ending<br>June 30, | Principal         | Interest         | Total             |
|-------------------------|-------------------|------------------|-------------------|
| 2017                    | \$ 105,200        | \$ 10,520        | \$ 115,720        |
| 2018                    | 105,200           | 8,416            | 113,616           |
| 2019                    | 105,200           | 6,312            | 111,512           |
| 2020                    | 105,200           | 4,208            | 109,408           |
| 2021                    | 105,200           | 2,104            | 107,304           |
| Total                   | <u>\$ 526,000</u> | <u>\$ 31,560</u> | <u>\$ 557,560</u> |

**Sales Tax Payable**

During fiscal year 2016, the City reached a settlement agreement with the Board of Equalization and other interested parties with regard to sales taxes that were previously remitted to the City related to a point-of-sale dispute. As a result of the agreement, the Board of Equalization performed a reallocation that resulted in the City requiring to repay \$31,158,473 of previously remitted sales tax revenue. One hundred percent (100%) of sales tax revenues are to be withheld by the Board of Equalization until the obligation is repaid. During fiscal year 2016, the Board of Equalization withheld \$2,284,181 of sales tax revenues generated by the City. As of June 30, 2016, the outstanding balance of the obligation was \$28,874,692.

**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, 2016, in the amount of \$2,560,221 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 schedule for the employee leave benefits liability.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**7. LONG-TERM DEBT, Continued**

**B. Business-Type Activities**

|                                 | Balance           |                  |                    | Balance           |                  |          | Due              | Due in   |
|---------------------------------|-------------------|------------------|--------------------|-------------------|------------------|----------|------------------|----------|
|                                 | July 1, 2015      | Additions        | Deletions          | June 30, 2016     | Within           | One Year | more than        | One Year |
| <b>Business-Type Activities</b> |                   |                  |                    |                   |                  |          |                  |          |
| Loan Payable                    | \$ 14,959         | \$ -             | \$ (10,195)        | \$ 4,764          | \$ 4,764         |          | \$ -             |          |
| Employee Leave Benefits         | 118,002           | 27,463           | (11,494)           | 133,971           | 42,000           |          | 91,971           |          |
| <b>Total</b>                    | <b>\$ 132,961</b> | <b>\$ 27,463</b> | <b>\$ (21,689)</b> | <b>\$ 138,735</b> | <b>\$ 46,764</b> |          | <b>\$ 91,971</b> |          |

**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, 2016 the principal amount outstanding was \$4,764.

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

| Year Ending  | Principal       | Interest      | Total           |
|--------------|-----------------|---------------|-----------------|
| June 30,     |                 |               |                 |
| 2017         | \$ 4,764        | \$ 183        | \$ 4,947        |
| <b>Total</b> | <b>\$ 4,764</b> | <b>\$ 183</b> | <b>\$ 4,947</b> |

**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, 2016 was \$133,971. 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              |             |                       |                   | Balance              |                     |          | Due                  | Due in   |
|-------------------------------------|----------------------|-------------|-----------------------|-------------------|----------------------|---------------------|----------|----------------------|----------|
|                                     | July 1, 2015         | Additions   | Deletions             | Amortization      | June 30, 2016        | Within              | One Year | more than            | One Year |
| <b>Fiduciary Funds Activities</b>   |                      |             |                       |                   |                      |                     |          |                      |          |
| Tax Allocation Bonds                |                      |             |                       |                   |                      |                     |          |                      |          |
| 2003 Tax Allocation Bonds           | \$ 13,557,435        | \$ -        | \$ (1,140,000)        | \$ (2,994)        | \$ 12,414,441        | \$ 1,180,000        |          | \$ 11,234,441        |          |
| 2008 Tax Allocation Bonds, Series A | 47,867,952           | -           | (500,000)             | (3,618)           | 47,364,334           | 540,000             |          | 46,824,334           |          |
| 2008 Tax Allocation Bonds, Series B | 22,090,000           | -           | (1,915,000)           | -                 | 20,175,000           | 2,030,000           |          | 18,145,000           |          |
| Total Tax Allocation Bonds          | 83,515,387           | -           | (3,555,000)           | (6,612)           | 79,953,775           | 3,750,000           |          | 76,203,775           |          |
| <b>Total</b>                        | <b>\$ 83,515,387</b> | <b>\$ -</b> | <b>\$ (3,555,000)</b> | <b>\$ (6,612)</b> | <b>\$ 79,953,775</b> | <b>\$ 3,750,000</b> |          | <b>\$ 76,203,775</b> |          |

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**7. LONG-TERM DEBT, Continued**

**C. Fiduciary Funds Activities**

**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 \$1,672,038 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, 2016 were \$12,414,441.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$495,798. As of June 30, 2016 the unamortized balance of the deferred loss on refunding was \$0.

Future debt services requirements on these bonds are as follows:

| Year Ending<br>June 30, | Principal            | Interest            | Total                |
|-------------------------|----------------------|---------------------|----------------------|
| 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                    | 1,315,000            | 328,063             | 1,643,063            |
| 2021                    | 1,365,000            | 275,120             | 1,640,120            |
| 2022-2024               | 6,040,000            | 512,470             | 6,552,470            |
| Subtotal                | 12,390,000           | <u>\$ 2,386,368</u> | <u>\$ 14,776,368</u> |
| Bond premium            | 24,441               |                     |                      |
| Total                   | <u>\$ 12,414,441</u> |                     |                      |

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**7. 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 \$3,701,211 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, 2016 were \$47,364,334.

Future debt service requirements on these bonds are as follows:

| Year Ending<br>June 30, | Principal            | Interest             | Total                |
|-------------------------|----------------------|----------------------|----------------------|
| 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                    | 680,000              | 2,531,468            | 3,211,468            |
| 2021                    | 750,000              | 2,497,675            | 3,247,675            |
| 2022-2026               | 7,430,000            | 11,736,995           | 19,166,995           |
| 2027-2031               | 17,955,000           | 8,071,541            | 26,026,541           |
| 2032-3036               | 18,740,000           | 2,726,922            | 21,466,922           |
| Subtotal                | 47,295,000           | <u>\$ 35,326,817</u> | <u>\$ 82,621,817</u> |
| Bond premium            | 69,334               |                      |                      |
| Total                   | <u>\$ 47,364,334</u> |                      |                      |



**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**7. 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 \$2,493,390 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, 2016 were \$20,175,000.

Future debt service requirements on these bonds are as follows:

| Year Ending<br>June 30, | Principal            | Interest            | Total                |
|-------------------------|----------------------|---------------------|----------------------|
| 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                    | 2,425,000            | 781,469             | 3,206,469            |
| 2021                    | 2,575,000            | 625,144             | 3,200,144            |
| 2021-2024               | 8,710,000            | 838,840             | 9,548,840            |
| <b>Total</b>            | <b>\$ 20,175,000</b> | <b>\$ 5,421,424</b> | <b>\$ 25,596,424</b> |

**8. RISK MANAGEMENT**

**A. Coverage**

In the self-insurance internal service funds, the City has recorded liabilities in the amount of \$8,170,792 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

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**8. RISK MANAGEMENT, Continued**

**A. Coverage, Continued**

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 \$7,274,402 for workers' compensation and \$2,027,498 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 and Changes in Estimates | Claim Payments | Claims Payable June 30 | Due Within One Year | Due in more than One Year |
|------------------------------|-----------------------|---|----------------|------------------------|---------------------|---------------------------|
| 2013-2014                    | \$ 7,426,069          | \$ 1,992,721                                | \$ (1,648,010) | \$ 7,770,780           | \$ 100,000          | \$ 7,670,780              |
| 2014-2015                    | \$ 7,770,780          | \$ 1,667,878                                | \$ (1,367,866) | \$ 8,070,792           | \$ 100,000          | \$ 7,970,792              |
| 2015-2016                    | \$ 8,070,792          | \$ 2,726,773                                | \$ (1,495,665) | \$ 9,301,900           | \$ 100,000          | \$ 9,201,900              |

**9. EMPLOYEE RETIREMENT PLANS**

**A. Summary of Pension Plan Balances**

Pension related balances presented on the Statement of Net Position as of June 30, 2016 by individual plan are described in the following table:

|                              | Deferred Employer Contributions | Deferred Outflows - Pension | Net Pension Liability | Deferred Inflows - Pension |
|------------------------------|---------------------------------|-----------------------------|-----------------------|----------------------------|
| CALPERS Miscellaneous        |                                 |                             |                       |                            |
| Agent Multiple Employer Plan | \$ 2,622,395                    | \$ -                        | \$ 31,660,452         | \$ 2,927,197               |
| CALPERS Cost Sharing Plan    | 3,615,462                       | 572,079                     | 46,420,099            | 8,173,466                  |
| <b>Total</b>                 | <b>\$ 6,237,857</b>             | <b>\$ 572,079</b>           | <b>\$ 78,080,551</b>  | <b>\$ 11,100,663</b>       |

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**9. EMPLOYEE RETIREMENT PLANS, Continued**

**B. Agent Multiple-Employer Defined Benefit Plan – CalPERS Miscellaneous Plan**

**I. General Information about the Pension Plan**

**Plan Description** – All miscellaneous qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous Plan, agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

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

|  | <u>Miscellaneous</u> |
|--|----------------------|
| Benefit vesting schedule   | 5 years of service   |
| Benefit payments   | monthly for life     |
| Earliest retirement age  | 50                   |
| Benefit factor for each year of service<br>as a % of annual salary | 2.5% at age 55       |
| Required employee contribution rates                               | 8%                   |
| Required employer contribution rates                               | 21.288% *            |

On January 1, 2013, the Public Employee Pension Reform Act (PEPRA) went into effect. This State law applies to employees hired after January 1, 2013 who are new to PERS. These employees are termed PEPRA members and employees that were enrolled in PERS (without significant separation) prior to January 1, 2013 are now referred to as classic members. PEPRA miscellaneous members will be enrolled in a 2% at 62 plan. The City contributes 6.25% for PEPRA members, and employees’ contribute 6.25%.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**9. EMPLOYEE RETIREMENT PLANS, Continued**

***B. Agent Multiple-Employer Defined Benefit Plan - CalPERS Miscellaneous Plan, Continued***

***I. General Information about the Pension Plan, Continued***

**Employees Covered** – At June 30, 2016, the following employees were covered by the benefit terms for each Plan:

|  |            |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 353        |
| Inactive employees entitled to but not yet receiving benefits    | 221        |
| Active employees   | <u>181</u> |
| Total  | <u>755</u> |

**Contributions** – Section 20814(C) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2015 (the measurement date), the average active employee contribution rate is 8.00 percent of annual pay for the Miscellaneous Plan, and employer contribution rate is 17.291 percent of annual payroll for the Miscellaneous Plan.

***II. Net Pension Liability***

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

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**9. EMPLOYEE RETIREMENT PLANS, Continued**

***B. Agent Multiple-Employer Defined Benefit Plan - CalPERS Miscellaneous Plan, Continued***

***II. Net Pension Liability, Continued***

***Actuarial Assumptions*** – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

|                                  |   |
|----------------------------------|---|
| Valuation Date                   | June 30, 2013   |
| Measurement Date                 | June 30, 2014   |
| Actuarial Cost Method            | Entry-Age Normal Cost   |
| Actuarial Assumptions:           |   |
| Discount Rate                    | 7.65%   |
| Inflation                        | 2.75%   |
| Salary Increases                 | Varies by Entry Age and Service   |
| Projected Salary Increase        | 3.3% - 14.2%  |
| Investment Rate of Return (1)    | 7.65%   |
| Mortality (2)                    | Derived using CalPERS' Membership Data for all                              |
| Post Retirement Benefit Increase | Protection Allowance Floor on Purchasing Power<br>applies, 2.75% thereafter |

(1) Net of pension plan investment expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

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

***Discount Rate*** – The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**9. EMPLOYEE RETIREMENT PLANS, Continued**

**B. Agent Multiple-Employer Defined Benefit Plan - CalPERS Miscellaneous Plan, Continued**

**II. Net Pension Liability, Continued**

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

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

| Asset Class                   | New Strategic Allocation | Real Return Years 1 - 10(a) | Real Return Years 11+(b) |
|-------------------------------|--------------------------|-----------------------------|--------------------------|
| Global Equity                 | 51.00%                   | 5.25%                       | 5.71%                    |
| Global Fixed Income           | 19.00%                   | 0.99%                       | 2.43%                    |
| Inflation Sensitive           | 6.00%                    | 0.45%                       | 3.36%                    |
| Private Equity                | 10.00%                   | 6.83%                       | 6.95%                    |
| Real Estate                   | 10.00%                   | 4.50%                       | 5.13%                    |
| Infrastructure and Forestland | 2.00%                    | 4.50%                       | 5.09%                    |
| Liquidity                     | 2.00%                    | -0.55%                      | -1.05%                   |
| Total                         | 100%                     |                             |                          |

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

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

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**9. EMPLOYEE RETIREMENT PLANS, Continued**

**B. Agent Multiple-Employer Defined Benefit Plan - CalPERS Miscellaneous Plan, Continued**

**III. Changes in the Net Pension Liability**

The changes in the Net Pension Liability for the Plan follow:

**Miscellaneous Plan:**

|  | Increase (Decrease)        |                                |                                  |
|--|----------------------------|--------------------------------|----------------------------------|
|  | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability/(Asset) |
| <b>Balance at June 30, 2014 (1)</b>                            | \$ 124,026,783             | \$ 95,064,945                  | \$ 28,961,838                    |
| <b>Changes in the year:</b>                                    |                            |                                |                                  |
| Service cost   | 1,988,943                  | -                              | 1,988,943                        |
| Interest on the total pension liability                        | 9,046,796                  | -                              | 9,046,796                        |
| Differences between actual and expected experience             | (1,277,341)                | -                              | (1,277,341)                      |
| Changes in assumptions   | (2,091,915)                | -                              | (2,091,915)                      |
| Changes in benefit terms                                       | -                          | -                              | -                                |
| Contribution - employer  | -                          | 2,006,400                      | (2,006,400)                      |
| Contribution - employee  | -                          | 951,393                        | (951,393)                        |
| Investment income  | -                          | 2,115,027                      | (2,115,027)                      |
| Administrative expenses  | -                          | (104,951)                      | 104,951                          |
| Benefit payments , including refunds of employee contributions | (6,786,470)                | (6,786,470)                    | -                                |
| <b>Net changes</b>   | <b>880,013</b>             | <b>(1,818,601)</b>             | <b>2,698,614</b>                 |
| <b>Balance at June 30, 2015</b>                                | <b>\$ 124,906,796</b>      | <b>\$ 93,246,344</b>           | <b>\$ 31,660,452</b>             |

(1) – The fiduciary net position includes receivables for employee service buyback, deficiency reserve, fiduciary self-insurance, and OPEB expense.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**9. EMPLOYEE RETIREMENT PLANS, Continued**

**B. Agent Multiple-Employer Defined Benefit Plan - CalPERS Miscellaneous Plan, Continued**

**III. Changes in the Net Pension Liability, Continued**

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

|                       |    |            |
|-----------------------|----|------------|
| 1% Decrease           |    | 6.50%      |
| Net Pension Liability | \$ | 47,347,150 |
| Current Discount Rate |    | 7.5%       |
| Net Pension Liability | \$ | 31,660,452 |
| 1% Increase           |    | 8.5%       |
| Net Pension Liability | \$ | 18,660,717 |

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

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

For the year ended June 30, 2016, the City recognized pension expense of \$1,032,661. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

|   | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|---|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date                      | \$ 2,622,395                      |                                  |
| Differences between actual and expected experience                        |                                   | \$ 745,116                       |
| Changes in assumptions  |                                   | 1,220,284                        |
| Net differences between projected and actual earnings on plan investments |                                   | 961,797                          |
| Total   | \$ 2,622,395                      | \$ 2,927,197                     |



**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**9. EMPLOYEE RETIREMENT PLANS, Continued**

***B. Agent Multiple-Employer Defined Benefit Plan - CalPERS Miscellaneous Plan, Continued***

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

\$2,622,395 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as pension expense as follows:

| Fiscal Year     |                |
|-----------------|----------------|
| Ending June 30: |                |
| 2017            | \$ (2,056,778) |
| 2018            | (1,214,466)    |
| 2019            | (652,920)      |
| 2020            | 996,967        |

***V. Payable to Pension Plan***

As of June 30, 2016, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

***C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans***

***I. Plan Description***

All safety qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors three miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**9. EMPLOYEE RETIREMENT PLANS, Continued**

**C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans**

**II. Benefits Provided**

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

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

|   | <u>Safety - Tier 1</u>      |
|---|-----------------------------|
| Hire Date                                 | Prior to January 1, 2013    |
| Benefit vesting schedule                  | 5 years service             |
| Benefit payment                           | Monthly for life            |
| Retirement age                            | 50                          |
| Monthly benefits, as a % of annual salary | 3.00%                       |
| Required employee contribution rates      | 9.00%                       |
| Required employer contribution rates      | 20.230%                     |
| Required UAL payment                      | \$ 2,048,478                |
|   | <br><u>Safety - Tier 2</u>  |
| Hire Date                                 | On or after January 1, 2013 |
| Benefit vesting schedule                  | 5 years service             |
| Benefit payments                          | Monthly for life            |
| Retirement age                            | 50                          |
| Monthly benefits, as a % of annual salary | 2.00%                       |
| Required employee contribution rates      | 9.00%                       |
| Required employer contribution rates      | 15.373%                     |
| Required UAL payment                      | \$ -                        |
|   | <br><u>Safety - PEPRA</u>   |
| Hire Date                                 | On or after January 1, 2013 |
| Benefit vesting schedule                  | 5 years service             |
| Benefit payments                          | Monthly for life            |
| Retirement age                            | 57                          |
| Monthly benefits, as a % of annual salary | 2.70%                       |
| Required employee contribution rates      | 12.25%                      |
| Required employer contribution rates      | 11.92%                      |
| Required UAL payment                      | \$ -                        |

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**9. EMPLOYEE RETIREMENT PLANS, Continued**

**C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans, Continued**

**II. Benefits Provided, Continued**

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are to be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City’s contributions to the Plan for the year ended June 30, 2015 were \$2,299,785.

