

# City of Buena Park, California

## Comprehensive Annual Financial Report

With Report on Audit by  
Independent Certified Public Accountants

For the Year Ended  
June 30, 2018



Prepared by:  
Finance Department  
Sung Hyun, Director



**City of Buena Park  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2018**

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December 21, 2018

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

It is my pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Buena Park (the City) for the fiscal year ended June 30, 2018.

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, 2018. 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 83,995.

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 2018, the Council seats for District 1, District 2, and District 5 will be up for election. In 2020, the Council seats for District 3 and District 4 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, Chrysler/Dodge/Jeep/Ram, Ford, Honda, Mercedes-Benz, Nissan, Tesla, and Toyota vehicles, as well as a CarMax Auto Superstore.

Nationally, current economic conditions remain favorable, with some areas softening. Overall, growth indicators continue to be positive. Unemployment and inflation remain low and consumer confidence remains strong. However, growth in retail sales is slowing and the housing sector is softening as mortgage rates have increased. Locally, the City continues to experience positive economic growth. However, the growth in tourism has slowed and median home prices have leveled out. As a result the City may experience a flattening of transient occupancy tax (TOT) and property tax revenues.

### **Major Initiatives**

The City has completed the following capital improvement projects in FY2017-18:

- Public parking lot west of Stanton Ave.
- Fire Station #61 new construction
- Traffic Signal at Commonwealth Ave. and Indiana St.
- Catch Basin Screens installation
- Walking Trails at Southern California Edison Corridor
- Peak Park and Boisseranc Park Pool Building Roof replacement
- Annual Pavement Rehabilitation and Slurry Seal

### **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 2018-2020. 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 nearing completion 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, 2017. 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**

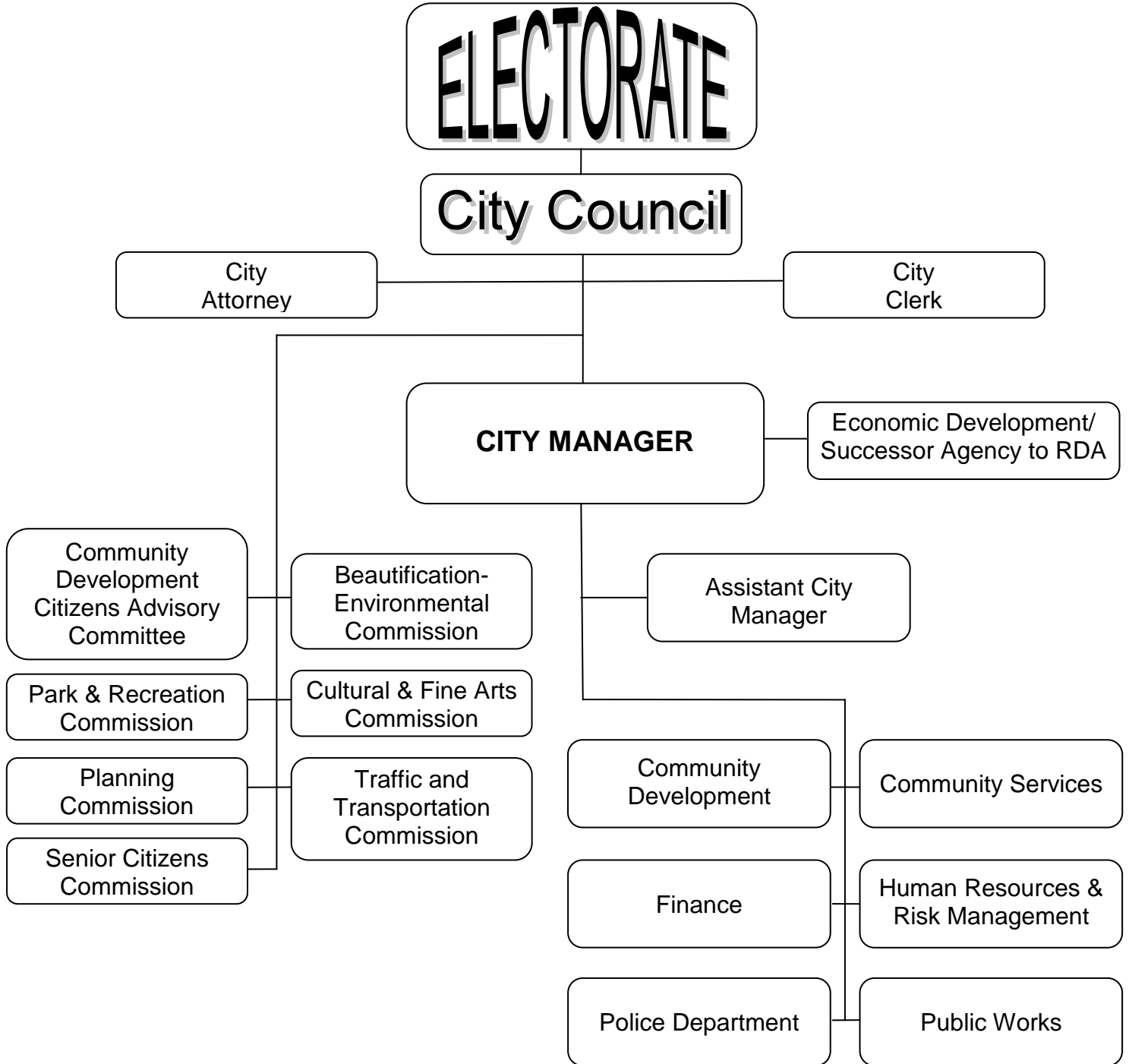
The preparation and publication of this report could not be accomplished without the dedication, professionalism, and teamwork of the Finance Department staff. I would like to express my sincere appreciation to all the members of the Finance Department. In addition, I want to acknowledge the efforts 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 ..... Arthur C. Brown  
Mayor Pro-Tem ..... Fred R. Smith  
Council Member ..... Sunny Youngsun Park  
Council Member ..... Elizabeth Swift, Ed.D.  
Council Member ..... Connor Traut

ADMINISTRATION AND DEPARTMENT HEADS

City Manager ..... James B. Vanderpool  
City Attorney ..... Christopher Cardinale  
City Clerk ..... Adria M. Jimenez  
Assistant City Manager ..... Aaron France  
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 ..... vacant



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, 2017**

*Christopher P. Morill*

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, 2018, 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, 2018, 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, other postemployment benefit information, and budgetary comparison information on pages 5-26 and 106-115 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, the budgetary comparison schedule for the City Capital Project Fund, combining and individual nonmajor fund financial statements, and other budgetary comparison schedules on pages 119-152, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule for the City Capital Project Fund, combining and individual nonmajor fund financial statements, and other budgetary comparison schedules on pages 119-152 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 budgetary comparison schedule for the City Capital Project Fund, combining and individual nonmajor fund financial statements, and other budgetary comparison schedules on pages 119-152 are fairly stated in all material respects in relation to the basic financial statements as a whole.



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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, 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, 2018

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CITY OF BUENA PARK  
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

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, 2018. 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 2017-18 by \$272,729,000. 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, \$277,601,078. These assets are costly yet essential to the functioning of City's business and residential populations. The restricted portion of net position is for resources earmarked for specific programs, and therefore unavailable for general use. The unrestricted portion may be utilized for the City's ongoing obligations to its citizens and creditors.
- Governmental activities net position has decreased by \$23,643,000 while the business-type activities has increased by \$1,435,000. The changes in net position in governmental and business-type activities are primarily due to an increase in investment in capital improvement projects (such as the construction of Fire Station 61), and also due to repayment to the State for previously allocated sales tax revenues. Another factor in the decrease of net position was the write-off of a \$7,191,000 receivable for City loans previously owed by the former Redevelopment Agency and due from the State. The increases in costs were offset by capitalized projects completed during the year and deferred outflows calculated pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68 and No. 75.
- As of June 30, 2018, the City's governmental funds reported combined ending fund balances of \$80,317,000, a decrease of \$35,967,000 in comparison with the prior fiscal year. Approximately 34% of the fund balance, or \$27,201,000 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, 2018

### 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 private 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, 2018

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

Figure A-1

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

	<u>Government-wide Statements</u>	<u>Fund Statements</u>	
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Scope	Entire City government and the City's component units	The activities of the City that are not proprietary	Activities the City operates similar to private businesses
Required financial statements	<ul style="list-style-type: none"> <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, 2018

**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, 2018

### 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* are 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, Housing Successor Special Revenue Fund, and the Capital Projects Fund, all of which are considered to be major funds. Data from the remaining 12 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in a combining statement elsewhere in this report.

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

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

- 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 three fiduciary funds - the Successor Agency Fund, the CFD Mall Agency Fund and the Buena Park Tourism Marketing District. 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. The Buena Park Tourism Marketing District was established to improve business conditions and the business environment for tourism businesses in Buena Park through development and operation of a tourism marketing district and other initiatives. 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):

	Total Governmental and Business-type Activities			
	June 30, 2018	June 30, 2017	Amount Increase (Decrease)	Percent Increase (Decrease)
Assets	\$ 401,923	\$ 422,451	\$ (20,528)	(4.86%)
Liabilities	(149,853)	(139,770)	(10,083)	7.21%
Deferred Outflow of Resources	27,817	19,882	7,935	39.91%
Deferred Inflow of Resources	(7,158)	(7,625)	467	(6.12%)
Net Position	<u>\$ 272,729</u>	<u>\$ 294,938</u>	<u>\$ (22,209)</u>	(7.53%)
Unrestricted net position	<u>\$ (46,502)</u>	<u>\$ (10,082)</u>	<u>\$ (36,420)</u>	(361.24%)
Long-term debt	<u>\$ 10,473</u>	<u>\$ 12,605</u>	<u>\$ (2,132)</u>	(16.91%)
Program revenues	<u>\$ 39,769</u>	<u>\$ 42,733</u>	<u>\$ (2,964)</u>	(6.94%)
Taxes	<u>\$ 52,241</u>	<u>\$ 51,105</u>	<u>\$ 1,136</u>	2.22%
Other general revenues	<u>\$ (7,005)</u>	<u>\$ 371</u>	<u>\$ (7,376)</u>	(1,988.14%)
Expenses	<u>\$ 93,103</u>	<u>\$ 84,320</u>	<u>\$ 8,783</u>	10.42%

See independent auditors' report.



CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**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, 2018 and 2017 is as follows:

Governmental Activities:

	June 30, 2018	June 30, 2017	Amount Increase (Decrease)	Percent Increase (Decrease)
<b>Assets:</b>				
Current and other Assets	\$ 103,653	\$ 146,238	\$ (42,585)	(29.12%)
Capital Assets, net	244,051	224,573	19,478	8.67%
<b>Total Assets</b>	<b>347,704</b>	<b>370,811</b>	<b>(23,107)</b>	<b>(6.23%)</b>
Deferred Outflows	26,666	18,868	7,798	41.33%
<b>Liabilities:</b>				
Current Liabilities	10,026	16,346	(6,320)	(38.66%)
Noncurrent Liabilities	130,248	115,115	15,133	13.15%
<b>Total Liabilities</b>	<b>140,274</b>	<b>131,461</b>	<b>8,813</b>	<b>6.70%</b>
Deferred Inflows	6,981	7,460	(479)	(6.42%)
<b>Net Position:</b>				
Net Investment in				
Capital Assets	244,051	224,573	19,478	8.67%
Restricted	41,631	55,406	(13,775)	(24.86%)
Unrestricted	(58,567)	(29,221)	(29,346)	(100.43%)
<b>Total Net Position</b>	<b>\$ 227,115</b>	<b>\$ 250,758</b>	<b>\$ (23,643)</b>	<b>(9.43%)</b>

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

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

Business-type Activities:

	June 30, 2018	June 30, 2017	Amount Increase (Decrease)	Percent Increase (Decrease)
<b>Assets:</b>				
Current and other Assets	\$ 20,669	\$ 26,599	\$ (5,930)	(22.29%)
Capital Assets, net	33,550	25,041	8,509	33.98%
Total Assets	<u>54,219</u>	<u>51,640</u>	<u>2,579</u>	4.99%
Deferred Outflows	<u>1,151</u>	<u>1,014</u>	<u>137</u>	13.51%
<b>Liabilities:</b>				
Current Liabilities	4,124	3,270	854	26.12%
Noncurrent Liabilities	<u>5,454</u>	<u>5,039</u>	<u>415</u>	8.24%
Total Liabilities	<u>9,578</u>	<u>8,309</u>	<u>1,269</u>	15.27%
Deferred Inflows	<u>177</u>	<u>165</u>	<u>12</u>	7.27%
<b>Net Position:</b>				
Net Investment in				
Capital Assets	33,550	25,041	8,509	33.98%
Unrestricted	<u>12,065</u>	<u>19,139</u>	<u>(7,074)</u>	(36.96%)
Total Net Position	<u>\$ 45,615</u>	<u>\$ 44,180</u>	<u>\$ 1,435</u>	3.25%

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, \$41,631,000 for governmental activities, are subject to external (legally imposed or statutory) restrictions on how they may be used. This amount represents 18% of the net position for governmental activities. The unrestricted portion (\$58,567,000) for governmental activities and \$12,065,000 for business-type activities, are the resources that can be used to finance day-to-day operations without constraints. Unrestricted net position represents (26%) and 26% of net position for governmental and business-type activities, respectively.

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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

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

For governmental and business-type activities, net position decreased by \$22,209,000. The changes in net position in governmental and business-type activities are primarily due to an increase in investment in capital improvement projects, and also due to repayment to the State for previously allocated sales tax revenues. Another factor in the decrease of net position was the write-off of a \$7,191,000 receivable for City loans previously owed by the former Redevelopment Agency and due from the State. The increase in expenditures was offset by capitalized projects completed during the year. This decrease is also 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 9 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. Another significant factor for the decrease in net position is the implementation of GASB 75, which recorded a liability for other post employment benefits. The City's OPEB liability was measured as of June 30<sup>th</sup>, 2017 and the total OPEB liability was determined, by an actuarial valuation, to be \$5,782,000. Changes in pension liability, deferred inflows, and deferred outflows of OPEB benefits also affect the net position.

Restricted net position decreased by \$13,775,000 to \$41,631,000. These assets are committed for special programs or projects, and for contractor and vendor obligations. Unrestricted net position decreased by \$36,420,000 to \$(46,502,000). The total net position is at \$272,730,000.

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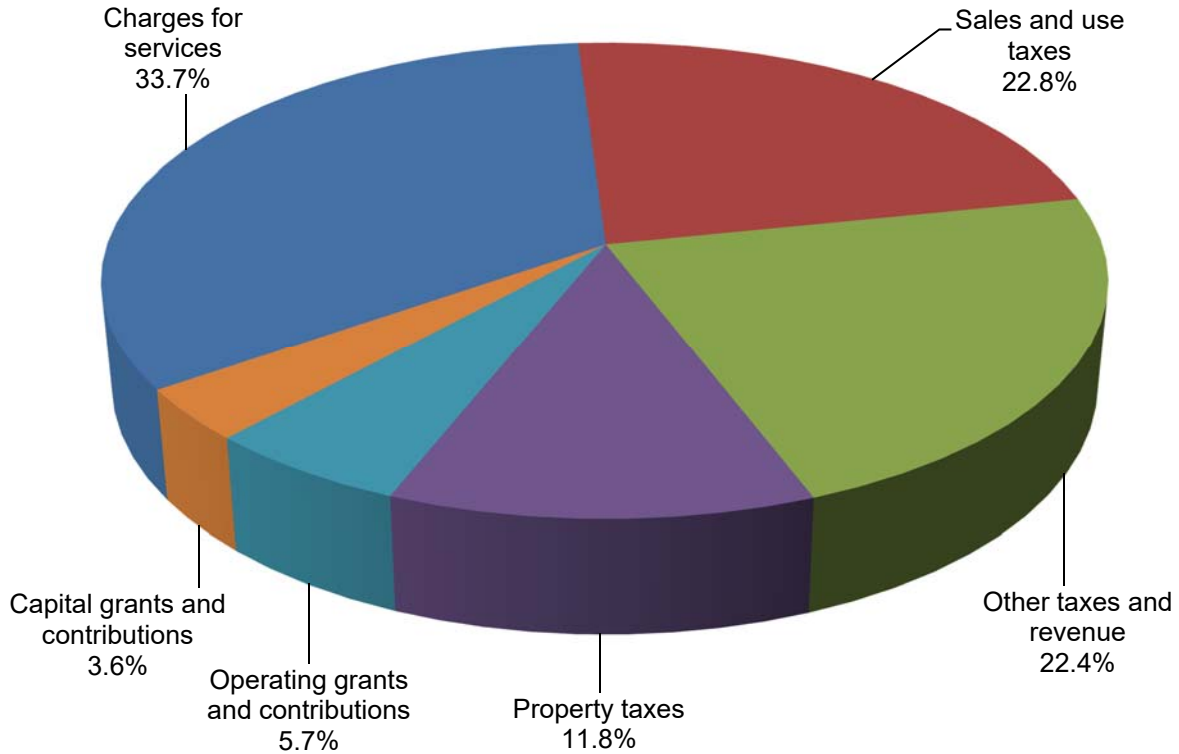
CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Government-Wide Revenues



Total government-wide revenue for governmental and business-type activities is \$92,194,000 in FY17-18, a decrease of \$2,016,000, or 2%, compared to \$94,210,000 in prior year. Program revenue is \$39,768,000, or 43%, of the total revenue, which represents charges for services and grants revenues. General revenue is the remainder \$52,426,000, or 57%, which is primarily comprised of various tax revenues.

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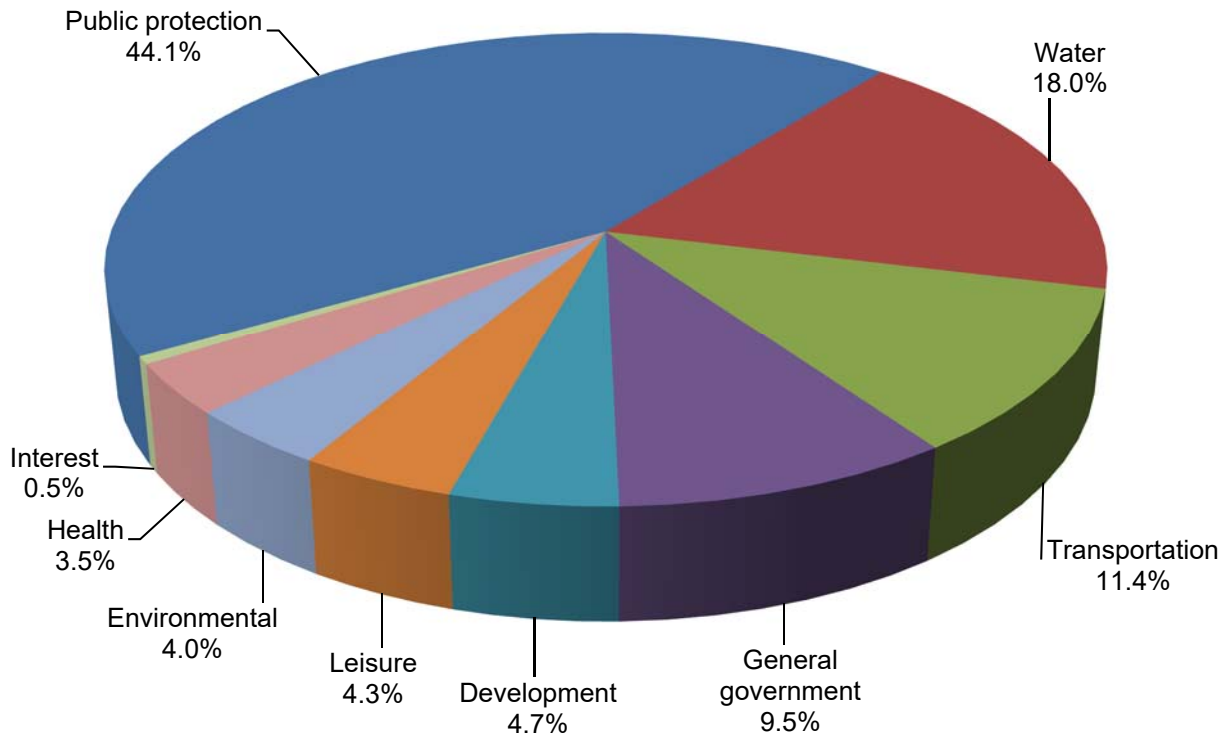
CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Government-Wide Expenses



Total government-wide expenses for governmental and business-type activities is \$93,102,000 in FY17-18, an increase of \$8,781,000, or 9%, compared to \$84,321,000 in prior year. Consistent to the past years, the public protection expenses are the largest expense for the City, which is \$41,080,000, or 44%, of the total expenses. The water utility cost is the second largest expense, which represents \$16,788,000, or 18%, of the total expenses.

