

CITY OF SANTA PAULA
FINANCIAL STATEMENTS
Year Ended June 30, 2013

**City of Santa Paula
Financial Statements
Year Ended June 30, 2013**

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Independent Auditor's Report

The Honorable City Council
City of Santa Paula, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Paula (the "City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Paula, as of June 30, 2013, 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.

Emphasis of Matter

As described in Note IV H to the financial statements, in 2013, the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The schedules listed in the Supplementary Information section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the Supplementary Information section of the table of contents 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 schedules listed in the Supplementary Information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 26, 2013 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 the 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.

Van Lant + Fankhaed, LLP

December 26, 2013

CITY OF SANTA PAULA

Management's Discussion and Analysis For the Year Ended June 30, 2013

As management of the City of Santa Paula, we offer readers of the City of Santa Paula's financial statements this narrative overview and analysis of the financial activities of the City of Santa Paula for the fiscal year ended June 30, 2013.

Financial Highlights

- The assets of the City of Santa Paula exceeded its liabilities at the close of FY 2012-13 by \$60,680,001 (*net position*). Of this amount, \$4,601,643 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$527,262.
- As of the close of the current fiscal year, the City of Santa Paula's governmental funds reported combined ending fund balances of \$11,290,851 a decrease of \$359,671 from the ending balance of 2012 that was \$11,650,522. Per GASB statement 54, of the fund balance \$752,647 is unspendable funds (loans receivable and endowments/trusts), \$8,487,642 (restricted fund balance-grant funds and bond proceeds) and \$2,050,562 is (*unassigned fund balance*) available for spending with some government discretion. However, of the \$2,050,562, \$1,108,863 is set aside as a General Fund Operating Reserve to be held "in the event of an emergency, disaster, or other extraordinary circumstance".
- At the end of the current fiscal year, unreserved fund balance from the general fund was \$2,728,089 or 23.3% of the fund total of total general fund expenditures and transfers equaling \$11,712,871. This is a decrease of \$2,323,580 compared to the prior year, mostly due to public works projects related to the bond proceeds and vacant police positions.
- The City of Santa Paula's governmental funds total current liabilities, excluding advances from other funds, at year-end were \$2,265,913 excluding deferred inflows, a decrease of \$1,753,588 over the prior year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Santa Paula's basic financial statements. The City of Santa Paula's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Santa Paula's finances, in a manner similar to a private-sector business.

The *statement of net position (formerly known as statement of net assets)* presents information on all of the City of Santa Paula's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Santa Paula is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash*

flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Santa Paula that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Santa Paula include general government, public safety, streets, economic development, and culture and recreation. The business-type activities of the City of Santa Paula include Water and Sewer enterprises.

The government-wide financial statements include not only the City of Santa Paula itself (known as *the primary government*), but also a legally separate Financing Authority for which the City of Santa Paula is financially accountable. Financial information for *these component units* is included in the financial information presented for the primary government itself. The Water and Sewer enterprises, function for all practical purposes as departments of the City of Santa Paula, and therefore have been included as an integral part of the *primary government*. Also, as of February 1, 2012 the Santa Paula Redevelopment Agency became the Designated Local Authority for the former Santa Paula Redevelopment Fund, a Successor Agency Private-purpose trust fund with the City reporting as fiduciary funds.

The government-wide financial statements can be found on pages 1-3 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Santa Paula, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Santa Paula can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower, then that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the government fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Santa Paula maintains fifty-nine 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 the fund balances for the general fund (which is made up of eight separate funds), which is considered to be a major fund. Data from the other fifty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Santa Paula adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 4-7 of this report.

Proprietary funds. The City of Santa Paula maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Santa Paula uses enterprise funds to account for its Water and Sewer operations. These funds are reported separately as Proprietary Funds. *Internal service funds* are accounting devices used to accumulate and allocate costs internally among the City of Santa Paula's various functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer operations, which are considered to be major funds of the City of Santa Paula. Conversely, the internal service fund is combined into the General Fund classification, aggregated presentation in the governmental fund financial statements.

The basic proprietary fund financial statements can be found on pages 8-10 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Santa Paula's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic Fiduciary fund financial statements can be found on pages 11-12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-42 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Santa Paula's General Fund Actual to Budget comparison. Required supplementary information can be found on page 43-45 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 46-69 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Santa Paula, assets exceeded liabilities by \$61,207,263 at the close of 2012 and \$60,680,001 at June 30, 2013.

A large portion (almost all) of the City of Santa Paula's net position include \$43,162,019 (71.1 percent) as its investment in capital assets (e.g., land, buildings, machinery, and equipment),

less any related debt used to acquire those assets that is still outstanding. The City of Santa Paula uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Santa Paula's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Government-Wide Financial Statements						
Table 1: Summary of Net Position						
	June 30, 2012			June 30, 2013		
	Governmental	Business-Type		Governmental	Business-Type	
Assets	Activities	Activities	Total	Activities	Activities	Total
Current and other Assets	14,892,020	47,196,720	62,088,740	13,320,276	41,005,634	54,325,910
Capital Assets (net of depreciation)	19,732,502	125,438,835	145,171,337	20,653,351	127,315,574	147,968,925
Total Assets	34,624,522	172,635,555	207,260,077	33,973,627	168,321,208	202,294,835
Deferred Outflow s of Resources						
Deferred Charges on Refundings	-	-	-	-	1,518,827	1,518,827
Total Deferred Charges on Refundings	-	-	-	-	1,518,827	1,518,827
Liabilities			-			-
Long-term liabilities outstanding	3,903,467	132,190,797	136,094,264	5,866,005	128,920,431	134,786,436
Other liabilities	2,905,703	7,052,847	9,958,550	1,947,949	6,399,276	8,347,225
Total Liabilities	6,809,170	139,243,644	146,052,814	7,813,954	135,319,707	143,133,661
Invested in capital assets, net of related debt	19,480,542	23,703,387	43,183,929	20,446,551	22,715,468	43,162,019
Restricted For:						
Transportation and other purposes	1,417,203	-	1,417,203	1,182,107	-	1,182,107
Community Development	132,935	-	132,935	-	-	-
Nonexpendable	-	-	-	739,473	-	739,473
Public Safety	132,275	-	132,275	140,323	-	140,323
Public Works	4,396,491	-	4,396,491	6,055,950	-	6,055,950
Low and Moderate Housing	-	-	-	-	-	-
Debt Services	-	4,798,420	4,798,420	-	4,798,486	4,798,486
Unrestricted	2,255,906	4,890,103	7,146,009	(2,404,731)	7,006,374	4,601,643
Total Net Position	27,815,352	33,391,910	61,207,262	26,159,673	34,520,328	60,680,001

An additional portion of the City of Santa Paula's net position (21.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$4,601,643 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Santa Paula is able to report a positive balance in net position for Investments in capital assets and for restricted purposes and a negative balance for unrestricted net position. Separately, the City's governmental *unrestricted net position* shows a negative balance of \$(2,404,731), which is a decrease of \$(4,660,637) from the previous year's figure of \$2,255,906. This is the result of an increase in restricted position for Public works as well as booking the claims liability from the California Joint Powers Authority retrospective deposit payment plan approved on September 25, 2013.

The business-type activities *unrestricted net position* show a positive balance of \$7,006,374, an increase of \$2,116,271 over the prior year's balance of \$4,890,103. The governmental activities

showed an increase of \$966,009 for *Invested in Capital Assets*. The business-type activities reported for *Invested in Capital Assets* a decrease from the prior year of \$987,920.