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

As of June 30, 2016, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$46,420,099.

The City’s net pension liability for the Plan is measured as the proportionate share of the total net pension liability of the Plan. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City’s proportionate of the net pension liability was based on the City’s plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The City’s proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 were as follows:

|                              |          |
|------------------------------|----------|
| Proportion - June 30, 2014   | 0.64148% |
| Proportion - June 30, 2015   | 0.67629% |
| Change - Increase (Decrease) | 0.03481% |

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**9. EMPLOYEE RETIREMENT PLANS, Continued**

**C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans, Continued**

**III. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued**

For the year ended June 30, 2016, the City recognized pension expense of \$4,628,284. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

|   | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|---|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date  | \$ 3,615,462                      | \$ -                             |
| Changes of assumptions  | -                                 | 1,392,027                        |
| Differences between expected and actual experience  | -                                 | 302,656                          |
| Changes in employer's proportion  | 572,079                           | 2,183,068                        |
| Differences between the employer's contribution and the employer's proportionate share of contributions | -                                 | 3,590,226                        |
| Net differences between projected and actual earnings on plan investments                               | -                                 | 705,488                          |
| <b>Total</b>  | <b>\$ 3,615,462</b>               | <b>\$ 8,173,465</b>              |

\$3,615,462 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Fiscal Year<br>Ending June 30: |                |
|--------------------------------|----------------|
| 2017                           | \$ (3,114,344) |
| 2018                           | (3,042,842)    |
| 2019                           | (2,310,232)    |
| 2020                           | 866,032        |

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**9. EMPLOYEE RETIREMENT PLANS, Continued**

**C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans, Continued**

**III. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued**

**Actuarial Assumptions** – The total pension liability in the June 30, 2014 actuarial valuations was determined using the following actuarial assumptions:

|                               |  |
|-------------------------------|--|
| Valuation Date                | June 30, 2014                                    |
| Measurement Date              | June 30, 2015                                    |
| Actuarial Cost Method         | Entry-Age Normal Cost Method                     |
| Actuarial Assumptions:        |  |
| Discount Rate                 | 7.65%  |
| Inflation                     | 2.75%  |
| Projected Salary Increase     | Varies by entry age and service                  |
| Investment Rate of Return (1) | 7.65%  |
| Mortality                     | Derived by CalPERS membership data for all funds |

(1) Net of pension plan investment expenses, including inflation

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

**Discount Rate** – The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

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

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

**9. EMPLOYEE RETIREMENT PLANS, Continued**

**C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans, Continued**

**III. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued**

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

| Asset Class                   | New Strategic Allocation | Real Return Years 1 - 10(a) | Real Return Years 11+(b) |
|-------------------------------|--------------------------|-----------------------------|--------------------------|
| Global Equity                 | 51.00%                   | 5.25%                       | 5.71%                    |
| Global Fixed Income           | 19.00%                   | 0.99%                       | 2.43%                    |
| Inflation Sensitive           | 6.00%                    | 0.45%                       | 3.36%                    |
| Private Equity                | 10.00%                   | 6.83%                       | 6.95%                    |
| Real Estate                   | 10.00%                   | 4.50%                       | 5.13%                    |
| Infrastructure and Forestland | 2.00%                    | 4.50%                       | 5.09%                    |
| Liquidity                     | 2.00%                    | -0.55%                      | -1.05%                   |
| Total                         | 100%                     |                             |                          |

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

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

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

|                       |               |
|-----------------------|---------------|
| 1% Decrease           | 6.65%         |
| Net Pension Liability | \$ 75,040,762 |
| Current Discount Rate | 7.65%         |
| Net Pension Liability | \$ 46,420,099 |
| 1% Increase           | 8.65%         |
| Net Pension Liability | \$ 22,951,681 |

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

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**9. EMPLOYEE RETIREMENT PLANS, Continued**

**C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans, Continued**

**III. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued**

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

Payable to the Pension Plan

At June 30, 2016 the City reported a payable of \$0 for outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

**10. 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, 2016**

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**10. 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, 2016, the City elected to fund 97% 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 2015-16 was \$807,741.

**Annual OPEB Cost**

The City's annual OPEB cost, net OPEB obligation (asset) and the related information for 2016 were as follows:

|   |                            |
|---|----------------------------|
| Annual required contribution                | \$ 807,741                 |
| Interest on net OPEB obligation             | (41,655)                   |
| Amortization of net OPEB obligation         | <u>40,596</u>              |
| Annual OPEB cost                            | 806,682                    |
| Payments made                               | <u>(780,271)</u>           |
| Increase in net OPEB obligation             | 26,411                     |
| Net OPEB obligation - beginning of the year | <u>(595,078)</u>           |
| Net OPEB obligation - ending of year        | <u><u>\$ (568,667)</u></u> |

For fiscal year 2016, the City's annual OPEB cost was \$806,682 and more than the City's required contribution. The City's actual contribution during the fiscal year was \$780,271. The required contribution for the fiscal year 2015 was determined as part of the July 1, 2015 actuarial valuation, and the entry age normal cost method was used. The actuarial assumptions included: (a) 7.00% 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 23 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, 2016**

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**10. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

**Three Year Trend Information**

For fiscal year 2016, the City's annual OPEB cost (expense) of \$806,682 was less 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 2016 and the two preceding years, were as follows:

| <u>Fiscal Year</u> | <u>Annual<br/>OPEB Cost</u> | <u>Percentage<br/>of Annual<br/>OPEB Cost<br/>Contributed</u> | <u>Net<br/>OPEB<br/>Asset</u> |
|--------------------|-----------------------------|---|-------------------------------|
| 6/30/2014          | 674,674                     | 117%  | 412,530                       |
| 6/30/2015          | 667,053                     | 127%  | 595,078                       |
| 6/30/2016          | 806,682                     | 97%   | 568,667                       |

**Funding Status and Funding Progress**

As of July 1, 2015, the most current actuarial valuation date, the plan was 12.3% funded. The actuarial accrued liability for benefits was \$10.6 million and the actuarial value of assets was \$1.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$9.3 million. The covered payroll (annual payroll of active employees covered by the plan) was \$21.5 million and the ratio of the UAAL to the covered payroll was 45.2%.

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, 2016**

**11. CLASSIFICATION OF FUND BALANCES**

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

|                                     | Major Governmental Funds |                     |                      | Non Major<br>Government<br>Funds | Total<br>Government   |
|-------------------------------------|--------------------------|---------------------|----------------------|----------------------------------|-----------------------|
|                                     | General                  | State<br>Gas Tax    | Housing<br>Successor |                                  |                       |
| Fund Balances                       |                          |                     |                      |                                  |                       |
| <b>Nonspendable fund balance:</b>   |                          |                     |                      |                                  |                       |
| Prepays                             | \$ 65,149                | \$ -                | \$ -                 | \$ -                             | 65,149                |
| Inventory                           | 88,867                   | -                   | -                    | -                                | 88,867                |
| Property held for resale            | 3,397,951                | -                   | -                    | -                                | 3,397,951             |
| Receivable from Successor Agency    | 5,753,191                | -                   | -                    | -                                | 5,753,191             |
|                                     | <u>9,305,158</u>         | <u>-</u>            | <u>-</u>             | <u>-</u>                         | <u>9,305,158</u>      |
| <b>Restricted fund balance for:</b> |                          |                     |                      |                                  |                       |
| Low/Mod Housing                     | 1,438,298                | -                   | 23,844,594           | 8,587,332                        | 33,870,224            |
| Public Protection                   | -                        | -                   | -                    | 1,063,183                        | 1,063,183             |
| Environmental                       | -                        | -                   | -                    | 367,096                          | 367,096               |
| Transportation                      | -                        | 3,413,146           | -                    | 2,448,082                        | 5,861,228             |
| Development                         | -                        | -                   | -                    | 4,035,491                        | 4,035,491             |
|                                     | <u>1,438,298</u>         | <u>3,413,146</u>    | <u>23,844,594</u>    | <u>16,501,184</u>                | <u>45,197,222</u>     |
| <b>Assigned fund balance for:</b>   |                          |                     |                      |                                  |                       |
| Low/Mod Housing                     | 5,704,972                | -                   | -                    | -                                | 5,704,972             |
| Capital projects                    | -                        | -                   | -                    | 559,976                          | 559,976               |
|                                     | <u>5,704,972</u>         | <u>-</u>            | <u>-</u>             | <u>559,976</u>                   | <u>6,264,948</u>      |
| <b>Unassigned fund balance</b>      | <u>51,697,322</u>        | <u>-</u>            | <u>-</u>             | <u>(82,605)</u>                  | <u>51,614,717</u>     |
|                                     | 51,697,322               | -                   | -                    | (82,605)                         | 51,614,717            |
| <b>Total Fund Balances</b>          | <u>\$ 68,145,750</u>     | <u>\$ 3,413,146</u> | <u>\$ 23,844,594</u> | <u>\$ 16,978,555</u>             | <u>\$ 112,382,045</u> |

**12. DEFICIT FUND BALANCES**

The following funds reported deficits in fund balances at June 30, 2016:

|  |           |
|--|-----------|
| State OCATT Special Revenue Fund                           | \$ 82,609 |
| Worker's Compensation Self Insurance Internal Service Fund | 852,653   |
| Public Liability Self Insurance Internal Service Fund      | 575,712   |
| Buildings and Grounds Maintenance Internal Service Fund    | 442,487   |

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**13. 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.

**14. 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, 2016**

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**14. 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, 2016**

**15. PRIOR PERIOD ADJUSTMENT**

The City recorded prior period adjustments to correct the allocations of deferred outflows of resources, deferred inflows of resources and net pension liability to enterprise and internal service funds, to record receivables and related unavailable revenues in the general fund for amounts owed by a developer to the City for contractual overpayments due to a subsequent agreement with the State of California Board of Equalization, and to record a long term liability for amounts due back to the State of California Board of Equalization as a result of a sales tax revenue reallocation correction for distributions received by the City in prior years.

Government-wide Statements

|                            | Net Position<br>as Previously<br>Reported | Prior Period Adjustments   |               |                          | Net Position<br>as<br>Restated |
|----------------------------|---|----------------------------|---------------|--------------------------|--------------------------------|
|                            |   | Pension Related<br>Amounts | Receivables   | Long Term<br>Liabilities |                                |
| Government-Wide Statements |   |                            |               |                          |                                |
| Governmental Activities    | 250,552,363                               | \$ (664,626)               | \$ 17,195,432 | \$ (31,158,473)          | \$ 235,924,696                 |
| Business-type Activities   | 40,537,004                                | \$ 664,626                 | \$ -          | \$ -                     | \$ 41,201,630                  |

Fund Statements

|  | Fund Balance,<br>as Previously<br>Reported | Prior Period Adjustments   |               |                         | Fund Balance,<br>as<br>Restated |
|--|--|----------------------------|---------------|-------------------------|---------------------------------|
|  |  | Pension Related<br>Amounts | Receivables   | Unavailable<br>Revenues |                                 |
| Fund Statements                          |  |                            |               |                         |                                 |
| <u>Governmental Funds</u>                |  |                            |               |                         |                                 |
| General Fund                             | 68,143,605                                 | \$ -                       | \$ 17,195,432 | \$ (17,195,432)         | \$ 68,143,605                   |
| <u>Enterprise Fund:</u>                  |  |                            |               |                         |                                 |
| Water Enterprise Fund                    | 44,302,609                                 | \$ 664,626                 | \$ -          | \$ -                    | \$ 44,967,235                   |
| <u>Internal Service Funds:</u>           |  |                            |               |                         |                                 |
| Equipment Maintenance<br>and Replacement | \$ 4,774,738                               | \$ 113,560                 | \$ -          | \$ -                    | \$ 4,888,298                    |
| Buildings and Grounds Maintenance        | (410,860)                                  | \$ (16,530)                | \$ -          | \$ -                    | (427,390)                       |
| Management Information Systems           | \$ 1,585,530                               | \$ 25,429                  | \$ -          | \$ -                    | \$ 1,610,959                    |

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**City of Buena Park**  
**Required Supplementary Information**  
**For the year ended June 30, 2016**

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**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, 2016**

**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<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|-------------------|-------------------|---|
|   | Original          | Final             |                   |   |
| <b>REVENUES:</b>                          |                   |                   |                   |   |
| Taxes                                     | \$ 40,560,800     | \$ 40,560,800     | \$ 43,045,136     | \$ 2,484,336  |
| Licenses and permits                      | 1,081,000         | 1,081,000         | 903,194           | (177,806)   |
| Fines and forfeitures                     | 751,500           | 751,500           | 811,614           | 60,114  |
| Intergovernmental                         | 7,198,600         | 7,533,199         | 7,508,842         | (24,357)  |
| Charges for services                      | 7,129,780         | 7,142,230         | 7,699,530         | 557,300   |
| Investment income                         | 488,200           | 488,200           | 851,462           | 363,262   |
| Miscellaneous                             | 326,150           | 380,149           | 829,409           | 449,260   |
| <b>Total revenues</b>                     | <b>57,536,030</b> | <b>57,937,078</b> | <b>61,649,187</b> | <b>3,712,109</b>  |
| <b>EXPENDITURES:</b>                      |                   |                   |                   |   |
| Current:                                  |                   |                   |                   |   |
| General government:                       |                   |                   |                   |   |
| City Council                              | 311,600           | 311,600           | 307,627           | 3,973   |
| City Manager                              | 733,670           | 827,688           | 840,183           | (12,495)  |
| Community Support Services                | 597,880           | 662,630           | 634,252           | 28,378  |
| City Attorney                             | 212,580           | 212,580           | 574,973           | (362,393)   |
| City Clerk                                | 432,900           | 462,900           | 457,168           | 5,732   |
| Internal Support Services                 | 1,129,500         | 1,189,500         | 1,190,867         | (1,367)   |
| Finance                                   | 979,690           | 1,047,190         | 913,088           | 134,102   |
| Public Works                              | 1,486,320         | 1,553,565         | 1,464,777         | 88,788  |
| Non-departmental                          | 1,022,000         | 1,022,000         | 899,078           | 122,922   |
| <b>Total General Government</b>           | <b>6,906,140</b>  | <b>7,289,653</b>  | <b>7,282,013</b>  | <b>7,640</b>  |
| Leisure:                                  |                   |                   |                   |   |
| Recreation Administration                 | 2,662,940         | 2,781,148         | 2,881,917         | (100,769)   |
| Health:                                   |                   |                   |                   |   |
| Public Works                              | 3,059,040         | 3,059,040         | 3,028,750         | 30,290  |
| Transportation                            |                   |                   |                   |   |
| Police Department                         | 91,350            | 91,350            | 67,322            | 24,028  |
| Public Works                              | 4,972,340         | 5,267,198         | 4,618,827         | 648,371   |
| <b>Total Transportation</b>               | <b>5,063,690</b>  | <b>5,358,548</b>  | <b>4,686,149</b>  | <b>672,399</b>  |
| Public Protection:                        |                   |                   |                   |   |
| Community Development Services            | 570,660           | 605,744           | 630,347           | (24,603)  |
| Fire Department                           | 10,163,130        | 10,163,130        | 10,094,334        | 68,796  |
| Police Department                         | 22,067,060        | 23,170,562        | 21,679,681        | 1,490,881   |
| <b>Total Public Protection</b>            | <b>32,800,850</b> | <b>33,939,436</b> | <b>32,404,362</b> | <b>1,535,074</b>  |
| Development:                              |                   |                   |                   |   |
| Community Development Services            | 2,102,020         | 2,493,982         | 2,324,257         | 169,725   |
| Public Works                              | 197,230           | 204,730           | 109,292           | 95,438  |
| <b>Total Development</b>                  | <b>2,299,250</b>  | <b>2,698,712</b>  | <b>2,433,549</b>  | <b>265,163</b>  |
| Environmental:                            |                   |                   |                   |   |
| Recreation, Parks, and Community Services | 3,125,670         | 3,200,405         | 3,045,715         | 154,690   |

**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2016**

**1. BUDGETS AND BUDGETARY ACCOUNTING, Continued**

***B. Budgetary Comparison Schedules, Continued***

Budgetary Comparison Schedule, General Fund, Continued

|   | Budgeted Amounts      |                       | Actual<br>Amounts    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-----------------------|-----------------------|----------------------|---|
|   | Original              | Final                 |                      |   |
| <b>EXPENDITURES: Continued</b>              |                       |                       |                      |   |
| Capital Outlay                              | 156,310               | 3,292,805             | 647,728              | 2,645,077   |
| Debt Service:                               |                       |                       |                      |   |
| Principal                                   | 1,774,430             | 1,774,430             | 4,058,612            | (2,284,182)   |
| Interest and Other Charges                  | 280,610               | 280,610               | 280,606              | 4   |
| <b>Total expenditures</b>                   | <u>58,128,930</u>     | <u>63,674,787</u>     | <u>60,749,401</u>    | <u>2,925,386</u>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>(592,900)</u>      | <u>(5,737,709)</u>    | <u>899,786</u>       | <u>6,637,495</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                       |                       |                      |   |
| Transfers in                                | 137,670               | 542,670               | 253,946              | (288,724)   |
| Transfers out                               | (1,213,460)           | (2,533,460)           | (1,679,000)          | 854,460   |
| Proceeds from long term debt                | -                     | -                     | 526,000              | 526,000   |
| Proceeds from sale of capital assets        | 2,000                 | 2,000                 | 1,413                | (587)   |
| <b>Total other financing sources (uses)</b> | <u>(1,073,790)</u>    | <u>(1,988,790)</u>    | <u>(897,641)</u>     | <u>1,091,149</u>  |
| <b>Net change in fund balance</b>           | <u>\$ (1,666,690)</u> | <u>\$ (7,726,499)</u> | <u>2,145</u>         | <u>\$ 7,728,644</u>                                     |
| <b>FUND BALANCE:</b>                        |                       |                       |                      |   |
| Beginning of year                           |                       |                       | <u>68,143,605</u>    |   |
| End of year                                 |                       |                       | <u>\$ 68,145,750</u> |   |