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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

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

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

	June 30, 2018	June 30, 2017	Amount Increase (Decrease)	Percent Increase (Decrease)
Revenues:				
Program Revenues:				
Charges for services	\$ 12,910	\$ 17,103	\$ (4,193)	(24.52%)
Operating grants and contributions	5,231	6,664	(1,433)	(21.50%)
Capital grants and contributions	3,268	2,832	436	15.40%
Total Program Revenues	<u>21,409</u>	<u>26,599</u>	<u>(5,190)</u>	<u>(19.51%)</u>
General Revenues:				
Property taxes	10,870	10,467	403	3.85%
Sales and use taxes	20,943	20,841	102	0.49%
Transient occupancy taxes	6,591	6,529	62	0.95%
Franchise taxes	1,871	1,720	151	8.78%
Other taxes	11,965	11,549	416	3.60%
Investment income	32	10	22	220.00%
Other Revenue	143	356	(213)	(59.83%)
Total General Revenues	<u>52,415</u>	<u>51,472</u>	<u>943</u>	<u>1.83%</u>
Total Revenues	<u>73,824</u>	<u>78,071</u>	<u>(4,247)</u>	<u>(5.44%)</u>
Expenses:				
General government	8,803	7,659	1,144	14.94%
Leisure	4,033	3,459	574	16.59%
Health	3,243	3,025	218	7.21%
Transportation	10,570	9,245	1,325	14.33%
Public Protection	41,080	39,109	1,971	5.04%
Development	4,359	3,695	664	17.97%
Environmental	3,739	3,266	473	14.48%
Interest expense	487	269	218	81.04%
Total Expenses	<u>76,314</u>	<u>69,727</u>	<u>6,587</u>	<u>9.45%</u>
Increase in Net Position before before transfers	<u>(2,490)</u>	<u>8,344</u>	<u>(10,834)</u>	<u>(129.84%)</u>
Transfers	147	139	8	5.76%
Extraordinary Item	(7,191)	-	(7,191)	
Change in Net Position	<u>(9,534)</u>	<u>8,483</u>	<u>(18,017)</u>	<u>(212.39%)</u>
Net Position - Beginning of Year as Restated	<u>236,648</u>	<u>242,274</u>	<u>(5,626)</u>	<u>(2.32%)</u>
Net Position - End of Year	<u>\$ 227,114</u>	<u>\$ 250,757</u>	<u>\$ (23,643)</u>	<u>(9.43%)</u>

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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

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

The cost of all governmental activities for fiscal year 2017-18 is \$76,314,000. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities is \$54,905,000, because some of the cost is paid by those who directly benefited from the programs, \$12,910,000, or by other governments and organizations that subsidized certain programs with operating grants and contributions, \$5,231,000, and capital grants and contributions, \$3,268,000. The City's governmental program revenues are \$21,409,000. The City paid for the remaining "public benefit" portion of governmental activities with \$52,240,000 in taxes and general revenue (some of which could only be used for certain programs) and with \$175,000 other revenues, such as interest and general entitlements.

Total resources available during the year to finance governmental operations are \$304,147,000, consisting of net position at July 1, 2017 of \$236,648,000, program revenues of \$21,409,000, general revenues of \$52,415,000, transfers of \$147,000, and minus an extraordinary item of \$7,191,000. Total expenses for governmental activities during the year are \$76,314,000, thus creating a net position of \$227,114,000 as of June 30, 2018.

Program revenues decreased \$5,190,000, a change of 20% from the prior year. This is primarily due to a one-time \$5,535,000 gain in the previous fiscal year for insurance recovery proceeds for the replacement cost of the fire station building that was destroyed in a fire..

Total general revenues increased by \$943,000, a change of 2% from the previous year. This increase is primarily due to an overall increase in tax revenue. Property taxes have improved by 4% and overall sales and use taxes have improved by 0.5% due to continuing healthy economy. Buena Park's transient occupancy taxes have also improved by 1%, an indication of the slowing growth in the tourism market statewide, which is also reflected in the City.

Total expenses increased \$6,587,000, or 9%. This increase in expense is largely due to a \$1,971,000 increase in public protection expense, \$1,144,000 increase in general government expense, and \$1,325,000 increase in transportation expenses. Compared to the prior year, the increase in general government expense is primarily due to increases in labor costs, capital improvement projects, offset by a decrease in attorney costs. . Increases in transportation can be attributed to increased labor costs and investment in capital improvement projects.

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

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

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

	June 30, 2018	June 30, 2017	Amount Increase (Decrease)	Percent Increase (Decrease)
Revenues:				
Program Revenues:				
Charges for services	\$ 18,060	\$ 16,010	\$ 2,050	12.80%
Operating Grants and Contributions	\$ 299	\$ 124	\$ 175	141.13%
Total Program Revenues	<u>18,359</u>	<u>16,134</u>	<u>2,225</u>	13.79%
General Revenues:				
Investment income	<u>11</u>	<u>5</u>	<u>6</u>	120.00%
Total General Revenues	<u>11</u>	<u>5</u>	<u>6</u>	120.00%
Total Revenues	<u>18,370</u>	<u>16,139</u>	<u>2,231</u>	13.82%
Expenses:				
Water utility	<u>16,788</u>	<u>14,594</u>	<u>2,194</u>	15.03%
Total Expenses	<u>16,788</u>	<u>14,594</u>	<u>2,194</u>	15.03%
Increase in Net Position before transfers	<u>1,582</u>	<u>1,545</u>	<u>37</u>	2.39%
Transfers	<u>(147)</u>	<u>(139)</u>	<u>(8)</u>	(5.76%)
Change in Net Position	<u>1,435</u>	<u>1,406</u>	<u>29</u>	2.06%
Net Position - Beginning of Year - As Restated	<u>44,180</u>	<u>42,774</u>	<u>1,406</u>	3.29%
Net Position - End of Year	<u>\$ 45,615</u>	<u>\$ 44,180</u>	<u>\$ 1,435</u>	3.25%

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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

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

The cost of all proprietary (business-type) activities in 2017-18 was \$16,788,000. As shown in the Statement of Activities and Changes in Net Position, the amount paid by users of the system is \$18,060,000, by other governments and organizations that subsidized certain programs with operating grants and contributions is \$299,000, investment income totaled \$11,000, and transfers are \$147,000. Beginning net position was restated to \$44,180,000 and ending net position was \$45,615,000. Of the ending net position, \$33,550,000, or 74%, was invested in capital assets and \$12,065,000, or 26%, was unrestricted.

Total water revenues increased by \$2,231,000 from the previous year, or 14%. This increase in revenues is largely due to water rate increase, which resulted in higher charges for services.

Water utility costs increased by \$2,194,000, or 15%. The total water utility costs increased due to the higher costs of water that the City has to pay for its 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 \$147,000. Of that amount, \$72,000 is transferred to the General Fund for rent payment for City-owned well sites, \$30,000 to the Public Liability Fund for the Water Fund's portion of liability insurance, \$69,000 to the Public Liability Fund for the Water Fund's portion of the earthquake insurance, and \$24,000 transfers in from Special Gas Tax Funds for the City Wide GIS update. Activity for the 2017-18 fiscal year increased net position by \$1,435,000.

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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**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, 2018	June 30, 2017	Amount Increase (Decrease)	Percent Increase (Decrease)
Total Fund Balances:				
General Fund	\$ 39,178	\$ 72,371	\$ (33,193)	(45.87%)
State Gas Tax Fund	2,702	2,038	664	32.58%
Housing Successor Fund	24,449	24,494	(45)	(0.18%)
Capital Projects Fund	56	(8)	64	800.00%
Other Governmental Funds	13,932	17,389	(3,457)	(19.88%)
 Total Fund Balances	 <u>\$ 80,317</u>	 <u>\$ 116,284</u>	 <u>\$ (35,967)</u>	 (30.93%)

At the close of the current fiscal year, the City's governmental fund balances reported a combined ending balance of \$80,317,000, a decrease of \$35,967,000, in comparison to the prior year.

The fund balance for the General Fund is \$39,178,000, a decrease of \$33,193,000 from the previous year. The decrease in General fund balances is primarily due to an increase in capital outlay expenditures to fund projects and increases in public protection labor costs. Other factors include State sales tax withholding due to repayment of previous sales taxes received that were reallocated to other jurisdictions. The State Gas Tax Fund has a fund balance of \$2,702,000, a \$664,000 increase from the previous fiscal year. The State Gas Tax Fund operates with revenues collected from a supplemental tax on gasoline sales and is used to maintain and improve streets and highways. The balance of this fund will vary from year to year depending on the 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 Capital Projects Fund is used to account for major capital improvement projects throughout the City that are funded by various revenue sources.

Other Governmental Funds show a decrease in fund balance of \$3,457,000. Other Governmental Funds consist 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 homeowners. The Park-in-lieu Fund operates from the collection of developer fees that are used to

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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

improve the City's public parks. Spending for the Housing and Community Development Fund and for the HOME Loans Fund is "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 \$3,457,000 decrease in fund balance of Other Governmental Funds is primarily due to expenditures for capital improvement projects in the Park In-Lieu Fund. These projects include the S.C.E Corridor Project, the Larwin Park Master Plan and the Ehlers Plaza exterior improvements.

**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, 2018	June 30, 2017	Amount Increase (Decrease)	Percent Increase (Decrease)
Total Net Position:				
Water Fund	\$ 45,615	\$ 44,180	\$ 1,435	3.25%
Internal Service Funds	6,872	7,695	(823)	(10.70%)
Total Net Position	<u>\$ 52,487</u>	<u>\$ 51,875</u>	<u>\$ 612</u>	1.18%
	June 30, 2018	June 30, 2017	Amount Increase (Decrease)	Percent Increase (Decrease)
Unrestricted Net Position:				
Water Fund	\$ 12,065	\$ 19,139	\$ (7,074)	(36.96%)
Internal Service Funds	4,144	5,036	(892)	(17.71%)
Total Unrestricted Net Position	<u>\$ 16,209</u>	<u>\$ 24,175</u>	<u>\$ (7,966)</u>	(32.95%)

Total net position of the Water Enterprise Fund increased \$1,435,000, but the unrestricted portion decreased \$7,074,000. 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 decrease in the unrestricted net position is due to costs associated with a City wide capital improvement project to replace aging meters with a new advanced meter infrastructure.

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 \$823,000, and the unrestricted portion decreased by \$892,000. This is primarily due to an increase in the amount of workers' compensation claims outstanding at the end of FY 17-18 compared to the previous year.

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CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**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 June 30, 2017	Additions	Deletions	Balance at June 30, 2018
<b>Governmental Activities:</b>				
Claims payable	\$ 7,588	\$ 3,685	\$ (3,516)	\$ 7,757
Employee leave benefits	2,736	589	(199)	3,126
Pension note payable	3,930	-	(1,928)	2,002
PFA-2017 Lease Revenue Bonds	9,785	-	-	9,785
PFA-2017 Lease Revenue Bonds Original Issuance Premium	503	-	(25)	478
Note payable-OCTA	421	-	(105)	316
Sales tax payable	14,903	-	(14,903)	-
 Total Governmental Activities	 <u>39,866</u>	 <u>4,274</u>	 <u>(20,676)</u>	 <u>23,464</u>
 <b>Business-type Activities:</b>				
Loans payable	-	-	-	-
Employee leave benefits	181	29	(11)	199
 Total Business-type Activities	 <u>181</u>	 <u>29</u>	 <u>(11)</u>	 <u>199</u>
 Total Long-Term Obligations	 <u>\$ 40,047</u>	 <u>\$ 4,303</u>	 <u>\$ (20,687)</u>	 <u>\$ 23,663</u>

As of June 30, 2018 the City's total debt decreased by \$16,384,000.

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**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, 2018	June 30, 2017	Amount Increase (Decrease)	Percent Increase (Decrease)
<b>Governmental Activities:</b>				
Rights-of-Way	\$ 48,894	\$ 48,894	\$ -	0.00%
Land	12,041	12,041	-	0.00%
Construction in progress	22,467	6,778	15,689	231.47%
Buildings	69,684	71,478	(1,794)	(2.51%)
Improvements	12,692	9,214	3,478	37.75%
Machinery and equipment	11,461	8,697	2,764	31.78%
Furniture and fixtures	584	639	(55)	(8.61%)
<b>Infrastructure:</b>				
Road system	62,341	62,798	(457)	(0.73%)
Storm drain system	3,886	4,035	(149)	(3.69%)
<b>Total Governmental Activities</b>	<b>244,050</b>	<b>224,574</b>	<b>19,476</b>	<b>8.67%</b>

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**Capital Assets (Continued)**

	June 30, 2018	June 30, 2017	Amount Increase (Decrease)	Percent Increase (Decrease)
<b>Governmental Activities:</b>				
Land	\$ 2	\$ 2	\$ -	0.00%
Construction in progress	11,193	4,273	6,920	161.95%
Buildings	45	47	(2)	(4.26%)
Improvements	1,218	977	241	24.67%
Pumps and reservoirs	819	856	(37)	(4.32%)
Hydrants, meters and connections	890	949	(59)	(6.22%)
Machinery and equipment	380	391	(11)	(2.81%)
<b>Infrastructure:</b>				
Wells	2,226	2,329	(103)	(4.42%)
Water and sewer lines	16,777	15,217	1,560	10.25%
Total Business type Activities	<u>33,550</u>	<u>25,041</u>	<u>8,509</u>	33.98%
Total Capital Assets	<u>\$ 277,600</u>	<u>\$ 249,615</u>	<u>\$ 27,985</u>	11.21%

Capital assets from governmental activities increased \$19,476,000, or 9%, and business-type activities increased \$8,509,000, or 34%. Multiple projects began or were carried forward from previous years. The primary reason for the net increases in both the governmental and business-type activities is due to an increase in construction in progress. Further information on the City's capital assets can be found in note 6 of the financial statements.

Capital asset and infrastructure projects completed in 2017-18 totaled \$12,263,000. These improvements include:

- 800 MHZ CCCS Next Generation Radio Equipment
- Auto Center Drive Traffic Signal
- Public Parking Lot West of Stanton
- Annual Pavement Rehabilitation
- Annual Wheelchair Ramp Installation
- Traffic Signal Improvements
- Beach Boulevard Improvements from Azalea to La Palma
- Traffic Signal at Commonwealth and Indiana
- Southern California Edison Corridor
- Peak Pool Building Roof Replacement
- Peak Park Overflow Parking
- Sewer Lining
- Sewer Main Replacement Florence & Myra
- Manhole Replacement

See independent auditors' report.

## CITY OF BUENA PARK

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

June 30, 2018

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

Actual General Fund revenues are \$1,429,772 lower than the \$63,981,000 budgeted for 2017-18. This decrease is primarily due to the lower charges for services as compared to budget. The original budget for the General Fund increased from \$62,659,000 to \$63,981,000. This increase of \$1,322,000 is primarily due to Knott's Berry Farm Police Services reimbursement, AB97 BSCC Task Force Funding and additional court fines.

Actual expenditures for the General Fund are \$12,924,000 above budget, which is primarily due to the \$16,045,000 unbudgeted repayment of sales tax payable. There was \$1,438,000 savings in public protection, \$736,000 in development, \$362,000 in transportation and \$340,000 in general government expenditures. Comparing the fiscal year 2017-18 General Fund original budget for expenditures and transfers in the amount of \$63,440,000 to the final budgeted amount of \$71,568,000 shows a net increase of \$8,128,000. The net increase from the total original budgeted expenditures to the final budget primarily comprises the following appropriation adjustments:

- Appropriations of \$199,000 for general government
- Appropriations of \$36,000 for leisure
- Appropriations of \$225,000 for transportation
- Appropriations of \$1,253,000 for public protection
- Appropriations of \$730,000 for development
- Appropriations of \$30,000 for environmental
- Appropriations of \$5,654,000 for capital outlay

The changes between the original and the amended budget are primarily due to increases in capital improvement projects. In addition, there are increases and adjustments for budget carryovers, 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 2018-19 are:

- Slow and steady economic growth
- Moderate increase, but slowing growth in tourism
- Moderate increase, but slowing growth in Sales Tax
- Moderate and steady increase in Property Tax revenues
- Moderate increase, but slowing growth in development and construction activity

See independent auditors' report.

CITY OF BUENA PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**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.



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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, 2018**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 57,521,039	\$ 17,341,140	\$ 74,862,179
Restricted cash and investments	-	200,596	200,596
Accounts receivable	4,438,336	3,051,978	7,490,314
Interest receivable	220,357	65,783	286,140
Taxes receivable	110,816	-	110,816
Due from other governments	4,511,062	-	4,511,062
Prepaid items	720,857	10,000	730,857
Inventory	84,080	-	84,080
<b>Total current assets</b>	<b>67,606,547</b>	<b>20,669,497</b>	<b>88,276,044</b>
Noncurrent assets:			
Cash and investment with fiscal agent	1,254,448	-	1,254,448
Property held for resale	8,998,415	-	8,998,415
Loans receivable, net	25,793,075	-	25,793,075
Capital assets:			
Non-depreciable	83,402,319	11,195,798	94,598,117
Depreciable, net	160,648,816	22,354,145	183,002,961
<b>Total capital asset</b>	<b>244,051,135</b>	<b>33,549,943</b>	<b>277,601,078</b>
<b>Total noncurrent assets</b>	<b>280,097,073</b>	<b>33,549,943</b>	<b>313,647,016</b>
<b>Total assets</b>	<b>347,703,620</b>	<b>54,219,440</b>	<b>401,923,060</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred employer pension contributions	7,491,080	428,884	7,919,964
Deferred outflows of resources pension - actuarial	18,405,186	722,400	19,127,586
Deferred employer OPEB contributions	769,809	-	769,809
<b>Total deferred outflows of resources</b>	<b>26,666,075</b>	<b>1,151,284</b>	<b>27,817,359</b>

**City of Buena Park**  
**Statement of Net Position**  
**June 30, 2018**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,991,869	3,405,135	6,397,004
Accrued liabilities	2,361,157	124,732	2,485,889
Interest payable	69,941	-	69,941
Deposits payable	1,532,789	351,963	1,884,752
Retention payable	763,409	200,596	964,005
Unearned revenue	78,941	-	78,941
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	2,107,260	-	2,107,260
<b>Total current liabilities</b>	<b>10,026,366</b>	<b>4,124,426</b>	<b>14,150,792</b>
Noncurrent liabilities:			
Employee leave benefits - due in more than 1 yr	3,105,517	156,662	3,262,179
Claims payable - due in more than 1 yr	7,656,494	-	7,656,494
Long-term debt - due in more than one year	10,472,679	-	10,472,679
Net OPEB liability	5,782,282	-	5,782,282
Net pension liability	103,230,718	5,297,516	108,528,234
<b>Total noncurrent liabilities</b>	<b>130,247,690</b>	<b>5,454,178</b>	<b>135,701,868</b>
<b>Total liabilities</b>	<b>140,274,056</b>	<b>9,578,604</b>	<b>149,852,660</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	6,980,683	177,196	7,157,879
<b>Total deferred inflows of resources</b>	<b>6,980,683</b>	<b>177,196</b>	<b>7,157,879</b>
<b>NET POSITION</b>			
Net investment in capital assets	244,051,135	33,549,943	277,601,078
Restricted for:			
Residential housing	34,366,348	-	34,366,348
Transportation	4,246,720	-	4,246,720
Development	1,087,692	-	1,087,692
Environment	612,234	-	612,234
Public protection	1,317,789	-	1,317,789
<b>Total restricted</b>	<b>41,630,783</b>	<b>-</b>	<b>41,630,783</b>
Unrestricted	(58,566,962)	12,064,981	(46,501,981)
<b>Total net position</b>	<b>\$ 227,114,956</b>	<b>\$ 45,614,924</b>	<b>\$ 272,729,880</b>

See accompanying Notes to Basic Financial Statements.