Government-Wide Financial Statements						
Table 2: Summary Changes of Net Assets						
	June 30, 2012			June 30, 2013		
	Governmental Activities	Business -Type Activities	Total	Governmental Activities	Business -Type Activities	Total
Revenues						
Charges for services	\$1,635,171	\$17,226,725	\$18,861,896	\$2,161,904	\$19,493,976	\$21,655,880
Operating grants	3,804,756		3,804,756	1,744,110		1,744,110
Capital grants	2,174,293		2,174,293	885,622		885,622
General revenues:						
Property taxes	5,839,184		5,839,184	6,233,236		6,233,236
Tax increment	2,413,242		2,413,242			
Sales taxes	1,581,390		1,581,390	1,628,819		1,628,819
Other taxes	878,634		878,634	865,082		865,082
Investments	31,420	39,190	70,610	73,628	36,099	109,727
Other revenues	219,749		219,749	178,905		178,905
Total Assets	18,577,839	17,265,915	35,843,754	13,771,306	19,530,075	33,301,381
Expenses						
General administration	2,535,872		2,535,872	2,102,437		2,102,437
Building and safety	421,491		421,491	437,177		437,177
Community services	1,403,057		1,403,057	2,967,518		2,967,518
Financial Services	374,260		374,260	428,409		428,409
Fire	2,046,782		2,046,782	2,478,436		2,478,436
Planning	1,073,414		1,073,414	586,158		586,158
Police	5,596,022		5,596,022	4,453,434		4,453,434
Public Works	1,411,083		1,411,083	370,217		370,217
Economic development	426,959		426,959	0		0
Non-departmental	10,125		10,125	0		0
Interest	143,369		143,369	19,722		19,722
Water		5,825,461	5,825,461		6,249,461	6,249,461
Sewer		8,625,607	8,625,607		8,229,161	8,229,161
Total expenses	15,442,434	14,451,068	29,893,502	13,843,508	14,478,622	28,322,130
Increase in Net Position before Transfers	3,135,405	2,814,847	5,950,252	(72,202)	5,051,453	4,979,251
Transfers	5,827,595	(5,827,595)	-	951,978	(951,978)	-
Increase in Net Position	8,963,000	(3,012,748)	5,950,252	879,776	4,099,475	4,979,251
Extraordinary Loss	(1,043,517.00)	-	(1,043,517.00)	0	-	-
Beginning Net Position	16,697,837	37,417,791	54,115,628	27,815,352	33,391,911	61,207,263
Prior period adjustment	3,198,032	(1,013,132)	2,184,900	(2,535,455)	(2,971,058)	(5,506,513)
Ending Net Position	\$27,815,352	\$33,391,911	\$61,207,263	\$26,159,673	\$34,520,328	\$60,680,001

There was an increase of \$1,128,417 in total net position reported in connection with the City of Santa Paula's business-type activities. This increase is due mainly to the adjustments to the reporting of bond deferred charges per GASB 65.

Governmental activities. Governmental activities increased the City of Santa Paula's net position by \$879,776 for the current year or thereby accounting for approximately 18% percent of the total increase in the net position of the City of Santa Paula. However, due to changes in prior period adjustments there is a negative net position due to the GASB reporting adjustments as well as the CJPIA claims liability.

Expenses for governmental activities decreased from \$15,442,434 in 2012 to \$13,843,508 in 2013, a decrease of \$1,598,926.

Business-type activities. Business-type activities increased the City of Santa Paula's net position by \$1,128,417.

Financial Analysis of the Government's Funds

As noted earlier, the City of Santa Paula uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Santa Paula's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spending* resources. Such information is useful in assessing the City of Santa Paula's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Santa Paula's governmental funds reported combined total ending fund balances of \$11,290,851.

The general fund is the chief operating fund of the City of Santa Paula. At the end of this current fiscal year, unreserved fund balance of the general fund was \$2,728,089, while total fund balance reached \$5,277,976. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 23.4 percent of the total general fund expenditures, while total fund balance represents 45.4 percent of that same amount.

The City of Santa Paula's unassigned general fund, fund balance, increased by \$2,066,923 during the current fiscal year. This reflects an increase in all revenue types except for Operating and Capital Grants; there was also a decrease in expenditures. The Police expenditures budget is more than 38 percent of the general fund expenditures.

Proprietary funds. The City of Santa Paula's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net position of the Water and Sewer enterprises at the end of the year amounted to \$34,520,328 an increase of \$1,128,417 from the prior period. The net position for the proprietary funds – water decreased and sewer increased \$(653,050) and \$1,781,467 respectively. Other factors concerning the finances of these funds are addressed in the discussion of the City of Santa Paula's business-type activities.

Statement of Revenues, Expenses and Changes in Net Positions			
Table 3: Proprietary Funds			
	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues	8,547,898	10,837,078	19,384,976
Operating Expenses	3,634,602	3,968,054	7,602,656
Operating Income (loss)	4,913,296	6,869,024	11,782,320
Total Non-Operating Revenues (Expenses)	(2,481,423)	(4,249,444)	(6,730,867)
Transfers In	150,044	-	150,044
Transfers Out	(527,000)	(575,022)	(1,102,022)
Change in Net Positions	2,054,917	2,044,558	4,099,475
Total Net Positions, Beginning	17,088,629	16,303,282	33,391,911
Prior Period Adjustments	(2,707,967)	(263,091)	(2,971,058)
Total Net Positions, Ending	16,435,579	18,084,749	34,520,328

General Fund Budgetary Highlights

The actual general fund revenue ended \$959,381 over the budget amount. There were no fiscal year adjustments to the final revenue budget. Revenues overall were 9.7% over the budget totals.

Differences between the final budget and the actual expenditures were favorable for the General Government, Building & Safety, Police and Public Works department. Community Services (\$28,802), Financial Services (54,617), Fire (32,506) and Planning (36,510) came in over budget. The majority of the overages are due to unexpected repairs, consultant services, and equipment. Overall the General Fund expenditures came in under the budget by \$1,582,579 or 12%.

Capital Asset and Debt Administration

Capital assets. The City of Santa Paula's investment in capital assets for its governmental and business type activities as of June 30, 2013, amounts to \$147,968,925 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements other than buildings, machinery and equipment, as well as construction in progress.

Capital Assets

Table 4

	(Net of Depreciation)		
	Governmental Activities	Business-Type Activities	Total
Land	509,112	7,134,082	7,643,194
Water Rights	-	13,834,827	13,834,827
Construction in progress	2,047,529	7,909,323	9,956,852
Buildings and System	1,734,224	80,899,987	82,634,211
Machinery and Equipment	864,422	1,263,653	2,128,075
Improvements other than buildings	15,498,064	16,273,702	31,771,766
Total Capital Assets	20,653,351	127,315,574	147,968,925

The value of the City's assets has increased by \$2,797,589 during this reporting period. Additional information on the City of Santa Paula's capital assets can be found in note III.C on pages 24 and 25 in this report.

Long-term debt. At the end of the current fiscal year, the City of Santa Paula had total debt outstanding of \$137,841,533 excluding compensated absences. This is a decrease of \$1,048,907 from the prior period's level of \$138,890,440. Governmental activities increased by \$2,132,738. Bonds secured solely by specified revenue sources (i.e., revenue bonds) equal \$65,436,682. The remaining debt is backed by the full faith and credit of the government.