**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2016**

**1. BUDGETS AND BUDGETARY ACCOUNTING, Continued**

**B. Budgetary Comparison Schedules, Continued**

Budgetary Comparison Schedule, Gasoline Tax Special Revenue Fund

|   | Budgeted Amounts    |                       | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|-----------------------|---------------------|---|
|   | Original            | Final                 |                     |   |
| <b>REVENUES:</b>                            |                     |                       |                     |   |
| Intergovernmental                           | \$ 1,818,830        | \$ 2,241,230          | \$ 2,499,018        | \$ 257,788  |
| Investment income                           | 25,000              | 25,000                | 39,601              | (14,601)  |
| Miscellaneous                               | -                   | 119,985               | 120,000             | (15)  |
| <b>Total revenues</b>                       | <u>1,843,830</u>    | <u>2,386,215</u>      | <u>2,658,619</u>    | <u>243,172</u>  |
| <b>EXPENDITURES:</b>                        |                     |                       |                     |   |
| Current:                                    |                     |                       |                     |   |
| Transportation                              | 583,490             | 641,622               | 586,649             | 54,973  |
| Capital outlay                              | <u>1,715,000</u>    | <u>8,160,979</u>      | <u>4,204,073</u>    | <u>3,956,906</u>  |
| <b>Total expenditures</b>                   | <u>2,298,490</u>    | <u>8,802,601</u>      | <u>4,790,722</u>    | <u>4,011,879</u>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>(454,660)</u>    | <u>(6,416,386)</u>    | <u>(2,132,103)</u>  | <u>4,284,283</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                       |                     |   |
| Transfers in                                | 350,000             | 550,000               | 1,000,820           | 450,820   |
| Transfers out                               | <u>(42,500)</u>     | <u>(57,500)</u>       | <u>(41,339)</u>     | <u>98,839</u>   |
| <b>Total other financing sources (uses)</b> | <u>307,500</u>      | <u>492,500</u>        | <u>959,481</u>      | <u>549,659</u>  |
| <b>Net change in fund balance</b>           | <u>\$ (147,160)</u> | <u>\$ (5,923,886)</u> | <u>(1,172,622)</u>  | <u>\$ 4,833,942</u>                                     |
| <b>FUND BALANCE:</b>                        |                     |                       |                     |   |
| Beginning of year                           |                     |                       | <u>4,585,768</u>    |   |
| End of year                                 |                     |                       | <u>\$ 3,413,146</u> |   |

**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2016**

**1. BUDGETS AND BUDGETARY ACCOUNTING, Continued**

**B. Budgetary Comparison Schedules, Continued**

Budgetary Comparison Schedule, Housing Successor Special Revenue Fund

|                                   | Budgeted Amounts    |                     | Actual<br>Amounts    | Variance with<br>Final Budget |
|-----------------------------------|---------------------|---------------------|----------------------|-------------------------------|
|                                   | Original            | Final               |                      | Positive<br>(Negative)        |
| <b>REVENUES:</b>                  |                     |                     |                      |                               |
| Intergovernmental                 | \$ -                | \$ -                | \$ 677,978           | \$ 677,978                    |
| Charges for services              | -                   | -                   | 8,930                | (8,930)                       |
| Investment income                 | -                   | -                   | 121,678              | 121,678                       |
| Miscellaneous                     | 100,000             | 100,000             | 8,930                | -                             |
| <b>Total revenues</b>             | <u>100,000</u>      | <u>100,000</u>      | <u>817,516</u>       | <u>790,726</u>                |
| <b>EXPENDITURES:</b>              |                     |                     |                      |                               |
| Current:                          |                     |                     |                      |                               |
| Development                       | 285,870             | 292,980             | 474,659              | (181,679)                     |
| <b>Total expenditures</b>         | <u>285,870</u>      | <u>292,980</u>      | <u>474,659</u>       | <u>(181,679)</u>              |
| <b>Net change in fund balance</b> | <u>\$ (185,870)</u> | <u>\$ (192,980)</u> | 342,857              | <u>\$ 535,837</u>             |
| <b>FUND BALANCE:</b>              |                     |                     |                      |                               |
| Beginning of year                 |                     |                     | <u>23,501,737</u>    |                               |
| End of year                       |                     |                     | <u>\$ 23,844,594</u> |                               |

**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2016**

**2. DEFINED PENSION PLAN – AGENT MULTIPLE EMPLOYER PLAN**

**A. Schedule of Changes in Net Pension Liability and Related Ratios  
During the Measurement Period**

Miscellaneous Plan

| Measurement Period <sup>(1)</sup>   | 2014-15               | 2013-14               |
|---|-----------------------|-----------------------|
| <b>TOTAL PENSION LIABILITY</b>  |                       |                       |
| Service Cost  | \$ 1,988,943          | \$ 1,913,799          |
| Interest  | 9,046,796             | 8,817,350             |
| Changes of Benefit Terms  | -                     | -                     |
| Difference Between Expected and Actual Experience                                 | (1,277,341)           | -                     |
| Changes of Assumptions  | (2,091,915)           | -                     |
| Benefit Payments, Including Refunds of Employee Contributions                     | (6,786,470)           | (6,624,277)           |
| <b>Net Change in Total Pension Liability</b>                                      | <b>880,013</b>        | <b>4,106,872</b>      |
| <b>Total Pension Liability - Beginning</b>  | <b>124,026,783</b>    | <b>119,919,911</b>    |
| <b>Total Pension Liability - Ending (a)</b>                                       | <b>\$ 124,906,796</b> | <b>\$ 124,026,783</b> |
| <br>  |                       |                       |
| <b>PLAN FIDUCIARY NET POSITION</b>  |                       |                       |
| Contributions - Employer  | \$ 2,006,400          | \$ 1,815,454          |
| Contributions - Employee  | 951,393               | 887,335               |
| Net Investment Income   | 2,115,027             | 14,422,158            |
| Benefit Payments, Including Refunds of Employee Contributions                     | (6,786,470)           | (6,624,277)           |
| Administrative Expense  | (104,951)             | -                     |
| <b>Net Change in Fiduciary Net Position</b>                                       | <b>(1,818,601)</b>    | <b>10,500,670</b>     |
| <b>Plan Fiduciary Net Position - Beginning</b>                                    | <b>95,064,945</b>     | <b>84,564,275</b>     |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                                   | <b>\$ 93,246,344</b>  | <b>\$ 95,064,945</b>  |
| <br>  |                       |                       |
| <b>Plan Net Position Liability/(Asset) - Ending (a) - (b)</b>                     | <b>\$ 31,660,452</b>  | <b>\$ 28,961,838</b>  |
| <br>  |                       |                       |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> | <b>74.65%</b>         | <b>76.65%</b>         |
| <br>  |                       |                       |
| <b>Covered Payroll</b>  | <b>\$ 11,636,737</b>  | <b>\$ 11,292,848</b>  |
| <br>  |                       |                       |
| <b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>      | <b>272.07%</b>        | <b>256.46%</b>        |

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

Notes to Schedules

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

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

**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2016**

**2. DEFINED BENEFIT PENSION PLANS – AGENT MULTIPLE EMPLOYER PLAN, Continued**

**B. Schedule of Plan Contributions**

| <u>Miscellaneous Plan</u>   | <u>Fiscal Year</u><br><u>2015-16</u> | <u>Fiscal Year</u><br><u>2014-15</u> | (1) |
|---|--------------------------------------|--------------------------------------|-----|
| Actuarially determined contribution                                     | \$ 2,622,395                         | \$ 2,046,712                         |     |
| Contribution in relation to the actuarially<br>determined contributions | (2,622,395)                          | (2,046,712)                          |     |
| Contribution deficiency (excess)  | <u>\$ -</u>                          | <u>\$ -</u>                          |     |
| <br>Covered payroll   | <br>\$ 12,045,152                    | <br>\$ 11,636,737                    |     |
| <br>Contributions as a percentage of covered payroll                    | <br>21.77%                           | <br>17.59%                           |     |

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

**3. DEFINED BENEFIT PENSION PLANS – COST SHARING PLAN**

**A. Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years\***

| Fiscal year:   | <u>2016</u>   | <u>2015</u>   |
|--|---------------|---------------|
| Measurement date:  | 6/30/2015     | 6/30/2014     |
| Proportion of the net pension liability  | 0.67629%      | 0.64148%      |
| Proportionate share of the net pension liability                                       | \$ 46,420,099 | \$ 38,926,454 |
| Covered payroll  | \$ 8,024,373  | \$ 8,881,515  |
| Proportionate share of the net pension liability as a<br>percentage of covered payroll | 578.49%       | 438.29%       |
| Plan's share of fiduciary net position as a percentage<br>of total pension liability   | 83.34%        | 83.39%        |

\* Fiscal year 2015 was the 1st year of implementation.

**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2016**

**3. DEFINED BENEFIT PENSION PLANS – COST SHARING PLAN, Continued**

**B. Schedule of Contributions – Last 10 Years\***

|  | <u>2016</u>  | <u>2015</u>  |
|--|--------------|--------------|
| Contractually required contribution (actuarially determined)         | \$ 3,615,462 | \$ 2,299,785 |
| Contribution in relation to the actuarially determined contributions | (3,615,462)  | (2,299,785)  |
| Contribution deficiency (excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered payroll  | \$ 8,412,906 | \$ 8,024,373 |
| Contributions as a percentage of covered payroll                     | 42.98%       | 28.66%       |
| <b>Note to Schedule</b>  |              |              |
| Valuation date:  | 6/30/2013    | 6/30/2012    |

\* Fiscal year 2015 was the 1st year of implementation

**4. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

A schedule of funding progress for the actuarial valuation of July 1, 2015 and the two preceding valuations is presented below.

| Actuarial<br>Valuation<br>Date * | Actuarial<br>Asset<br>Value | Actuarial<br>Accrued<br>Liability | Unfunded<br>Actuarial<br>Accrued<br>Liability | Funded<br>Ratio | Covered<br>Payroll ** | Unfunded<br>Actuarial<br>Liability as<br>Percentage of<br>Covered<br>Payroll |
|----------------------------------|-----------------------------|-----------------------------------|---|-----------------|-----------------------|--|
| 7/1/2015                         | \$ 1,314,059                | \$ 10,587,386                     | \$ 9,273,327                                  | 12.41%          | \$ 20,518,252         | 45.20%   |
| 7/1/2013                         | \$ 881,813                  | \$ 7,631,630                      | \$ 6,749,817                                  | 11.55%          | \$ 21,661,546         | 31.16%   |
| 6/30/2011                        | \$ 481,847                  | \$ 7,554,954                      | \$ 7,073,107                                  | 6.38%           | \$ 21,683,514         | 32.62%   |

\* Based on the most recent actuarial valuation available

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# **SUPPLEMENTARY INFORMATION**

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## 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 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.

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

## **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.

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**City of Buena Park**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2016**

|  | Special Revenue     |                        |                     |                            |                    |
|--|---------------------|------------------------|---------------------|----------------------------|--------------------|
|  |                     | Proposition 172        |                     | Local Law                  | Orange County      |
|  | Asset<br>Forfeiture | Police<br>Augmentation | Measure<br>M2       | Enforcement<br>Block Grant | Anti-Drug<br>Abuse |
| <b>ASSETS</b>  |                     |                        |                     |                            |                    |
| Cash and investments   | \$ 640,156          | \$ 323,333             | \$ 2,074,875        | \$ 72,958                  | \$ 20,154          |
| Accounts receivable  | 229                 | 12,302                 | 334,839             | -                          | -                  |
| Interest receivable  | 1,096               | 554                    | 3,554               | 125                        | 35                 |
| Loans receivable, net  | -                   | -                      | -                   | -                          | -                  |
| Due from other governments   | -                   | 39,393                 | 275,492             | -                          | -                  |
| Property held for resale   | -                   | -                      | -                   | -                          | -                  |
| <b>Total assets</b>  | <b>\$ 641,481</b>   | <b>\$ 375,582</b>      | <b>\$ 2,688,760</b> | <b>\$ 73,083</b>           | <b>\$ 20,189</b>   |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |                     |                        |                     |                            |                    |
| <b>Liabilities:</b>  |                     |                        |                     |                            |                    |
| Accounts payable   | \$ 67,691           | \$ -                   | \$ 93,950           | \$ -                       | \$ -               |
| Accrued liabilities  | 101,808             | 7,424                  | 5,519               | -                          | -                  |
| Retention payable  | 897                 | -                      | 6,795               | -                          | -                  |
| Due to other funds   | -                   | -                      | -                   | -                          | -                  |
| <b>Total liabilities</b>   | <b>170,396</b>      | <b>7,424</b>           | <b>106,264</b>      | <b>-</b>                   | <b>-</b>           |
| <b>Deferred Inflows of Resources:</b>                                      |                     |                        |                     |                            |                    |
| Unavailable revenue  | -                   | -                      | 334,839             | -                          | -                  |
| <b>Total deferred inflows of resources</b>                                 | <b>-</b>            | <b>-</b>               | <b>334,839</b>      | <b>-</b>                   | <b>-</b>           |
| <b>Fund Balances: (Note 12)</b>  |                     |                        |                     |                            |                    |
| Restricted   | 471,085             | 368,158                | 2,247,657           | 73,083                     | 20,189             |
| Assigned   | -                   | -                      | -                   | -                          | -                  |
| Unassigned   | -                   | -                      | -                   | -                          | -                  |
| <b>Total fund balances</b>   | <b>471,085</b>      | <b>368,158</b>         | <b>2,247,657</b>    | <b>73,083</b>              | <b>20,189</b>      |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 641,481</b>   | <b>\$ 375,582</b>      | <b>\$ 2,688,760</b> | <b>\$ 73,083</b>           | <b>\$ 20,189</b>   |

Special Revenue

| Traffic<br>Congestion<br>Relief | State<br>OCATT    | COPS/SLESF        | Housing and<br>Community<br>Development | AB 2766/<br>AQMD  | HOME Loans<br>Special Revenue |
|---------------------------------|-------------------|-------------------|---|-------------------|-------------------------------|
| \$ 200,082                      | \$ -              | \$ 135,767        | \$ -                                    | \$ 366,468        | \$ 886,544                    |
| -                               | 196,444           | -                 | 55,327                                  | 28,319            | -                             |
| 343                             | -                 | 233               | -                                       | 628               | 1,519                         |
| -                               | -                 | -                 | 2,153,344                               | -                 | 5,004,136                     |
| -                               | -                 | 38,594            | 23,635                                  | -                 | -                             |
| -                               | -                 | -                 | 610,948                                 | -                 | -                             |
| <u>\$ 200,425</u>               | <u>\$ 196,444</u> | <u>\$ 174,594</u> | <u>\$ 2,843,254</u>                     | <u>\$ 395,415</u> | <u>\$ 5,892,199</u>           |
| <br>                            |                   |                   |   |                   |                               |
| \$ -                            | \$ -              | \$ -              | \$ 11,623                               | \$ -              | \$ 2,740                      |
| -                               | 3,822             | 5,989             | 15,092                                  | -                 | -                             |
| -                               | -                 | -                 | -                                       | -                 | -                             |
| -                               | 117,816           | -                 | 63,339                                  | -                 | -                             |
| -                               | 121,638           | 5,989             | 90,054                                  | -                 | 2,740                         |
| <br>                            |                   |                   |   |                   |                               |
| -                               | 157,411           | 37,937            | 55,327                                  | 28,319            | -                             |
| -                               | 157,411           | 37,937            | 55,327                                  | 28,319            | -                             |
| <br>                            |                   |                   |   |                   |                               |
| 200,425                         | -                 | 130,668           | 2,697,873                               | 367,096           | 5,889,459                     |
| -                               | -                 | -                 | -                                       | -                 | -                             |
| -                               | (82,605)          | -                 | -                                       | -                 | -                             |
| <u>200,425</u>                  | <u>(82,605)</u>   | <u>130,668</u>    | <u>2,697,873</u>                        | <u>367,096</u>    | <u>5,889,459</u>              |
| <br>                            |                   |                   |   |                   |                               |
| <u>\$ 200,425</u>               | <u>\$ 196,444</u> | <u>\$ 174,594</u> | <u>\$ 2,843,254</u>                     | <u>\$ 395,415</u> | <u>\$ 5,892,199</u>           |

**City of Buena Park**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2016**

|  | Capital Projects    |                          | Total<br>Non-Major<br>Governmental<br>Funds |
|--|---------------------|--------------------------|---|
|  | Park<br>In-lieu     | City<br>Capital Projects |   |
| <b>ASSETS</b>  |                     |                          |   |
| Cash and investments   | \$ 4,080,422        | \$ 578,977               | \$ 9,379,736                                |
| Accounts receivable  | 201,851             | -                        | 829,311                                     |
| Interest receivable  | 6,989               | 992                      | 16,068                                      |
| Loans receivable   | -                   | -                        | 7,157,480                                   |
| Due from other governments   | -                   | -                        | 377,114                                     |
| Property held for resale   | -                   | -                        | 610,948                                     |
| <b>Total assets</b>  | <b>\$ 4,289,262</b> | <b>\$ 579,969</b>        | <b>\$ 18,370,657</b>                        |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>       |                     |                          |   |
| <b>Liabilities:</b>  |                     |                          |   |
| Accounts payable   | \$ 51,920           | \$ 19,993                | \$ 247,917                                  |
| Accrued liabilities  | -                   | -                        | 139,654                                     |
| Retention payable  | -                   | -                        | 7,692                                       |
| Due to other funds   | -                   | -                        | 181,155                                     |
| <b>Total liabilities</b>   | <b>51,920</b>       | <b>19,993</b>            | <b>576,418</b>                              |
| <b>Deferred Inflows of Resources:</b>  |                     |                          |   |
| Unavailable revenue  | 201,851             | -                        | 815,684                                     |
| <b>Total deferred inflows of resources</b>                                     | <b>201,851</b>      | <b>-</b>                 | <b>815,684</b>                              |
| <b>Fund Balances: (Note 9)</b>   |                     |                          |   |
| Restricted   | 4,035,491           | -                        | 16,501,184                                  |
| Assigned   | -                   | 559,976                  | 559,976                                     |
| Unassigned   | -                   | -                        | (82,605)                                    |
| <b>Total fund balances</b>   | <b>4,035,491</b>    | <b>559,976</b>           | <b>16,978,555</b>                           |
| <b>Total liabilities, deferred inflows<br/>of resources, and fund balances</b> | <b>\$ 4,289,262</b> | <b>\$ 579,969</b>        | <b>\$ 18,370,657</b>                        |