**City of Buena Park**  
**Statement of Activities**  
**For the year ended June 30, 2018**

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	\$ 8,802,839	\$ 243,975	\$ 44,107	\$ -	\$ 288,082
Leisure	4,033,063	918,822	24,717	-	943,539
Health	3,243,315	3,294,458	-	-	3,294,458
Transportation	10,570,324	235,070	2,331,473	3,243,032	5,809,575
Public protection	41,079,993	4,336,116	1,336,477	25,000	5,697,593
Development	4,359,318	3,618,628	1,494,722	-	5,113,350
Environmental	3,739,254	262,660	-	-	262,660
Interest on long-term debt	486,563	-	-	-	-
Total governmental activities	76,314,669	12,909,729	5,231,496	3,268,032	21,409,257
<b>Business-type activities:</b>					
Water	16,788,267	18,060,366	299,000	-	18,359,366
Total business-type activities	16,788,267	18,060,366	299,000	-	18,359,366
<b>Total primary government</b>	<b>\$ 93,102,936</b>	<b>\$ 30,970,095</b>	<b>\$ 5,530,496</b>	<b>\$ 3,268,032</b>	<b>\$ 39,768,623</b>

**General Revenues, transfers, and extraordinary items:**

Taxes:

- Property taxes
- Sales taxes
- Transient occupancy taxes
- Franchise taxes
- Other taxes

Total taxes

Investment income

Other

Transfers

Extraordinary item - write off of amount due from Successor Agency

**Total general revenues, transfers, and extraordinary items**

**Change in net position**

**Net position - beginning of year, as restated**

**Net position - end of year**

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (8,514,757)	\$ -	\$ (8,514,757)
(3,089,524)	-	(3,089,524)
51,143	-	51,143
(4,760,749)	-	(4,760,749)
(35,382,400)	-	(35,382,400)
754,032	-	754,032
(3,476,594)	-	(3,476,594)
(486,563)	-	(486,563)
(54,905,412)	-	(54,905,412)
-	1,571,099	1,571,099
-	1,571,099	1,571,099
(54,905,412)	1,571,099	(53,334,313)
10,869,957	-	10,869,957
20,943,220	-	20,943,220
6,591,242	-	6,591,242
1,871,434	-	1,871,434
11,965,256	-	11,965,256
52,241,109	-	52,241,109
32,252	11,493	43,745
142,611	-	142,611
147,409	(147,409)	-
(7,191,489)	-	(7,191,489)
45,371,892	(135,916)	45,235,976
(9,533,520)	1,435,183	(8,098,337)
236,648,476	44,179,741	280,828,217
\$ 227,114,956	\$ 45,614,924	\$ 272,729,880

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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.

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

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

**City of Buena Park**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	Major Funds			
	General	State		City Capital Projects
		Special Revenue	Housing Successor Special Revenue	
<b>ASSETS</b>				
Cash and investments	\$ 32,444,165	\$ 2,694,546	\$ 2,833,420	\$ 622,410
Restricted cash and investments	549,121	103,873	-	494,325
Accounts receivable	2,592,647	1,347,873	-	-
Interest receivable	125,259	10,191	10,740	2,350
Taxes receivable	110,816	-	-	-
Loans receivable, net	-	-	18,038,316	-
Due from other governments	3,716,668	447,449	-	-
Prepaid items	49,192	-	-	-
Inventory	84,080	-	-	-
Property held for resale	4,808,517	-	3,578,950	-
Due from other funds	136,346	-	-	-
<b>Total assets</b>	<b>\$ 44,616,811</b>	<b>\$ 4,603,932</b>	<b>\$ 24,461,426</b>	<b>\$ 1,119,085</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,149,257	\$ 658,936	\$ 54	\$ 568,903
Accrued liabilities	2,140,343	11,252	12,818	-
Deposits payable	1,532,789	-	-	-
Retention payable	12,004	109,772	-	494,472
Unearned revenue	78,941	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>4,913,334</b>	<b>779,960</b>	<b>12,872</b>	<b>1,063,375</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	525,771	1,122,421	-	-
<b>Total deferred inflows of resources</b>	<b>525,771</b>	<b>1,122,421</b>	<b>-</b>	<b>-</b>
<b>Fund Balances: (Note 11)</b>				
Nonspendable	4,941,789	-	-	-
Restricted	549,121	2,701,551	24,448,554	-
Assigned	6,485,578	-	-	55,710
Unassigned	27,201,218	-	-	-
<b>Total fund balances</b>	<b>39,177,706</b>	<b>2,701,551</b>	<b>24,448,554</b>	<b>55,710</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 44,616,811</b>	<b>\$ 4,603,932</b>	<b>\$ 24,461,426</b>	<b>\$ 1,119,085</b>

See accompanying Notes to Basic Financial Statements.

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	Other Governmental Funds		Total Governmental Funds
\$	5,645,287	\$	44,239,828
	107,129		1,254,448
	490,131		4,430,651
	21,413		169,953
	-		110,816
	7,733,575		25,771,891
	346,945		4,511,062
	460		49,652
	-		84,080
	610,948		8,998,415
	-		136,346
<u>\$</u>	<u>14,955,888</u>	<u>\$</u>	<u>89,757,142</u>

\$	293,654	\$	2,670,804
	157,666		2,322,079
	-		1,532,789
	147,161		763,409
	-		78,941
	136,346		136,346
	<u>734,827</u>		<u>7,504,368</u>

	<u>289,504</u>		<u>1,937,696</u>
	<u>289,504</u>		<u>1,937,696</u>

	-		4,941,789
	14,413,492		42,112,718
	-		6,541,288
	(481,935)		26,719,283
	<u>13,931,557</u>		<u>80,315,078</u>
<u>\$</u>	<u>14,955,888</u>	<u>\$</u>	<u>89,757,142</u>

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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, 2018**

**Total Fund Balances - Total Governmental Funds** \$ 80,315,078

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

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:	Government- Wide Statement of Net Position	Internal Service Funds	Total
Non-depreciable	\$ 83,402,319	\$ -	\$ 83,402,319
Depreciable, net	160,648,816	(2,728,038)	157,920,778
<b>Total capital assets</b>	<u>\$ 244,051,135</u>	<u>\$ (2,728,038)</u>	<u>241,323,097</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. 1,937,696

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. (69,941)

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. 6,871,697

Employer contributions for pension and OPEB were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred. 8,090,433

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	18,118,612
Deferred inflows of resources - pension	(6,910,388)

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

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Claims and judgments payable - due within one year	\$ (100,000)	\$ 100,000	\$ -
Employee leave benefits - due within one year	(21,000)	21,000	-
Termination benefits payable	-	-	-
Bonds payable - due within one year	(2,107,260)	-	(2,107,260)
Net OPEB liability	(5,782,282)	-	(5,782,282)
Net pension liability	(103,230,718)	2,101,513	(101,129,205)
Long term liabilities - due in more than one year	(21,234,690)	7,692,109	(13,542,581)
<b>Total long-term liabilities</b>	<u>\$ (132,475,950)</u>	<u>\$ 9,914,622</u>	<u>(122,561,328)</u>

**Net Position of Governmental Activities** \$ 227,114,956

**City of Buena Park**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2018**

	Major Funds			
	General	State		City Capital Projects
		Gasoline Tax Special Revenue	Housing Successor Special Revenue	
<b>REVENUES:</b>				
Taxes	\$ 43,872,249	\$ -	\$ -	\$ -
Licenses and permits	790,570	-	-	-
Fines and forfeitures	890,839	-	-	-
Intergovernmental	8,316,055	3,635,485	-	-
Charges for services	7,343,624	-	-	-
Investment income	323,503	(15,008)	52,570	(6,728)
Miscellaneous	1,014,060	-	404,580	70,000
<b>Total revenues</b>	<b>62,550,900</b>	<b>3,620,477</b>	<b>457,150</b>	<b>63,272</b>
<b>EXPENDITURES:</b>				
Current:				
General government	7,322,064	-	-	-
Leisure	3,153,932	-	-	-
Health	3,152,943	-	-	-
Transportation	4,977,049	515,922	-	-
Public protection	36,048,951	-	-	-
Development	2,334,362	-	502,551	-
Environmental	3,524,466	-	-	-
Capital outlay	5,374,949	4,203,186	-	10,044,999
Debt Service:				
Principal retirement	18,078,113	-	-	-
Interest and other charges	524,904	-	-	-
<b>Total expenditures</b>	<b>84,491,733</b>	<b>4,719,108</b>	<b>502,551</b>	<b>10,044,999</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(21,940,833)</b>	<b>(1,098,631)</b>	<b>(45,401)</b>	<b>(9,981,727)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	130,988	1,808,297	-	10,044,999
Transfers out	(12,296,222)	(46,061)	-	-
Insurance recoveries	1,481,109	-	-	-
Proceeds from sale of capital assets	1,878	-	-	-
<b>Total other financing sources (uses)</b>	<b>(10,682,247)</b>	<b>1,762,236</b>	<b>-</b>	<b>10,044,999</b>
<b>Special Item</b>				
Sales tax recoveries	6,621,014	-	-	-
<b>Extraordinary Item</b>				
Write off of amount due from Successor Agency	(7,191,489)	-	-	-
<b>Net change in fund balances</b>	<b>(33,193,555)</b>	<b>663,605</b>	<b>(45,401)</b>	<b>63,272</b>
<b>FUND BALANCES:</b>				
Beginning of year	72,371,261	2,037,946	24,493,955	(7,562)
End of year	<u>\$ 39,177,706</u>	<u>\$ 2,701,551</u>	<u>\$ 24,448,554</u>	<u>\$ 55,710</u>

See accompanying Notes to Basic Financial Statements.



Non-Major Governmental Funds	Total Governmental Funds
\$ 408,977	\$ 44,281,226
-	790,570
-	890,839
3,931,441	15,882,981
1,564,374	8,907,998
15,084	369,421
-	1,488,640
<u>5,919,876</u>	<u>72,611,675</u>
9,879	7,331,943
-	3,153,932
-	3,152,943
467,751	5,960,722
950,440	36,999,391
1,057,596	3,894,509
-	3,524,466
6,400,873	26,024,007
-	18,078,113
109	525,013
<u>8,886,648</u>	<u>108,645,039</u>
<u>(2,966,772)</u>	<u>(36,033,364)</u>
1,732,679	13,716,963
(2,231,071)	(14,573,354)
-	1,481,109
-	1,878
<u>(498,392)</u>	<u>626,596</u>
-	6,621,014
-	(7,191,489)
<u>(3,465,164)</u>	<u>(35,977,243)</u>
17,396,721	116,292,321
<u>\$ 13,931,557</u>	<u>\$ 80,315,078</u>

**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, 2018**

**Net Change in Fund Balances - Total Governmental Funds** \$ (35,977,243)

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 \$600,651 25,760,787

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 \$532,272. (6,195,999)

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: (155,305)

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. (378,695)

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. (464,333)

Bond proceeds provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.

Long-term debt repayments	18,078,113
Amortization of bond premium	25,342

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. (6,876,341)

Pension 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. (10,629,857)

Employer contributions for pension and OPEB were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred. 8,090,433

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. 13,108

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. (823,530)

**Change in Net Position of Governmental Activities** \$ (9,533,520)

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, 2018**

	Business-type Activities Water Enterprise Fund	Governmental Activities Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 17,341,140	\$ 13,281,211
Restricted cash and investments	200,596	-
Accounts receivable, net	3,051,978	7,685
Interest receivable	65,783	50,404
Loans receivable	-	21,184
Prepays items	10,000	671,205
Total current assets	20,669,497	14,031,689
Noncurrent assets:		
Capital assets:		
Non-depreciable	11,195,798	-
Depreciable, net	22,354,145	2,728,038
Total capital assets	33,549,943	2,728,038
Total noncurrent assets	33,549,943	2,728,038
<b>Total assets</b>	54,219,440	16,759,727
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred employer pension contributions	428,884	170,456
Deferred outflows of resources - pension	722,400	286,574
<b>Total deferred outflows of resources</b>	1,151,284	457,030
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	3,405,135	321,065
Accrued liabilities	124,732	39,078
Deposits payable	351,963	-
Retention payable	200,596	-
Employee leave benefits - due within one year	42,000	21,000
Claims payable - due within one year	-	100,000
Total current liabilities	4,124,426	481,143
Noncurrent liabilities:		
Employee leave benefits - due in more than one year	156,662	35,615
Claims payable - due in more than one year	-	7,656,494
Net pension liability	5,297,516	2,101,513
Total noncurrent liabilities	5,454,178	9,793,622
<b>Total liabilities</b>	9,578,604	10,274,765
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources - pension	177,196	70,295
<b>Total deferred inflows of resources</b>	177,196	70,295
<b>NET POSITION</b>		
Net investment in capital assets	33,549,943	2,728,038
Unrestricted	12,064,981	4,143,659
<b>Total net position</b>	\$ 45,614,924	\$ 6,871,697

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, 2018**

	Business-Type Activities <u>Water</u> <u>Enterprise Fund</u>	Governmental Activities <u>Internal</u> <u>Service Funds</u>
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 18,060,366	\$ 6,048,613
Other	-	24,190
<b>Total operating revenues</b>	<u>18,060,366</u>	<u>6,072,803</u>
<b>OPERATING EXPENSES:</b>		
Self-insurance	-	3,158,210
Employee benefits	-	322,393
Maintenance and supplies	-	3,638,159
Information systems	-	263,476
Water services	15,132,376	-
Health services	688,014	-
Depreciation	993,167	532,272
<b>Total operating expenses</b>	<u>16,813,557</u>	<u>7,914,510</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,246,809</u>	<u>(1,841,707)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income	11,493	(12,228)
Intergovernmental revenues	299,000	-
Gain (loss) on sale of property	25,290	26,605
<b>Total nonoperating revenues (expenses)</b>	<u>335,783</u>	<u>14,377</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	1,582,592	(1,827,330)
Transfers in	23,561	1,145,000
Transfers out	(170,970)	(141,200)
<b>Total transfers</b>	<u>(147,409)</u>	<u>1,003,800</u>
<b>Change in net position</b>	1,435,183	(823,530)
<b>NET POSITION:</b>		
Beginning of year	<u>44,179,741</u>	<u>7,695,227</u>
End of year	<u>\$ 45,614,924</u>	<u>\$ 6,871,697</u>

See accompanying Notes to Basic Financial Statements.

**City of Buena Park**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2018**

	Business-type Activities Water Enterprise Fund	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from other funds	\$ -	\$ 6,035,240
Cash received from customers	17,931,766	-
Cash received from other	-	24,190
Cash payments to suppliers for goods and services	(12,749,999)	(6,711,806)
Cash paid to employees	(1,918,006)	(920,325)
<b>Net cash provided by (used in) operating activities</b>	<b>3,263,761</b>	<b>(1,572,701)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfers in	23,561	1,145,000
Transfers out	(170,970)	(141,200)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(147,409)</b>	<b>1,003,800</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition of capital assets	(9,479,757)	(600,651)
Proceed from sale of capital assets	3,081	26,605
<b>Net cash (used in) capital and related financing activities</b>	<b>(9,476,676)</b>	<b>(574,046)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment income received	(5,548)	(34,415)
<b>Net cash provided by investing activities</b>	<b>(5,548)</b>	<b>(34,415)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(6,365,872)</b>	<b>(1,177,362)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>23,907,608</b>	<b>14,458,573</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 17,541,736</b>	<b>\$ 13,281,211</b>
<b>FINANCIAL STATEMENT PRESENTATION:</b>		
Cash and investments	\$ 17,341,140	\$ 13,281,211
Restricted cash and investments	200,596	-
<b>Total</b>	<b>\$ 17,541,736</b>	<b>\$ 13,281,211</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 1,246,809	\$ (1,841,707)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	993,167	532,272
Changes in assets and liabilities:		
Accounts receivable	(120,051)	(7,628)
Loans receivable	-	(5,745)
Prepaid items	-	(664,909)
Deferred outflows of resources - pension	(137,377)	(54,575)
Accounts payable	627,806	112,639
Accrued liabilities	41,094	14,308
Deposits payable	(8,549)	-
Retention payable	194,191	-
Employee leave benefits	17,578	11,430
Claims payable	-	168,850
Net pension liability	397,385	157,640
Deferred inflows of resources - pension	11,708	4,724
<b>Total adjustments</b>	<b>2,016,952</b>	<b>269,006</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 3,263,761</b>	<b>\$ (1,572,701)</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

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

**City of Buena Park**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	Successor Agency Private-Purpose	
	Trust Fund	Agency Funds
<b>ASSETS</b>		
Cash and Investments	\$ 7,337,498	\$ 571,843
Accounts receivable	-	109,543
Interest receivable	27,725	-
Restricted cash and Investments	9,428,284	6,754,827
Loans Receivable	99,325	-
Construction in progress	3,959,198	-
<b>Total assets</b>	<b>20,852,030</b>	<b>7,436,213</b>
<b>LIABILITIES</b>		
<b>Liabilities:</b>		
Accounts payable	153,808	57,431
Accrued Liabilities	5,559	-
Deposits payable	-	648,955
Interest Payable	1,391,534	-
Unearned revenue	13,129	-
Bonds Payable, due within one year	4,175,000	-
Bonds Payable, due in more than one year	68,072,163	-
Due to bondholders	-	6,729,827
<b>Total liabilities</b>	<b>73,811,193</b>	<b>\$ 7,436,213</b>
<b>NET POSITION</b>		
Net Position held in trust for Successor Agency	<b>\$ (52,959,163)</b>	

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, 2018

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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, 2018**

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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, 2018**

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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 *City Capital Projects Fund* is used to account for the acquisition or construction of major capital facilities in the City.

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, 2018**

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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:

*Agency Funds* – account for funds in which the City is acting as agent for another agency. The specific nature of the activities reported in the agency funds are the Buena Park Mall Community Facilities District and the Buena Park Tourism Marketing District. Agency funds are custodial in nature and do not involve measurement of results of operations, however, they do use the full accrual basis of accounting to recognize receivables and payables.

*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, 2018**

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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.

Cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. For the purpose of the statement of cash flows, 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, 2018**

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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, donated works of art and similar items, and capital assets received in service concession arrangements are valued at their acquisition value on the date received. 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, 2018**

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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.

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.

**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.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**K. Long-Term Debt, Continued**

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, 2018**

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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, 2018**

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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, 2018**

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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. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

***R. Other Postemployment Benefits (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**S. New Pronouncements**

In 2018, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* - The objective of this statement is to address reporting by governments that provide other postemployment benefits (OPEB) to their employees and for governments that finance OPEB for employees of other governments. The City restated its beginning net position as part of implementation of this statement.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements* – The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 85, *Omnibus 2017* – The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and other postemployment benefits (OPEB). There was no effect on net position as a result of implementation of this statement.
- GASB Statement No. 86, *Certain Debt Extinguishment Issues* – The objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement did not apply to the City for the current fiscal year.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**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, 2018:

	<u>Government-Wide Statement of Net Position</u>			
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and investments	\$ 57,521,039	\$ 17,341,140	\$ 7,909,341	\$ 82,771,520
Restricted cash and investments	1,254,448	200,596	16,183,111	17,638,155
<b>Total cash and investments</b>	<b>\$ 58,775,487</b>	<b>\$ 17,541,736</b>	<b>\$ 24,092,452</b>	<b>\$ 100,409,675</b>

Cash and investments as of June 30, 2018 consist of the following:

Cash on hand	\$ 24,348
Deposits with financial institution	1,085,576
Total cash on hand and deposits	<u>1,109,924</u>
Local Agency Investment funds	10,554,656
Investments	71,106,940
Total investments	<u>81,661,596</u>
<b>Total City Treasury</b>	<u>82,771,520</u>
Cash with fiscal agent	<u>17,638,155</u>
<b>Total cash and investments</b>	<u>\$ 100,409,675</u>

**B. Deposits**

The carrying amount of the City's cash deposit was a positive amount of \$1,085,576 at June 30, 2018. Bank balances before reconciling items were a positive amount of \$5,026,587 at June 30, 2018. 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, 2018**

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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:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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%	5% of portfolio
Negotiable Certificates of Deposit	5 years	30%	5% of portfolio
Federally Insured Time Deposits	5 years	20%	5% of portfolio
Time deposits	5 years	20%	5% of portfolio
Repurchase Agreements	10 days	15%	15% of portfolio
Medium-term Notes	5 years	30%	30% of portfolio
Commercial Paper	270 days	25%	5% of portfolio
Local Agency Investment Fund (LAIF)	N/A	35%	No limit
Mutual Funds	5 years	20%	10% of portfolio
Supranationals	5 years	30%	10% of portfolio

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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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	\$ 524,646
Unrealized loss in changes in fair value of investments	<u>(1,109,776)</u>
<b>Total investment income (loss)</b>	<u><u>\$ (585,130)</u></u>

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

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments with LAIF at June 30, 2018, 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, 2018, the City had \$10,554,656 invested in LAIF, which had invested 2.67% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.89% in the previous year. The LAIF fair value factor of 0.998126869 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, 2018**

**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, 2018, are shown below:

<u>Investment Type</u>	Total	12 months or less	13-36 months	37-60 months	61 months and later
United States Treasury Securities United States Government	\$ 21,048,256	\$ 4,524,993	\$ 7,966,083	\$ 8,557,180	\$ -
Sponsored Enterprise Securities	27,968,616	5,679,147	18,464,603	3,824,866	-
Medium-Term Corporate Notes (MTN)	16,725,558	5,932,264	6,892,550	3,900,744	-
Supranational	2,543,375	-	988,137	1,555,238	-
Negotiable Certificates of Deposit	1,500,000	1,500,000	-	-	-
Commercial Paper	1,091,093	1,091,093	-	-	-
Money Market Mutual Funds	230,042	230,042	-	-	-
Local Agency Investment Fund (LAIF)	10,554,656	10,554,656	-	-	-
Total	<u>\$ 81,661,596</u>	<u>\$ 29,512,195</u>	<u>\$ 34,311,373</u>	<u>\$ 17,838,028</u>	<u>\$ -</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, 2018, the City's deposits and investments were rated as follows:

<u>Investment Type</u>	Total	AAA	AA+	AA	AA-	A+	A	A-1	Unrated
United States Treasury Securities	\$ 21,048,256	\$ -	\$ 21,048,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
United States Government Sponsored Enterprise Securities	27,968,616	-	27,968,616	-	-	-	-	-	-
Medium-Term Corporate Notes (MTN)	16,725,558	443,352	981,595	497,397	3,853,283	5,918,359	5,031,572	-	-
Supranational	2,543,375	2,543,375	-	-	-	-	-	-	-
Negotiable Certificates of Deposit	1,500,000	-	-	-	-	-	-	1,500,000	-
Commercial Paper	1,091,093	-	-	-	-	-	-	1,091,093	-
Money Market Mutual Funds	230,042	230,042	-	-	-	-	-	-	-
Local Agency Investment Fund	10,554,656	-	-	-	-	-	-	-	10,554,656
Total	<u>\$ 81,661,596</u>	<u>\$ 3,216,769</u>	<u>\$ 49,998,467</u>	<u>\$ 497,397</u>	<u>\$ 3,853,283</u>	<u>\$ 5,918,359</u>	<u>\$ 5,031,572</u>	<u>\$ 2,591,093</u>	<u>\$ 10,554,656</u>

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**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, 2018, 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	\$ 21,048,256	30%
Federal National Mortgage Association	Sponsored Enterprise Securities United States Government	11,017,249	15%
Federal Home Loan Bank	Sponsored Enterprise Securities United States Government	9,141,377	13%
Federal Home Loan Mortgage Corp.	Sponsored Enterprise Securities United States Government	6,278,408	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, 2018 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, 2018**

**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	\$ 21,048,256	\$ -	\$ 21,048,256	\$ -
United States Government Sponsored Enterprise Securities	27,968,616	-	27,968,616	-
Medium-Term Corporate Notes	16,725,558	-	16,725,558	-
Supranational	2,543,375	-	2,543,375	-
Negotiable Certificates of Deposit	1,500,000	-	1,500,000	-
Commercial Paper	1,091,093	-	1,091,093	-
Total investments subject to leveling	70,876,898	\$ -	\$ 70,876,898	\$ -
Investments not subject to leveling:				
Local Agency Investment Fund	10,554,656			
Money Market Funds	230,042			
<b>Total Investments</b>	<b>\$ 81,661,596</b>			

Treasury securities, Federal Agriculture Mortgage Corporation, Federal Farm Credit Bank Bonds, Federal Home Loan Banks, Federal Home Loan Mortgage Corporate Notes, Federal National Mortgage Association Notes, Medium-Term Corporate Notes, Supranational, Negotiable Certificates of Deposit, and Commercial Paper 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.