The City of Santa Paula's total outstanding debt includes \$63,965,000 principal amount comprised of three series' of revenue bonds issued during the current fiscal year. Capital leases also decreased by \$10,610 due to the payoff of leased vehicles. Management is still researching the Wastewater Facilities Lease and the treatment of this item since it was fully financed by external sources. Additional information on the City of Santa Paula's long-term debt can be found in note III.E on pages 27 to 35 of this report.

Outstanding Debt			
Table 5			
	Governmental	Business-Type	
	Activities	Activities	Total
Lease Revenue Bonds:			
Water 2010	-	52,315,000	52,315,000
Less: Deferred Issuance Premiums	-	1,644,468	1,644,468
Wastewater 2010A	-	5,685,000	5,685,000
Wastewater 2010B	-	5,965,000	5,965,000
Deferred Issuance Discounts	-	(172,786)	(172,786)
Loans Payable	206,800	-	206,800
Claims Liability	2,558,853	-	2,558,853
Notes Payable	-	496,500	496,500
Wastewater Facilities Lease	-	66,012,889	66,012,889
Pension Related Debt	2,606,684	174,478	2,781,162
OPEB Obligations	348,647	-	348,647
Compensated Absences	418,406	46,371	464,777
Total	6,139,390	132,166,920	138,306,310
June 30, 2012	3,990,627	135,347,087	139,337,714
Change in Debt Service	2,148,763	(3,180,167)	(1,031,404)

Economic Factors and Next Year's Budgets and Rates

The unemployment rate estimated by the State of California Employment Development Department (October 2013) for the City of Santa Paula is 12.1 percent, down from last year's 14.2 percent. Unemployment continues to remain lower than the high in 2008 of 17.5 percent.

The Water rates were last increased November 1, 2012 and the Sewer rates increase was postponed until November 1, 2013. There are no scheduled increases until a new rate study and a Prop 218 process is complete. These rate increases were necessary to cover higher operating expenses and to fund significant capital investments in infrastructure and the new Water Recycling Facility (WRF).

Requests for Information

This financial report is designed to provide a general overview of the City of Santa Paula's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Santa Paula, Finance Director, P.O. Box 569, Santa Paula, CA 93061.

BASIC FINANCIAL STATEMENTS

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City of Santa Paula
Statement of Net Position
June 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 9,623,353	\$ 12,536,372	\$ 22,159,725
Receivables (Net of Allowance)	1,230,366	2,542,124	3,772,490
Loans Receivable, Net	-	-	-
Internal Balances	(100,000)	100,000	-
Cash - Restricted	2,566,557	25,827,138	28,393,695
Capital Assets Not Being Depreciated			
Land	509,112	7,134,082	7,643,194
Water Rights		13,834,827	13,834,827
Construction in Progress	2,047,529	7,909,323	9,956,852
Capital Assets Net of Accumulated Depreciation			
Buildings and System	1,734,224	80,899,987	82,634,211
Machinery and Equipment	864,422	1,263,653	2,128,075
Improvements Other Than Buildings	15,498,064	16,273,702	31,771,766
	<u>33,973,627</u>	<u>168,321,208</u>	<u>202,294,835</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refundings	-	1,518,827	1,518,827
	<u>-</u>	<u>1,518,827</u>	<u>1,518,827</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	586,147	1,795,356	2,381,503
Accrued Interest Payable	-	1,357,431	1,357,431
Deposits	1,088,417	-	1,088,417
Noncurrent Liabilities			
Due Within One Year	273,385	3,246,489	3,519,874
Due in More Than One Year	5,866,005	128,920,431	134,786,436
	<u>7,813,954</u>	<u>135,319,707</u>	<u>143,133,661</u>
NET POSITION			
Net Investment in Capital Assets	20,446,551	22,715,468	43,162,019
Restricted for:			
Transportation and Other Purposes	1,182,107	-	1,182,107
Community Services:			
Nonexpendable	739,473	-	739,473
Public Safety	140,323	-	140,323
Public Works	6,055,950	-	6,055,950
Debt Service	-	4,798,486	4,798,486
Unrestricted	(2,404,731)	7,006,374	4,601,643
	<u>\$ 26,159,673</u>	<u>\$ 34,520,328</u>	<u>\$ 60,680,001</u>

The accompanying notes are an integral part of this statement.

**City of Santa Paula
Statement of Activities
For the Year Ended June 30, 2013**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 2,102,437	\$ 396,670	\$ -	\$ 28,127
Building and Safety	437,177	262,915	-	-
Community Services	2,967,518	297,768	276,319	198,496
Financial Services	428,409	19,105	-	-
Fire	2,478,436	101,696	428,070	-
Planning	586,158	525,853	-	-
Police	4,453,434	447,711	143,344	14,748
Public Works	370,217	88,679	917,884	644,251
Interest on Long-term Debt	19,722	-	-	-
Total Governmental Activities	<u>13,843,508</u>	<u>2,140,397</u>	<u>1,765,617</u>	<u>885,622</u>
Business-type Activities				
Water	6,249,461	8,656,898	-	-
Sewer	8,229,161	10,837,078	-	-
Total Business-type Activities	<u>14,478,622</u>	<u>19,493,976</u>	<u>-</u>	<u>-</u>
Total Government	<u>\$ 28,322,130</u>	<u>\$ 21,634,373</u>	<u>\$ 1,765,617</u>	<u>\$ 885,622</u>

General Revenues
 Property Taxes
 Sales Taxes
 Transient Occupancy Taxes
 Franchise Taxes
 Business License Taxes
 Motor Vehicle In-Lieu
 Unrestricted Investment Earnings
 Miscellaneous Revenues
 Transfers
 Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Prior Period Adjustments

Net Position - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,677,640)	\$ -	\$ (1,677,640)
(174,262)	-	(174,262)
(2,194,935)	-	(2,194,935)
(409,304)	-	(409,304)
(1,948,670)	-	(1,948,670)
(60,305)	-	(60,305)
(3,847,631)	-	(3,847,631)
1,280,597	-	1,280,597
(19,722)	-	(19,722)
<u>(9,051,872)</u>	<u>-</u>	<u>(9,051,872)</u>
-	2,407,437	2,407,437
-	2,607,917	2,607,917
-	<u>5,015,354</u>	<u>5,015,354</u>
<u>(9,051,872)</u>	<u>5,015,354</u>	<u>(4,036,518)</u>
6,233,236	-	6,233,236
1,628,819	-	1,628,819
96,534	-	96,534
630,556	-	630,556
122,589	-	122,589
15,403	-	15,403
73,628	36,099	109,727
178,905	-	178,905
951,978	(951,978)	-
<u>9,931,648</u>	<u>(915,879)</u>	<u>9,015,769</u>
879,776	4,099,475	4,979,251
27,815,352	33,391,911	61,207,263
<u>(2,535,455)</u>	<u>(2,971,058)</u>	<u>(5,506,513)</u>
<u>\$ 26,159,673</u>	<u>\$ 34,520,328</u>	<u>\$ 60,680,001</u>

The accompanying notes are an integral part of this statement.