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**City of Buena Park**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

|   | Special Revenue     |   |                     |   |                                     |
|---|---------------------|---|---------------------|---|-------------------------------------|
|   | Asset<br>Forfeiture | Proposition 172<br>Police<br>Augmentation | Measure<br>M2       | Local Law<br>Enforcement<br>Block Grant | Orange County<br>Anti-Drug<br>Abuse |
| <b>REVENUES:</b>                                |                     |   |                     |   |                                     |
| Taxes   | \$ -                | \$ 355,319                                | \$ -                | \$ -                                    | \$ -                                |
| Intergovernmental                               | 34,318              | 12,302                                    | 1,547,419           | 3,394                                   | -                                   |
| Charges for Services                            | -                   | -   | -                   | -                                       | -                                   |
| Investment income                               | 8,914               | 4,428                                     | 25,752              | 765                                     | 243                                 |
| Miscellaneous                                   | 3,303               | -   | -                   | -                                       | -                                   |
| <b>Total revenues</b>                           | <b>46,535</b>       | <b>372,049</b>                            | <b>1,573,171</b>    | <b>4,159</b>                            | <b>243</b>                          |
| <b>EXPENDITURES:</b>                            |                     |   |                     |   |                                     |
| Current:  |                     |   |                     |   |                                     |
| Transportation                                  | -                   | -   | 381,558             | -                                       | -                                   |
| Public Protection                               | 153,132             | 297,344                                   | -                   | 25,944                                  | -                                   |
| Development                                     | -                   | -   | -                   | -                                       | -                                   |
| Capital Outlay                                  | 226,172             | -   | 334,840             | -                                       | -                                   |
| Debt Service:                                   |                     |   |                     |   |                                     |
| Interest and Other Charges                      | 118                 | -   | -                   | -                                       | -                                   |
| <b>Total expenditures</b>                       | <b>379,422</b>      | <b>297,344</b>                            | <b>716,398</b>      | <b>25,944</b>                           | <b>-</b>                            |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b>   | <b>(332,887)</b>    | <b>74,705</b>                             | <b>856,773</b>      | <b>(21,785)</b>                         | <b>243</b>                          |
| <b>OTHER FINANCING SOURCES (USES):</b>          |                     |   |                     |   |                                     |
| Transfers in                                    | -                   | -   | -                   | 26,000                                  | -                                   |
| Transfers out                                   | -                   | (99,276)                                  | (422,820)           | -                                       | -                                   |
| <b>Total other financing<br/>sources (uses)</b> | <b>-</b>            | <b>(99,276)</b>                           | <b>(422,820)</b>    | <b>26,000</b>                           | <b>-</b>                            |
| <b>Net change in fund balances</b>              | <b>(332,887)</b>    | <b>(24,571)</b>                           | <b>433,953</b>      | <b>4,215</b>                            | <b>243</b>                          |
| <b>FUND BALANCES:</b>                           |                     |   |                     |   |                                     |
| Beginning of year                               | 803,972             | 392,729                                   | 1,813,704           | 68,868                                  | 19,946                              |
| End of year                                     | <u>\$ 471,085</u>   | <u>\$ 368,158</u>                         | <u>\$ 2,247,657</u> | <u>\$ 73,083</u>                        | <u>\$ 20,189</u>                    |

Special Revenue

| Traffic<br>Congestion<br>Relief | State<br>OCATT     | COPS/SLESF        | Housing and<br>Community<br>Development | AB 2766/<br>AQMD  | HOME Loans<br>Special Revenue |
|---------------------------------|--------------------|-------------------|---|-------------------|-------------------------------|
| \$ -                            | \$ -               | \$ -              | \$ -                                    | \$ -              | \$ -                          |
| -                               | 109,737            | 149,951           | 839,049                                 | 75,668            | 1,540,371                     |
| 32,473                          | -                  | -                 | 1,442                                   | -                 | -                             |
| 2,274                           | -                  | 1,220             | 20,286                                  | 4,438             | 6,136                         |
| -                               | -                  | -                 | -                                       | 4,804             | -                             |
| <u>34,747</u>                   | <u>109,737</u>     | <u>151,171</u>    | <u>860,777</u>                          | <u>84,910</u>     | <u>1,546,507</u>              |
| -                               | -                  | -                 | -                                       | -                 | -                             |
| -                               | 192,346            | 264,132           | -                                       | -                 | -                             |
| -                               | -                  | -                 | 758,534                                 | -                 | 1,160,433                     |
| -                               | -                  | -                 | 164,488                                 | -                 | -                             |
| -                               | -                  | -                 | -                                       | -                 | -                             |
| -                               | <u>192,346</u>     | <u>264,132</u>    | <u>923,022</u>                          | <u>-</u>          | <u>1,160,433</u>              |
| <u>34,747</u>                   | <u>(82,609)</u>    | <u>(112,961)</u>  | <u>(62,245)</u>                         | <u>84,910</u>     | <u>386,074</u>                |
| -                               | -                  | 115,000           | -                                       | -                 | -                             |
| -                               | -                  | -                 | -                                       | (71,436)          | -                             |
| -                               | -                  | 115,000           | -                                       | (71,436)          | -                             |
| <u>34,747</u>                   | <u>(82,609)</u>    | <u>2,039</u>      | <u>(62,245)</u>                         | <u>13,474</u>     | <u>386,074</u>                |
| <u>165,678</u>                  | <u>4</u>           | <u>128,629</u>    | <u>2,760,118</u>                        | <u>353,622</u>    | <u>5,503,385</u>              |
| <u>\$ 200,425</u>               | <u>\$ (82,605)</u> | <u>\$ 130,668</u> | <u>\$ 2,697,873</u>                     | <u>\$ 367,096</u> | <u>\$ 5,889,459</u>           |

**City of Buena Park**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

|   | Capital Projects |                          | Total<br>Non-Major<br>Governmental<br>Funds |
|---|------------------|--------------------------|---|
|   | Park<br>In-lieu  | City<br>Capital Projects |   |
| <b>REVENUES:</b>                              |                  |                          |   |
| Taxes   | \$ -             | \$ -                     | \$ 355,319                                  |
| Intergovernmental                             | 554,939          | -                        | 4,867,148                                   |
| Charges for Services                          | 2,080,752        | -                        | 2,114,667                                   |
| Investment income                             | 42,833           | 7,323                    | 124,612                                     |
| Miscellaneous                                 | -                | -                        | 8,107                                       |
| <b>Total revenues</b>                         | <b>2,678,524</b> | <b>7,323</b>             | <b>7,469,853</b>                            |
| <b>EXPENDITURES:</b>                          |                  |                          |   |
| Current:                                      |                  |                          |   |
| Transportation                                | -                | -                        | 381,558                                     |
| Public Protection                             | -                | -                        | 932,898                                     |
| Development                                   | -                | -                        | 1,918,967                                   |
| Capital Outlay                                | 1,894,829        | 211,157                  | 2,831,486                                   |
| Debt Service:                                 |                  |                          |   |
| Interest and Other Charges                    | -                | -                        | 118   |
| <b>Total expenditures</b>                     | <b>1,894,829</b> | <b>211,157</b>           | <b>6,065,027</b>                            |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>783,695</b>   | <b>(203,834)</b>         | <b>1,404,826</b>                            |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                  |                          |   |
| Transfers in                                  | 13,196           | 100,000                  | 254,196                                     |
| Transfers out                                 | (90,000)         | -                        | (683,532)                                   |
| <b>Total other financing sources (uses)</b>   | <b>(76,804)</b>  | <b>100,000</b>           | <b>(429,336)</b>                            |
| <b>Net change in fund balances</b>            | <b>706,891</b>   | <b>(103,834)</b>         | <b>975,490</b>                              |
| <b>FUND BALANCES:</b>                         |                  |                          |   |
| Beginning of year                             | 3,328,600        | 663,810                  | 16,003,065                                  |
| End of year                                   | \$ 4,035,491     | \$ 559,976               | \$ 16,978,555                               |

# 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, 2016

|                                   | Budget Amounts      |                     | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|---------------------|---------------------|-------------------|---|
|                                   | Original            | Final               |                   |   |
| <b>REVENUES:</b>                  |                     |                     |                   |   |
| Intergovernmental                 | \$ 195,000          | \$ 195,000          | \$ 34,318         | \$ (160,682)  |
| Investment income                 | 8,000               | 8,000               | 8,914             | 914   |
| Miscellaneous                     | -                   | -                   | 3,303             | 3,303   |
| <b>Total revenues</b>             | <b>203,000</b>      | <b>203,000</b>      | <b>46,535</b>     | <b>(156,465)</b>  |
| <b>EXPENDITURES:</b>              |                     |                     |                   |   |
| Current:                          |                     |                     |                   |   |
| Public protection                 | 145,900             | 145,900             | 153,132           | (7,232)   |
| Capital outlay                    | 306,000             | 326,708             | 226,172           | 100,536   |
| Debt service:                     |                     |                     |                   |   |
| Interest and other charges        | 1,000               | 1,000               | 118               | 882   |
| <b>Total expenditures</b>         | <b>452,900</b>      | <b>473,608</b>      | <b>379,422</b>    | <b>94,186</b>   |
| <b>Net change in fund balance</b> | <b>\$ (249,900)</b> | <b>\$ (270,608)</b> | <b>(332,887)</b>  | <b>\$ (62,280)</b>                                      |
| <b>FUND BALANCE:</b>              |                     |                     |                   |   |
| Beginning of year                 |                     |                     | 803,972           |   |
| End of year                       |                     |                     | <b>\$ 471,085</b> |   |

# 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, 2016

|   | Budget Amounts     |                     | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|---------------------|-------------------|---|
|   | Original           | Final               |                   |   |
| <b>REVENUES:</b>                            |                    |                     |                   |   |
| Taxes                                       | \$ 300,000         | \$ 300,000          | \$ 355,319        | \$ 55,319   |
| Intergovernmental                           | -                  | 12,302              | 12,302            | -   |
| Investment income                           | 2,600              | 2,600               | 4,428             | 1,828   |
| <b>Total revenues</b>                       | <b>302,600</b>     | <b>314,902</b>      | <b>372,049</b>    | <b>57,147</b>   |
| <b>EXPENDITURES:</b>                        |                    |                     |                   |   |
| Current:                                    |                    |                     |                   |   |
| Public protection                           | 269,990            | 284,990             | 297,344           | (12,354)  |
| <b>Total expenditures</b>                   | <b>269,990</b>     | <b>284,990</b>      | <b>297,344</b>    | <b>(12,354)</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>32,610</b>      | <b>29,912</b>       | <b>74,705</b>     | <b>44,793</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                    |                     |                   |   |
| Transfers out                               | (54,860)           | (354,860)           | (99,276)          | 255,584   |
| <b>Total other financing sources (uses)</b> | <b>(54,860)</b>    | <b>(354,860)</b>    | <b>(99,276)</b>   | <b>255,584</b>  |
| <b>Net change in fund balance</b>           | <b>\$ (22,250)</b> | <b>\$ (324,948)</b> | <b>(24,571)</b>   | <b>\$ 300,377</b>                                       |
| <b>FUND BALANCE:</b>                        |                    |                     |                   |   |
| Beginning of year                           |                    |                     | 392,729           |   |
| End of year                                 |                    |                     | <b>\$ 368,158</b> |   |

# 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, 2016

|   | Budget Amounts    |                   | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|-------------------|---------------------|---|
|   | Original          | Final             |                     |   |
| <b>REVENUES:</b>                            |                   |                   |                     |   |
| Intergovernmental                           | \$ 2,971,500      | \$ 3,370,331      | \$ 1,547,419        | \$ (1,822,912)  |
| Investment income                           | 15,000            | 15,000            | 25,752              | 10,752  |
| <b>Total revenues</b>                       | <b>2,986,500</b>  | <b>3,385,331</b>  | <b>1,573,171</b>    | <b>(1,812,160)</b>                                      |
| <b>EXPENDITURES:</b>                        |                   |                   |                     |   |
| Current:                                    |                   |                   |                     |   |
| Transportation                              | 455,240           | 446,358           | 381,558             | 64,800  |
| Capital outlay                              | 1,967,000         | 2,365,831         | 334,840             | 2,030,991   |
| <b>Total expenditures</b>                   | <b>2,422,240</b>  | <b>2,812,189</b>  | <b>716,398</b>      | <b>2,095,791</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>564,260</b>    | <b>573,142</b>    | <b>856,773</b>      | <b>283,631</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                   |                   |                     |   |
| Transfers out                               | (350,000)         | (350,000)         | (422,820)           | (72,820)  |
| <b>Total other financing sources (uses)</b> | <b>(350,000)</b>  | <b>(350,000)</b>  | <b>(422,820)</b>    | <b>(72,820)</b>   |
| <b>Net change in fund balance</b>           | <b>\$ 214,260</b> | <b>\$ 223,142</b> | <b>433,953</b>      | <b>\$ 210,811</b>                                       |
| <b>FUND BALANCE:</b>                        |                   |                   |                     |   |
| Beginning of year                           |                   |                   | 1,813,704           |   |
| End of year                                 |                   |                   | <b>\$ 2,247,657</b> |   |

# 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, 2016

|   | Budget Amounts  |                 | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-----------------|-----------------|-------------------|---|
|   | Original        | Final           |                   |   |
| <b>REVENUES:</b>                            |                 |                 |                   |   |
| Intergovernmental                           | \$ -            | \$ -            | \$ 3,394          | \$ 3,394  |
| Investment income                           | -               | -               | 765               | 765   |
| Miscellaneous                               |                 |                 | -                 | -   |
| <b>Total revenues</b>                       | <b>-</b>        | <b>-</b>        | <b>4,159</b>      | <b>4,159</b>  |
| <b>EXPENDITURES:</b>                        |                 |                 |                   |   |
| Current:                                    |                 |                 |                   |   |
| Public protection                           | 54,860          | 54,860          | 25,944            | 28,916  |
| <b>Total expenditures</b>                   | <b>54,860</b>   | <b>54,860</b>   | <b>25,944</b>     | <b>28,916</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>(54,860)</b> | <b>(54,860)</b> | <b>(21,785)</b>   | <b>33,075</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                 |                 |                   |   |
| Transfers in                                | 54,860          | 54,860          | 26,000            | (28,860)  |
| <b>Total other financing sources (uses)</b> | <b>54,860</b>   | <b>54,860</b>   | <b>26,000</b>     | <b>(28,860)</b>   |
| <b>Net change in fund balance</b>           | <b>\$ -</b>     | <b>\$ -</b>     | <b>4,215</b>      | <b>\$ 4,215</b>   |
| <b>FUND BALANCE:</b>                        |                 |                 |                   |   |
| Beginning of year                           |                 |                 | 68,868            |   |
| End of year                                 |                 |                 | <b>\$ 73,083</b>  |   |



# 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, 2016

|                                   | Budget Amounts |             | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|----------------|-------------|-------------------|---|
|                                   | Original       | Final       |                   |   |
| <b>REVENUES:</b>                  |                |             |                   |   |
| Investment income                 | \$ -           | \$ -        | \$ 243            | \$ 243  |
| <b>Total revenues</b>             | <b>-</b>       | <b>-</b>    | <b>243</b>        | <b>243</b>  |
| <b>Net change in fund balance</b> | <b>\$ -</b>    | <b>\$ -</b> | <b>243</b>        | <b>\$ 243</b>   |
| <b>FUND BALANCE:</b>              |                |             |                   |   |
| Beginning of year                 |                |             | 19,946            |   |
| End of year                       |                |             | \$ 20,189         |   |