**3. INTERFUND TRANSACTIONS**

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

At June 30, 2018, 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	\$ 136,346
Total	<u>\$ 136,346</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.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**3. INTERFUND TRANSACTIONS, Continued**

**B. Transfers**

At June 30, 2018, the City had the following transfers in/out which arise in the normal course of operations.

Transfers Out	Transfers In						Total
	General	State Gas Tax	City Capital Projects	Non-Major Govt Funds	Water Enterprise Fund	Internal Service Funds	
Major Govt Funds							
General Fund	\$ -	\$ -	\$ 10,044,999	\$ 1,361,223	\$ -	\$ 890,000	\$ 12,296,222
State Gas Tax	7,500	-	-	-	23,561	15,000	46,061
Non-major Govtl Funds	51,318	1,808,297	-	371,456	-	-	2,231,071
Total Govt Funds	58,818	1,808,297	10,044,999	1,732,679	23,561	905,000	14,573,354
Water Enterprise Fund	72,170	-	-	-	-	98,800	170,970
Internal Service Funds	-	-	-	-	-	141,200	141,200
<b>Total</b>	<b>\$ 130,988</b>	<b>\$ 1,808,297</b>	<b>\$ 10,044,999</b>	<b>\$ 1,732,679</b>	<b>\$ 23,561</b>	<b>\$ 1,145,000</b>	<b>\$ 14,885,524</b>

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, 2018**

**4. LOANS, NOTES, AND OTHER RECEIVABLES**

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

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

Description	Balance June 30, 2018
Governmental Funds:	
Home Improvement Loans	\$ 2,295,508
Low and Moderate Income Housing Loans	23,450,909
First Time Home Buyer Loans	5,920,001
Subtotal	<u>31,666,418</u>
Allowance for uncollectible loans	<u>(5,412,592)</u>
Total governmental funds	<u>\$ 26,253,826</u>
Internal Service Funds:	
Employee Computer Loans	<u>\$ 21,184</u>
<b>Total Primary Government</b>	<u><u>\$ 26,275,010</u></u>
Fiduciary Funds:	
Successor Agency - Redevelopment Loans	<u>\$ 99,325</u>
	<u><u>\$ 99,325</u></u>

**5. UNEARNED REVENUE**

Unearned revenues in the Government-Wide Financial Statements represent cash collected prior to June 30, 2018 for community classes and other activities that take place in the future. At June 30, 2018, unearned revenues in the Government-Wide Financial Statements were \$78,941.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**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 July 1, 2017	Additions	Retirements	Balance June 30, 2018
Non-depreciable assets:				
Right-of-way	\$ 48,894,346	\$ -	\$ -	\$ 48,894,346
Land	12,041,463	-	-	12,041,463
Construction in progress	6,777,573	25,510,657	(9,821,720)	22,466,510
<b>Total non-depreciable assets</b>	<b>67,713,382</b>	<b>25,510,657</b>	<b>(9,821,720)</b>	<b>83,402,319</b>
Depreciable assets:				
Buildings	86,846,694	-	-	86,846,694
Improvements	18,859,497	4,149,009	-	23,008,506
Machinery and equipment	21,754,913	4,097,302	(1,699,346)	24,152,869
Furniture and fixtures	1,348,499	3,921	-	1,352,420
Infrastructure:				
Road system	108,864,141	2,351,793	(326,696)	110,889,238
Storm drain system	5,951,479	-	-	5,951,479
<b>Total depreciable assets</b>	<b>243,625,223</b>	<b>10,602,025</b>	<b>(2,026,042)</b>	<b>252,201,206</b>
Less accumulated depreciation:				
Buildings	(15,368,980)	(1,793,553)	-	(17,162,533)
Improvements	(9,645,762)	(670,515)	-	(10,316,277)
Machinery and equipment	(13,058,288)	(1,298,657)	1,665,435	(12,691,510)
Furniture and fixtures	(709,770)	(58,433)	-	(768,203)
Infrastructure:				
Road system	(46,065,945)	(2,724,994)	242,412	(48,548,527)
Storm drain system	(1,916,587)	(148,753)	-	(2,065,340)
<b>Total accumulated depreciation</b>	<b>(86,765,332)</b>	<b>(6,694,905)</b>	<b>1,907,847</b>	<b>(91,552,390)</b>
<b>Total depreciable assets, net</b>	<b>156,859,891</b>	<b>3,907,120</b>	<b>(118,195)</b>	<b>160,648,816</b>
<b>Total capital assets</b>	<b>\$ 224,573,273</b>	<b>\$ 29,417,777</b>	<b>\$ (9,939,915)</b>	<b>\$ 244,051,135</b>

Depreciation expense by program for capital assets for the year ended June 30, 2018 was as follows:

General government	\$ 587,328
Leisure	620,909
Transportation	3,542,753
Public Protection	1,364,390
Development	47,253
Internal Service Fund Depreciation charged to Programs	532,272
<b>Total depreciation expense</b>	<b>\$ 6,694,905</b>



**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**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 July 1, 2017	Additions	Retirements	Balance June 30, 2018
Non-depreciable assets:				
Land	\$ 2,500	\$ -	\$ -	\$ 2,500
Construction in progress	4,273,094	9,637,220	(2,717,016)	11,193,298
Total non-depreciable assets	<u>4,275,594</u>	<u>9,637,220</u>	<u>(2,717,016)</u>	<u>11,195,798</u>
Depreciable assets:				
Buildings	92,578	-	-	92,578
Improvements	1,130,418	297,094	-	1,427,512
Pumps and reservoirs	2,394,883	-	-	2,394,883
Hydrants, meters, and connections	5,370,003	-	-	5,370,003
Machinery and equipment	1,418,447	49,996	(23,190)	1,445,253
Infrastructure:				
Wells	4,691,845	-	-	4,691,845
Water and sewer lines	32,074,596	2,248,560	(82,873)	34,240,283
Total depreciable assets	<u>47,172,770</u>	<u>2,595,650</u>	<u>(106,063)</u>	<u>49,662,357</u>
Less accumulated depreciation:				
Buildings	(45,629)	(1,956)	-	(47,585)
Improvements	(153,415)	(56,521)	-	(209,936)
Pumps and reservoirs	(1,538,494)	(37,569)	-	(1,576,063)
Hydrants, meters, and connections	(4,421,344)	(59,093)	-	(4,480,437)
Machinery and equipment	(1,027,422)	(60,728)	23,190	(1,064,960)
Infrastructure:				
Wells	(2,362,863)	(103,477)	-	(2,466,340)
Water and sewer lines	(16,858,053)	(673,823)	68,985	(17,462,891)
Total accumulated depreciation	<u>(26,407,220)</u>	<u>(993,167)</u>	<u>92,175</u>	<u>(27,308,212)</u>
Total depreciable assets, net	<u>20,765,550</u>	<u>1,602,483</u>	<u>(13,888)</u>	<u>22,354,145</u>
<b>Total capital assets</b>	<u>\$ 25,041,144</u>	<u>\$ 11,239,703</u>	<u>\$ (2,730,904)</u>	<u>\$ 33,549,943</u>

Depreciation expense for the year ended June 30, 2018 was as follows:

Water	<u>\$ 993,167</u>
<b>Total depreciation expense</b>	<u><u>\$ 993,167</u></u>

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**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, 2018:

	Balance June 30, 2017 (as restated)	Additions	Deletions	Balance June 30, 2018	Due Within One Year	Due in more than One Year
Governmental Activities:						
Pension Note Payable	\$ 3,930,488	\$ -	\$ (1,928,428)	\$ 2,002,060	\$ 2,002,060	\$ -
PFA - 2017 Lease Rev. Bonds	9,785,000	-	-	9,785,000	-	9,785,000
PFA - 2017 Lease Rev. Bonds						
Original issuance premium	502,621	-	(25,342)	477,279	-	477,279
Note payable - OCTA	420,800	-	(105,200)	315,600	105,200	210,400
Sales tax payable	16,044,485	-	(16,044,485)	-	-	-
Subtotal	22,650,276	-	(18,103,455)	12,579,939	2,107,260	10,472,679
Claims Payable	7,587,644	3,684,853	(3,516,003)	7,756,494	100,000	7,656,494
Employee Leave Benefits	2,736,392	588,678	(198,553)	3,126,517	21,000	3,105,517
Total Governmental Activities						
Long-Term Liabilities	\$ 32,974,312	\$ 4,273,531	\$ (21,818,011)	\$ 23,462,950	\$ 2,228,260	\$ 21,234,690

**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 June 30,	Principal	Interest	Total
2019	\$ 2,002,060	\$ 44,995	\$ 2,047,055
Total	\$ 2,002,060	\$ 44,995	\$ 2,047,055

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**A. Governmental Activities, Continued**

**Buena Park Public Financing Authority 2017 Lease Revenue Bonds  
(Fire Station Headquarters Project)**

On March 23, 2017, the Buena Park Public Financing Authority (PFA) issued \$9,785,000 of Lease Revenue Bonds (Bonds) bearing interest rates of 3.0 to 5.0% and payable semi-annually on November 1 and May 1, maturing on May 1, 2037. The proceeds of the Bonds was used to (i) finance a portion of the costs of acquisition, construction and improvement of a new City-owned Fire Station No. 61 to be located at 7440 La Palma Avenue in the City, in replacement for the former fire station located at 8081 Western Avenue in the City, as well the construction and installation of additional improvements to Fire Station No, 63 located at 9120 Holder Street in the City; (ii) fund capitalized interest on the Bonds through and including May 1, 2019; and (iii) pay costs of issuance of the Bonds. The outstanding principal balance of the 2017 Lease Revenue Bonds at June 30, 2018 was \$9,785,000.

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

Year Ending June 30,	Principal	Interest	Total
2019	\$ -	\$ 378,750	\$ 378,750
2020	375,000	378,750	753,750
2021	385,000	367,500	752,500
2022	400,000	352,100	752,100
2023	425,000	332,100	757,100
2024-2028	2,455,000	1,320,750	3,775,750
2029-2033	2,985,000	790,925	3,775,925
2034-2037	2,760,000	255,401	3,015,401
Total	<u>\$ 9,785,000</u>	<u>\$ 4,176,276</u>	<u>\$ 13,961,276</u>

**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.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**A. Governmental Activities, Continued**

**Note Payable – OCTA, Continued**

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

Year Ending June 30,	Principal	Interest	Total
2019	\$ 105,200	\$ 6,312	\$ 111,512
2020	105,200	4,208	109,408
2021	105,200	2,104	107,304
Total	<u>\$ 315,600</u>	<u>\$ 12,624</u>	<u>\$ 328,224</u>

**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, 2018, in the amount of \$3,126,517 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, 2018**

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

**B. Business-Type Activities**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year	Due in more than One Year
<b>Business-Type Activities</b>						
Employee Leave Benefits	\$ 181,084	\$ 29,072	\$ (11,494)	\$ 198,662	\$ 42,000	\$ 156,662
<b>Total</b>	<u>\$ 181,084</u>	<u>\$ 29,072</u>	<u>\$ (11,494)</u>	<u>\$ 198,662</u>	<u>\$ 42,000</u>	<u>\$ 156,662</u>

**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, 2018 was \$198,662. There is no fixed payment schedule for the employee leave benefits liability. The general fund is normally used to liquidate employee leave benefit obligations.

**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.

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 \$7,059,761 for workers' compensation and \$696,733 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
2015-2016	7,770,780	3,026,785	(1,495,665)	9,301,900	100,000	9,201,900
2016-2017	9,301,900	828,021	(2,542,277)	7,587,644	100,000	7,487,644
2017-2018	7,587,644	3,684,853	(3,516,003)	7,756,494	100,000	7,656,494

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**9. EMPLOYEE RETIREMENT PLANS**

**A. Summary of Pension Plan Balances**

Pension related balances presented on the Statement of Net Position as of June 30, 2018 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	\$ 3,184,356	\$ 5,535,726	\$ 40,594,698	\$ 1,357,849
CALPERS Cost Sharing Plan	4,735,608	13,591,860	67,933,536	5,800,030
<b>Total</b>	<b>\$ 7,919,964</b>	<b>\$ 19,127,586</b>	<b>\$ 108,528,234</b>	<b>\$ 7,157,879</b>

**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 City 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.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**9. EMPLOYEE RETIREMENT PLANS, Continued**

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

The Plan's provisions and benefits in effect at June 30, 2018, are summarized as follows:

Hire Date	City Miscellaneous Plan		
	Miscellaneous Prior to January 1, 2013	Miscellaneous Tier 2 On or after January 1, 2013*	Miscellaneous PEPRA On or after January 1, 2013*
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of annual salary	2.5% @ 55	2.0% @ 60	2.0% @ 62
Required employee contribution rates	8.000%	7.000%	6.250%
Required employer contribution rates	8.900%	8.900%	8.900%
Required unfunded liability payment	\$ 2,108,791	\$ -	\$ -

\* New hires who are already enrolled in CalPERS are eligible for benefits under the second tier, and other new hires are enrolled in the PEPRA rate plans.

**Employees Covered** – At June 30, 2018, the following employees were covered by the benefit terms for each Plan:

Inactive employees or beneficiaries currently receiving benefits	362
Inactive employees entitled to but not yet receiving benefits	242
Active employees	187
<b>Total</b>	<b>791</b>

**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, 2017 (the measurement date), the average active employee contribution rate is 7.74 percent of annual pay for the Miscellaneous Plan, and employer contribution rate is 22.13 percent of annual payroll for the Miscellaneous Plan.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**9. EMPLOYEE RETIREMENT PLANS, Continued**

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

**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, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below:

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Projected Salary Increase	3.3% - 14.2%
Investment Rate of Return (1)	7.15%
Mortality (2)	Derived using CalPERS' Membership Data for all
Post Retirement Benefit Increase	Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Net of pension plan investment expenses.

(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, 2015 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 7.15% 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 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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, 2018**

**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	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
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, 2018**

**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 Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2016 (1)</b>	\$ 127,859,044	\$ 90,309,489	\$ 37,549,555
<b>Changes in the year:</b>			
Service cost	2,148,370	-	2,148,370
Interest on the total pension liability	9,338,442	-	9,338,442
Differences between actual and expected experience	(2,072,201)	-	(2,072,201)
Changes in assumptions	7,411,183	-	7,411,183
Changes in benefit terms	-	-	-
Contribution - employer	-	2,959,042	(2,959,042)
Contribution - employee	-	997,916	(997,916)
Investment income	-	9,957,029	(9,957,029)
Administrative expenses	-	(133,336)	133,336
Benefit payments , including refunds of employee contributions	(7,329,296)	(7,329,296)	-
<b>Net changes</b>	<b>9,496,498</b>	<b>6,451,355</b>	<b>3,045,143</b>
<b>Balance at June 30, 2017</b>	<b>\$ 137,355,542</b>	<b>\$ 96,760,844</b>	<b>\$ 40,594,698</b>

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

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**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		6.15%
Net Pension Liability	\$	58,280,231
Current Discount Rate		7.15%
Net Pension Liability	\$	40,594,698
1% Increase		8.15%
Net Pension Liability	\$	25,989,239

**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, 2018, the City recognized pension expense of \$5,371,563. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,184,356	\$ -
Differences between actual and expected experience	-	1,357,849
Changes in assumptions	4,188,930	-
Net differences between projected and actual earnings on plan investments	1,346,796	-
Total	<u>\$ 8,720,082</u>	<u>\$ 1,357,849</u>

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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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***

\$3,184,356 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, 2019. 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:		
2019	\$	2,058,977
2020		2,270,563
2021		577,206
2022		(728,869)

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

As of June 30, 2018, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

***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 safety 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, 2018**

**9. EMPLOYEE RETIREMENT PLANS, Continued**

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

**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, 2018 are summarized as follows:

Hire Date	City Cost Sharing Plan		
	Safety First Tier	Safety Second Tier	Safety PEPRA
	Prior to January 1, 2013	On or after January 1, 2013*	On or after January 1, 2013*
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	57
Monthly benefits, as a % of annual salary	3% @ 50	2% @ 50	2.7% @ 57
Required employee contribution rates	9.000%	9.000%	12.250%
Required employer contribution rates	21.418%	16.498%	12.729%
Required payment for unfunded liability	\$ 2,983,997	\$ 291	\$ 279

\* New hires who are already enrolled in CalPERS are eligible for benefits under the second tier, and other new hires are enrolled in the PEPRA rate plans.

**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 measurement period ended June 30, 2017 were \$4,131,562.

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

As of June 30, 2018, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$67,933,536.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**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 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, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2016 rolled forward to June 30, 2017 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 the measurement dates June 30, 2016 and 2017 were as follows:

Proportion - June 30, 2016	0.68943%
Proportion - June 30, 2017	<u>0.68500%</u>
Change - Increase (Decrease)	<u>-0.00443%</u>

For the year ended June 30, 2018, the City recognized pension expense of \$6,342,199. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,735,608	\$ -
Changes of assumptions	9,765,858	749,263
Differences between expected and actual experience	673,391	175,572
Changes in employer's proportion	1,023,272	2,313,017
Differences between the employer's contribution and the employer's proportionate share of contributions	-	2,562,178
Net differences between projected and actual earnings on plan investments	<u>2,129,339</u>	<u>-</u>
Total	<u>\$ 18,327,468</u>	<u>\$ 5,800,030</u>

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**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**

\$4,735,608 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:		
2019	\$	572,647
2020		5,366,816
2021		3,098,320
2022		(1,245,952)

**Actuarial Assumptions** – The total pension liability in the June 30, 2016 actuarial valuations was determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return (1)	7.15%
Mortality	Derived by CalPERS membership data for all funds

(1) Net of pension plan investment expenses.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 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 be found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15% 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 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 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.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
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, 2018**

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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**

**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		6.15%
Net Pension Liability	\$	100,195,884
Current Discount Rate		7.15%
Net Pension Liability	\$	67,933,536
1% Increase		8.15%
Net Pension Liability	\$	41,560,675

**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, 2018 the City reported a payable of \$0 for outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**Plan Description**

The City provides post-employment 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.