**City of Santa Paula
Balance Sheet
Governmental Funds
June 30, 2013**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Investments	\$ 3,021,805	\$ 6,601,548	\$ 9,623,353
Receivables	702,411	527,955	1,230,366
Due from Other Funds	591,349	-	591,349
Loans Receivable	13,174	494,778	507,952
Advances to Other Funds	-	140,046	140,046
Cash - Restricted	2,536,713	29,844	2,566,557
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 6,865,452</u>	<u>\$ 7,794,171</u>	<u>\$ 14,659,623</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 485,885	\$ 100,262	\$ 586,147
Due to Other Funds	-	591,349	591,349
Deposits	1,088,417	-	1,088,417
Advances From Other Funds	-	240,046	240,046
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,574,302</u>	<u>931,657</u>	<u>2,505,959</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues - Grants	-	354,861	354,861
Unavailable Revenues - Loans Receivable	13,174	494,778	507,952
	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>13,174</u>	<u>849,639</u>	<u>862,813</u>
FUND BALANCE (DEFICITS)			
Nonspendable	13,174	739,473	752,647
Restricted	2,536,713	5,950,929	8,487,642
Unassigned	2,728,089	(677,527)	2,050,562
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances (Deficits)	<u>5,277,976</u>	<u>6,012,875</u>	<u>11,290,851</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,865,452</u>	<u>\$ 7,794,171</u>	<u>\$ 14,659,623</u>

The accompanying notes are an integral part of this statement.

City of Santa Paula
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

Fund balances of governmental funds	\$ 11,290,851
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	20,653,351
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	354,861
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(418,406)
OPEB Obligation	(348,647)
Loans Payable	(206,800)
Claims Liabilities	(2,558,853)
Pension Related Debt	<u>(2,606,684)</u>
Net position of governmental activities	<u>\$ 26,159,673</u>

The accompanying notes are an integral part of this statement.

City of Santa Paula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	General	Other Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 8,631,851	\$ 511,458	\$ 9,143,309
Licenses and Permits	407,621	-	407,621
Intergovernmental	361,584	1,995,188	2,356,772
Charges for Services	1,108,153	284,986	1,393,139
Fines and Forfeitures	188,292	-	188,292
Investment Earnings	33,695	40,268	73,963
Other Revenues	136,438	139,865	276,303
	<u>10,867,634</u>	<u>2,971,765</u>	<u>13,839,399</u>
Total Revenues			
	<u>10,867,634</u>	<u>2,971,765</u>	<u>13,839,399</u>
EXPENDITURES			
Current:			
General Government	2,069,948	68,078	2,138,026
Building and Safety	261,136	166,303	427,439
Community Services	946,254	1,513,253	2,459,507
Financial Services	423,780	2,341	426,121
Fire	2,163,795	361,602	2,525,397
Planning	573,109	9,999	583,108
Police	4,422,138	105,226	4,527,364
Public Works	754,919	1,254,895	2,009,814
Debt Service:			
Principal	-	34,550	34,550
Interest	-	19,722	19,722
	<u>11,615,079</u>	<u>3,535,969</u>	<u>15,151,048</u>
Total Expenditures			
	<u>11,615,079</u>	<u>3,535,969</u>	<u>15,151,048</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(747,445)</u>	<u>(564,204)</u>	<u>(1,311,649)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	1,099,299	896,289	1,995,588
Transfers Out	(97,792)	(945,818)	(1,043,610)
	<u>1,001,507</u>	<u>(49,529)</u>	<u>951,978</u>
Total Other Financing Sources (Uses)			
	<u>1,001,507</u>	<u>(49,529)</u>	<u>951,978</u>
Net Change in Fund Balances	254,062	(613,733)	(359,671)
Fund Balances, Beginning	<u>5,023,914</u>	<u>6,626,608</u>	<u>11,650,522</u>
Fund Balances, Ending	<u>\$ 5,277,976</u>	<u>\$ 6,012,875</u>	<u>\$ 11,290,851</u>

The accompanying notes are an integral part of this statement.

City of Santa Paula
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

Net change in fund balances-total governmental funds \$ (359,671)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$2,090,532 exceeded depreciation of \$1,169,057 in the current period. 921,475

The net effect of disposals of capital assets is to decrease net position. (626)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (68,094)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal Payments on Capital Leases and Loans Payable	45,160
Decrease in Pension-related Debt	457,209
Increase in OPEB Obligation	(76,254)

Claims and judgments 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. (23,398)

Compensated absences 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. The following represents the net change in compensated absences in the current period. (16,025)

Change in net position of governmental activities \$ 879,776

The accompanying notes are an integral part of this statement.

**City of Santa Paula
Statement of Net Position
Proprietary Funds
June 30, 2013**

	Business-Type Activities - Enterprise Funds		
	Utility Authority		Totals
	Water	Sewer	
ASSETS			
Current Assets:			
Cash and Investments	\$ 7,805,659	\$ 4,730,713	\$ 12,536,372
Receivables	1,462,188	1,079,936	2,542,124
Total Current Assets	<u>9,267,847</u>	<u>5,810,649</u>	<u>15,078,496</u>
Noncurrent Assets:			
Restricted Cash:			
Cash with Fiscal Agents	19,466,090	6,361,048	25,827,138
Advances to Other Funds	2,100,000	-	2,100,000
Capital Assets:			
Land	2,356,451	4,777,631	7,134,082
Water Rights	13,834,827	-	13,834,827
Buildings	12,178,061	81,211,122	93,389,183
Improvements	15,826,322	1,251,652	17,077,974
Machinery and Equipment	2,109,509	520,887	2,630,396
Construction in Progress	506,186	7,403,137	7,909,323
Less: Accumulated Depreciation	<u>(5,891,666)</u>	<u>(8,768,545)</u>	<u>(14,660,211)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>40,919,690</u>	<u>86,395,884</u>	<u>127,315,574</u>
Total Noncurrent Assets	<u>62,485,780</u>	<u>92,756,932</u>	<u>155,242,712</u>
Total Assets	<u>71,753,627</u>	<u>98,567,581</u>	<u>170,321,208</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refundings	1,518,827	-	1,518,827
Total Deferred Outflows of Resources	<u>1,518,827</u>	<u>-</u>	<u>1,518,827</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,086,510	708,846	1,795,356
Interest Payable	1,073,548	283,883	1,357,431
Compensated Absences	46,371	-	46,371
Bonds Payable - Current	1,325,000	200,000	1,525,000
Capital Lease Payable - Current	-	1,675,118	1,675,118
Total Current Liabilities	<u>3,531,429</u>	<u>2,867,847</u>	<u>6,399,276</u>
Noncurrent Liabilities:			
Advances from Other Funds	-	2,000,000	2,000,000
Bonds Payable	52,634,468	11,277,214	63,911,682
Notes Payable	496,500	-	496,500
Capital Lease Payable	-	64,337,771	64,337,771
Pension Related Debt	174,478	-	174,478
Total Noncurrent Liabilities	<u>53,305,446</u>	<u>77,614,985</u>	<u>130,920,431</u>
Total Liabilities	<u>56,836,875</u>	<u>80,482,832</u>	<u>137,319,707</u>
NET POSITION			
Net Investment in Capital Assets	7,448,639	15,266,829	22,715,468
Restricted for:			
Debt Service	3,910,945	887,541	4,798,486
Unrestricted	5,075,995	1,930,379	7,006,374
Total Net Position	<u>\$ 16,435,579</u>	<u>\$ 18,084,749</u>	<u>\$ 34,520,328</u>

The accompanying notes are an integral part of this statement.