# 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, 2016

|                                   | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|------------------|------------------|-------------------|---|
|                                   | Original         | Final            |                   |   |
| <b>REVENUES:</b>                  |                  |                  |                   |   |
| Charges for services              | \$ 20,000        | \$ 20,000        | \$ 32,473         | \$ 12,473   |
| Investment income                 | 1,000            | 1,000            | 2,274             | 1,274   |
| <b>Total revenues</b>             | <b>21,000</b>    | <b>21,000</b>    | <b>34,747</b>     | <b>13,747</b>   |
| <b>Net change in fund balance</b> | <b>\$ 21,000</b> | <b>\$ 21,000</b> | <b>34,747</b>     | <b>\$ 13,747</b>  |
| <b>FUND BALANCE:</b>              |                  |                  |                   |   |
| Beginning of year                 |                  |                  | 165,678           |   |
| End of year                       |                  |                  | <u>\$ 200,425</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, 2016

|                                   | Budget Amounts |                   | Actual<br>Amounts  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|----------------|-------------------|--------------------|---|
|                                   | Original       | Final             |                    |   |
| <b>REVENUES:</b>                  |                |                   |                    |   |
| Intergovernmental                 | \$ 200,200     | \$ 200,200        | \$ 109,737         | \$ (90,463)   |
| <b>Total revenues</b>             | <u>200,200</u> | <u>200,200</u>    | <u>109,737</u>     | <u>(90,463)</u>   |
| <b>EXPENDITURES:</b>              |                |                   |                    |   |
| Current:                          |                |                   |                    |   |
| Public protection                 | 200,200        | 207,700           | 192,346            | 15,354  |
| <b>Total expenditures</b>         | <u>200,200</u> | <u>207,700</u>    | <u>192,346</u>     | <u>15,354</u>   |
| <b>Net change in fund balance</b> | <u>\$ -</u>    | <u>\$ (7,500)</u> | (82,609)           | <u>\$ (75,109)</u>                                      |
| <b>FUND BALANCE:</b>              |                |                   |                    |   |
| Beginning of year                 |                |                   | <u>4</u>           |   |
| End of year                       |                |                   | <u>\$ (82,605)</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, 2016

|   | Budget Amounts   |                    | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|--------------------|-------------------|---|
|   | Original         | Final              |                   |   |
| <b>REVENUES:</b>                            |                  |                    |                   |   |
| Intergovernmental                           | \$ 120,000       | \$ 120,000         | \$ 149,951        | \$ 29,951   |
| Investment income                           | -                | -                  | 1,220             | 1,220   |
| <b>Total revenues</b>                       | <b>120,000</b>   | <b>120,000</b>     | <b>151,171</b>    | <b>31,171</b>   |
| <b>EXPENDITURES:</b>                        |                  |                    |                   |   |
| Current:                                    |                  |                    |                   |   |
| Public protection                           | 285,460          | 300,460            | 264,132           | 36,328  |
| <b>Total expenditures</b>                   | <b>285,460</b>   | <b>300,460</b>     | <b>264,132</b>    | <b>36,328</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>(165,460)</b> | <b>(180,460)</b>   | <b>(112,961)</b>  | <b>67,499</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                  |                    |                   |   |
| Transfers in                                | 165,460          | 165,460            | 115,000           | (50,460)  |
| <b>Total other financing sources (uses)</b> | <b>165,460</b>   | <b>165,460</b>     | <b>115,000</b>    | <b>(50,460)</b>   |
| <b>Net change in fund balance</b>           | <b>\$ -</b>      | <b>\$ (15,000)</b> | <b>2,039</b>      | <b>\$ 17,039</b>  |
| <b>FUND BALANCE:</b>                        |                  |                    |                   |   |
| Beginning of year                           |                  |                    | 128,629           |   |
| End of year                                 |                  |                    | <b>\$ 130,668</b> |   |

# 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, 2016

|                                   | Budget Amounts |                     | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|----------------|---------------------|---------------------|---|
|                                   | Original       | Final               |                     |   |
| <b>REVENUES:</b>                  |                |                     |                     |   |
| Intergovernmental                 | \$ 790,230     | \$ 790,230          | \$ 839,049          | \$ 48,819   |
| Charges for services              | -              | -                   | 1,442               | 1,442   |
| Investment income                 | -              | -                   | 20,286              | 20,286  |
| <b>Total revenues</b>             | <u>790,230</u> | <u>790,230</u>      | <u>860,777</u>      | <u>70,547</u>   |
| <b>EXPENDITURES:</b>              |                |                     |                     |   |
| Current:                          |                |                     |                     |   |
| Development                       | 790,230        | 822,810             | 758,534             | 64,276  |
| Capital outlay                    | -              | 177,075             | 164,488             | 12,587  |
| <b>Total expenditures</b>         | <u>790,230</u> | <u>999,885</u>      | <u>923,022</u>      | <u>76,863</u>   |
| <b>Net change in fund balance</b> | <u>\$ -</u>    | <u>\$ (209,655)</u> | <u>(62,245)</u>     | <u>\$ 147,410</u>                                       |
| <b>FUND BALANCE:</b>              |                |                     |                     |   |
| Beginning of year, as restated    |                |                     | <u>2,760,118</u>    |   |
| End of year                       |                |                     | <u>\$ 2,697,873</u> |   |

# 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, 2016

|   | Budget Amounts    |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|------------------|-------------------|---|
|   | Original          | Final            |                   |   |
| <b>REVENUES:</b>                            |                   |                  |                   |   |
| Intergovernmental                           | \$ 100,000        | \$ 529,462       | \$ 75,668         | \$ (453,794)  |
| Investment income                           | 1,800             | 1,800            | 4,438             | 2,638   |
| Miscellaneous                               | -                 | -                | 4,804             | 4,804   |
| <b>Total revenues</b>                       | <b>101,800</b>    | <b>531,262</b>   | <b>84,910</b>     | <b>(446,352)</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>101,800</b>    | <b>531,262</b>   | <b>84,910</b>     | <b>(446,352)</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                   |                  |                   |   |
| Transfers out                               | -                 | (487,702)        | (71,436)          | 416,266   |
| <b>Total other financing sources (uses)</b> | <b>-</b>          | <b>(487,702)</b> | <b>(71,436)</b>   | <b>416,266</b>  |
| <b>Net change in fund balance</b>           | <b>\$ 101,800</b> | <b>\$ 43,560</b> | <b>13,474</b>     | <b>\$ (30,086)</b>                                      |
| <b>FUND BALANCE:</b>                        |                   |                  |                   |   |
| Beginning of year                           |                   |                  | 353,622           |   |
| End of year                                 |                   |                  | <b>\$ 367,096</b> |   |

**City of Buena Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**HOME Fund**  
**For the year ended June 30, 2016**

|                                   | Budget Amounts   |                  | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|------------------|------------------|---------------------|---|
|                                   | Original         | Final            |                     |   |
| <b>REVENUES:</b>                  |                  |                  |                     |   |
| Intergovernmental                 | \$ 1,328,000     | \$ 1,328,000     | \$ 1,540,371        | \$ 212,371  |
| Investment income                 | 22,000           | 22,000           | 6,136               | (15,864)  |
| <b>Total revenues</b>             | <b>1,350,000</b> | <b>1,350,000</b> | <b>1,546,507</b>    | <b>196,507</b>  |
| <b>EXPENDITURES:</b>              |                  |                  |                     |   |
| Current:                          |                  |                  |                     |   |
| Development                       | 1,350,000        | 1,350,000        | 1,160,433           | 189,567   |
| <b>Total expenditures</b>         | <b>1,350,000</b> | <b>1,350,000</b> | <b>1,160,433</b>    | <b>189,567</b>  |
| <b>Net change in fund balance</b> | <b>\$ -</b>      | <b>\$ -</b>      | <b>386,074</b>      | <b>\$ 386,074</b>                                       |
| <b>FUND BALANCE:</b>              |                  |                  |                     |   |
| Beginning of year, as restated    |                  |                  | 5,503,385           |   |
| End of year                       |                  |                  | <b>\$ 5,889,459</b> |   |

# 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, 2016

|   | Budget Amounts      |                       | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|-----------------------|---------------------|---|
|   | Original            | Final                 |                     |   |
| <b>REVENUES:</b>                            |                     |                       |                     |   |
| Intergovernmental                           | \$ -                | \$ 734,000            | \$ 554,939          | \$ (179,061)  |
| Charges for services                        | 1,500,000           | 1,500,000             | 2,080,752           | 580,752   |
| Investment income                           | 50,000              | 50,000                | 42,833              | (7,167)   |
| <b>Total revenues</b>                       | <b>1,550,000</b>    | <b>2,284,000</b>      | <b>2,678,524</b>    | <b>394,524</b>  |
| <b>EXPENDITURES:</b>                        |                     |                       |                     |   |
| Capital outlay                              | 1,776,430           | 7,554,848             | 1,894,829           | 5,660,019   |
| <b>Total expenditures</b>                   | <b>1,776,430</b>    | <b>7,554,848</b>      | <b>1,894,829</b>    | <b>5,660,019</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>(226,430)</b>    | <b>(5,270,848)</b>    | <b>783,695</b>      | <b>6,054,543</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                       |                     |   |
| Transfers in                                | -                   | 429,462               | 13,196              | (416,266)   |
| Transfers out                               | -                   | (90,000)              | (90,000)            | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>            | <b>339,462</b>        | <b>(76,804)</b>     | <b>(416,266)</b>  |
| <b>Net change in fund balance</b>           | <b>\$ (226,430)</b> | <b>\$ (4,931,386)</b> | <b>706,891</b>      | <b>\$ 5,638,277</b>                                     |
| <b>FUND BALANCE:</b>                        |                     |                       |                     |   |
| Beginning of year                           |                     |                       | 3,328,600           |   |
| End of year                                 |                     |                       | <u>\$ 4,035,491</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, 2016**

|   | Budget Amounts    |                     | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|---------------------|-------------------|---|
|   | Original          | Final               |                   |   |
| <b>REVENUES:</b>                            |                   |                     |                   |   |
| Investment income                           | \$ 3,500          | \$ 3,500            | \$ 7,323          | \$ 3,823  |
| <b>Total revenues</b>                       | <b>3,500</b>      | <b>3,500</b>        | <b>7,323</b>      | <b>3,823</b>  |
| <b>EXPENDITURES:</b>                        |                   |                     |                   |   |
| Current:                                    |                   |                     |                   |   |
| Capital outlay                              | -                 | 1,891,252           | 211,157           | 1,680,095   |
| <b>Total expenditures</b>                   | <b>-</b>          | <b>1,891,252</b>    | <b>211,157</b>    | <b>1,680,095</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>3,500</b>      | <b>(1,887,752)</b>  | <b>(203,834)</b>  | <b>1,683,918</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                   |                     |                   |   |
| Transfers in                                | 100,000           | 1,220,000           | 100,000           | (1,120,000)   |
| <b>Total other financing sources (uses)</b> | <b>100,000</b>    | <b>1,220,000</b>    | <b>100,000</b>    | <b>(1,120,000)</b>                                      |
| <b>Net change in fund balance</b>           | <b>\$ 103,500</b> | <b>\$ (667,752)</b> | <b>(103,834)</b>  | <b>\$ 563,918</b>                                       |
| <b>FUND BALANCE:</b>                        |                   |                     |                   |   |
| Beginning of year                           |                   |                     | 663,810           |   |
| End of year                                 |                   |                     | <u>\$ 559,976</u> |   |

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## 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, 2016**

|   | Workers'<br>Compensation<br>Insurance | Public Liability<br>Self -Insurance | Accrued<br>Leave    |
|---|---------------------------------------|-------------------------------------|---------------------|
| <b>ASSETS</b>                                       |                                       |                                     |                     |
| Current assets:                                     |                                       |                                     |                     |
| Cash and investments                                | \$ 6,429,225                          | \$ 1,479,498                        | \$ 1,045,139        |
| Accounts receivable, net                            | -                                     | -                                   | -                   |
| Interest receivable                                 | 11,161                                | 2,534                               | 1,792               |
| Loans receivable                                    | -                                     | -                                   | -                   |
| Prepaid items                                       | -                                     | -                                   | -                   |
| Total current assets                                | <u>6,440,386</u>                      | <u>1,482,032</u>                    | <u>1,046,931</u>    |
| Noncurrent assets:                                  |                                       |                                     |                     |
| Capital assets:                                     |                                       |                                     |                     |
| Depreciable, net                                    | -                                     | -                                   | -                   |
| Total capital assets                                | <u>-</u>                              | <u>-</u>                            | <u>-</u>            |
| Total noncurrent assets                             | <u>-</u>                              | <u>-</u>                            | <u>-</u>            |
| <b>Total assets</b>                                 | <u>6,440,386</u>                      | <u>1,482,032</u>                    | <u>1,046,931</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>               |                                       |                                     |                     |
| Deferred employer pension contributions             | -                                     | -                                   | -                   |
| <b>Total deferred outflows of resources</b>         | <u>-</u>                              | <u>-</u>                            | <u>-</u>            |
| <b>LIABILITIES</b>                                  |                                       |                                     |                     |
| Current liabilities:                                |                                       |                                     |                     |
| Accounts payable                                    | 18,637                                | 30,246                              | -                   |
| Accrued liabilities                                 | -                                     | -                                   | -                   |
| Employee leave benefits - due within one year       | -                                     | -                                   | -                   |
| Claims payable - due within one year                | 100,000                               | -                                   | -                   |
| Total current liabilities                           | <u>118,637</u>                        | <u>30,246</u>                       | <u>-</u>            |
| Noncurrent liabilities:                             |                                       |                                     |                     |
| Employee leave benefits - due in more than one year | -                                     | -                                   | -                   |
| Claims payable - due in more than one year          | 7,174,402                             | 2,027,498                           | -                   |
| Net pension liability                               | -                                     | -                                   | -                   |
| Total noncurrent liabilities                        | <u>7,174,402</u>                      | <u>2,027,498</u>                    | <u>-</u>            |
| <b>Total liabilities</b>                            | <u>7,293,039</u>                      | <u>2,057,744</u>                    | <u>-</u>            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                                       |                                     |                     |
| Deferred inflows of resources - pension             | -                                     | -                                   | -                   |
| <b>Total deferred inflows of resources</b>          | <u>-</u>                              | <u>-</u>                            | <u>-</u>            |
| <b>NET POSITION</b>                                 |                                       |                                     |                     |
| Investment in capital assets                        | -                                     | -                                   | -                   |
| Unrestricted  | (852,653)                             | (575,712)                           | 1,046,931           |
| <b>Total Net Position</b>                           | <u>\$ (852,653)</u>                   | <u>\$ (575,712)</u>                 | <u>\$ 1,046,931</u> |

| <u>Equipment<br/>Maintenance<br/>&amp; Replacement</u> | <u>Buildings and<br/>Grounds<br/>Maintenance</u> | <u>Management<br/>Information<br/>System</u> | <u>Total</u>        |
|--|--|--|---------------------|
| \$ 4,114,005   | \$ 312,679                                       | \$ 1,542,629                                 | \$ 14,923,175       |
| -  | -  | -  | -                   |
| 7,047  | 536  | 2,642  | 25,712              |
| 23,282   | -  | -  | 23,282              |
| -  | -  | -  | -                   |
| <u>4,144,334</u>                                       | <u>313,215</u>                                   | <u>1,545,271</u>                             | <u>14,972,169</u>   |
| <br>   |  |  |                     |
| <u>2,202,041</u>                                       | <u>8,310</u>                                     | <u>288,052</u>                               | <u>2,498,403</u>    |
| <u>2,202,041</u>                                       | <u>8,310</u>                                     | <u>288,052</u>                               | <u>2,498,403</u>    |
| <u>2,202,041</u>                                       | <u>8,310</u>                                     | <u>288,052</u>                               | <u>2,498,403</u>    |
| <u>6,346,375</u>                                       | <u>321,525</u>                                   | <u>1,833,323</u>                             | <u>17,470,572</u>   |
| <br>   |  |  |                     |
| <u>66,110</u>  | <u>53,096</u>                                    | <u>16,527</u>                                | <u>135,733</u>      |
| <u>66,110</u>  | <u>53,096</u>                                    | <u>16,527</u>                                | <u>135,733</u>      |
| <br>   |  |  |                     |
| 41,908   | 72,627   | 34,961                                       | 198,379             |
| 14,584   | 11,706   | 3,741  | 30,031              |
| 11,000   | 10,000   | -  | 21,000              |
| -  | -  | -  | 100,000             |
| <u>67,492</u>  | <u>94,333</u>                                    | <u>38,702</u>                                | <u>349,410</u>      |
| <br>   |  |  |                     |
| 34,680   | 22,480   | -  | 57,160              |
| -  | -  | -  | 9,201,900           |
| <u>798,154</u>   | <u>641,028</u>                                   | <u>199,527</u>                               | <u>1,638,709</u>    |
| <u>832,834</u>   | <u>663,508</u>                                   | <u>199,527</u>                               | <u>10,897,769</u>   |
| <u>900,326</u>   | <u>757,841</u>                                   | <u>238,229</u>                               | <u>11,247,179</u>   |
| <br>   |  |  |                     |
| <u>73,794</u>  | <u>59,267</u>                                    | <u>18,447</u>                                | <u>151,508</u>      |
| <u>73,794</u>  | <u>59,267</u>                                    | <u>18,447</u>                                | <u>151,508</u>      |
| <br>   |  |  |                     |
| 2,202,041  | 8,310  | 288,052                                      | 2,498,403           |
| <u>3,236,324</u>                                       | <u>(450,797)</u>                                 | <u>1,305,122</u>                             | <u>3,709,215</u>    |
| <u>\$ 5,438,365</u>                                    | <u>\$ (442,487)</u>                              | <u>\$ 1,593,174</u>                          | <u>\$ 6,207,618</u> |