**Contributions**

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. For the measurement period 2016-17, the City contributed \$679,039, including \$579,039 in benefit payments, \$461,000 in implicit rate subsidy, and a \$100,000 deposit to CERBT.

CERBT is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to prefund OPEB as described in GASB Statement 45. The CERBT issues a publicly available financial report that included financial statements and required supplementary information for the City, not individualizing, but in aggregate with the other CERBT participants. That report may be obtained by contacting CalPERS.

**Employees Covered**

Inactive employees or beneficiaries currently receiving benefits	204
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>259</u>
Total	<u><u>463</u></u>

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Contribution Policy	Contributes full ADC
Salary Increases	Varies by Entry Age and Service
Projected Salary Increase	2.75%
Investment Rate of Return	7.00%
Mortality	CalPERS 1997-2015 Experience Study
Post Retirement Benefit Increase	Post-retirement mortality projected fully generational with Scale MP-2017
Healthcare Trend	4.00%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the following page.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**Net OPEB Liability, Continued**

Asset Class	Target Allocation*	Expected Real Rate of Return
US Large CAP	43.00%	7.80%
US Small Cap	23.00%	7.80%
Long-Term Corporate Bonds	12.00%	5.30%
Long-Term Government Bonds	6.00%	4.50%
TIPS	5.00%	7.80%
US Real Estate	8.00%	7.80%
All Commodities	3.00%	7.80%
Assumed Long-Term Rate of Inflation		2.75%
Assumed Long-Term Investment Expenses		n/a
Expected Long-Term Net Rate of Return, Rounded		7.00%
Discount Rate**		7.00%

\*Provided by CalPERS' Strategic Asset Allocation Analysis Overview in August 2014 – Strategy 1

\*\*The fiduciary net position is projected to be sufficient to make projected benefit payments, and

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**Changes in the net OPEB Liability**

The changes in the net OPEB liability for the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
<b>Balance at June 30, 2016</b>	\$ 7,463,074	\$ 1,487,074	\$ 5,976,000
<b>Changes in the year:</b>			
Service cost	113,330	-	113,330
Interest on the total OPEB liability	506,741	-	506,741
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	658,051	(658,051)
Contribution - employee	-	-	-
Net investment income	-	157,061	(157,061)
Administrative expenses	-	(1,323)	1,323
Benefit payments , including refunds of employee contributions	(558,051)	(558,051)	-
<b>Net changes</b>	<b>62,020</b>	<b>255,738</b>	<b>(193,718)</b>
<b>Balance at June 30, 2017</b>	<b>\$ 7,525,094</b>	<b>\$ 1,742,812</b>	<b>\$ 5,782,282</b>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Net OPEB Liability	\$ 6,563,564	\$ 5,782,282	\$ 5,127,721

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease (3.0%)	Current Healthcare Trend Rate (4.0%)	1% Increase (5.0%)
Net OPEB Liability	\$ 5,385,842	\$ 5,782,282	\$ 7,305,002

**Recognition of Deferred Outflow and Deferred Inflows of Resources**

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
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**OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB**

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$464,333. For the fiscal year ended June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 769,809	\$ -
Total	\$ 769,809	\$ -

The \$769,809 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**11. CLASSIFICATION OF FUND BALANCES**

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

	<b>Major Governmental Funds</b>				Non Major Government Funds	<b>Total Government</b>
	General	State Gas Tax	Housing Successor	City Capital Projects		
Fund Balances						
<b>Nonspendable fund balance:</b>						
Prepays	\$ 49,192	\$ -	\$ -	\$ -	\$ -	\$ 49,192
Inventory	84,080	-	-	-	-	84,080
Property held for resale	4,808,517	-	-	-	-	4,808,517
	<u>4,941,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,941,789</u>
<b>Restricted fund balance for:</b>						
Low/Mod Housing	-	-	24,448,554	-	9,917,794	34,366,348
Public Protection	549,121	-	-	-	768,668	1,317,789
Environmental	-	-	-	-	612,234	612,234
Transportation	-	2,701,551	-	-	1,545,169	4,246,720
Development	-	-	-	-	1,087,692	1,087,692
	<u>549,121</u>	<u>2,701,551</u>	<u>24,448,554</u>	<u>-</u>	<u>13,931,557</u>	<u>41,630,783</u>
<b>Assigned fund balance for:</b>						
Low/Mod Housing	6,485,578	-	-	-	-	6,485,578
Capital projects	-	-	-	55,710	-	55,710
	<u>6,485,578</u>	<u>-</u>	<u>-</u>	<u>55,710</u>	<u>-</u>	<u>6,541,288</u>
<b>Unassigned fund balance</b>	<u>27,201,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,201,218</u>
	<u>27,201,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,201,218</u>
<b>Total Fund Balances</b>	<b>\$ 39,177,706</b>	<b>\$ 2,701,551</b>	<b>\$ 24,448,554</b>	<b>\$ 55,710</b>	<b>\$ 13,931,557</b>	<b>\$ 80,315,078</b>

**12. DEFICIT FUND BALANCES**

The following funds reported deficits in fund balances at June 30, 2018:

Worker's Compensation Self Insurance Internal Service Fund	2,955,060
Buildings and Grounds Maintenance Internal Service Fund	22,835

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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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, 2018**

**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.

**A. Capital Assets**

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Non-depreciable assets:				
Construction in progress	\$ 3,439,907	\$ 519,291	\$ -	\$ 3,959,198
Total non-depreciable assets	<u>3,439,907</u>	<u>519,291</u>	<u>-</u>	<u>3,959,198</u>
<b>Total capital assets</b>	<u>\$ 3,439,907</u>	<u>\$ 519,291</u>	<u>\$ -</u>	<u>\$ 3,959,198</u>

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**14. SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

**B. Long Term Debt**

	Balance July 1, 2017	Deletions	Amortization	Balance June 30, 2018	Due Within One Year	Due in more than One Year
<b>Fiduciary Funds Activities</b>						
Tax Allocation Bonds						
2003 Tax Allocation Bonds	\$ 11,231,447	\$ (1,220,000)	\$ (2,994)	\$ 10,008,453	\$ 1,270,000	\$ 8,738,453
2008 Tax Allocation Bonds, Series A	46,820,716	(575,000)	(3,618)	46,242,098	625,000	45,617,098
2008 Tax Allocation Bonds, Series B	18,145,000	(2,155,000)	-	15,990,000	2,280,000	13,710,000
Total Tax Allocation Bonds	<u>76,197,163</u>	<u>(3,950,000)</u>	<u>(6,612)</u>	<u>72,240,551</u>	<u>4,175,000</u>	<u>68,065,551</u>
<b>Total</b>	<u>\$ 76,197,163</u>	<u>\$ (3,950,000)</u>	<u>\$ (6,612)</u>	<u>\$ 72,240,551</u>	<u>\$ 4,175,000</u>	<u>\$ 68,065,551</u>

**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, 2018 were \$10,008,453.

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, 2018 the unamortized balance of the deferred loss on refunding was \$0.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**14. SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

***B. Long Term Debt, Continued***

**Series 2003 Tax Allocation Refunding Bonds, Continued**

Future debt services requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,420,000	219,420	1,639,420
2023	1,480,000	98,770	1,578,770
2024-2025	3,140,000	194,280	3,334,280
Subtotal	9,990,000	<u>\$ 1,493,488</u>	<u>\$ 11,483,488</u>
Bond premium	18,453		
Total	<u>\$ 10,008,453</u>		

**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 \$3,705,017 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, 2018 were \$46,242,098.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**14. SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

***B. Long Term Debt, Continued***

**2008 Tax Allocation Bonds, Series A, Continued**

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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	800,000	2,460,663	3,260,663
2023	875,000	2,419,588	3,294,588
2024-2028	12,495,000	10,682,144	23,177,144
2029-2033	19,270,000	5,996,563	25,266,563
2034-2036	10,685,000	976,500	11,661,500
Subtotal	46,180,000	<u>\$ 30,126,111</u>	<u>\$ 76,306,111</u>
Bond premium	62,098		
Total	<u>\$ 46,242,098</u>		

**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, 2018 were \$15,990,000.

**City of Buena Park**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**14. SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

**B. Long Term Debt, Continued**

**2008 Tax Allocation Bonds, Series B, Continued**

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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
2022	2,730,000	459,283	3,189,283
2023	2,900,000	283,261	3,183,261
2024	3,080,000	96,296	3,176,296
<b>Total</b>	<b>\$ 15,990,000</b>	<b>\$ 3,171,972</b>	<b>\$ 19,161,972</b>

**15. PRIOR PERIOD ADJUSTMENT**

The City recorded prior period adjustments to recognize beginning balances for deferred employer contributions made for OPEB benefits and the net OPEB liability as part of implementation of GASB Statement No. 75, and to correct the beginning balance of sales tax payable due to reallocation of previously paid sales tax.

Government-wide Statements

	Net Position as Previously Reported	Prior Period Adjustment			Net Position as Restated	
		Deferred Employer OPEB Contributions	Net OPEB Obligation	Net OPEB Liability		Sales Tax Payable
Government-Wide Statements						
Governmental Activities	\$ 250,758,109	\$ 658,051	\$ (758,566)	\$ (5,976,000)	\$ (8,033,118)	\$ 236,648,476

**16. EXCESS EXPENDITURES OVER APPROPRIATIONS**

Actual expenditures for the General Fund are \$12,923,669 above budget, which is primarily due to the \$16,045,000 unbudgeted repayment of sales tax payable.

Actual expenditures for the Housing Successor Special Revenue Fund are \$87,053 above budget, which is primarily due adjustment of allowances for uncollectible loans, which are is not budgeted.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**City of Buena Park**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

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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, 2018**

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

**B. Budgetary Comparison Schedules**

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

Budgetary Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 45,639,600	\$ 45,639,600	\$ 43,872,249	\$ (1,767,351)
Licenses and permits	649,800	649,800	790,570	140,770
Fines and forfeitures	887,050	1,009,460	890,839	(118,621)
Intergovernmental	7,905,630	8,005,092	8,316,055	310,963
Charges for services	6,914,560	6,931,560	7,343,624	412,064
Investment income	496,000	496,000	323,503	(172,497)
Miscellaneous	166,660	1,249,160	1,014,060	(235,100)
<b>Total revenues</b>	<b>62,659,300</b>	<b>63,980,672</b>	<b>62,550,900</b>	<b>(1,429,772)</b>
<b>EXPENDITURES:</b>				
Current:				
General government:				
City Council	316,560	321,560	331,931	(10,371)
City Manager	895,140	913,744	954,707	(40,963)
Community Support Services	705,050	711,137	643,417	67,720
City Attorney	341,170	341,170	379,899	(38,729)
City Clerk	454,580	493,254	453,106	40,148
Internal Support Services	1,189,150	1,203,498	1,177,646	25,852
Finance	970,190	1,004,782	947,076	57,706
Public Works	1,589,290	1,671,461	1,566,460	105,001
Non-departmental	1,002,000	1,002,000	867,822	134,178
<b>Total General Government</b>	<b>7,463,130</b>	<b>7,662,606</b>	<b>7,322,064</b>	<b>340,542</b>
Leisure:				
Recreation Administration	3,134,080	3,169,993	3,153,932	16,061
Health:				
Public Works	3,204,030	3,204,030	3,152,943	51,087
Transportation				
Police Department	91,350	91,350	89,909	1,441
Public Works	5,022,560	5,247,881	4,887,140	360,741
<b>Total Transportation</b>	<b>5,113,910</b>	<b>5,339,231</b>	<b>4,977,049</b>	<b>362,182</b>
Public Protection:				
Community Development Services	681,520	693,015	734,514	(41,499)
Fire Department	10,953,450	10,990,050	11,000,053	(10,003)
Police Department	24,598,770	25,803,535	24,314,384	1,489,151
<b>Total Public Protection</b>	<b>36,233,740</b>	<b>37,486,600</b>	<b>36,048,951</b>	<b>1,437,649</b>
Development:				
Community Development Services	2,240,460	2,967,793	2,225,393	742,400
Public Works	99,940	102,952	108,969	(6,017)
<b>Total Development</b>	<b>2,340,400</b>	<b>3,070,745</b>	<b>2,334,362</b>	<b>736,383</b>
Environmental:				
Recreation, Parks, and Community Services	3,434,060	3,464,031	3,524,466	(60,435)

**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2018**

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

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

Budgetary Comparison Schedule, General Fund, Continued

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES: Continued</b>				
Capital Outlay	348,210	6,002,158	5,374,949	627,209
Debt Service:				
Principal	2,033,640	2,033,640	18,078,113	(16,044,473)
Interest and Other Charges	135,030	135,030	524,904	(389,874)
<b>Total expenditures</b>	<b>63,440,230</b>	<b>71,568,064</b>	<b>84,491,733</b>	<b>(12,923,669)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(780,930)</b>	<b>(7,587,392)</b>	<b>(21,940,833)</b>	<b>(14,353,441)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	149,670	1,189,703	130,988	(1,058,715)
Transfers out	(1,126,880)	(14,303,527)	(12,296,222)	2,007,305
Insurance recoveries	-	181,600	1,481,109	1,299,509
Proceeds from sale of capital assets	2,000	2,000	1,878	(122)
<b>Total other financing sources (uses)</b>	<b>(975,210)</b>	<b>(12,930,224)</b>	<b>(10,682,247)</b>	<b>2,247,977</b>
<b>Special Item</b>				
Sales tax recoveries	47,520	47,520	6,621,014	6,573,494
<b>Extraordinary Item</b>				
Write off of amount due from Successor Agency	-	-	(7,191,489)	(7,191,489)
<b>Net change in fund balance</b>	<b>\$ (1,708,620)</b>	<b>\$ (20,470,096)</b>	<b>(33,193,555)</b>	<b>\$ (12,723,459)</b>
<b>FUND BALANCE:</b>				
Beginning of year			72,371,261	
End of year			<b>\$ 39,177,706</b>	

**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2018**

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

**B. Budgetary Comparison Schedules, Continued**

Budgetary Comparison Schedule, Gasoline Tax Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 1,694,630	\$ 5,611,511	\$ 3,635,485	\$ (1,976,026)
Investment income	16,000	16,000	(15,008)	31,008
<b>Total revenues</b>	<u>1,710,630</u>	<u>5,627,511</u>	<u>3,620,477</u>	<u>(1,945,018)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	612,090	628,886	515,922	112,964
Capital outlay	2,339,200	7,598,972	4,203,186	3,395,786
<b>Total expenditures</b>	<u>2,951,290</u>	<u>8,227,858</u>	<u>4,719,108</u>	<u>3,508,750</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,240,660)</u>	<u>(2,600,347)</u>	<u>(1,098,631)</u>	<u>1,501,716</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,435,000	2,531,042	1,808,297	(722,745)
Transfers out	(222,500)	(791,603)	(46,061)	837,664
<b>Total other financing sources (uses)</b>	<u>1,212,500</u>	<u>1,739,439</u>	<u>1,762,236</u>	<u>114,919</u>
<b>Net change in fund balance</b>	<u>\$ (28,160)</u>	<u>\$ (860,908)</u>	663,605	<u>\$ 1,616,635</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,037,946</u>	
End of year			<u>\$ 2,701,551</u>	

**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2018**

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

**B. Budgetary Comparison Schedules, Continued**

Budgetary Comparison Schedule, Housing Successor Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ 52,570	\$ 52,570
Miscellaneous	100,000	100,000	404,580	304,580
<b>Total revenues</b>	<u>100,000</u>	<u>100,000</u>	<u>457,150</u>	<u>357,150</u>
<b>EXPENDITURES:</b>				
Current:				
Development	411,100	415,498	502,551	(87,053)
<b>Total expenditures</b>	<u>411,100</u>	<u>415,498</u>	<u>502,551</u>	<u>(87,053)</u>
<b>Net change in fund balance</b>	<u>\$ (311,100)</u>	<u>\$ (315,498)</u>	(45,401)	<u>\$ 270,097</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>24,493,955</u>	
End of year			<u>\$ 24,448,554</u>	

**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2018**

**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

Fiscal Year	2018	2017	2016	2015
Measurement Period <sup>(1)</sup>	2016-17	2015-16	2014-15	2013-14
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 2,148,370	\$ 1,992,348	\$ 1,988,943	\$ 1,913,799
Interest	9,338,442	9,259,401	9,046,796	8,817,350
Changes of Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience	(2,072,201)	(1,430,631)	(1,277,341)	-
Changes of Assumptions	7,411,183	-	(2,091,915)	-
Benefit Payments, Including Refunds of Employee Contributions	(7,329,296)	(6,868,870)	(6,786,470)	(6,624,277)
<b>Net Change in Total Pension Liability</b>	<b>9,496,498</b>	<b>2,952,248</b>	<b>880,013</b>	<b>4,106,872</b>
<b>Total Pension Liability - Beginning</b>	<b>127,859,044</b>	<b>124,906,796</b>	<b>124,026,783</b>	<b>119,919,911</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 137,355,542</b>	<b>\$ 127,859,044</b>	<b>\$ 124,906,796</b>	<b>\$ 124,026,783</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - Employer	\$ 2,959,042	\$ 2,571,401	\$ 2,006,400	\$ 1,815,454
Contributions - Employee	997,916	964,624	951,393	887,335
Net Investment Income	9,957,029	452,819	2,115,027	14,422,158
Benefit Payments, Including Refunds of Employee Contributions	(7,329,296)	(6,868,870)	(6,786,470)	(6,624,277)
Administrative Expense	(133,336)	(56,829)	(104,951)	-
<b>Net Change in Fiduciary Net Position</b>	<b>6,451,355</b>	<b>(2,936,855)</b>	<b>(1,818,601)</b>	<b>10,500,670</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>90,309,489</b>	<b>93,246,344</b>	<b>95,064,945</b>	<b>84,564,275</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 96,760,844</b>	<b>\$ 90,309,489</b>	<b>\$ 93,246,344</b>	<b>\$ 95,064,945</b>
<b>Plan Net Position Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 40,594,698</b>	<b>\$ 37,549,555</b>	<b>\$ 31,660,452</b>	<b>\$ 28,961,838</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>70.45%</b>	<b>70.63%</b>	<b>74.65%</b>	<b>76.65%</b>
<b>Covered Payroll</b>	<b>\$ 12,895,891</b>	<b>\$ 12,045,152</b>	<b>\$ 11,636,737</b>	<b>\$ 11,292,848</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>314.79%</b>	<b>311.74%</b>	<b>272.07%</b>	<b>256.46%</b>

(1) – Historical information is required only for measurement periods for which GASB 68 is applicable. The schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

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:** In 2016, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent. In 2017, the discount rate was changed from 7.65 percent to 7.15 percent.