City of Santa Paula
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Utility Authority</u>		<u>Totals</u>
	<u>Water</u>	<u>Sewer</u>	
OPERATING REVENUES			
Water Sales	\$ 8,522,718	\$ -	\$ 8,522,718
Sewer Sales	-	10,826,078	10,826,078
Other Revenues	25,180	11,000	36,180
	<u>8,547,898</u>	<u>10,837,078</u>	<u>19,384,976</u>
Total Operating Revenues			
OPERATING EXPENSES			
Cost of Sales	2,364,560	2,440,307	4,804,867
Administration	778,729	313,460	1,092,189
Depreciation	491,313	1,214,287	1,705,600
	<u>3,634,602</u>	<u>3,968,054</u>	<u>7,602,656</u>
Total Operating Expenses			
Operating Income (Loss)	<u>4,913,296</u>	<u>6,869,024</u>	<u>11,782,320</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	24,436	11,663	36,099
Interest Expense	(2,614,859)	(4,261,107)	(6,875,966)
Gain/(Loss) on Disposal of Capital Assets	109,000	-	109,000
	<u>(2,481,423)</u>	<u>(4,249,444)</u>	<u>(6,730,867)</u>
Total Nonoperating Revenues (Expenses)			
Income Before Contributions and Transfers	2,431,873	2,619,580	5,051,453
Transfers In	150,044	-	150,044
Transfers Out	(527,000)	(575,022)	(1,102,022)
Change in Net Position	2,054,917	2,044,558	4,099,475
Total Net Position, Beginning	17,088,629	16,303,282	33,391,911
Restatement of Net Position	(2,707,967)	(263,091)	(2,971,058)
Total Net Position, Ending	<u>\$ 16,435,579</u>	<u>\$ 18,084,749</u>	<u>\$ 34,520,328</u>

The accompanying notes are an integral part of this statement.

**City of Santa Paula
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013**

	Utility Authority		Total
	Water	Sewer	
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 8,231,488	\$ 10,754,608	\$ 18,986,096
Payments to Suppliers	(3,220,816)	(2,876,471)	(6,097,287)
Payments to Employees	(1,222,587)	(112,546)	(1,335,133)
Net Cash Provided (Used) by Operating Activities	<u>3,788,085</u>	<u>7,765,591</u>	<u>11,553,676</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	150,044	-	150,044
Transfers Out	(527,000)	(575,022)	(1,102,022)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(376,956)</u>	<u>(575,022)</u>	<u>(951,978)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	(2,358,044)	(547,769)	(2,905,813)
Sale of Property	109,000	-	109,000
Interest Paid on Capital Debt	(2,494,081)	(4,258,030)	(6,752,111)
Principal Paid on Capital Debt	(1,295,000)	(1,816,397)	(3,111,397)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6,038,125)</u>	<u>(6,622,196)</u>	<u>(12,660,321)</u>
Cash Flows from Investing Activities			
Investment Earnings	24,436	11,663	36,099
Net Cash Provided (Used) by Investing Activities	<u>24,436</u>	<u>11,663</u>	<u>36,099</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(2,602,560)</u>	<u>580,036</u>	<u>(2,022,524)</u>
Cash and Cash Equivalents, Beginning	<u>29,874,309</u>	<u>10,511,725</u>	<u>40,386,034</u>
Cash and Cash Equivalents, Ending	<u>\$ 27,271,749</u>	<u>\$ 11,091,761</u>	<u>\$ 38,363,510</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income	\$ 4,913,296	\$ 6,869,024	\$ 11,782,320
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation Expense	491,313	1,214,287	1,705,600
(Increase) Decrease in Receivables	(316,410)	(82,470)	(398,880)
Increase (Decrease) in Accounts Payable	(1,286,804)	(235,250)	(1,522,054)
Increase (Decrease) in Compensated Absences	1,478	-	1,478
Increase (Decrease) in Pension Related Debt	(14,788)	-	(14,788)
Net Cash Provided By Operating Activities	<u>\$ 3,788,085</u>	<u>\$ 7,765,591</u>	<u>\$ 11,553,676</u>
Noncash Investing, Capital, and Financing Activities			
Amortization of Deferred Charges on Refunding	\$ 77,557	\$ -	\$ 77,557
Amortization of (Premium)/Discount on Bonds	(61,860)	6,400	(55,460)

The accompanying notes are an integral part of this statement.

**City of Santa Paula
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2013**

	Successor Agency Private-purpose Trust Fund
ASSETS	
Cash and Investments	\$ 1,680,733
Restricted Cash and Investments	294,500
Interest Receivable	793
Loans Receivable, Net	15,129
Property Held for Resale	205,221
Total Assets	2,196,376
 LIABILITIES	
Interest Payable	14,971
Bonds Payable	2,637,895
Total Liabilities	2,652,866
 NET POSITION	
Net Position Held in Trust for Successor Agency	\$ (456,490)

The accompanying notes are an integral part of this statement.

City of Santa Paula
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2013

	Successor Agency Private-purpose Trust Fund
ADDITIONS	
Taxes	\$ 569,946
Interest Income	6,978
Miscellaneous Income	-
Total Additions	576,924
DEDUCTIONS	
Administrative Costs	64,097
Interest on Bonds	177,856
Total Deductions	241,953
Change in Net Position	334,971
Net Position - Beginning of Year	(724,084)
Restatement of Net Position	(67,377)
Net Position - End of Year	\$ (456,490)

The accompanying notes are an integral part of this statement.

City of Santa Paula
Notes to Financial Statements
June 30, 2013

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of Reporting Entity

The City of Santa Paula (the "City") is a municipal corporation operating as a general law city governed by a city council of five members. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Blended Component Units

The Santa Paula Public Financing Authority (the Authority) is governed by the City Council of the City of Santa Paula. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public facilities.

The Santa Paula Utility Authority (the Utility Authority) was established through a Joint Powers Agreement between the City and the Redevelopment Agency. The members of the Board of Directors of the Utility Authority are the members of the City Council of the City. The Utility Authority was established to provide financing, for purposes which are authorized by law and which could lease, own, operate, and maintain the water and wastewater enterprise, and any other utility system or service leased to the Utility Authority by the City or acquired by the Utility Authority. The Utility Authority is reported as enterprise funds.

Separate financial statements are not prepared for the Santa Paula Public Financing Authority or the Santa Paula Utility Authority.

B) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the nonfiduciary activities of the City of Santa Paula and its component units. *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 the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* 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 not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter, if any, are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

City of Santa Paula
Notes to Financial Statements
June 30, 2013

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus and the accrual basis of accounting*, as are the proprietary funds' 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 items are recognized as revenues as soon as all eligibility requirements imposed by the provider 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 as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and therefore have been recognized as revenues within the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue within the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

The water and sewer funds account for the operation of the City's water distribution system and the City's sewage treatment plant, and sewage pumping stations.

The City reports the following fiduciary funds:

The Successor Agency Private-purpose Trust Fund accounts for the wind down activities of the Santa Paula Redevelopment Agency.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. In the fund financial statements, quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursement fund and as revenues in the fund that is reimbursed. All other interfund transaction except quasi-external transactions and reimbursements are reported as transfers.

City of Santa Paula
Notes to Financial Statements
June 30, 2013

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise 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 nonoperating revenues and expenses.

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

D) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standards Board Statement No. 68

In June of 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. This statement was issued to improve the financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement. Statement No. 68 is effective for periods beginning after June 15, 2014. The City has elected not to early implement GASB No. 68 and has not determined its effect on the City's financial statements.

E) Assets, Liabilities, and Net Assets or Equity

1) Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments (including restricted assets) with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, cash equivalents represents demand deposits of proprietary funds held in financial institutions or in cash management pools where funds can be added or withdrawn at anytime without prior notice or penalty and with a maturity of three months or less from the date of acquisition.