**City of Buena Park**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2016**

|   | Workers'<br>Compensation<br>Insurance | Public Liability<br>Self -Insurance | Accrued<br>Benefits |
|---|---------------------------------------|-------------------------------------|---------------------|
| <b>OPERATING REVENUES</b>                     |                                       |                                     |                     |
| Charges for Services                          | \$ 1,267,625                          | \$ -                                | \$ 158,733          |
| <b>Total operating revenues</b>               | <b>1,267,625</b>                      | <b>-</b>                            | <b>158,733</b>      |
| <b>OPERATING EXPENSES</b>                     |                                       |                                     |                     |
| Self-insurance                                | 2,716,699                             | 1,054,576                           | -                   |
| Employee benefits                             | -                                     | -                                   | 218,156             |
| Maintenance and supplies                      | -                                     | -                                   | -                   |
| Information systems                           | -                                     | -                                   | -                   |
| Depreciation                                  | -                                     | -                                   | -                   |
| <b>Total operating expenses</b>               | <b>2,716,699</b>                      | <b>1,054,576</b>                    | <b>218,156</b>      |
| Operating income (loss)                       | (1,449,074)                           | (1,054,576)                         | (59,423)            |
| <b>NONOPERATING REVENUES</b>                  |                                       |                                     |                     |
| Investment income                             | 78,638                                | 13,965                              | 13,186              |
| Gain(loss) on sale of property                | -                                     | -                                   | -                   |
| <b>Total nonoperating revenues (expenses)</b> | <b>78,638</b>                         | <b>13,965</b>                       | <b>13,186</b>       |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>         | <b>(1,370,436)</b>                    | <b>(1,040,611)</b>                  | <b>(46,237)</b>     |
| Transfers in                                  | -                                     | 950,000                             | -                   |
| Transfers out                                 | -                                     | -                                   | -                   |
| <b>Total transfers</b>                        | <b>-</b>                              | <b>950,000</b>                      | <b>-</b>            |
| <b>Change in net position</b>                 | <b>(1,370,436)</b>                    | <b>(90,611)</b>                     | <b>(46,237)</b>     |
| <b>NET POSITION:</b>                          |                                       |                                     |                     |
| Beginning of year, as restated                | 517,783                               | (485,101)                           | 1,093,168           |
| End of Year                                   | \$ (852,653)                          | \$ (575,712)                        | \$ 1,046,931        |

| <u>Equipment<br/>Maintenance<br/>&amp; Replacement</u> | <u>Buildings and<br/>Grounds<br/>Maintenance</u> | <u>Management<br/>Information<br/>System</u> | <u>Total</u>        |
|--|--|--|---------------------|
| \$ 2,154,524   | \$ 1,952,652                                     | \$ 382,344                                   | \$ 5,915,878        |
| <u>2,154,524</u>                                       | <u>1,952,652</u>                                 | <u>382,344</u>                               | <u>5,915,878</u>    |
| -  | -  | -  | 3,771,275           |
| -  | -  | -  | 218,156             |
| 1,422,196  | 1,955,242  | -  | 3,377,438           |
| -  | -  | 320,165                                      | 320,165             |
| 317,583  | 1,759  | 98,107                                       | 417,449             |
| <u>1,739,779</u>                                       | <u>1,957,001</u>                                 | <u>418,272</u>                               | <u>8,104,483</u>    |
| <u>414,745</u>   | <u>(4,349)</u>                                   | <u>(35,928)</u>                              | <u>(2,188,605)</u>  |
| 50,482   | 4,252  | 18,143                                       | 178,666             |
| 26,600   | -  | -  | 26,600              |
| <u>77,082</u>  | <u>4,252</u>                                     | <u>18,143</u>                                | <u>205,266</u>      |
| 491,827  | (97)   | (17,785)                                     | (1,983,339)         |
| 58,240   | -  | -  | 1,008,240           |
| -  | (15,000)   | -  | (15,000)            |
| <u>58,240</u>  | <u>(15,000)</u>                                  | <u>-</u>                                     | <u>993,240</u>      |
| 550,067  | (15,097)   | (17,785)                                     | (990,099)           |
| 4,888,298  | (427,390)  | 1,610,959                                    | 7,197,717           |
| <u>\$ 5,438,365</u>                                    | <u>\$ (442,487)</u>                              | <u>\$ 1,593,174</u>                          | <u>\$ 6,207,618</u> |

**City of Buena Park**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the year ended June 30, 2016**

|   | Workers'<br>Compensation<br>Insurance | Public Liability<br>Self -Insurance | Accrued<br>Benefits |
|---|---------------------------------------|-------------------------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                                       |                                     |                     |
| Cash received from other funds  | \$ 1,285,404                          | \$ -                                | \$ 158,733          |
| Cash payments to suppliers for goods and services   | (1,662,293)                           | (950,271)                           | (218,156)           |
| Cash paid to employees  | -                                     | -                                   | -                   |
| <b>Net cash provided by (used in) operating activities</b>  | <b>(376,889)</b>                      | <b>(950,271)</b>                    | <b>(59,423)</b>     |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>   |                                       |                                     |                     |
| Transfers in  | -                                     | 950,000                             | -                   |
| Transfers out   | -                                     | -                                   | -                   |
| <b>Net cash provided by (used in) noncapital financing activities</b>                                 | <b>-</b>                              | <b>950,000</b>                      | <b>-</b>            |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                                      |                                       |                                     |                     |
| <b>FINANCING ACTIVITIES:</b>  |                                       |                                     |                     |
| Acquisition of capital assets   | -                                     | -                                   | -                   |
| Proceeds from sale of capital assets  | -                                     | -                                   | -                   |
| <b>Net cash (used in) capital and related financing activities</b>                                    | <b>-</b>                              | <b>-</b>                            | <b>-</b>            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                                       |                                     |                     |
| Interest income received  | 78,206                                | 13,769                              | 13,136              |
| <b>Net cash provided by investing activities</b>  | <b>78,206</b>                         | <b>13,769</b>                       | <b>13,136</b>       |
| <b>Net increase (decrease) in cash and cash equivalents</b>   | <b>(298,683)</b>                      | <b>13,498</b>                       | <b>(46,287)</b>     |
| <b>CASH AND CASH EQUIVALENTS:</b>   |                                       |                                     |                     |
| Beginning of year   | 6,727,908                             | 1,466,000                           | 1,091,426           |
| End of year   | <u>\$ 6,429,225</u>                   | <u>\$ 1,479,498</u>                 | <u>\$ 1,045,139</u> |
| <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>               |                                       |                                     |                     |
| Operating income (loss)   | \$ (1,449,074)                        | \$ (1,054,576)                      | \$ (59,423)         |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                                       |                                     |                     |
| Depreciation  | -                                     | -                                   | -                   |
| Changes in assets and liabilities:  |                                       |                                     |                     |
| Accounts receivable   | 17,779                                | -                                   | -                   |
| Loans receivable  | -                                     | -                                   | -                   |
| Prepaid items   | 8,270                                 | -                                   | -                   |
| Deferred employer pension contributions   | -                                     | -                                   | -                   |
| Accounts payable  | (3,850)                               | (76,817)                            | -                   |
| Accrued liabilities   | -                                     | -                                   | -                   |
| Employee leave benefits   | -                                     | -                                   | -                   |
| Claims payable  | 1,049,986                             | 181,122                             | -                   |
| Net pension liability   | -                                     | -                                   | -                   |
| Deferred inflows of resources - pension   | -                                     | -                                   | -                   |
| <b>Total adjustments</b>  | <b>1,072,185</b>                      | <b>104,305</b>                      | <b>-</b>            |
| <b>Net cash provided by (used in) operating activities</b>  | <b>\$ (376,889)</b>                   | <b>\$ (950,271)</b>                 | <b>\$ (59,423)</b>  |



| Equipment<br>Maintenance<br>& Replacement | Buildings and<br>Grounds<br>Maintenance | Management<br>Information<br>System | Total          |
|---|---|-------------------------------------|----------------|
| \$ 2,167,845                              | \$ 1,959,595                            | \$ 382,344                          | \$ 5,953,921   |
| (1,058,642)                               | (1,719,727)                             | (159,662)                           | (5,768,751)    |
| (472,675)                                 | (380,310)                               | (114,761)                           | (967,746)      |
| 636,528                                   | (140,442)                               | 107,921                             | (782,576)      |
| 58,240                                    | -                                       | -                                   | 1,008,240      |
| -   | (15,000)                                | -                                   | (15,000)       |
| 58,240                                    | (15,000)                                | -                                   | 993,240        |
| (670,834)                                 | -                                       | (19,962)                            | (690,796)      |
| 27,031                                    | -                                       | -                                   | 27,031         |
| (643,803)                                 | -                                       | (19,962)                            | (663,765)      |
| 49,835                                    | 4,455                                   | 17,792                              | 177,193        |
| 49,835                                    | 4,455                                   | 17,792                              | 177,193        |
| 100,800                                   | (150,987)                               | 105,751                             | (275,908)      |
| 4,013,205                                 | 463,666                                 | 1,436,878                           | 15,199,083     |
| \$ 4,114,005                              | \$ 312,679                              | \$ 1,542,629                        | \$ 14,923,175  |
| \$ 414,745                                | \$ (4,349)                              | \$ (35,928)                         | \$ (2,188,605) |
| 317,583                                   | 1,759                                   | 98,107                              | 417,449        |
| -   | 6,943                                   | -                                   | 24,722         |
| 13,321                                    | -                                       | -                                   | 13,321         |
| -   | -                                       | 45,361                              | 53,631         |
| (14,665)                                  | (11,484)                                | (3,839)                             | (29,988)       |
| (70,537)                                  | (117,609)                               | 9,084                               | (259,729)      |
| 3,729                                     | 3,029                                   | 1,062                               | 7,820          |
| (3,253)                                   | 1,154                                   | -                                   | (2,099)        |
| -   | -                                       | -                                   | 1,231,108      |
| (20,078)                                  | (15,972)                                | (5,108)                             | (41,158)       |
| (4,317)                                   | (3,913)                                 | (818)                               | (9,048)        |
| 246,178                                   | (116,208)                               | 149,775                             | 1,406,029      |
| \$ 636,528                                | \$ (140,442)                            | \$ 107,921                          | \$ (782,576)   |

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## AGENCY FUND

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

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**City of Buena Park**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2016**

|   | Balance<br>July 1, 2015 | Additions   | Deductions        | Balance<br>June 30, 2016 |
|---|-------------------------|-------------|-------------------|--------------------------|
| <b>CFD Mall Agency Fund</b>             |                         |             |                   |                          |
| <b>Assets:</b>                          |                         |             |                   |                          |
| Cash and investments with fiscal agents | \$ 7,392,723            | \$ -        | \$ 263,800        | \$ 7,128,923             |
| <b>Total assets</b>                     | <b>\$ 7,392,723</b>     | <b>\$ -</b> | <b>\$ 263,800</b> | <b>\$ 7,128,923</b>      |
| <b>Liabilities:</b>                     |                         |             |                   |                          |
| Due to bondholders                      | \$ 7,392,723            | \$ -        | \$ 263,800        | \$ 7,128,923             |
| <b>Total liabilities</b>                | <b>\$ 7,392,723</b>     | <b>\$ -</b> | <b>\$ 263,800</b> | <b>\$ 7,128,923</b>      |

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# 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.

| <b>Contents</b>  | <b>Page</b> |
|--|-------------|
| 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.  | 152-161     |
| Revenue Capacity   |             |
| These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.  | 163-167     |
| 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.                    | 168-172     |
| 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.   | 173-174     |
| 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. | 176-181     |

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

|   | Fiscal Year       |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2006-07           | 2007-08           | 2008-09           | 2009-10           |
| Governmental Activities                     |                   |                   |                   |                   |
| Net investment in capital assets            | \$ 115,185        | \$ 46,057         | \$ 114,928        | \$ 105,023        |
| Restricted                                  | 92,175            | 183,500           | 146,683           | 170,117           |
| Unrestricted                                | 40,045            | 48,731            | 35,482            | 20,221            |
| Total governmental activities net position  | <u>\$ 247,405</u> | <u>\$ 278,288</u> | <u>\$ 297,093</u> | <u>\$ 295,361</u> |
| Business-type Activities                    |                   |                   |                   |                   |
| Net investment in capital assets            | \$ 10,804         | \$ 16,884         | \$ 18,726         | \$ 19,287         |
| Restricted                                  |                   |                   |                   |                   |
| Unrestricted                                | 6,223             | 7,888             | 9,145             | 12,499            |
| Total business-type activities net position | <u>\$ 17,027</u>  | <u>\$ 24,772</u>  | <u>\$ 27,871</u>  | <u>\$ 31,786</u>  |
| Primary Government                          |                   |                   |                   |                   |
| Net investment in capital assets            | \$ 125,989        | \$ 62,941         | \$ 133,654        | \$ 124,310        |
| Restricted                                  | 92,175            | 183,500           | 146,683           | 170,117           |
| Unrestricted                                | 46,268            | 56,619            | 44,627            | 32,720            |
| Total primary government net position       | <u>\$ 264,432</u> | <u>\$ 303,060</u> | <u>\$ 324,964</u> | <u>\$ 327,147</u> |

Source: City of Buena Park Finance Department



| Fiscal Year       |                   |                   |                   |                   |                   |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2010-11           | 2011-12           | 2012-13           | 2013-14           | 2014-15           | 2015-16           |
| \$ 200,780        | \$ 214,554        | \$ 215,872        | \$ 218,671        | \$ 216,987        | \$ 219,881        |
| 66,102            | 25,378            | 23,696            | 45,392            | 45,733            | 45,437            |
| 21,066            | 22,020            | 41,891            | 56,334            | (12,168)          | (24,072)          |
| <u>\$ 287,948</u> | <u>\$ 261,952</u> | <u>\$ 281,459</u> | <u>\$ 320,397</u> | <u>\$ 250,552</u> | <u>\$ 241,246</u> |
| \$ 19,708         | \$ 20,068         | \$ 20,113         | \$ 20,612         | \$ 20,530         | \$ 22,665         |
| 15,041            | 18,261            | 21,253            | 23,691            | 20,007            | 20,109            |
| <u>\$ 34,749</u>  | <u>\$ 38,329</u>  | <u>\$ 41,366</u>  | <u>\$ 44,303</u>  | <u>\$ 40,537</u>  | <u>\$ 42,774</u>  |
| \$ 220,488        | \$ 234,622        | \$ 235,985        | \$ 239,283        | \$ 237,517        | \$ 242,546        |
| 66,102            | 25,378            | 23,696            | 45,392            | 45,733            | 45,437            |
| 36,107            | 40,281            | 63,144            | 80,025            | 7,839             | (3,963)           |
| <u>\$ 322,697</u> | <u>\$ 300,281</u> | <u>\$ 322,825</u> | <u>\$ 364,700</u> | <u>\$ 291,089</u> | <u>\$ 284,020</u> |

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

|   | Fiscal Year        |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | 2006-07            | 2007-08            | 2008-09            | 2009-10            | 2010-11            |
| <b>Expenses</b>                                 |                    |                    |                    |                    |                    |
| Governmental activities:                        |                    |                    |                    |                    |                    |
| General government                              | \$ 6,328           | \$ 6,259           | \$ 6,634           | \$ 6,361           | \$ 7,161           |
| Leisure   | 2,649              | 3,226              | 2,525              | 2,561              | 2,514              |
| Health  | 2,686              | 2,830              | 3,176              | 2,780              | 2,776              |
| Transportation                                  | 8,094              | 8,815              | 8,388              | 8,774              | 8,295              |
| Public Protection                               | 27,856             | 29,208             | 31,195             | 30,707             | 29,074             |
| Development                                     | 11,229             | 15,028             | 15,512             | 24,516             | 19,530             |
| Environmental                                   | 2,504              | 2,635              | 2,949              | 3,118              | 2,832              |
| Interest  | 1,627              | 2,384              | 5,828              | 5,954              | 6,271              |
| Total governmental activities net expenses      | <u>62,973</u>      | <u>70,385</u>      | <u>76,207</u>      | <u>84,771</u>      | <u>78,453</u>      |
| Business-type activities:                       |                    |                    |                    |                    |                    |
| Water   | \$ 11,129          | \$ 10,783          | \$ 11,410          | \$ 11,682          | \$ 11,341          |
| Total business-type activities net assets       | <u>11,129</u>      | <u>10,783</u>      | <u>11,410</u>      | <u>11,682</u>      | <u>11,341</u>      |
| Total primary government expenses               | <u>\$ 74,102</u>   | <u>\$ 81,168</u>   | <u>\$ 87,617</u>   | <u>\$ 96,453</u>   | <u>\$ 89,794</u>   |
| <b>Program Revenues</b>                         |                    |                    |                    |                    |                    |
| Governmental activities:                        |                    |                    |                    |                    |                    |
| Charges for services:                           |                    |                    |                    |                    |                    |
| General government                              | \$ 488             | \$ 496             | \$ 782             | \$ 702             | \$ 100             |
| Leisure   | 584                | 555                | 585                | 738                | 1,003              |
| Health  | 2,457              | 2,606              | 2,828              | 2,949              | 2,946              |
| Transportation                                  | 328                | 313                | 271                | 295                | 231                |
| Public Protection                               | 1,922              | 2,130              | 2,170              | 2,291              | 2,561              |
| Development                                     | 1,104              | 921                | 700                | 1,354              | 1,178              |
| Environmental                                   | 19                 | 60                 | -                  | 1                  | -                  |
| Operating contributions and grants              | 5,071              | 3,692              | 4,706              | 7,613              | 5,594              |
| Capital contributions and grants                | 12,067             | 7,384              | 3,871              | 2,749              | 2,095              |
| Total governmental activities program revenues  | <u>24,040</u>      | <u>18,157</u>      | <u>15,913</u>      | <u>18,692</u>      | <u>15,708</u>      |
| Business-type activities:                       |                    |                    |                    |                    |                    |
| Charges for services:                           |                    |                    |                    |                    |                    |
| Water utility                                   | 12,559             | 12,772             | 13,846             | 14,769             | 14,904             |
| Capital contributions and grants                | 588                | 5,553              | 554                | 890                | -                  |
| Total business-type activities program revenues | <u>13,147</u>      | <u>18,325</u>      | <u>14,400</u>      | <u>15,659</u>      | <u>14,904</u>      |
| Primary government program revenues             | <u>\$ 37,187</u>   | <u>\$ 36,482</u>   | <u>\$ 30,313</u>   | <u>\$ 34,351</u>   | <u>\$ 30,612</u>   |
| <b>Net (Expense)/Revenue</b>                    |                    |                    |                    |                    |                    |
| Governmental activities                         | \$ (38,933)        | \$ (52,228)        | \$ (60,294)        | \$ (66,079)        | \$ (62,745)        |
| Business-type activities                        | <u>2,018</u>       | <u>7,542</u>       | <u>2,990</u>       | <u>3,977</u>       | <u>3,563</u>       |
| Total primary government net expense            | <u>\$ (36,915)</u> | <u>\$ (44,686)</u> | <u>\$ (57,304)</u> | <u>\$ (62,102)</u> | <u>\$ (59,182)</u> |