**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2018**

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

**B. Schedule of Plan Contributions**

	<u>Fiscal Year 2017-18</u>	<u>Fiscal Year 2016-17</u>	<u>Fiscal Year 2015-16</u>	<u>Fiscal Year 2014-15</u>
Actuarially determined contribution	\$ 3,184,856	\$ 2,853,983	\$ 2,571,401	\$ 2,006,400
Contribution in relation to the actuarially determined contributions	<u>(3,184,856)</u>	<u>(2,853,983)</u>	<u>(2,571,401)</u>	<u>(2,006,400)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,391,602	\$ 12,895,891	\$ 12,045,152	\$ 11,636,737
Contributions as a percentage of covered payroll	22.13%	22.13%	21.35%	17.24%

(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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date:	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	0.37446%	0.68943%	0.67629%	0.64148%
Proportionate share of the net pension liability	\$ 67,933,536	\$ 59,657,145	\$ 46,420,099	\$ 38,926,454
Covered payroll	\$ 9,280,685	\$ 8,412,906	\$ 8,024,373	\$ 8,881,515
Proportionate share of the net pension liability as a percentage of covered payroll	732%	709%	578%	438%
Plan's share of fiduciary net position as a percentage of total pension liability	73.31%	74.06%	78.40%	79.82%

**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2018**

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

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

	<u>Fiscal Year 2017-18</u>	<u>Fiscal Year 2016-17</u>	<u>Fiscal Year 2015-16</u>	<u>Fiscal Year 2014-15</u>
Actuarially determined contribution	\$ 4,735,608	\$ 4,131,562	\$ 3,615,462	\$ 2,299,785
Contribution in relation to the actuarially determined contributions	<u>(4,735,608)</u>	<u>(4,131,562)</u>	<u>(3,615,462)</u>	<u>(2,299,785)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 \$ 8,505,254	 \$ 9,280,685	 \$ 8,412,906	 \$ 8,024,373
 Contributions as a percentage of covered payroll	 55.68%	 44.52%	 42.98%	 28.66%

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

**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2018**

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

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

<i>Measurement Period</i>	2017
<b>Total OPEB Liability</b>	
Service Cost	\$ 113,330
Interest on the total OPEB liability	506,741
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(558,051)
<b>Net change in total OPEB liability</b>	62,020
<b>Total OPEB liability - beginning</b>	7,463,074
<b>Total OPEB liability - ending (a)</b>	\$ 7,525,094
 <b>Plan Fiduciary Net Position</b>	
Contributions - employer	\$ 658,051
Contributions - employee	-
Net investment income	157,061
Benefit payments, including refunds of employee contributions	(558,051)
Administrative expense	(1,323)
<b>Net change in plan fiduciary net position</b>	255,738
<b>Plan fiduciary net position - beginning</b>	1,487,074
<b>Plan fiduciary net position - ending (b)</b>	\$ 1,742,812
<b>Net OPEB liability/(asset) - ending (a) - (b)</b>	\$ 5,782,282
Plan fiduciary net position as a percentage of the total OPEB liability	23.16%
Covered-employee payroll	\$ 22,176,576
Net OPEB liability as a percentage of covered-employee payroll	26.07%

(1) Historical information is required only for measurement periods for which GASB 75 is applicable



**City of Buena Park**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2018**

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

**A. Schedule of Changes in Net OPEB Liability and Related Ratios  
During the Measurement Period\*, Continued**

Fiscal Year Ended June 30	2018
Actuarially Determined Contribution (ADC)	\$ 365,000
Contributions in relation to the ADC	(378,000)
Contribution deficiency (excess)	\$ (13,000)
 Covered-employee payroll	 \$ 6,470,000
 Contributions as a percentage of covered-employee payroll	 5.64%

(1) Historical information is required only for measurement periods for which GASB 75 is applicable

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# **SUPPLEMENTARY INFORMATION**

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**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, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 1,000	\$ 1,000	\$ (6,728)	\$ (7,728)
Miscellaneous	-	140,000	70,000	(70,000)
<b>Total revenues</b>	<b>1,000</b>	<b>141,000</b>	<b>63,272</b>	<b>(77,728)</b>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	-	11,952,159	10,044,999	1,907,160
<b>Total expenditures</b>	<b>-</b>	<b>11,952,159</b>	<b>10,044,999</b>	<b>1,907,160</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,000</b>	<b>(11,811,159)</b>	<b>(9,981,727)</b>	<b>1,829,432</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	11,616,567	10,044,999	(1,571,568)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>11,616,567</b>	<b>10,044,999</b>	<b>(1,571,568)</b>
<b>Net change in fund balance</b>	<b>\$ 1,000</b>	<b>\$ (194,592)</b>	<b>63,272</b>	<b>\$ 257,864</b>
<b>FUND BALANCE:</b>				
Beginning of year			(7,562)	
End of year			\$ 55,710	

## 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 of Buena Park**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2018**

	Special Revenue				
	Asset	Proposition 172	Measure	Local Law	Orange County
	Forfeiture	Police Augmentation	M2	Enforcement Block Grant	Anti-Drug Abuse
<b>ASSETS</b>					
Cash and investments	\$ 277,940	\$ 225,934	\$ 1,132,491	\$ 88,948	\$ 20,112
Restricted cash and investments	-	-	-	-	-
Accounts receivable	511	12,122	289,504	-	-
Interest receivable	1,049	867	4,291	336	76
Loans receivable, net	-	-	-	-	-
Due from other governments	-	72,136	247,192	-	-
Property held for resale	-	-	-	-	-
<b>Total assets</b>	<b>\$ 279,500</b>	<b>\$ 311,059</b>	<b>\$ 1,673,478</b>	<b>\$ 89,284</b>	<b>\$ 20,188</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 10,840	\$ 337	\$ 26,828	\$ -	\$ -
Accrued liabilities	83,331	6,968	14,232	651	-
Retention payable	-	-	14,509	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>94,171</b>	<b>7,305</b>	<b>55,569</b>	<b>651</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	289,504	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>289,504</b>	<b>-</b>	<b>-</b>
<b>Fund Balances: (Note 11)</b>					
Restricted	185,329	303,754	1,328,405	88,633	20,188
<b>Total fund balances</b>	<b>185,329</b>	<b>303,754</b>	<b>1,328,405</b>	<b>88,633</b>	<b>20,188</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 279,500</b>	<b>\$ 311,059</b>	<b>\$ 1,673,478</b>	<b>\$ 89,284</b>	<b>\$ 20,188</b>



Special Revenue

Traffic Congestion Relief	State OCATT	COPS/SLESF	Housing and Community Development	AB 2766/ AQMD	HOME Loans Special Revenue
\$ 215,949	\$ -	\$ 143,633	\$ 217,075	\$ 583,905	\$ 1,431,808
-	-	-	-	-	-
-	187,994	-	-	-	-
815	-	542	892	2,204	5,405
-	-	-	2,050,243	-	5,683,332
-	-	-	-	27,617	-
-	-	-	610,948	-	-
<u>\$ 216,764</u>	<u>\$ 187,994</u>	<u>\$ 144,175</u>	<u>\$ 2,879,158</u>	<u>\$ 614,186</u>	<u>\$ 7,120,545</u>
\$ -	\$ -	\$ -	\$ 54,484	\$ 1,952	\$ -
-	10,679	14,380	27,425	-	-
-	-	-	-	-	-
-	136,346	-	-	-	-
-	147,025	14,380	81,909	1,952	-
-	-	-	-	-	-
-	-	-	-	-	-
216,764	40,969	129,795	3,042,514	612,234	7,357,215
216,764	40,969	129,795	2,797,249	612,234	7,120,545
<u>\$ 216,764</u>	<u>\$ 187,994</u>	<u>\$ 144,175</u>	<u>\$ 2,879,158</u>	<u>\$ 614,186</u>	<u>\$ 7,120,545</u>

**City of Buena Park**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2018**

	Capital Projects	Total Non-Major Governmental Funds
	Park In-lieu	
<b>ASSETS</b>		
Cash and investments	\$ 1,307,492	\$ 5,645,287
Restricted cash and investments	107,129	107,129
Accounts receivable	-	490,131
Interest receivable	4,936	21,413
Loans receivable	-	7,733,575
Due from other governments	-	346,945
Property held for resale	-	610,948
<b>Total assets</b>	<b>\$ 1,419,557</b>	<b>\$ 14,955,888</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 199,213	\$ 293,654
Accrued liabilities	-	157,666
Retention payable	132,652	147,161
Due to other funds	-	136,346
<b>Total liabilities</b>	<b>331,865</b>	<b>734,827</b>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue	-	289,504
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>289,504</b>
<b>Fund Balances: (Note 11)</b>		
Restricted	1,087,692	14,413,492
<b>Total fund balances</b>	<b>1,087,692</b>	<b>13,931,557</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,419,557</b>	<b>\$ 14,955,888</b>

**City of Buena Park**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2018**

	Special Revenue				
	Asset Forfeiture	Proposition 172 Police Augmentation	Measure M2	Local Law Enforcement Block Grant	Orange County Anti-Drug Abuse
<b>REVENUES:</b>					
Taxes	\$ -	\$ 408,977	\$ -	\$ -	\$ -
Intergovernmental	118,534	12,122	1,630,926	-	-
Charges for Services	-	-	-	-	-
Investment income	(303)	172	14,975	(252)	(9)
<b>Total revenues</b>	<b>118,231</b>	<b>421,271</b>	<b>1,645,901</b>	<b>(252)</b>	<b>(9)</b>
<b>EXPENDITURES:</b>					
Current:					
General government:	-	-	-	-	-
Transportation	-	-	467,751	-	-
Public Protection	71,874	342,344	-	26,840	-
Development	-	-	-	-	-
Environmental	-	-	-	-	-
Capital Outlay	19,997	-	298,984	-	-
Debt Service:					
Interest and Other Charges	109	-	-	-	-
<b>Total expenditures</b>	<b>91,980</b>	<b>342,344</b>	<b>766,735</b>	<b>26,840</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>26,251</b>	<b>78,927</b>	<b>879,166</b>	<b>(27,092)</b>	<b>(9)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	27,000	-
Transfers out	-	(78,317)	(1,808,297)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(78,317)</b>	<b>(1,808,297)</b>	<b>27,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>26,251</b>	<b>610</b>	<b>(929,131)</b>	<b>(92)</b>	<b>(9)</b>
<b>FUND BALANCES:</b>					
Beginning of year	159,078	303,144	2,257,536	88,725	20,197
End of year	\$ 185,329	\$ 303,754	\$ 1,328,405	\$ 88,633	\$ 20,188

Special Revenue

Traffic Congestion Relief	State OCATT	COPS/SLESF	Housing and Community Development	AB 2766/ AQMD	HOME Loans Special Revenue
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	234,096	178,937	1,076,264	562,104	118,458
31,720	-	-	1,334	-	-
(335)	-	(811)	(822)	1,290	(1,269)
<u>31,385</u>	<u>234,096</u>	<u>178,126</u>	<u>1,076,776</u>	<u>563,394</u>	<u>117,189</u>
-	-	-	-	9,879	-
-	-	-	-	-	-
-	235,122	274,260	-	-	-
-	-	-	861,823	-	195,773
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>235,122</u>	<u>274,260</u>	<u>861,823</u>	<u>9,879</u>	<u>195,773</u>
<u>31,385</u>	<u>(1,026)</u>	<u>(96,134)</u>	<u>214,953</u>	<u>553,515</u>	<u>(78,584)</u>
-	-	95,000	-	-	-
-	-	-	-	(344,457)	-
<u>-</u>	<u>-</u>	<u>95,000</u>	<u>-</u>	<u>(344,457)</u>	<u>-</u>
<u>31,385</u>	<u>(1,026)</u>	<u>(1,134)</u>	<u>214,953</u>	<u>209,058</u>	<u>(78,584)</u>
<u>185,379</u>	<u>41,995</u>	<u>130,929</u>	<u>2,582,296</u>	<u>403,176</u>	<u>7,199,129</u>
<u>\$ 216,764</u>	<u>\$ 40,969</u>	<u>\$ 129,795</u>	<u>\$ 2,797,249</u>	<u>\$ 612,234</u>	<u>\$ 7,120,545</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, 2018**

	Capital Projects	Total Non-Major Governmental Funds
	Park In-lieu	
<b>REVENUES:</b>		
Taxes	\$ -	\$ 408,977
Intergovernmental	-	3,931,441
Charges for Services	1,531,320	1,564,374
Investment income	2,448	15,084
<b>Total revenues</b>	<b>1,533,768</b>	<b>5,919,876</b>
<b>EXPENDITURES:</b>		
Current:		
General government:	-	9,879
Transportation	-	467,751
Public Protection	-	950,440
Development	-	1,057,596
Environmental	-	-
Capital Outlay	6,081,892	6,400,873
Debt Service:		
Interest and Other Charges	-	109
<b>Total expenditures</b>	<b>6,081,892</b>	<b>8,886,648</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,548,124)</b>	<b>(2,966,772)</b>
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	1,610,679	1,732,679
Transfers out	-	(2,231,071)
<b>Total other financing sources (uses)</b>	<b>1,610,679</b>	<b>(498,392)</b>
<b>Net change in fund balances</b>	<b>(2,937,445)</b>	<b>(3,465,164)</b>
<b>FUND BALANCES:</b>		
Beginning of year	4,025,137	17,396,721
End of year	<b>\$ 1,087,692</b>	<b>\$ 13,931,557</b>

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# 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, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 118,534	\$ (31,466)
Investment income	2,000	2,000	(303)	(2,303)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>152,000</u>	<u>152,000</u>	<u>118,231</u>	<u>(33,769)</u>
<b>EXPENDITURES:</b>				
Current:				
Public protection	73,000	73,000	71,874	1,126
Capital outlay	-	20,000	19,997	3
Debt service:				
Interest and other charges	1,000	1,000	109	891
<b>Total expenditures</b>	<u>74,000</u>	<u>94,000</u>	<u>91,980</u>	<u>2,020</u>
<b>Net change in fund balance</b>	<u>\$ 78,000</u>	<u>\$ 58,000</u>	26,251	<u>\$ (31,749)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>159,078</u>	
End of year			<u>\$ 185,329</u>	

# 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, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 400,000	\$ 400,000	\$ 408,977	\$ 8,977
Intergovernmental	-	12,122	12,122	-
Investment income	1,700	1,700	172	(1,528)
<b>Total revenues</b>	<b>401,700</b>	<b>413,822</b>	<b>421,271</b>	<b>7,449</b>
<b>EXPENDITURES:</b>				
Current:				
Public protection	346,960	350,004	342,344	7,660
<b>Total expenditures</b>	<b>346,960</b>	<b>350,004</b>	<b>342,344</b>	<b>7,660</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>54,740</b>	<b>63,818</b>	<b>78,927</b>	<b>15,109</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(54,540)	(90,157)	(78,317)	11,840
<b>Total other financing sources (uses)</b>	<b>(54,540)</b>	<b>(90,157)</b>	<b>(78,317)</b>	<b>11,840</b>
<b>Net change in fund balance</b>	<b>\$ 200</b>	<b>\$ (26,339)</b>	<b>610</b>	<b>\$ 26,949</b>
<b>FUND BALANCE:</b>				
Beginning of year			303,144	
End of year			<u>\$ 303,754</u>	



# City of Buena Park

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Measure M2 Special Revenue Fund For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,777,430	\$ 2,283,645	\$ 1,630,926	\$ (652,719)
Investment income	7,500	7,500	14,975	7,475
<b>Total revenues</b>	<b>1,784,930</b>	<b>2,291,145</b>	<b>1,645,901</b>	<b>(645,244)</b>
<b>EXPENDITURES:</b>				
Current:				
Transportation	479,980	490,482	467,751	22,731
Capital outlay	500,000	1,476,276	298,984	1,177,292
<b>Total expenditures</b>	<b>979,980</b>	<b>1,966,758</b>	<b>766,735</b>	<b>1,200,023</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>804,950</b>	<b>324,387</b>	<b>879,166</b>	<b>554,779</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	200,000	852,637	-	(852,637)
Transfers out	(1,435,000)	(2,531,042)	(1,808,297)	722,745
<b>Total other financing sources (uses)</b>	<b>(1,235,000)</b>	<b>(1,678,405)</b>	<b>(1,808,297)</b>	<b>(129,892)</b>
<b>Net change in fund balance</b>	<b>\$ (430,050)</b>	<b>\$ (1,354,018)</b>	<b>(929,131)</b>	<b>\$ 424,887</b>
<b>FUND BALANCE:</b>				
Beginning of year			2,257,536	
End of year			<b>\$ 1,328,405</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, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 15,700	\$ -	\$ (15,700)
Investment income	-	-	(252)	(252)
Miscellaneous			-	-
<b>Total revenues</b>	<b>-</b>	<b>15,700</b>	<b>(252)</b>	<b>(15,952)</b>
<b>EXPENDITURES:</b>				
Current:				
Public protection	54,540	54,540	26,840	27,700
<b>Total expenditures</b>	<b>54,540</b>	<b>54,540</b>	<b>26,840</b>	<b>27,700</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(54,540)</b>	<b>(38,840)</b>	<b>(27,092)</b>	<b>11,748</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	54,540	38,840	27,000	(11,840)
<b>Total other financing sources (uses)</b>	<b>54,540</b>	<b>38,840</b>	<b>27,000</b>	<b>(11,840)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(92)</b>	<b>\$ (92)</b>
<b>FUND BALANCE:</b>				
Beginning of year			88,725	
End of year			<b>\$ 88,633</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, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ (9)	\$ (9)
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>(9)</b>	<b>(9)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(9)</b>	<b>\$ (9)</b>
<b>FUND BALANCE:</b>				
Beginning of year			20,197	
End of year			<u>\$ 20,188</u>	

# City of Buena Park

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Traffic Congestion Relief Special Revenue Fund For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 5,000	\$ 5,000	\$ 31,720	\$ 26,720
Investment income	500	500	(335)	(835)
<b>Total revenues</b>	<b>5,500</b>	<b>5,500</b>	<b>31,385</b>	<b>25,885</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,500</b>	<b>5,500</b>	<b>31,385</b>	<b>25,885</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(107,095)	-	107,095
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(107,095)</b>	<b>-</b>	<b>107,095</b>
<b>Net change in fund balance</b>	<b>\$ 5,500</b>	<b>\$ (101,595)</b>	<b>31,385</b>	<b>\$ 132,980</b>
<b>FUND BALANCE:</b>				
Beginning of year			185,379	
End of year			<b>\$ 216,764</b>	

# 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, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 264,980	\$ 264,980	\$ 234,096	\$ (30,884)
Investment income	-	-	-	-
<b>Total revenues</b>	<b>264,980</b>	<b>264,980</b>	<b>234,096</b>	<b>(30,884)</b>
<b>EXPENDITURES:</b>				
Current:				
Public protection	264,980	268,024	235,122	32,902
<b>Total expenditures</b>	<b>264,980</b>	<b>268,024</b>	<b>235,122</b>	<b>32,902</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (3,044)</b>	<b>(1,026)</b>	<b>\$ 2,018</b>
<b>FUND BALANCE:</b>				
Beginning of year			41,995	
End of year			<b>\$ 40,969</b>	

# 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, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 120,000	\$ 120,000	\$ 178,937	\$ 58,937
Investment income	500	500	(811)	(1,311)
<b>Total revenues</b>	<u>120,500</u>	<u>120,500</u>	<u>178,126</u>	<u>57,626</u>
<b>EXPENDITURES:</b>				
Current:				
Public protection	287,380	293,467	274,260	19,207
<b>Total expenditures</b>	<u>287,380</u>	<u>293,467</u>	<u>274,260</u>	<u>19,207</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(166,880)</u>	<u>(172,967)</u>	<u>(96,134)</u>	<u>76,833</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	166,880	166,880	95,000	(71,880)
<b>Total other financing sources (uses)</b>	<u>166,880</u>	<u>166,880</u>	<u>95,000</u>	<u>(71,880)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (6,087)</u>	<u>(1,134)</u>	<u>\$ 4,953</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>130,929</u>	
End of year			<u>\$ 129,795</u>	

# City of Buena Park

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Housing and Community Development Special Revenue Fund For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 727,610	\$ 727,610	\$ 1,076,264	\$ 348,654
Charges for services	-	-	1,334	1,334
Investment income	-	-	(822)	(822)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>727,610</u>	<u>727,610</u>	<u>1,076,776</u>	<u>349,166</u>
<b>EXPENDITURES:</b>				
Current:				
Development	<u>727,610</u>	<u>738,231</u>	<u>861,823</u>	<u>(123,592)</u>
<b>Total expenditures</b>	<u>727,610</u>	<u>738,231</u>	<u>861,823</u>	<u>(123,592)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (10,621)</u>	214,953	<u>\$ 225,574</u>
<b>FUND BALANCE:</b>				
Beginning of year, as restated			<u>2,582,296</u>	
End of year			<u>\$ 2,797,249</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, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 100,000	\$ 669,262	\$ 562,104	\$ (107,158)
Investment income	1,500	1,500	1,290	(210)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>101,500</b>	<b>670,762</b>	<b>563,394</b>	<b>(107,368)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	9,879	(9,879)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>9,879</b>	<b>(9,879)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>101,500</b>	<b>670,762</b>	<b>553,515</b>	<b>(117,247)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(484,457)	(344,457)	140,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(484,457)</b>	<b>(344,457)</b>	<b>140,000</b>
<b>Net change in fund balance</b>	<b>\$ 101,500</b>	<b>\$ 186,305</b>	<b>209,058</b>	<b>\$ 22,753</b>
<b>FUND BALANCE:</b>				
Beginning of year			403,176	
End of year			<u>\$ 612,234</u>	



**City of Buena Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**HOME Special Revenue Fund**  
**For the year ended June 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 118,458	\$ 118,458
Investment income	2,000	2,000	(1,269)	(3,269)
<b>Total revenues</b>	<b>2,000</b>	<b>2,000</b>	<b>117,189</b>	<b>115,189</b>
<b>EXPENDITURES:</b>				
Current:				
Development	-	-	195,773	(195,773)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>195,773</b>	<b>(195,773)</b>
<b>Net change in fund balance</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>(78,584)</b>	<b>\$ (80,584)</b>
<b>FUND BALANCE:</b>				
Beginning of year			7,199,129	
End of year			<b>\$ 7,120,545</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, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	420,000	420,000	1,531,320	1,111,320
Investment income	10,000	10,000	2,448	(7,552)
<b>Total revenues</b>	<b>430,000</b>	<b>429,800</b>	<b>1,533,768</b>	<b>1,103,968</b>
<b>EXPENDITURES:</b>				
Capital outlay	-	6,799,335	6,081,892	717,443
<b>Total expenditures</b>	<b>-</b>	<b>6,799,335</b>	<b>6,081,892</b>	<b>717,443</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>430,000</b>	<b>(6,369,535)</b>	<b>(4,548,124)</b>	<b>1,821,411</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	2,044,737	1,610,679	(434,058)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,044,737</b>	<b>1,610,679</b>	<b>(434,058)</b>
<b>Net change in fund balance</b>	<b>\$ 430,000</b>	<b>\$ (4,324,798)</b>	<b>(2,937,445)</b>	<b>\$ 1,387,353</b>
<b>FUND BALANCE:</b>				
Beginning of year			4,025,137	
End of year			<u>\$ 1,087,692</u>	