Investments are included within the financial statement caption "Cash and Investments." Investments for the government, as well as for its component units, are stated at their fair value, the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Local Agency Investment Fund operates in accordance with the appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

City of Santa Paula
Notes to Financial Statements
June 30, 2013

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2) Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property taxes receivable are shown net of an allowance for uncollectibles. Property taxes in the State of California are administered for all local agencies at the County level, and consist of secured, unsecured, and utility tax rolls.

Property taxes are levied as of January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at the time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax levies are limited to 1% of full market value which results in a tax of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

The Assessor of the County of Ventura establishes property valuations for the secured and unsecured property tax rolls; the State Board of Equalization values the utility property tax roll. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments; the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on February 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

City of Santa Paula
Notes to Financial Statements
June 30, 2013

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Due to the nature of the City-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, appropriations to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

The State of California FY 90-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administration fees withheld during the fiscal year.

3) Restricted Assets

Certain proceeds of the City's tax allocation refunding bonds and the enterprise fund lease revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

4) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000, or \$25,000 for capital projects. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest costs were capitalized during the current year.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30 - 50
Building Improvements	10 - 30
Infrastructure	25 - 60
Vehicles	3 - 10
Equipment	7 - 10
Computer Equipment	5

City of Santa Paula
Notes to Financial Statements
June 30, 2013

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5) Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Cash compensations for accrued vacations are generally not payable until the employee terminates employment with the City. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the government funds only if they have matured, for example, as a result of employee resignations and retirements.

6) Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

7) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position and the statement of net position – proprietary funds. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

City of Santa Paula
Notes to Financial Statements
June 30, 2013

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8) Net Position

In the Government-wide, proprietary funds, and fiduciary fund financial statements, net position is classified in the following categories.

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position

This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This category represents the net position of the City that is not externally restricted for any project or other purpose.

9) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position.

10) Fund Balance

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

City of Santa Paula
Notes to Financial Statements
June 30, 2013

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the City Council by ordinance or resolution to formally commit part of the City's fund balances or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal City Council action utilizing the same type of action that was originally used.

Assigned Fund Balance - Amounts that are constrained by the Council's intent to use specified financial resources for specific purposes, but are neither restricted nor committed.

Unassigned Fund Balance - These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances.

II) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A) Deficit Fund Equity

The following non-major funds had deficit fund balances at June 30, 2013:

Mobile Home Rent Review	\$ 178,103
Housing and Community Development II	\$ 20,413
CA Oil Museum	\$ 8,200
Hillsborough Open Space Assessment	\$ 318
SAFER Grant	\$ 337,705
Transportation Enhancement Grant	\$ 261
BJA Vest Grant	\$ 28,386
Corp Yard Facilities	\$ 1,993
Harding Park Improvements	\$ 1,231
Harding Park Trust	\$ 100,917

These deficits are expected to be reduced by future revenue or transfers from other funds.

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS

A) Cash and Investments

The City's cash and investments consist of the following at June 30, 2013:

Petty Cash	\$	5,600
Deposits		1,667,781
Investments		<u>50,855,272</u>
 Total Cash and Investments	 \$	 <u>52,528,653</u>
 Statement of Net Position:		
Cash and Investments	\$	22,159,725
Restricted Cash and Investments		28,393,695
 Statement of Fiduciary Net Position:		
Cash and Investments		1,680,733
Restricted Cash and Investments		<u>294,500</u>
 Total Cash and Investments	 \$	 <u>52,528,653</u>

Investments Authorized by the California Government Code and the City's Investment Policy

The investments are managed by the City Treasurer and Fiscal agents (Bond trustees acting in accordance with bond covenants). Investments managed by the City Treasurer are invested in accordance with the City's investment policy. Investments managed by bond trustees are invested in accordance with provisions of the respective bond agreements, which generally are in accordance with provisions of the California Government Code 53601.

The City Treasurer has direct oversight over the City's pooled investment fund which covers cash and cash equivalents of the City's governmental funds, enterprise funds, and agency funds which are invested in accordance with the City's investment policy. The investment policy generally complies with California Government Code Section 53601.

The table below identifies the investment types that are authorized by the City's investment policy and the California Government Code. The table also identifies certain provisions that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer	Minimum Ratings
U.S. Treasury	Yes	3 years	None	None	None
U.S. Agencies	Yes	3 years	20%	None	AAA
Bankers Acceptances	Yes	0.5 years	10%	2%	None
Certificate of Deposits (CDs)	Yes	N/A	40%	15%	AAA
Mutual Funds	Yes	N/A	15%	15%	AAA
Local Agency Investment Funds	Yes	N/A	None	None	None

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS - Continued

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

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

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
State Investment Pool - LAIF	\$21,890,380	\$ 21,890,380	\$ -	\$ -	\$ -
Certificates of Deposit	306,540	306,540	-	-	-
Held by Bond Trustees:					
Money Market	28,363,852	28,363,852	-	-	-
Mutual Funds	294,500	294,500	-	-	-
Total	\$50,855,272	\$ 50,855,272	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

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

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End	
				AAA	Not Rated
State Investment Pool - LAIF	\$ 21,890,380	N/A	\$ -	\$ -	\$21,890,380
Certificates of Deposit	306,540	N/A	-	-	306,540
Held by Bond Trustees					
Money Market	28,363,852	N/A	-	28,363,852	-
Mutual Funds	294,500	N/A	-	294,500	-
Total	\$ 50,855,272		\$ -	\$28,658,352	\$22,196,920

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS - Continued

Concentration of Credit Risk

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. There are no investments in any one issuer (other than external investment pools) that represent 5% or more of total City investments.

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

At June 30, 2013, none of the City's deposits with financial institutions in excess of the Federal Depository Insurance Corporation's limits were held in uncollateralized accounts.

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 investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

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

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS - Continued

B) Receivables

Receivables as of year-end for the City's individual major funds and non-major funds in the aggregate, are as follows:

	General	Water Utility	Sewer Utility	Nonmajor and Other Funds	Total
Receivables:					
Interest	\$ 1,288	\$ 4,147	\$ 2,550	\$ 3,589	\$ 11,574
Taxes	511,570	-	-	70,464	582,034
Accounts	114,283	1,458,041	1,077,386	8,466	2,658,176
Intergovernmental	75,270	-	-	445,436	520,706
Total Receivables	<u>\$ 702,411</u>	<u>\$ 1,462,188</u>	<u>\$ 1,079,936</u>	<u>\$ 527,955</u>	<u>\$ 3,772,490</u>

C) Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 504,119	\$ 4,993	\$ -	\$ 509,112
Construction in Progress	959,135	1,423,148	(334,754)	2,047,529
Total Capital Assets, Not Being Depreciated	<u>1,463,254</u>	<u>1,428,141</u>	<u>(334,754)</u>	<u>2,556,641</u>
Capital Assets Being Depreciated:				
Buildings and System	2,955,994	-	(5,490)	2,950,504
Machinery and Equipment	3,707,695	78,358	-	3,786,053
Improvements Other Than Buildings	19,387,506	918,787	-	20,306,293
Total Capital Assets Being Depreciated	<u>26,051,195</u>	<u>997,145</u>	<u>(5,490)</u>	<u>27,042,850</u>
Less Accumulated Depreciation:				
Buildings and System	(1,123,606)	(97,538)	4,864	(1,216,280)
Machinery and Equipment	(2,663,322)	(258,309)	-	(2,921,631)
Improvements Other Than Buildings	(3,995,019)	(813,210)	-	(4,808,229)
Total Accumulated Depreciation	<u>(7,781,947)</u>	<u>(1,169,057)</u>	<u>4,864</u>	<u>(8,946,140)</u>
Total Capital Assets Being Depreciated, Net	<u>18,269,248</u>	<u>(171,912)</u>	<u>(626)</u>	<u>18,096,710</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,732,502</u>	<u>\$ 1,256,229</u>	<u>\$ (335,380)</u>	<u>\$ 20,653,351</u>