Source: City of Buena Park Finance Department

| Fiscal Year   |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|
| 2011-12       | 2012-13       | 2013-14       | 2014-15       | 2015-16       |
| \$ 6,145      | \$ 6,551      | \$ 6,491      | \$ 7,125      | \$ 8,098      |
| 2,626         | 2,905         | 3,048         | 3,071         | 3,570         |
| 2,777         | 2,796         | 3,018         | 3,000         | 3,155         |
| 8,041         | 7,727         | 8,696         | 9,875         | 8,380         |
| 29,780        | 30,531        | 30,563        | 31,841        | 35,851        |
| 9,217         | 3,166         | 2,763         | 12,700        | 5,055         |
| 2,724         | 2,952         | 2,979         | 2,987         | 3,167         |
| 3,537         | 482           | 416           | 347           | 275           |
| <u>64,847</u> | <u>57,110</u> | <u>57,974</u> | <u>70,946</u> | <u>67,551</u> |
| <br>          |               |               |               |               |
| \$ 12,596     | \$ 13,461     | \$ 13,611     | \$ 13,908     | \$ 12,753     |
| <u>12,596</u> | <u>13,461</u> | <u>13,611</u> | <u>13,908</u> | <u>12,753</u> |
| <br>          |               |               |               |               |
| \$ 77,443     | \$ 70,571     | \$ 71,585     | \$ 84,854     | \$ 80,304     |
| <br>          |               |               |               |               |
| \$ 221        | \$ 174        | \$ 132        | \$ 198        | \$ 207        |
| 1,334         | 733           | 824           | 774           | 893           |
| 3,016         | 2,972         | 3,118         | 3,130         | 3,227         |
| 413           | 163           | 226           | 213           | 227           |
| 2,650         | 2,685         | 3,649         | 2,642         | 3,315         |
| 1,683         | 1,844         | 1,839         | 3,299         | 5,099         |
| -             | 160           | 183           | 209           | 227           |
| 7,032         | 5,226         | 6,506         | 6,122         | 5,521         |
| 3,668         | 2,924         | 3,492         | 2,134         | 2,485         |
| <u>20,017</u> | <u>16,881</u> | <u>19,969</u> | <u>18,721</u> | <u>21,201</u> |
| <br>          |               |               |               |               |
| 16,223        | 16,562        | 16,462        | 15,270        | 14,124        |
| -             | -             | -             | -             | -             |
| <u>16,223</u> | <u>16,562</u> | <u>16,462</u> | <u>15,270</u> | <u>14,124</u> |
| <br>          |               |               |               |               |
| \$ 36,240     | \$ 33,443     | \$ 36,431     | \$ 33,991     | \$ 35,325     |
| <br>          |               |               |               |               |
| \$ (44,830)   | \$ (40,229)   | \$ (38,005)   | \$ (52,225)   | \$ (46,350)   |
| <u>3,627</u>  | <u>3,101</u>  | <u>2,851</u>  | <u>1,362</u>  | <u>1,371</u>  |
| <br>          |               |               |               |               |
| \$ (41,203)   | \$ (37,128)   | \$ (35,154)   | \$ (50,863)   | \$ (44,979)   |

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

|   | Fiscal Year      |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | 2006-07          | 2007-08          | 2008-09          | 2009-10          | 2010-11          |
| <b>General Revenues and Other Changes in Net Position</b> |                  |                  |                  |                  |                  |
| Governmental activities:                                  |                  |                  |                  |                  |                  |
| Property taxes  | \$ 30,936        | \$ 33,107        | \$ 33,819        | \$ 32,643        | \$ 33,351        |
| Sales taxes   | 17,476           | 21,697           | 13,801           | 14,886           | 19,848           |
| Property taxes in lieu of sales taxes                     | 5,521            | 4,804            | 6,563            | 4,888            | 6,450            |
| Transient occupancy taxes                                 | 4,938            | 4,784            | 3,909            | 3,663            | 3,816            |
| Franchise taxes   | 1,590            | 1,773            | 1,756            | 1,618            | 1,757            |
| Other taxes   | 9,962            | 10,228           | 10,175           | 9,873            | 3,446            |
| Investment income   | 5,210            | 5,533            | 8,023            | 2,086            | 1,545            |
| Other   | 578              | 580              | 1,063            | 30               | 42               |
| Transfers   | 330              | 334              | 350              | 377              | 849              |
| Gain/loss on sale of property                             | 136              | -                | -                | -                | -                |
| Extraordinary item  | -                | -                | -                | -                | -                |
| Total governmental activities                             | <u>76,677</u>    | <u>82,840</u>    | <u>79,459</u>    | <u>70,064</u>    | <u>71,104</u>    |
| Business-type activities:                                 |                  |                  |                  |                  |                  |
| Investment income   | 312              | 347              | 395              | 315              | 247              |
| Other   |                  | 190              | 64               | -                | -                |
| Transfers   | (330)            | (334)            | (350)            | (377)            | (849)            |
| Total business-type activities                            | <u>(18)</u>      | <u>203</u>       | <u>109</u>       | <u>(62)</u>      | <u>(602)</u>     |
| Total primary government                                  | <u>\$ 76,659</u> | <u>\$ 83,043</u> | <u>\$ 79,568</u> | <u>\$ 70,002</u> | <u>\$ 70,502</u> |
| <b>Change in Net Position</b>                             |                  |                  |                  |                  |                  |
| Governmental activities                                   | \$ 37,744        | \$ 30,612        | \$ 19,165        | \$ 3,985         | \$ 8,359         |
| Business-type activities                                  | 2,000            | 7,745            | 3,099            | 3,915            | 2,961            |
| Total primary government                                  | <u>\$ 39,744</u> | <u>\$ 38,357</u> | <u>\$ 22,264</u> | <u>\$ 7,900</u>  | <u>\$ 11,320</u> |

Source: City of Buena Park Finance Department

| Fiscal Year        |                  |                  |                  |                  |
|--------------------|------------------|------------------|------------------|------------------|
| 2011-12            | 2012-13          | 2013-14          | 2014-15          | 2015-16          |
| \$ 21,564          | \$ 12,041        | \$ 8,156         | \$ 9,709         | 10,661           |
| 18,520             | 18,913           | 20,420           | 15,889           | 17,701           |
| 4,956              | 6,035            | 6,842            | 7,355            | 2,533            |
| 4,050              | 4,403            | 5,007            | 5,686            | 6,443            |
| 1,697              | 1,729            | 1,700            | 2,002            | 1,776            |
| 9,330              | 9,943            | 10,388           | 10,940           | 11,424           |
| 963                | 151              | 609              | 590              | 1,025            |
| 96                 | 10               | 26               | 136              | 10               |
| 289                | 102              | 102              | 76               | 98               |
| -                  | -                | -                | -                | -                |
| (42,631)           | -                | -                | -                | -                |
| <u>18,834</u>      | <u>53,327</u>    | <u>53,250</u>    | <u>52,383</u>    | <u>51,671</u>    |
| 242                | 37               | 188              | 135              | 300              |
| -                  | -                | -                | -                | -                |
| (289)              | (102)            | (102)            | (76)             | (98)             |
| <u>(47)</u>        | <u>(65)</u>      | <u>86</u>        | <u>59</u>        | <u>202</u>       |
| <u>\$ 18,787</u>   | <u>\$ 53,262</u> | <u>\$ 53,336</u> | <u>\$ 52,442</u> | <u>\$ 51,873</u> |
| \$ (25,996)        | \$ 13,098        | \$ 15,245        | \$ 158           | \$ 5,321         |
| 3,580              | 3,036            | 2,937            | 1,421            | 1,573            |
| <u>\$ (22,416)</u> | <u>\$ 16,134</u> | <u>\$ 18,182</u> | <u>\$ 1,579</u>  | <u>\$ 6,894</u>  |

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

|   | <b>Fiscal Year</b>      |                          |                          |                          |                          |
|---|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|   | <u>2006-07</u>          | <u>2007-08</u>           | <u>2008-09</u>           | <u>2009-10</u>           | <u>2010-11</u>           |
| General Fund                              |                         |                          |                          |                          |                          |
| Reserved                                  | \$ 3,797                | \$ 4,790                 | \$ 6,347                 | \$ 4,018                 |                          |
| Unreserved, designated                    | 3,917                   | 9,926                    | 1,206                    | 5,016                    |                          |
| Unreserved, undesignated                  | 23,998                  | 26,930                   | 20,983                   | 15,777                   |                          |
| Nonspendable                              | -                       | -                        | -                        | -                        | \$ 458                   |
| Restricted                                | -                       | -                        | -                        | -                        | -                        |
| Assigned                                  | -                       | -                        | -                        | -                        | 242                      |
| Unassigned                                | -                       | -                        | -                        | -                        | 33,758                   |
| <b>Total general fund</b>                 | <b><u>\$ 31,712</u></b> | <b><u>\$ 41,646</u></b>  | <b><u>\$ 28,536</u></b>  | <b><u>\$ 24,811</u></b>  | <b><u>\$ 34,458</u></b>  |
| All Other Governmental Funds              |                         |                          |                          |                          |                          |
| Reserved                                  | \$ 72,044               | \$ 139,427               | \$ 146,544               | \$ 132,108               | \$ -                     |
| Unreserved, designated reported in:       |                         |                          |                          |                          |                          |
| Capital projects funds                    | -                       | 1,500                    | -                        | -                        | -                        |
| Unreserved, undesignated reported in:     |                         |                          |                          |                          |                          |
| Special revenue funds                     | 5,155                   | 3,585                    | 8,187                    | 10,103                   | -                        |
| Capital projects funds                    | 3,020                   | 20,711                   | 21,750                   | 15,727                   | -                        |
| Nonspendable                              | -                       | -                        | -                        | -                        | 611                      |
| Restricted                                | -                       | -                        | -                        | -                        | 147,330                  |
| Assigned                                  | -                       | -                        | -                        | -                        | 331                      |
| Unassigned                                | -                       | -                        | -                        | -                        | (1,712)                  |
| <b>Total all other governmental funds</b> | <b><u>\$ 80,219</u></b> | <b><u>\$ 165,223</u></b> | <b><u>\$ 176,481</u></b> | <b><u>\$ 157,938</u></b> | <b><u>\$ 146,560</u></b> |

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, Committec Assigned, and Unassigned.

Source: City of Buena Park Finance Department

| <u>2011-12</u>   | <u>2012-13</u>   | <b>Fiscal Year</b><br><u>2013-14</u> | <u>2014-15</u>   | <u>2015-16</u>   |
|------------------|------------------|--------------------------------------|------------------|------------------|
| \$ 279           | \$ 5,765         | \$ 5,848                             | \$ 5,882         | \$ 9,305         |
| -                | 1,414            | 1,414                                | 1,438            | 1,439            |
| -                | -                | 4,043                                | 5,126            | 5,705            |
| <u>29,302</u>    | <u>39,821</u>    | <u>48,428</u>                        | <u>55,697</u>    | <u>51,697</u>    |
| <u>\$ 29,581</u> | <u>\$ 47,000</u> | <u>\$ 59,733</u>                     | <u>\$ 68,143</u> | <u>\$ 68,146</u> |
| \$ -             | \$ -             | \$ -                                 | \$ -             | \$ -             |
| -                | -                | -                                    | -                | -                |
| -                | -                | -                                    | -                | -                |
| -                | -                | -                                    | -                | -                |
| 612              | 14               | -                                    | -                | -                |
| 16,940           | 15,164           | 27,554                               | 43,427           | 43,759           |
| 370              | 494              | 609                                  | 664              | 560              |
| <u>(331)</u>     | <u>(266)</u>     | <u>(237)</u>                         | <u>-</u>         | <u>(83)</u>      |
| <u>\$ 17,591</u> | <u>\$ 15,406</u> | <u>\$ 27,926</u>                     | <u>\$ 44,091</u> | <u>\$ 44,236</u> |

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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   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
|   | 2006-07        | 2007-08        | 2008-09        | 2009-10        | 2010-11        |
| <b>Revenues</b>   |                |                |                |                |                |
| Taxes   | 63,079         | 71,149         | 65,899         | 60,868         | 63,523         |
| Licenses and permits                                      | 492            | 475            | 446            | 487            | 386            |
| Fines and forfeitures                                     | 879            | 958            | 917            | 976            | 1,110          |
| Intergovernmental   | 22,181         | 16,626         | 15,176         | 14,264         | 12,921         |
| Charges for services                                      | 5,326          | 5,631          | 5,972          | 6,183          | 6,193          |
| Investment income   | 5,088          | 5,916          | 7,066          | 3,391          | 8,526          |
| Miscellaneous   | 2,697          | 1,698          | 3,479          | 2,639          | 1,044          |
| <b>Total revenues</b>                                     | <b>99,742</b>  | <b>102,453</b> | <b>98,955</b>  | <b>88,808</b>  | <b>93,703</b>  |
| <b>Expenditures</b>                                       |                |                |                |                |                |
| General government  | 5,441          | 5,567          | 5,727          | 5,540          | 4,507          |
| Leisure   | 2,317          | 2,962          | 2,138          | 2,177          | 2,140          |
| Health  | 2,687          | 2,654          | 2,853          | 2,999          | 2,832          |
| Transportation  | 4,863          | 2,830          | 3,176          | 2,780          | 2,776          |
| Public protection   | 27,918         | 5,497          | 5,865          | 5,776          | 5,711          |
| Development   | 12,657         | 28,883         | 47,024         | 28,861         | 28,732         |
| Environmental   | 2,589          | 18,277         | 16,686         | 25,360         | 26,839         |
| Debt service:   |                |                |                |                |                |
| Principal retirement                                      | 1,547          | 1,601          | 1,656          | 4,162          | 4,327          |
| Interest and other charges                                | 1,895          | 1,929          | 5,612          | 6,468          | 6,093          |
| Bond issuance costs                                       |                | 2,085          | 143            | -              | -              |
| Advance refunding escrow                                  |                |                |                |                |                |
| <b>Capital Outlay</b>                                     | <b>15,999</b>  | <b>10,173</b>  | <b>26,687</b>  | <b>24,424</b>  | <b>11,393</b>  |
| <b>Total expenditures</b>                                 | <b>77,913</b>  | <b>82,458</b>  | <b>117,567</b> | <b>108,547</b> | <b>95,350</b>  |
| Excess (deficiency) of revenues over (under) expenditures | 21,829         | 19,995         | (18,612)       | (19,739)       | (1,647)        |
| <b>Other Financing Sources (Uses)</b>                     |                |                |                |                |                |
| Transfers in  | 24,802         | 73,079         | 40,472         | 19,226         | 15,205         |
| Transfers out   | (25,007)       | (74,530)       | (40,462)       | (19,733)       | (15,291)       |
| Issuance of debt  | -              | 75,720         | 16,780         | -              | -              |
| Bond Premium  | -              | 99             | -              | -              | -              |
| Proceeds from sale of property                            | -              | 575            | -              | 2              | 2              |
| Loss on sale of property held for resale                  | -              | -              | -              | -              | -              |
| Proceeds from long term debt                              | -              | -              | -              | -              | -              |
| Proceeds from sale of capital assets                      | -              | -              | -              | -              | -              |
| <b>Total other financing sources (uses)</b>               | <b>(205)</b>   | <b>74,943</b>  | <b>16,790</b>  | <b>(505)</b>   | <b>(84)</b>    |
| <b>Extraordinary item</b>                                 |                |                |                |                |                |
| Net change in fund balances                               | 21,624         | 94,938         | (1,822)        | (20,244)       | (1,731)        |
| Fund balances - July 1, restated                          | 90,307         | 111,961        | 206,838        | 202,993        | 182,749        |
| <b>Fund balances - June 30</b>                            | <b>111,931</b> | <b>206,899</b> | <b>205,016</b> | <b>182,749</b> | <b>181,018</b> |
| Debt service as a percentage of noncapital expenditures   | 5.45%          | 3.48%          | 7.97%          | 12.64%         | 13.25%         |

Source: City of Buena Park Finance Department



| Fiscal Years   |               |               |                |                |
|----------------|---------------|---------------|----------------|----------------|
| 2011-12        | 2012-13       | 2013-14       | 2014-15        | 2015-16        |
| 54,422         | 46,806        | 46,390        | 44,811         | 43,401         |
| 545            | 515           | 496           | 790            | 903            |
| 874            | 710           | 736           | 852            | 812            |
| 15,295         | 14,344        | 16,257        | 15,401         | 15,553         |
| 6,719          | 7,000         | 7,243         | 7,774          | 9,823          |
| 1,386          | 244           | 763           | 789            | 1,137          |
| 2,147          | 411           | 1,400         | 532            | 966            |
| <u>81,388</u>  | <u>70,030</u> | <u>73,285</u> | <u>70,949</u>  | <u>72,595</u>  |
| 5,041          | 6,016         | 5,852         | 6,493          | 7,282          |
| 2,132          | 2,362         | 2,448         | 2,481          | 2,882          |
| 2,777          | 2,780         | 2,960         | 2,962          | 3,029          |
| 5,369          | 4,877         | 5,008         | 5,066          | 5,654          |
| 28,695         | 28,813        | 28,754        | 29,642         | 33,337         |
| 12,786         | 2,756         | 2,676         | 3,907          | 4,827          |
| 2,724          | 2,935         | 2,920         | 2,945          | 3,046          |
| 4,481          | 1,568         | 1,633         | 1,702          | 4,059          |
| 3,030          | 487           | 422           | 353            | 281            |
| -              | -             | -             | -              | -              |
| <u>13,663</u>  | <u>7,794</u>  | <u>8,662</u>  | <u>5,464</u>   | <u>7,683</u>   |
| <u>80,698</u>  | <u>60,388</u> | <u>61,335</u> | <u>61,015</u>  | <u>72,080</u>  |
| 690            | 9,642         | 11,950        | 9,934          | 515            |
| 20,537         | 2,604         | 2,292         | 1,403          | 1,513          |
| (21,131)       | (3,437)       | (3,124)       | (2,262)        | (2,407)        |
| -              | -             | -             | -              | -              |
| -              | -             | -             | -              | -              |
| -              | -             | -             | (8,686)        | -              |
| -              | -             | -             | -              | 526            |
| -              | 3             | 86            | -              | 1              |
| <u>(594)</u>   | <u>(830)</u>  | <u>(746)</u>  | <u>(9,545)</u> | <u>(367)</u>   |
| (133,942)      | -             | -             | -              | -              |
| 96             | 8,812         | 11,204        | 389            | 148            |
| <u>181,018</u> | <u>53,594</u> | <u>76,456</u> | <u>104,145</u> | <u>112,234</u> |
| <u>47,172</u>  | <u>62,406</u> | <u>87,660</u> | <u>104,534</u> | <u>112,382</u> |
| 12.00%         | 3.85%         | 3.87%         | 3.61%          | 6.82%          |