## 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, 2018**

	Workers' Compensation Insurance	Public Liability Self -Insurance	Accrued Leave
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 3,848,303	\$ 1,259,770	\$ 823,451
Accounts receivable, net	7,685	-	-
Interest receivable	14,682	4,756	3,111
Loans receivable	-	-	-
Prepaid items	234,180	437,025	-
Total current assets	<u>4,104,850</u>	<u>1,701,551</u>	<u>826,562</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>4,104,850</u>	<u>1,701,551</u>	<u>826,562</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred employer pension contributions	-	-	-
Deferred outflows of resources - pension	-	-	-
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	149	170,992	-
Accrued liabilities	-	-	-
Employee leave benefits - due within one year	-	-	-
Claims payable - due within one year	100,000	-	-
Total current liabilities	<u>100,149</u>	<u>170,992</u>	<u>-</u>
Noncurrent liabilities:			
Employee leave benefits - due in more than one year	-	-	-
Claims payable - due in more than one year	6,959,761	696,733	-
Net pension liability	-	-	-
Total noncurrent liabilities	<u>6,959,761</u>	<u>696,733</u>	<u>-</u>
<b>Total liabilities</b>	<u>7,059,910</u>	<u>867,725</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	(2,955,060)	833,826	826,562
<b>Total Net Position</b>	<u>\$ (2,955,060)</u>	<u>\$ 833,826</u>	<u>\$ 826,562</u>

Equipment Maintenance & Replacement	Buildings and Grounds Maintenance	Management Information System	Total
\$ 4,717,788	\$ 768,495	\$ 1,863,404	\$ 13,281,211
-	-	-	7,685
17,851	2,963	7,041	50,404
21,184	-	-	21,184
-	-	-	671,205
<u>4,756,823</u>	<u>771,458</u>	<u>1,870,445</u>	<u>14,031,689</u>
<u>2,507,631</u>	<u>15,206</u>	<u>205,201</u>	<u>2,728,038</u>
<u>2,507,631</u>	<u>15,206</u>	<u>205,201</u>	<u>2,728,038</u>
<u>2,507,631</u>	<u>15,206</u>	<u>205,201</u>	<u>2,728,038</u>
<u>7,264,454</u>	<u>786,664</u>	<u>2,075,646</u>	<u>16,759,727</u>
<u>82,762</u>	<u>67,001</u>	<u>20,693</u>	<u>170,456</u>
<u>139,542</u>	<u>112,148</u>	<u>34,884</u>	<u>286,574</u>
<u>222,304</u>	<u>179,149</u>	<u>55,577</u>	<u>457,030</u>
<u>59,743</u>	<u>82,957</u>	<u>7,224</u>	<u>321,065</u>
<u>15,908</u>	<u>15,595</u>	<u>7,575</u>	<u>39,078</u>
<u>10,000</u>	<u>11,000</u>	<u>-</u>	<u>21,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
<u>85,651</u>	<u>109,552</u>	<u>14,799</u>	<u>481,143</u>
<u>6,435</u>	<u>29,180</u>	<u>-</u>	<u>35,615</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,656,494</u>
<u>1,023,294</u>	<u>822,407</u>	<u>255,812</u>	<u>2,101,513</u>
<u>1,029,729</u>	<u>851,587</u>	<u>255,812</u>	<u>9,793,622</u>
<u>1,115,380</u>	<u>961,139</u>	<u>270,611</u>	<u>10,274,765</u>
<u>34,228</u>	<u>27,509</u>	<u>8,558</u>	<u>70,295</u>
<u>34,228</u>	<u>27,509</u>	<u>8,558</u>	<u>70,295</u>
<u>2,507,631</u>	<u>15,206</u>	<u>205,201</u>	<u>2,728,038</u>
<u>3,829,519</u>	<u>(38,041)</u>	<u>1,646,853</u>	<u>4,143,659</u>
<u>\$ 6,337,150</u>	<u>\$ (22,835)</u>	<u>\$ 1,852,054</u>	<u>\$ 6,871,697</u>

**City of Buena Park**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2018**

	Workers' Compensation Insurance	Public Liability Self -Insurance	Accrued Benefits
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 1,059,366	\$ -	\$ 171,452
Other	24,190	-	-
<b>Total operating revenues</b>	<b>1,083,556</b>	<b>-</b>	<b>171,452</b>
<b>OPERATING EXPENSES</b>			
Self-insurance	2,322,984	835,226	-
Employee benefits	-	-	322,393
Maintenance and supplies	-	-	-
Information systems	-	-	-
Depreciation	-	-	-
<b>Total operating expenses</b>	<b>2,322,984</b>	<b>835,226</b>	<b>322,393</b>
Operating income (loss)	(1,239,428)	(835,226)	(150,941)
<b>NONOPERATING REVENUES</b>			
Investment income	1,233	(9,363)	424
Gain(loss) on sale of property	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>1,233</b>	<b>(9,363)</b>	<b>424</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(1,238,195)</b>	<b>(844,589)</b>	<b>(150,517)</b>
Transfers in	-	1,145,000	-
Transfers out	(126,200)	-	-
<b>Total transfers</b>	<b>(126,200)</b>	<b>1,145,000</b>	<b>-</b>
<b>Change in net position</b>	<b>(1,364,395)</b>	<b>300,411</b>	<b>(150,517)</b>
<b>NET POSITION:</b>			
Beginning of year	(1,590,665)	533,415	977,079
End of Year	<u>\$ (2,955,060)</u>	<u>\$ 833,826</u>	<u>\$ 826,562</u>

<u>Equipment Maintenance &amp; Replacement</u>	<u>Buildings and Grounds Maintenance</u>	<u>Management Information System</u>	<u>Total</u>
\$ 2,147,567	\$ 2,239,152	\$ 431,076	\$ 6,048,613
-	-	-	24,190
<u>2,147,567</u>	<u>2,239,152</u>	<u>431,076</u>	<u>6,072,803</u>
-	-	-	3,158,210
-	-	-	322,393
1,485,380	2,152,779	-	3,638,159
-	-	263,476	263,476
<u>432,718</u>	<u>1,930</u>	<u>97,624</u>	<u>532,272</u>
<u>1,918,098</u>	<u>2,154,709</u>	<u>361,100</u>	<u>7,914,510</u>
<u>229,469</u>	<u>84,443</u>	<u>69,976</u>	<u>(1,841,707)</u>
(2,295)	(754)	(1,473)	(12,228)
<u>26,605</u>	<u>-</u>	<u>-</u>	<u>26,605</u>
<u>24,310</u>	<u>(754)</u>	<u>(1,473)</u>	<u>14,377</u>
253,779	83,689	68,503	(1,827,330)
-	-	-	1,145,000
<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>(141,200)</u>
<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>1,003,800</u>
253,779	68,689	68,503	(823,530)
6,083,371	(91,524)	1,783,551	7,695,227
<u>\$ 6,337,150</u>	<u>\$ (22,835)</u>	<u>\$ 1,852,054</u>	<u>\$ 6,871,697</u>

**City of Buena Park**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the year ended June 30, 2018**

	Workers' Compensation Insurance	Public Liability Self -Insurance	Accrued Benefits
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from other funds	\$ 1,051,681	\$ -	\$ 171,452
Cash received from other	24,190	-	-
Cash payments to suppliers for goods and services	(1,791,540)	(1,724,463)	(89,653)
Cash paid to employees	-	-	(232,740)
<b>Net cash provided by (used in) operating activities</b>	<b>(715,669)</b>	<b>(1,724,463)</b>	<b>(150,941)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers in	-	1,145,000	-
Transfers out	(126,200)	-	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(126,200)</b>	<b>1,145,000</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED 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	(3,169)	(12,288)	(704)
<b>Net cash provided by investing activities</b>	<b>(3,169)</b>	<b>(12,288)</b>	<b>(704)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(845,038)</b>	<b>(591,751)</b>	<b>(151,645)</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	4,693,341	1,851,521	975,096
End of year	<b>\$ 3,848,303</b>	<b>\$ 1,259,770</b>	<b>\$ 823,451</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (1,239,428)	\$ (835,226)	\$ (150,941)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	-	-
Changes in assets and liabilities:			
Accounts receivable	(7,685)	-	-
Loans receivable	-	-	-
Prepaid items	(234,180)	(437,025)	-
Deferred outflows of resources - pension	-	-	-
Accounts payable	149	144,413	-
Accrued liabilities	-	-	-
Employee leave benefits	-	-	-
Claims payable	765,475	(596,625)	-
Net pension liability	-	-	-
Deferred inflows of resources - pension	-	-	-
<b>Total adjustments</b>	<b>523,759</b>	<b>(889,237)</b>	<b>-</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (715,669)</b>	<b>\$ (1,724,463)</b>	<b>\$ (150,941)</b>



Equipment Maintenance & Replacement	Buildings and Grounds Maintenance	Management Information System	Total
\$ 2,141,822	\$ 2,239,209	\$ 431,076	\$ 6,035,240
-	-	-	24,190
(1,161,010)	(1,759,144)	(185,996)	(6,711,806)
(294,083)	(318,163)	(75,339)	(920,325)
<u>686,729</u>	<u>161,902</u>	<u>169,741</u>	<u>(1,572,701)</u>
-	-	-	1,145,000
-	(15,000)	-	(141,200)
-	(15,000)	-	1,003,800
(562,957)	(8,644)	(29,050)	(600,651)
26,605	-	-	26,605
<u>(536,352)</u>	<u>(8,644)</u>	<u>(29,050)</u>	<u>(574,046)</u>
(10,847)	(2,402)	(5,005)	(34,415)
(10,847)	(2,402)	(5,005)	(34,415)
139,530	135,856	135,686	(1,177,362)
4,578,258	632,639	1,727,718	14,458,573
<u>\$ 4,717,788</u>	<u>\$ 768,495</u>	<u>\$ 1,863,404</u>	<u>13,281,211</u>
\$ 229,469	\$ 84,443	\$ 69,976	\$ (1,841,707)
432,718	1,930	97,624	532,272
-	57	-	(7,628)
(5,745)	-	-	(5,745)
-	-	6,296	(664,909)
(26,515)	(21,430)	(6,630)	(54,575)
(28,845)	21,774	(24,852)	112,639
395	6,338	7,575	14,308
6,251	5,179	-	11,430
-	-	-	168,850
76,760	61,691	19,189	157,640
2,241	1,920	563	4,724
<u>378,259</u>	<u>13,848</u>	<u>80,013</u>	<u>269,006</u>
<u>\$ 686,729</u>	<u>\$ 161,902</u>	<u>\$ 169,741</u>	<u>\$ (1,572,701)</u>

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## AGENCY FUNDS

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

***Buena Park Tourism Marketing District Agency Fund*** accounts for assets and liabilities related to the Buena Park Tourism Marketing District.

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**City of Buena Park**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2018**

	Buena Park CFD Mall	Buena Park Tourism Marketing District	Total Agency Funds
<b>Assets:</b>			
Cash and investments	\$ -	\$ 571,843	\$ 571,843
Accounts receivable	-	109,543	109,543
Restricted cash and investments	6,729,827	25,000	6,754,827
<b>Total assets</b>	<b>\$ 6,729,827</b>	<b>\$ 706,386</b>	<b>\$ 7,436,213</b>
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 57,431	\$ 57,431
Deposits payable	-	648,955	648,955
Due to bondholders	6,729,827	-	6,729,827
<b>Total liabilities</b>	<b>\$ 6,729,827</b>	<b>\$ 706,386</b>	<b>\$ 7,436,213</b>

**City of Buena Park**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b>CFD Mall Agency Fund</b>				
<b>Assets:</b>				
Restricted cash and investments	\$ 6,992,629	\$ -	\$ 262,802	\$ 6,729,827
<b>Total assets</b>	<b>\$ 6,992,629</b>	<b>\$ -</b>	<b>\$ 262,802</b>	<b>\$ 6,729,827</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 6,992,629	\$ -	\$ 262,802	\$ 6,729,827
<b>Total liabilities</b>	<b>\$ 6,992,629</b>	<b>\$ -</b>	<b>\$ 262,802</b>	<b>\$ 6,729,827</b>
<b>Buena Park Tourism Marketing District</b>				
<b>Assets:</b>				
Cash and investments	\$ 455,454	\$ 1,016,982	\$ 900,593	\$ 571,843
Accounts receivable	103,492	109,543	103,492	109,543
Restricted cash and investments	-	25,000	-	25,000
<b>Total assets</b>	<b>\$ 558,946</b>	<b>\$ 1,151,525</b>	<b>\$ 1,004,085</b>	<b>\$ 706,386</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,295	\$ 57,431	\$ 1,295	\$ 57,431
Deposits payable	557,651	1,094,094	1,002,790	648,955
<b>Total liabilities</b>	<b>\$ 558,946</b>	<b>\$ 1,151,525</b>	<b>\$ 1,004,085</b>	<b>\$ 706,386</b>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Cash and investments	\$ 455,454	\$ 1,016,982	\$ 900,593	\$ 571,843
Accounts receivable	103,492	109,543	103,492	109,543
Restricted cash and investments	6,992,629	25,000	262,802	6,754,827
<b>Total assets</b>	<b>\$ 7,551,575</b>	<b>\$ 1,151,525</b>	<b>\$ 1,266,887</b>	<b>\$ 7,436,213</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,295	\$ 57,431	\$ 1,295	\$ 57,431
Deposits payable	557,651	1,094,094	1,002,790	648,955
Due to bondholders	6,992,629	-	262,802	6,729,827
<b>Total liabilities</b>	<b>\$ 7,551,575</b>	<b>\$ 1,151,525</b>	<b>\$ 1,266,887</b>	<b>\$ 7,436,213</b>

# 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.	154-163
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	165-169
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.	170-174
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.	175-176
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.	178-183

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

	Fiscal Year			
	2008-09	2009-10	2010-11	2011-12
Governmental Activities				
Net investment in capital assets	\$ 114,928	\$ 105,023	\$ 200,780	\$ 214,554
Restricted	146,683	170,117	66,102	25,378
Unrestricted	35,482	20,221	21,066	22,020
Total governmental activities net position	<u>\$ 297,093</u>	<u>\$ 295,361</u>	<u>\$ 287,948</u>	<u>\$ 261,952</u>
Business-type Activities				
Net investment in capital assets	\$ 18,726	\$ 19,287	\$ 19,708	\$ 20,068
Restricted				
Unrestricted	9,145	12,499	15,041	18,261
Total business-type activities net position	<u>\$ 27,871</u>	<u>\$ 31,786</u>	<u>\$ 34,749</u>	<u>\$ 38,329</u>
Primary Government				
Net investment in capital assets	\$ 133,654	\$ 124,310	\$ 220,488	\$ 234,622
Restricted	146,683	170,117	66,102	25,378
Unrestricted	44,627	32,720	36,107	40,281
Total primary government net position	<u>\$ 324,964</u>	<u>\$ 327,147</u>	<u>\$ 322,697</u>	<u>\$ 300,281</u>

Source: City of Buena Park Finance Department



Fiscal Year					
2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
\$ 215,872	\$ 218,671	\$ 216,987	\$ 219,881	\$ 224,573	\$ 244,051
23,696	45,392	45,733	45,437	55,406	41,631
41,891	56,334	(12,168)	(24,072)	(29,221)	(58,567)
<u>\$ 281,459</u>	<u>\$ 320,397</u>	<u>\$ 250,552</u>	<u>\$ 241,246</u>	<u>\$ 250,758</u>	<u>\$ 227,115</u>
\$ 20,113	\$ 20,612	\$ 20,530	\$ 22,665	\$ 25,041	\$ 33,550
21,253	23,691	20,007	20,109	19,139	12,065
<u>\$ 41,366</u>	<u>\$ 44,303</u>	<u>\$ 40,537</u>	<u>\$ 42,774</u>	<u>\$ 44,180</u>	<u>\$ 45,615</u>
\$ 235,985	\$ 239,283	\$ 237,517	\$ 242,546	\$ 249,614	\$ 277,601
23,696	45,392	45,733	45,437	55,406	41,631
63,144	80,025	7,839	(3,963)	(10,082)	(46,502)
<u>\$ 322,825</u>	<u>\$ 364,700</u>	<u>\$ 291,089</u>	<u>\$ 284,020</u>	<u>\$ 294,938</u>	<u>\$ 272,730</u>

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

	Fiscal Year			
	2008-09	2009-10	2010-11	2011-12
<b>Expenses</b>				
Governmental activities:				
General government	\$ 6,634	\$ 6,361	\$ 7,161	\$ 6,145
Leisure	2,525	2,561	2,514	2,626
Health	3,176	2,780	2,776	2,777
Transportation	8,388	8,774	8,295	8,041
Public Protection	31,195	30,707	29,074	29,780
Development	15,512	24,516	19,530	9,217
Environmental	2,949	3,118	2,832	2,724
Interest	5,828	5,954	6,271	3,537
Total governmental activities net expenses	<u>76,207</u>	<u>84,771</u>	<u>78,453</u>	<u>64,847</u>
Business-type activities:				
Water	\$ 11,410	\$ 11,682	\$ 11,341	\$ 12,596
Total business-type activities net expenses	<u>11,410</u>	<u>11,682</u>	<u>11,341</u>	<u>12,596</u>
Total primary government expenses	<u>\$ 87,617</u>	<u>\$ 96,453</u>	<u>\$ 89,794</u>	<u>\$ 77,443</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 782	\$ 702	\$ 100	\$ 221
Leisure	585	738	1,003	1,334
Health	2,828	2,949	2,946	3,016
Transportation	271	295	231	413
Public Protection	2,170	2,291	2,561	2,650
Development	700	1,354	1,178	1,683
Environmental	-	1	-	-
Operating contributions and grants	4,706	7,613	5,594	7,032
Capital contributions and grants	3,871	2,749	2,095	3,668
Total governmental activities program revenues	<u>15,913</u>	<u>18,692</u>	<u>15,708</u>	<u>20,017</u>
Business-type activities:				
Charges for services:				
Water utility	13,846	14,769	14,904	16,223
Operating contributions and grants	-	-	-	-
Capital contributions and grants	554	890	-	-
Total business-type activities program revenues	<u>14,400</u>	<u>15,659</u>	<u>14,904</u>	<u>16,223</u>
Primary government program revenues	<u>\$ 30,313</u>	<u>\$ 34,351</u>	<u>\$ 30,612</u>	<u>\$ 36,240</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (60,294)	\$ (66,079)	\$ (62,745)	\$ (44,830)
Business-type activities	<u>2,990</u>	<u>3,977</u>	<u>3,563</u>	<u>3,627</u>
Total primary government net expense	<u>\$ (57,304)</u>	<u>\$ (62,102)</u>	<u>\$ (59,182)</u>	<u>\$ (41,203)</u>

Source: City of Buena Park Finance Department

Fiscal Year

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
\$	6,551	\$ 6,491	\$ 7,125	\$ 8,098	\$ 7,659	\$ 8,803
	2,905	3,048	3,071	3,570	3,459	4,033
	2,796	3,018	3,000	3,155	3,025	3,244
	7,727	8,696	9,875	8,380	9,245	10,571
	30,531	30,563	31,841	35,851	39,109	41,084
	3,166	2,763	12,700	5,055	3,695	4,353
	2,952	2,979	2,987	3,167	3,266	3,740
	482	416	347	275	269	486
	<u>57,110</u>	<u>57,974</u>	<u>70,946</u>	<u>67,551</u>	<u>69,727</u>	<u>76,314</u>
\$	13,461	\$ 13,611	\$ 13,908	\$ 12,753	\$ 14,594	\$ 16,788
	<u>13,461</u>	<u>13,611</u>	<u>13,908</u>	<u>12,753</u>	<u>14,594</u>	<u>16,788</u>
\$	<u>70,571</u>	<u>71,585</u>	<u>84,854</u>	<u>80,304</u>	<u>84,321</u>	<u>93,102</u>
\$	174	\$ 132	\$ 198	\$ 207	\$ 226	\$ 244
	733	824	774	893	857	919
	2,972	3,118	3,130	3,227	3,222	3,294
	163	226	213	227	260	235
	2,685	3,649	2,642	3,315	8,368	4,336
	1,844	1,839	3,299	5,099	3,917	3,619
	160	183	209	227	253	263
	5,226	6,506	6,122	5,521	6,664	5,231
	2,924	3,492	2,134	2,485	2,832	3,268
	<u>16,881</u>	<u>19,969</u>	<u>18,721</u>	<u>21,201</u>	<u>26,599</u>	<u>21,409</u>
	16,562	16,462	15,270	14,124	16,010	18,060
	-	-	-	-	124	299
	-	-	-	-	-	-
	<u>16,562</u>	<u>16,462</u>	<u>15,270</u>	<u>14,124</u>	<u>16,134</u>	<u>18,359</u>
\$	<u>33,443</u>	<u>36,431</u>	<u>33,991</u>	<u>35,325</u>	<u>42,733</u>	<u>39,768</u>
\$	(40,229)	\$ (38,005)	\$ (52,225)	\$ (46,350)	\$ (43,128)	\$ (54,905)
	<u>3,101</u>	<u>2,851</u>	<u>1,362</u>	<u>1,371</u>	<u>1,540</u>	<u>1,571</u>
\$	<u>(37,128)</u>	<u>(35,154)</u>	<u>(50,863)</u>	<u>(44,979)</u>	<u>(41,588)</u>	<u>(53,334)</u>