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS - Continued

C) Capital Assets - Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 7,134,082	\$ -	\$ -	\$ 7,134,082
Water Rights	13,834,827	-	-	13,834,827
Construction in Progress	13,974,246	2,840,698	(8,905,621)	7,909,323
Total Capital Assets, Not Being Depreciated	<u>34,943,155</u>	<u>2,840,698</u>	<u>(8,905,621)</u>	<u>28,878,232</u>
Capital Assets Being Depreciated:				
Buildings and System	93,389,183	-	-	93,389,183
Machinery and Equipment	2,051,774	578,622	-	2,630,396
Improvements Other Than Buildings	8,009,334	9,068,640	-	17,077,974
Total Capital Assets Being Depreciated	<u>103,450,291</u>	<u>9,647,262</u>	<u>-</u>	<u>113,097,553</u>
Less Accumulated Depreciation:				
Buildings and System	(11,071,332)	(1,417,864)	-	(12,489,196)
Machinery and Equipment	(1,236,977)	(129,766)	-	(1,366,743)
Improvements Other Than Buildings	(646,302)	(157,970)	-	(804,272)
Total Accumulated Depreciation	<u>(12,954,611)</u>	<u>(1,705,600)</u>	<u>-</u>	<u>(14,660,211)</u>
Total Capital Assets Being Depreciated, Net	<u>90,495,680</u>	<u>7,941,662</u>	<u>-</u>	<u>98,437,342</u>
Business-type Activities Capital Assets, Net	<u>\$ 125,438,835</u>	<u>\$ 10,782,360</u>	<u>\$ (8,905,621)</u>	<u>\$ 127,315,574</u>

Depreciation was charged to functions/programs of the City as follows:

Governmental Activities:	
General Government	\$ 34,611
Community Services	495,810
Fire	79,084
Building and Safety	7,450
Police	111,706
Public Works	440,396
	<u>1,169,057</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 1,169,057</u>
Business-type Activities:	
Water	\$ 491,313
Sewer	1,214,287
	<u>1,705,600</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 1,705,600</u>

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS - Continued

D) Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2013 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 591,349
	Total	\$ 591,349

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
Water	Sewer	\$ 2,000,000
Water	Nonmajor Governmental Funds	100,000
Nonmajor Governmental Funds	Nonmajor Governmental Funds	140,046
	Total	\$ 2,240,046

Amounts payable to the Water fund relate to working capital loans made to the Sewer fund and the Corporate Yard Facilities fund. None of these balances are scheduled to be collected in the subsequent year.

Sewer Fund Advance

On February 1, 2010 the City of Santa Paula entered into a Water Enterprise Lease Agreement and a Wastewater Enterprise Lease Agreement with the Santa Paula Utility Authority to lease to the Utility Authority the water and wastewater enterprise owned by the City. Under the terms of the agreements, lease payments are to be made from the Water and Sewer funds' (which comprise the Utility Authority) surplus revenues to the City for an amount equal to "Total Rent." Total Rent is defined in the agreements as having an aggregate present value at the date of the agreement of \$77,850,759 and \$18,083,341 for the water and wastewater enterprises respectively. The lease term shall end on February 22, 2065.

As mentioned above, the lease payments by the Utility Authority to the City are contingent upon the surplus revenues generated by the Water and Sewer funds. The amount of the lease rental payments could not be estimated due to the uncertainty of the amount of surplus revenues that may be generated by the Water and Sewer funds. Also, in accordance with FASB Codification section 840-10-25, the lease agreements are determined to be operating leases, and therefore no liability or asset has been recorded.

As provided in the trust agreement of the 2010 Wastewater Revenue Bonds, the Sewer fund of the Utility Authority transferred to the General fund an upfront lease rental payment of \$5,000,000. The payment is to be used by the City to finance certain public capital improvements. The unspent balance as of June 30, 2013 is \$2,536,713 and is included in restricted fund balance.

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS - Continued

Interfund transfers:

<u>Transfers Out</u>	Transfers In			Total
	General Fund	Water Fund	Other Governmental Funds	
Water Fund	\$ 527,000	\$ -	\$ -	\$ 527,000
Sewer Fund	500,000	75,022	-	575,022
General Fund	-	75,022	22,770	97,792
Other Governmental Funds	72,299	-	873,519	945,818
	\$ 1,099,299	\$ 150,044	\$ 896,289	\$ 2,145,632

Transfers were made during the 2012-13 fiscal year from the enterprise and other funds to the general fund, to reimburse overhead expenditures. Transfers were made from the General fund and Sewer funds to the Water fund to reimburse various costs. Transfers were made between the non-major funds as necessary to properly allocate costs among the funds.

E) Long-term Debt

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 402,381	\$ 57,382	\$ (41,357)	\$ 418,406	\$ 42,000
Capital Lease Payable	10,610	-	(10,610)	-	-
Loan Payable	241,350	-	(34,550)	206,800	34,550
Claims Liability	2,535,455 *	94,734	(71,336)	2,558,853	196,835
OPEB Obligation	272,393	76,254	-	348,647	-
Pension Related Debt	3,063,893	-	(457,209)	2,606,684	-
	\$ 6,526,082	\$ 228,370	\$ (615,062)	\$ 6,139,390	\$ 273,385

*Prior period adjustment to claims liabilities. See Note IV G.

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS - Continued

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:					
Revenue Bonds:					
2010 Water Revenue Bonds	\$ 53,610,000	\$ -	\$ (1,295,000)	\$ 52,315,000	\$ 1,325,000
Add Deferred Amounts:					
Issuance Premiums	1,706,328	-	(61,860)	1,644,468	-
Wastewater Revenue Bonds - 2010A	5,795,000	-	(110,000)	5,685,000	110,000
Wastewater Revenue Bonds -2010B	6,050,000	-	(85,000)	5,965,000	90,000
Add Deferred Amounts:					
Issuance Discounts	(179,186)	-	6,400	(172,786)	-
Notes Payable	496,500	-	-	496,500	-
Wastewater Facilities Lease	67,634,286	-	(1,621,397)	66,012,889	1,675,118
Compensated Absences	44,893	21,739	(20,261)	46,371	46,371
Pension Related Debt	189,266	-	(14,788)	174,478	-
Business-type Activities Long-term Liabilities	\$ 135,347,087	\$ 21,739	\$ (3,201,906)	\$ 132,166,920	\$ 3,246,489

Capital Leases

The City, at various occasions, enters into lease agreements that qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

Assets acquired through capital leases and loans payable are as follows:

	Governmental Activities
Asset:	
Machinery and Equipment	\$ 345,772
Improvements Other than Buildings	345,000
Less: Accumulated Depreciation	(342,376)
Total	\$ 348,396

The capital lease obligations were paid off in the current year.

**City of Santa Paula
Notes to Financial Statements
June 30, 2013**

III) DETAILED NOTES ON ALL FUNDS - Continued

Loan Payable

In June of 2008, the City entered into a loan agreement with a developer for purposes of financing GEO Hazard abatement improvements. The principal amount of the loan is \$345,000 and is payable in 10 annual installments with an interest rate of 8%.