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

| Fiscal<br>Year | Property<br>Tax | Sales and<br>Use Tax | Property Tax<br>in Lieu of<br>Sales Tax | Transient<br>Occupancy<br>Tax | Franchise<br>Tax | Other<br>Taxes |
|----------------|-----------------|----------------------|---|-------------------------------|------------------|----------------|
| 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         |
| 2014-15        | 9,709           | 15,889               | 7,355                                   | 5,686                         | 2,002            | 10,940         |
| 2015-16        | 10,661          | 17,701               | 2,533                                   | 6,442                         | 1,776            | 11,424         |

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<br>Year | City<br>Direct<br>Rate | Overlapping Rates     |                            |
|----------------|------------------------|-----------------------|----------------------------|
|                |                        | Buena Park<br>Schools | Metro<br>Water<br>District |
| 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                     |
| 2014-15        | 1.0000                 | 0.2585                | 0.0035                     |
| 2015-16        | 1.0000                 | 0.2771                | 0.0035                     |

Source: Orange County Auditor/Controller

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

| Taxpayer                            | <u>2015-16</u>         |      |   | <u>2006-07</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                  | \$ 317,624,486         | 1    | 3.62%   | \$ 290,011,356         | 1    | 4.30%   |
| Comref So California Industiral Sub | 145,207,567            | 2    | 1.66%   |                        |      |   |
| Alticor Inc                         | 101,133,613            | 3    | 1.15%   |                        |      |   |
| PRI Buena Park Indl California LLC  | 91,032,994             | 4    | 1.04%   |                        |      |   |
| Westcore So-Cal I LLC               | 65,224,975             | 5    | 0.74%   |                        |      |   |
| Newkoa LLC                          | 59,595,090             | 6    | 0.68%   |                        |      |   |
| J C Penney Properties, Inc.         | 50,657,036             | 7    | 0.58%   | 41,642,674             | 6    | 0.62%   |
| Bottling Group LLC                  | 45,946,212             | 8    | 0.52%   |                        |      |   |
| Georgia-Pacific Corrugated LLC      | 44,737,112             | 9    | 0.51%   |                        |      |   |
| The Source at Beach, LLC.           | 44,473,985             | 10   | 0.51%   |                        |      |   |
| Coventry II DDR Buena Park Place LP |                        |      |   | 97,015,132             | 2    | 1.44%   |
| Prologis California I LLC           |                        |      |   | 66,222,176             | 3    | 0.98%   |
| OMP Commerce Center BP              |                        |      |   | 59,822,997             | 4    | 0.89%   |
| LBA Realty Fund Holding Co.         |                        |      |   | 43,020,532             | 5    | 0.64%   |
| Sears Roebuck and Company           |                        |      |   | 35,133,411             | 7    | 0.52%   |
| Amway Corporation                   |                        |      |   | 34,274,472             | 8    | 0.51%   |
| Amcor Sunclipse North Ame           |                        |      |   | 33,618,879             | 9    | 0.50%   |
| Alticor Inc                         |                        |      |   | 29,039,309             | 10   | 0.43%   |
|                                     | <u>\$ 965,633,070</u>  |      | <u>11.01%</u>                                   | <u>\$ 729,800,938</u>  |      | <u>10.83%</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<br>ended<br>June 30 | Total<br>Tax<br>Levy | Collected within the<br>fiscal year of the levy |           | Collections in<br>Subsequent Years | Total collections to date |           |
|---------------------------------|----------------------|---|-----------|------------------------------------|---------------------------|-----------|
|                                 |                      | Amount  | % of Levy |                                    | Amount                    | % of Levy |
| 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%    | 50,680                             | 6,341,763                 | 98.39%    |
| 2014-15                         | 6,615,614            | 6,444,393                                       | 97.41%    | 46,784                             | 6,491,177                 | 98.12%    |
| 2015-16                         | 6,807,398            | 6,672,282                                       | 98.02%    | (2)                                | 6,672,282                 | 98.02%    |

(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 |
|-------------|----------------------|---------------------|---------------------|-----------------|---------------------|------------------------------|-----------------------|
| 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                  |
| 2014-15     | 5,415,224            | 1,456,247           | 1,122,370           | 474,918         | 226,042             | 8,694,801                    | 1.00                  |
| 2015-16     | 5,734,199            | 1,590,478           | 1,165,617           | 468,840         | 191,295             | 9,150,429                    | 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 |                          |                             |                 |                          |                |
| 2006-07     | 27,181                         | 4,319             |               | 551                             | 1,074         | 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            |
| 2014-15     | -                              | -                 | 7,552         | -                               | 15            | 7,567                    | -                           | -               | 0.39%                    | 90             |
| 2015-16     | -                              | -                 | 5,780         | -                               | 5             | 5,785                    | -                           | -               | 0.29%                    | 69             |

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 15). 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 173 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, 2016  
 (amounts expressed in thousands)

| <u>Governmental Unit</u>          | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable <sup>(1)</sup></u> | <u>Estimated<br/>Share of<br/>Overlapping<br/>Debt</u> |
|-----------------------------------|-----------------------------|---|--|
| City of Buena Park direct debt    |                             |   |  |
| Police Pension Obligation Loan    | \$ 5,780                    | 100.00%   | <u>\$ 5,780</u>  |
| Total Direct Debt                 |                             |   | <u>5,780</u>   |
| Overlapping debt                  |                             |   |  |
| Metropolitan Water District       | 18,880                      | 1.23%   | 231  |
| Orange County and School District | 735,325                     | 9.99%   | <u>73,471</u>  |
| Total Overlapping Debt            |                             |   | <u>73,703</u>  |
| <br>                              |                             |   |  |
| Total direct and overlapping debt |                             |   | <u><u>\$ 79,483</u></u>                                |

Source: Orange County Assessor, HdL Coren & Cone

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.

<sup>(1)</sup> 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.

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

|   | 2007                | 2008                | Fiscal Year<br>2009 | 2010                | 2011                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Debt limit  | \$ 1,026,917        | \$ 1,117,886        | \$ 1,159,337        | \$ 1,135,269        | \$ 1,141,557        |
| Total net debt applicable to limit                                      | -                   | -                   | -                   | -                   | -                   |
| Legal debt margin   | <u>\$ 1,026,917</u> | <u>\$ 1,117,886</u> | <u>\$ 1,159,337</u> | <u>\$ 1,135,269</u> | <u>\$ 1,141,557</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  |

Legal Debt Margin Calculation for Fiscal Year 2015-16:

|  |                     |
|--|---------------------|
| Assessed value                           | \$ 8,766,876        |
| Add back: exempt real property           | \$ 192,259          |
| Total assessed value                     | <u>\$ 8,959,135</u> |
| Debt limit (15% of total assessed value) | \$ 1,343,870        |
| Debt applicable to limit:                | -                   |
| Legal debt margin                        | <u>\$ 1,343,870</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.

Source: Orange County Assessor, HdL Coren & Cone

| Fiscal Year         |                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2012                | 2013                | 2014                | 2015                | 2016                |
| \$ 1,143,040        | \$ 1,183,672        | \$ 1,205,801        | \$ 1,270,314        | \$ 1,343,870        |
| -                   | -                   | -                   | -                   | -                   |
| <u>\$ 1,143,040</u> | <u>\$ 1,183,672</u> | <u>\$ 1,205,801</u> | <u>\$ 1,270,314</u> | <u>\$ 1,343,870</u> |
| 0%                  | 0%                  | 0%                  | 0%                  | 0%                  |

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

| Fiscal Year | Gross Revenue <sup>(1)</sup> | Principal | Interest | Total   | Coverage |
|-------------|------------------------------|-----------|----------|---------|----------|
| 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        | -                            | -         | -        | -       | -        |
| 2015        | -                            | -         | -        | -       | -        |
| 2016        | -                            | -         | -        | -       | -        |

<sup>(1)</sup> 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 financial and 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<br>Year | Population | Personal<br>Income<br>(in thousands) | Per<br>Capita<br>Personal<br>Income | Unemployment<br>Rate |
|----------------|------------|--------------------------------------|-------------------------------------|----------------------|
| 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%                 |
| 2014-15        | 82,330     | 1,925,699                            | 23,390                              | 4.7%                 |
| 2015-16        | 83,347     | 2,015,754                            | 24,185                              | 3.8%                 |

Source: HdL, Coren & Cone

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

| <u>Employer</u>                             | <u>2015-16</u>      |             |                                    | <u>2006-07</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           | 12.71%                             | 2,900               | 1           | 7.25%                             |
| J.C. Penney                                 | 526                 | 2           | 1.32%                              |                     |             |                                   |
| Leach Corporation                           | 483                 | 3           | 1.21%                              | 610                 | 4           | 1.53%                             |
| Access Business Group, LLC                  | 479                 | 4           | 1.20%                              |                     |             |                                   |
| Pepsi                                       | 477                 | 5           | 1.20%                              | 410                 | 7           | 1.03%                             |
| Select Staffing Real Time Staffing Services | 403                 | 6           | 1.01%                              |                     |             |                                   |
| Heritage Foods, LLC.                        | 394                 | 7           | 0.99%                              |                     |             |                                   |
| RIA Financial/AFEX Money Express            | 387                 | 8           | 0.97%                              |                     |             |                                   |
| SYSCO Riverside, Inc.                       | 375                 | 9           | 0.94%                              |                     |             |                                   |
| Yamaha Corporation of America               | 350                 | 10          | 0.88%                              | 400                 | 8           | 1.00%                             |
| Nutriline                                   | 479                 |             |                                    | 900                 | 2           | 2.25%                             |
| Georgia Pacific                             |                     |             |                                    | 690                 | 3           | 1.73%                             |
| ServiceCraft Distributors                   |                     |             |                                    | 480                 | 5           | 1.20%                             |
| Ultra Wheel Company                         |                     |             |                                    | 475                 | 6           | 1.19%                             |
| City of Buena Park                          | 278                 |             | 0.70%                              | 314                 | 9           | 0.79%                             |
| Amada                                       |                     |             |                                    | 192                 | 10          | 0.48%                             |
| <b>Total</b>                                | <u><u>9,702</u></u> |             | <u><u>24.75%</u></u>               | <u><u>7,371</u></u> |             | <u><u>18.43%</u></u>              |

\* Based upon U.S. Department of Labor's estimate of 39,900 residents employed in 2015-16 and 40,000 employed in 2006-07.

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

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

| Function              | 2006-07        | 2007-08        | 2008-09        | 2009-10        | 2010-11        |
|-----------------------|----------------|----------------|----------------|----------------|----------------|
| General Government    | 41             | 37             | 38             | 38             | 38             |
| Public Safety         | 143            | 143            | 143            | 143            | 143            |
| Public Works          | 46             | 47             | 47             | 47             | 47             |
| Community Services    | 25             | 26             | 26             | 26             | 26             |
| Community Development | 30             | 28             | 28             | 28             | 28             |
| Water                 | 29             | 29             | 29             | 29             | 28             |
| <br>Total             | <br><u>314</u> | <br><u>310</u> | <br><u>311</u> | <br><u>311</u> | <br><u>310</u> |

Source: City of Buena Park Budget



| <u>2011-12</u>    | <u>2012-13</u>    | <u>2013-14</u>    | <u>2014-15</u>    | <u>2015-16</u>    |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 38                | 31                | 34                | 43                | 43                |
| 142               | 141               | 138               | 126               | 126               |
| 47                | 41                | 40                | 41                | 41                |
| 26                | 19                | 19                | 25                | 25                |
| 28                | 21                | 16                | 16                | 16                |
| <u>28</u>         | <u>27</u>         | <u>27</u>         | <u>27</u>         | <u>27</u>         |
| <u><u>309</u></u> | <u><u>280</u></u> | <u><u>274</u></u> | <u><u>278</u></u> | <u><u>278</u></u> |

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

| Function:   | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|
| <b>Police</b>                                       |         |         |         |         |         |
| Calls dispatched                                    | 32,646  | 37,154  | 38,704  | 36,499  | 35,139  |
| Crime reports                                       | 4,617   | 9,900   | 5,784   | 9,741   | 9,535   |
| Moving citations                                    | 5,737   | 7,198   | 2,519   | 10,151  | 9,344   |
| Parking citations                                   | 19,506  | 19,764  | 6,190   | 17,055  | 14,980  |
| <b>Streets and Highways</b>                         |         |         |         |         |         |
| Asphalt repair (in tons)                            | 454     | 316     | 326     | 330     | 297     |
| Curb & gutter repair (lineal ft.)                   | 2,428   | 1,699   | 1,858   | 1,860   | 1,256   |
| Sidewalk repair (lineal ft.)                        | 1,832   | 3,322   | 2,988   | 3,000   | 2,616   |
| <b>Water</b>  |         |         |         |         |         |
| Number of customer accounts                         | 19,300  | 19,300  | 19,300  | 19,300  | 19,300  |
| Average daily consumption<br>(millions of gallons)  | 15      | 15      | 15      | 15      | 15      |
| Water samples taken (annual)                        | 1,200   | 1,200   | 1,200   | 1,200   | 1,200   |
| <b>Sewers</b>                                       |         |         |         |         |         |
| Feet of sewer mains root cut/<br>chemically treated | 25,000  | 22,000  | 22,000  | 22,000  | 22,000  |
| <b>Maintenance</b>                                  |         |         |         |         |         |
| Graffiti removals                                   | 5,191   | 5,100   | 5,032   | 5,600   | 5,600   |
| Streetsweeping miles                                | 23,000  | 23,000  | 23,000  | 23,000  | 23,000  |
| Trees pruned per year                               | 4,785   | 4,834   | 5,294   | 5,200   | 4,887   |
| <b>Culture and Recreation</b>                       |         |         |         |         |         |
| Youth sports  | 1,380   | 1,390   | 1,100   | 1,050   | 1,050   |
| Aquatics  | 27,974  | 28,570  | 29,550  | 27,500  | 29,000  |
| Picnic rentals                                      | 10,400  | 9,500   | 14,745  | 12,500  | 12,500  |
| Leisure classes                                     | 8,294   | 8,622   | 8,370   | 9,402   | 9,434   |
| Senior Center participants                          | 87,801  | 132,849 | 136,888 | 136,000 | 130,000 |

Source: City of Buena Park

| 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---------|---------|---------|---------|---------|
| 34,031  | 32,126  | 43,650  | 43,051  | 56,163  |
| 8,617   | 8,251   | 9,883   | 9,540   | 9,831   |
| 7,389   | 7,044   | 5,572   | 8,973   | 8,803   |
| 12,477  | 12,548  | 14,560  | 16,221  | 14,589  |
| 343     | 293     | 269     | 270     | 283     |
| 919     | 887     | 1,022   | 1,000   | 422     |
| 1,483   | 1,211   | 1,324   | 1,300   | 3,893   |
| 19,300  | 18,921  | 19,300  | 19,300  | 19,481  |
| 12.5    | 13.6    | 13.6    | 10.9    | 10.6    |
| 1,200   | 1,200   | 1,200   | 1,200   | 1,200   |
| 22,000  | 29,405  | 29,274  | 29,000  | 52,630  |
| 5,600   | 10,000  | 9,240   | 7,172   | 8,160   |
| 23,000  | 23,000  | 23,000  | 23,000  | 2,300   |
| 5,000   | 5,975   | 5,344   | 5,300   | 5,400   |
| 1,100   | 1,000   | 900     | 1,300   | 1,302   |
| 29,500  | 29,500  | 25,749  | 23,617  | 25,751  |
| 12,500  | 15,000  | 17,000  | 20,000  | 18,700  |
| 9,450   | 4,832   | 5,095   | 3,752   | 3,655   |
| 102,803 | 111,366 | 110,410 | 116,112 | 122,216 |

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

| Function:                      | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|--------------------------------|---------|---------|---------|---------|---------|---------|
| <b>Public Safety</b>           |         |         |         |         |         |         |
| Police stations                | 1       | 1       | 1       | 1       | 1       | 1       |
| Number of patrol units         | 28      | 30      | 30      | 30      | 30      | 30      |
| <b>Highways and streets</b>    |         |         |         |         |         |         |
| Miles of streets               | 147.6   | 147.6   | 147.6   | 147.6   | 147.6   | 147.6   |
| Traffic Signals                | 70      | 70      | 70      | 70      | 70      | 70      |
| <b>Water</b>                   |         |         |         |         |         |         |
| Number of active water wells   | 7       | 8       | 8       | 8       | 8       | 8       |
| Number of reservoirs           | 1       | 1       | 1       | 1       | 1       | 1       |
| Miles of lines & mains         | 220     | 220     | 220     | 220     | 220     | 220     |
| <b>Sewer</b>                   |         |         |         |         |         |         |
| Miles of sanitary sewers       | 168     | 168     | 168     | 168     | 168     | 168     |
| Miles of flood control channel | 21      | 21      | 21      | 21      | 21      | 21      |
| <b>Culture and Recreation</b>  |         |         |         |         |         |         |
| Number of parks                | 11      | 11      | 11      | 11      | 11      | 11      |
| Number of community facilities | 1       | 1       | 1       | 2       | 2       | 3       |

Source: City of Buena Park

| 2012-13       | 2013-14       | 2014-15       | 2015-16       |
|---------------|---------------|---------------|---------------|
| 1<br>30       | 1<br>30       | 1<br>30       | 1<br>32       |
| 147.6<br>70   | 147.6<br>70   | 147.6<br>70   | 147.6<br>73   |
| 8<br>1<br>220 | 8<br>1<br>220 | 8<br>1<br>220 | 8<br>1<br>220 |
| 168<br>21     | 168<br>21     | 168<br>21     | 168<br>21     |
| 11<br>3       | 11<br>3       | 11<br>3       | 11<br>3       |