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

	Fiscal Year			
	2008-09	2009-10	2010-11	2011-12
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Property taxes	\$ 33,819	\$ 32,643	\$ 33,351	\$ 21,564
Sales taxes	13,801	14,886	19,848	18,520
Property taxes in lieu of sales taxes	6,563	4,888	6,450	4,956
Transient occupancy taxes	3,909	3,663	3,816	4,050
Franchise taxes	1,756	1,618	1,757	1,697
Other taxes	10,175	9,873	3,446	9,330
Investment income	8,023	2,086	1,545	963
Other	1,063	30	42	96
Transfers	350	377	849	289
Gain/loss on sale of property	-	-	-	-
Extraordinary item	-	-	-	(42,631)
Total governmental activities	<u>79,459</u>	<u>70,064</u>	<u>71,104</u>	<u>18,834</u>
Business-type activities:				
Investment income	395	315	247	242
Other	64	-	-	-
Transfers	(350)	(377)	(849)	(289)
Total business-type activities	<u>109</u>	<u>(62)</u>	<u>(602)</u>	<u>(47)</u>
Total primary government	<u>\$ 79,568</u>	<u>\$ 70,002</u>	<u>\$ 70,502</u>	<u>\$ 18,787</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 19,165	\$ 3,985	\$ 8,359	\$ (25,996)
Business-type activities	3,099	3,915	2,961	3,580
Total primary government	<u>\$ 22,264</u>	<u>\$ 7,900</u>	<u>\$ 11,320</u>	<u>\$ (22,416)</u>

Source: City of Buena Park Finance Department

Fiscal Year

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
\$	12,041	\$ 8,156	\$ 9,709	10,661	\$ 10,467	\$ 10,870
	18,913	20,420	15,889	17,701	20,841	20,943
	6,035	6,842	7,355	2,533	-	-
	4,403	5,007	5,686	6,442	6,529	6,591
	1,729	1,700	2,002	1,776	1,720	1,871
	9,943	10,388	10,940	11,424	11,549	11,965
	151	609	590	1,025	10	32
	10	26	136	10	356	143
	102	102	76	98	139	147
	-	-	-	-	-	-
	-	-	-	-	-	(7,191)
	<u>53,327</u>	<u>53,250</u>	<u>52,383</u>	<u>51,670</u>	<u>51,611</u>	<u>45,371</u>
	37	188	135	300	5	11
	-	-	-	-	-	-
	<u>(102)</u>	<u>(102)</u>	<u>(76)</u>	<u>(98)</u>	<u>(139)</u>	<u>(147)</u>
	<u>(65)</u>	<u>86</u>	<u>59</u>	<u>202</u>	<u>(134)</u>	<u>(136)</u>
\$	<u>53,262</u>	<u>53,336</u>	<u>52,442</u>	<u>51,872</u>	<u>51,477</u>	<u>45,235</u>
\$	13,098	\$ 15,245	\$ 158	\$ 5,321	\$ 8,483	\$ (9,534)
	3,036	2,937	1,421	1,573	1,406	1,435
\$	<u>16,134</u>	<u>18,182</u>	<u>1,579</u>	<u>6,894</u>	<u>9,889</u>	<u>(8,099)</u>

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

	Fiscal Year				
	2008-09	2009-10	2010-11	2011-12	2012-13
General Fund					
Reserved	\$ 6,347	\$ 4,018			
Unreserved, designated	1,206	5,016			
Unreserved, undesignated	20,983	15,777			
Nonspendable	-	-	\$ 458	\$ 279	\$ 5,765
Restricted	-	-	-	-	1,414
Assigned	-	-	242	-	-
Unassigned	-	-	33,758	29,302	39,821
<b>Total general fund</b>	<b>\$ 28,536</b>	<b>\$ 24,811</b>	<b>\$ 34,458</b>	<b>\$ 29,581</b>	<b>\$ 47,000</b>
All Other Governmental Funds					
Reserved	\$ 146,544	\$ 132,108	\$ -	\$ -	\$ -
Unreserved, designated reported in:					
Capital projects funds	-	-	-	-	-
Unreserved, undesignated reported in:					
Special revenue funds	8,187	10,103	-	-	-
Capital projects funds	21,750	15,727	-	-	-
Nonspendable	-	-	611	612	14
Restricted	-	-	147,330	16,940	15,164
Assigned	-	-	331	370	494
Unassigned	-	-	(1,712)	(331)	(266)
<b>Total all other governmental funds</b>	<b>\$ 176,481</b>	<b>\$ 157,938</b>	<b>\$ 146,560</b>	<b>\$ 17,591</b>	<b>\$ 15,406</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, Committed, Assigned, and Unassigned.

Source: City of Buena Park Finance Department

<u>2013-14</u>	<u>2014-15</u>	<u>Fiscal Year 2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
			\$ -	\$ -
			-	-
			-	-
\$ 5,848	\$ 5,882	\$ 9,305	10,735	4,942
1,414	1,438	1,438	11,485	549
4,043	5,126	5,705	7,381	6,486
<u>48,428</u>	<u>55,697</u>	<u>51,697</u>	<u>42,771</u>	<u>27,201</u>
<u>\$ 59,733</u>	<u>\$ 68,143</u>	<u>\$ 68,145</u>	<u>\$ 72,372</u>	<u>\$ 39,178</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
27,554	43,427	43,759	43,928	41,564
609	664	560	-	55
<u>(237)</u>	<u>-</u>	<u>(83)</u>	<u>(8)</u>	<u>(482)</u>
<u>\$ 27,926</u>	<u>\$ 44,091</u>	<u>\$ 44,236</u>	<u>\$ 43,920</u>	<u>\$ 41,137</u>

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

	Fiscal Years				
	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Revenues</b>					
Taxes	65,899	60,868	63,523	54,422	46,806
Licenses and permits	446	487	386	545	515
Fines and forfeitures	917	976	1,110	874	710
Intergovernmental	15,176	14,264	12,921	15,295	14,344
Charges for services	5,972	6,183	6,193	6,719	7,000
Investment income	7,066	3,391	8,526	1,386	244
Miscellaneous	3,479	2,639	1,044	2,147	411
<b>Total revenues</b>	<b>98,955</b>	<b>88,808</b>	<b>93,703</b>	<b>81,388</b>	<b>70,030</b>
<b>Expenditures</b>					
General government	5,727	5,540	4,507	5,041	6,016
Leisure	2,138	2,177	2,140	2,132	2,362
Health	2,853	2,999	2,832	2,777	2,780
Transportation	3,176	2,780	2,776	5,369	4,877
Public protection	5,865	5,776	5,711	28,695	28,813
Development	47,024	28,861	28,732	12,786	2,756
Environmental	16,686	25,360	26,839	2,724	2,935
Debt service:					
Principal retirement	1,656	4,162	4,327	4,481	1,568
Interest and other charges	5,612	6,468	6,093	3,030	487
Bond issuance costs	143	-	-	-	-
Advance refunding escrow					
Capital Outlay	26,687	24,424	11,393	13,663	7,794
<b>Total expenditures</b>	<b>117,567</b>	<b>108,547</b>	<b>95,350</b>	<b>80,698</b>	<b>60,388</b>
Excess (deficiency) of revenues over (under) expenditures	(18,612)	(19,739)	(1,647)	690	9,642
<b>Other Financing Sources (Uses)</b>					
Transfers in	40,472	19,226	15,205	20,537	2,604
Transfers out	(40,462)	(19,733)	(15,291)	(21,131)	(3,437)
Insurance proceeds	-	-	-	-	-
Proceeds from sale of property	-	2	2	-	-
Loss on sale of property held for resale	-	-	-	-	-
Proceeds from long term debt	16,780	-	-	-	-
Proceeds from long term debt premium					
Proceeds from sale of capital assets	-	-	-	-	3
<b>Total other financing sources (uses)</b>	<b>16,790</b>	<b>(505)</b>	<b>(84)</b>	<b>(594)</b>	<b>(830)</b>
Special items				-	-
Extraordinary item				(133,942)	-
<b>Net change in fund balances</b>	<b>(1,822)</b>	<b>(20,244)</b>	<b>(1,731)</b>	<b>96</b>	<b>8,812</b>
Fund balances - July 1, restated	206,838	202,993	182,749	181,018	53,594
Fund balances - June 30	<u>205,016</u>	<u>182,749</u>	<u>181,018</u>	<u>47,172</u>	<u>62,406</u>
Debt service as a percentage of noncapital expenditures	7.97%	12.64%	13.25%	12.00%	3.85%

Source: City of Buena Park Finance Department



Fiscal Years				
2013-14	2014-15	2015-16	2016-17	2017-18
46,390	44,811	43,400	43,591	44,281
496	790	903	914	791
736	852	812	846	891
16,257	15,401	15,553	13,934	15,883
7,243	7,774	9,823	8,532	8,908
763	789	1,137	256	369
1,400	532	966	3,796	1,488
<u>73,285</u>	<u>70,949</u>	<u>72,594</u>	<u>71,869</u>	<u>72,611</u>
5,852	6,493	7,282	7,506	7,332
2,448	2,481	2,882	2,939	3,154
2,960	2,962	3,029	3,046	3,153
5,008	5,066	5,654	5,407	5,961
28,754	29,642	33,337	34,515	36,999
2,676	3,907	4,827	3,791	3,894
2,920	2,945	3,046	3,247	3,524
1,633	1,702	4,059	22,818	18,078
422	353	281	210	525
-	-	-	251	-
<u>8,662</u>	<u>5,464</u>	<u>7,683</u>	<u>11,119</u>	<u>26,024</u>
<u>61,335</u>	<u>61,015</u>	<u>72,080</u>	<u>94,849</u>	<u>108,644</u>
11,950	9,934	514	(22,980)	(36,033)
2,292	1,403	1,513	3,611	13,717
(3,124)	(2,262)	(2,408)	(4,442)	(14,573)
-	-	-	5,626	1,481
-	-	-	-	2
-	(8,686)	-	-	-
-	-	526	9,785	-
86	-	1	507	-
<u>(746)</u>	<u>(9,545)</u>	<u>(368)</u>	<u>15,087</u>	<u>627</u>
-	-	-	10,775	6,621
-	-	-	-	(7,192)
11,204	389	148	2,882	(35,977)
<u>76,456</u>	<u>104,145</u>	<u>112,234</u>	<u>113,410</u>	<u>116,292</u>
<u>87,660</u>	<u>104,534</u>	<u>112,382</u>	<u>116,292</u>	<u>80,315</u>
3.87%	3.61%	6.82%	27.33%	22.44%

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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 Year	Property Tax	Sales and Use Tax	Property Tax in Lieu of Sales Tax	Transient Occupancy Tax	Franchise Tax	Other Taxes
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
2016-17	10,467	20,841	-	6,529	1,720	11,549
2017-18	10,870	20,943	-	6,591	1,871	11,965

Source: City of Buena Park Finance Department

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

Fiscal Year	City Direct Rate	Overlapping Rates	
		Buena Park Schools	Metro Water District
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
2016-17	1.0000	0.3152	0.0035
2017-18	1.0000	0.3279	0.0035

Source: Orange County Auditor/Controller

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

Taxpayer	<u>2017-18</u>			<u>2008-09</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	\$ 329,528,275	1	3.37%	\$ 301,738,571	1	3.97%
Comref So California Industiral Sub	150,434,336	2	1.54%			
The Source at Beach, LLC.	130,658,402	3	1.34%			
Alticor Inc	98,748,258	4	1.01%			
PRI Buena Park Indl California LLC	94,269,670	5	0.97%	99,654,000	3	1.31%
Newkoa LLC	87,050,020	6	0.89%			
The Realty Associates Fund XI LP	70,323,965	7	0.72%			
Coventry II DDR Buena Park Place LP	50,689,310	8	0.52%	101,862,748	2	1.34%
Bottling Group LLC	45,426,823	9	0.47%	42,195,975	7	0.55%
6300 Regio LLC	41,086,989	10	0.42%			
Prologis California I LLC				68,897,546	4	0.91%
Amway Corporation				67,308,468	5	0.89%
Georgia-Pacific Corporation				51,629,735	6	0.68%
LBA Realty Fund Holding Co.				35,648,840	8	0.47%
Georgia-Pacific Corrugated LLC				32,219,656	9	0.42%
HK Fullerton LLC				28,517,357	10	0.37%
	<u>\$ 1,098,216,048</u>		<u>11.25%</u>	<u>\$ 829,672,896</u>		<u>10.91%</u>

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

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

Fiscal year ended June 30	Total Tax Levy	Collected within the fiscal year of the levy		Collections in Subsequent Years	Total collections to date	
		Amount	% of Levy		Amount	% of Levy
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%	45,115	6,672,282	98.02%
2016-17	6,952,697	6,838,928	98.36%	39,816	6,878,744	98.94%
2017-18	6,930,627	6,820,731	98.41%	(2)		

(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
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
2016-17	6,003,197	1,740,740	1,182,750	489,028	203,841	9,619,556	1.00
2017-18	6,397,835	1,854,790	1,254,693	456,876	178,067	10,142,261	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					
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
2016-17	10,288	-	4,351	-	-	14,639	-	10,288	0.51%	123
2017-18	10,262	-	2,318	-	-	12,580	-	10,262	0.49%	122

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, 2018  
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>(1)</sup></u>	<u>Estimated Share of Overlapping Debt</u>
City of Buena Park direct debt			
Police Pension Obligation Loan	\$ 2,002	100.00%	\$ 2,002
OCTA Note Payable	\$ 316	100.00%	<u>\$ 316</u>
Total Direct Debt			<u>2,318</u>
Overlapping debt			
Metropolitan Water District	15,208	0.95%	144
Orange County and School District	888,499	13.34%	<u>118,514</u>
Total Overlapping Debt			<u>118,658</u>
Total direct and overlapping debt			<u><u>\$ 120,976</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)

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt limit	\$ 1,159,337	\$ 1,135,269	\$ 1,141,557	\$ 1,143,040	\$ 1,183,672
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 1,159,337</u>	<u>\$ 1,135,269</u>	<u>\$ 1,141,557</u>	<u>\$ 1,143,040</u>	<u>\$ 1,183,672</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2015-16:

Assessed value	\$ 9,767,749
Add back: exempt real property	<u>\$ 196,445</u>
Total assessed value	<u>\$ 9,964,194</u>
Debt limit (15% of total assessed value)	\$ 1,494,629
Debt applicable to limit:	-
Legal debt margin	<u>\$ 1,494,629</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

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 1,205,801	\$ 1,270,314	\$ 1,343,870	\$ 1,412,357	\$ 1,494,629
-	-	-	-	-
<u>\$ 1,205,801</u>	<u>\$ 1,270,314</u>	<u>\$ 1,343,870</u>	<u>\$ 1,412,357</u>	<u>\$ 1,494,629</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
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	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-

<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 Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
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%
2016-17	83,884	2,033,040	24,236	3.4%
2017-18	83,995	2,088,787	24,867	2.9%

Source: HdL, Coren & Cone

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

<u>Employer</u>	<u>2017-18</u>			<u>2008-09</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	12.68%	5,071	1	13.27%
J.C. Penney	526	2	1.32%	382	6	1.00%
Leach Corporation	483	3	1.21%	483	3	1.26%
Access Business Group, LLC	479	4	1.20%			
Pepsi	477	5	1.19%	462	5	1.21%
RIA Financial/AFEX Money Express	401	6	1.00%			
SYSCO Riverside, Inc.	375	7	0.94%			
Yamaha Corporation of America	350	8	0.88%	350	8	0.92%
Select Staffing Real Time Staffing Services	332	9	0.83%			
Golden State Food Corp	300	10	0.75%			
Prologis California I LLC				800	2	2.09%
Nutrilite				479	4	1.25%
ADP				358	7	0.94%
City of Buena Park				319	9	0.84%
Walmart				269	10	0.70%
<b>Total</b>	<u><u>8,794</u></u>		<u><u>21.99%</u></u>	<u><u>8,973</u></u>		<u><u>23.49%</u></u>

\* Based upon U.S. Department of Labor's estimate of 40,000 residents employed in 2017-18 and 38,200 employed in 2008-09.

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	2008-09	2009-10	2010-11	2011-12	2012-13
General Government	38	38	38	38	31
Public Safety	143	143	143	142	141
Public Works	47	47	47	47	41
Community Services	26	26	26	26	19
Community Development	28	28	28	28	21
Water	29	29	28	28	27
<b>Total</b>	<b>311</b>	<b>311</b>	<b>310</b>	<b>309</b>	<b>280</b>

Source: City of Buena Park Budget



<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
34	43	43	40.5	40.5
138	126	126	127	131
40	41	41	37	37
19	25	25	21.5	22.5
16	16	16	16	16
<u>27</u>	<u>27</u>	<u>27</u>	<u>28</u>	<u>28</u>
<u><u>274</u></u>	<u><u>278</u></u>	<u><u>278</u></u>	<u><u>270</u></u>	<u><u>275</u></u>

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

Function:	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Police</b>						
Calls dispatched	38,704	36,499	35,139	34,031	32,126	43,650
Crime reports	5,784	9,741	9,535	8,617	8,251	9,883
Moving citations	2,519	10,151	9,344	7,389	7,044	5,572
Parking citations	6,190	17,055	14,980	12,477	12,548	14,560
<b>Streets and Highways</b>						
Asphalt repair (in tons)	326	330	297	343	293	269
Curb & gutter repair (lineal ft.)	1,858	1,860	1,256	919	887	1,022
Sidewalk repair (lineal ft.)	2,988	3,000	2,616	1,483	1,211	1,324
<b>Water</b>						
Number of customer accounts	19,300	19,300	19,300	19,300	18,921	19,300
Average daily consumption (millions of gallons)	15	15	15	12.5	13.6	13.6
Water samples taken (annual)	1,200	1,200	1,200	1,200	1,200	1,200
<b>Sewers</b>						
Feet of sewer mains root cut/ chemically treated	22,000	22,000	22,000	22,000	29,405	29,274
<b>Maintenance</b>						
Graffiti removals	5,032	5,600	5,600	5,600	10,000	9,240
Streetsweeping miles	23,000	23,000	23,000	23,000	23,000	23,000
Trees pruned per year	5,294	5,200	4,887	5,000	5,975	5,344
<b>Culture and Recreation</b>						
Youth sports	1,100	1,050	1,050	1,100	1,000	900
Aquatics	29,550	27,500	29,000	29,500	29,500	25,749
Picnic rentals	14,745	12,500	12,500	12,500	15,000	17,000
Leisure classes	8,370	9,402	9,434	9,450	4,832	5,095
Senior Center participants	136,888	136,000	130,000	102,803	111,366	110,410

Source: City of Buena Park

2014-15	2015-16	2016-17	2017-18
43,051	56,163	66,096	76,955
9,540	9,831	9,874	10,283
8,973	8,803	7,124	9,096
16,221	14,589	18,566	16,617
270	283	211	97
1,000	422	417	726
1,300	3,893	2,143	6,719
19,300	19,481	19,391	19,520
10.9	10.6	11.1	12.1
1,200	1,200	3,000	3,000
29,000	52,630	52,630	52,630
7,172	8,160	8,708	5,439
23,000	2,300	23,350	23,350
5,300	5,400	1,150	1,754
1,300	1,302	1,203	1,223
23,617	25,751	26,885	25,821
20,000	18,700	13,141	15,440
3,752	3,655	3,709	3,969
116,112	122,216	132,410	132,504

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

Function:	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Public Safety</b>						
Police stations	1	1	1	1	1	1
Number of patrol units	30	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	8	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	2	2	3	3	3

Source: City of Buena Park

2014-15	2015-16	2016-17	2017-18
1 30	1 32	1 30	1 34
147.6 70	147.6 73	191.3 83	191.3 85
8 1 220	8 1 220	8 1 220	8 1 220
168 21	168 21	168 21	168 21
11 3	11 3	11 3	11 3