Debt service requirements to maturity on the remaining loan payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2014	\$ 34,550	\$ 16,544
2015	34,550	13,780
2016	34,550	11,016
2017	34,550	8,252
2018	34,550	5,488
2019	34,050	2,724
	\$ 206,800	\$ 57,804

Wastewater Facilities Lease

The City has entered into a Design, Build, Operate and Finance agreement (DBOF) with Santa Paula Water, LLC, "the Company." Under the terms of the agreement the Company agreed to design, build, operate and finance a water treatment facility on the City's behalf. The Company will operate and maintain the facility during the term following the commencement date as described in the agreement. Beginning upon the commencement date of operations, which occurred in May 2010, the City shall pay the Company service fees as set forth in the agreement for 30 years. The service fees payable to the Company are for the operation and maintenance of the facilities in addition to capital recovery, return on capital, and repair and replacement. Upon expiration of the service agreement, title to the facility will transfer to the City. The agreement allows for an earlier termination of the service agreement at a buyout price determined in the agreement.

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS - Continued

The City shall credit all fees received from sewer customers to the Sewer fund. As collateral security for the performance of its obligations to pay service fees the City grants to the Company a first priority security interest in user fees received by the City for each month to the extent of the unpaid service fees payable to the Company. The City shall deposit into a separate account a reserve amount equal to four months of user fees received. The reserve amount shall be based on the most recent months' user fees.

As mentioned above, in addition to the service fees payable for operations and maintenance the City pays a fixed monthly amount for the design and build component of the DBOF agreement. This monthly fee is to pay for the design and construction costs of the facilities which were financed by the Company. As defined in the DBOF agreement, upon expiration of the Service Agreement term, title to the facility shall transfer to the City. The monthly fixed design and build costs portion of the service fees is considered lease payments for accounting purposes. Therefore, the capital lease has been recorded as the present value of future minimum lease payments as of the inception date.

The Wastewater Facility acquired through this capital lease is as follows:

	Business-type Activities
Asset:	
Wastewater Facility	\$ 70,911,157
Less: Accumulated Depreciation	(2,659,168)
Total	\$ 68,251,989

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013 are as follows:

Fiscal Year Ending June 30,	Business-type Activities
2014	\$ 5,362,095
2015	5,539,671
2016	5,723,032
2017	5,912,379
2018	6,107,883
2019-2023	33,458,984
2024-2028	37,525,461
2029-2033	43,373,484
2034-2038	49,283,973
2039-2040	19,461,262
Total Minimum Lease Payments	211,748,224
Less: Interest Amounts	(145,735,335)
Present Value of Minimum Lease Payments	\$ 66,012,889

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS - Continued

Revenue Bonds

2010 Water Revenue Bonds

In February 2010, the Santa Paula Utility Authority, the "Utility Authority" (a component unit of the City of Santa Paula) issued \$55,715,000 aggregate principal amount of Water Enterprise Revenue Bonds, 2010 Series, with proceeds used to effect the advance refunding of \$25,700,000 of outstanding Santa Paula Public Financing Authority Water Revenue Bonds, Series 2003, finance certain improvements to the Authority's water system, fund a reserve account, fund capitalized interest on the non-refunding portion of the Water Bonds and pay costs of issuance for the Bonds. Of the \$57,570,826 net proceeds from the 2010 Bonds, \$27,483,814 plus an additional \$1,160,572 of 2003 Bonds reserve fund monies were used to purchase U.S. Treasury Securities - State and Local Government Series. Those U.S. Treasury Securities - State and Local Government Series were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2003 Series Bonds. As a result, the 2003 Series Bonds are considered defeased and the liability for those bonds has been removed from the financial statements.

The Water Bonds are payable from net revenues of the Water Enterprise held under the Water Bonds Indenture and investment earnings thereon. Interest is payable semi-annually on August 1st and February 1st of each year with principal maturing on February 1st of each year through 2040. The interest rate on the bonds ranges from 3.00% to 5.25%.

Debt service requirements to maturity for the Water Enterprise Revenue Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2014	\$ 1,325,000	\$ 2,576,500
2015	1,370,000	2,536,750
2016	1,420,000	2,481,950
2017	1,485,000	2,425,150
2018	1,545,000	2,365,750
2019-2023	8,945,000	10,591,750
2024-2028	11,400,000	8,122,000
2029-2033	14,560,000	4,965,288
2034-2038	6,950,000	1,990,500
2039-2040	3,315,000	261,775
	\$ 52,315,000	\$ 38,317,413

2010 Wastewater Revenue Bonds

In February 2010, the Utility Authority issued \$5,900,000 aggregate principal amount of Wastewater Enterprise Revenue Bonds, 2010A Series, Non-Taxable, and \$6,130,000 aggregate principal amount of Wastewater Enterprise Revenue Bonds, 2010B Series, Taxable. Proceeds of the bonds will be used to finance an up-front lease payment to the City, finance certain improvements to the Utility Authority's wastewater system, fund a reserve account, and pay issuance costs.

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS - Continued

The wastewater bonds are payable from Net Revenues of the Wastewater Enterprise. Interest is payable semi-annually on August 1st and February 1st of each year with principal maturing on February 1st of each year through 2040. The interest rate on the bonds ranges from 3.00% to 7.00%.

Debt service requirements to maturity for the Wastewater Enterprise Revenue Bonds, 2010A Series, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2014	\$ 110,000	\$ 279,320
2015	115,000	275,470
2016	120,000	271,445
2017	125,000	267,245
2018	130,000	263,495
2019-2023	730,000	1,235,470
2024-2028	925,000	1,038,625
2029-2033	1,180,000	780,588
2034-2038	1,525,000	438,375
2039-2040	725,000	57,488
	<u>\$ 5,685,000</u>	<u>\$ 4,907,521</u>

Debt service requirements to maturity for the Wastewater Enterprise Revenue Bonds, 2010B Series, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2014	\$ 90,000	\$ 402,000
2015	95,000	397,050
2016	100,000	391,825
2017	105,000	386,325
2018	110,000	380,550
2019-2023	660,000	1,799,575
2024-2028	905,000	1,550,000
2029-2033	1,255,000	1,198,775
2034-2038	1,755,000	696,850
2039-2040	890,000	94,500
	<u>\$ 5,965,000</u>	<u>\$ 7,297,450</u>

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS - Continued

Pursuant to each indenture, the Utility Authority covenants to fix, prescribe, revise, and collect rates, fees, and charges for the respective Enterprise as a whole for the services and improvements furnished by the Enterprise during each fiscal year which are at least sufficient, after making allowances for contingencies and error in the estimates, to yield revenues of that Enterprise sufficient to pay the following amounts in the following priority: a) all anticipated service fees due under the DBOF for such fiscal year in the case of the Wastewater Enterprise only; b) all anticipated operation and maintenance costs of the enterprise for such fiscal year; c) all debt service payments as they become due and payable during such fiscal year, without preference or priority, except to the extent such debt service payments are payable from the proceeds of the bonds or from any other source of legally available funds of the Utility Authority which have been deposited for such purpose prior to the commencement of such fiscal year; d) the amount, if any, required to restore the amount in the reserve account to the full amount of the reserve requirement; and e) all other payments required to meet any other obligations of the Utility Authority which are charges, liens, encumbrances upon or payable from the revenues during such fiscal year.

The Utility Authority also covenants under the Indenture to fix, prescribe, revise and collect, or cause to be fixed, prescribed, revised and collected, rates, fees and charges for the services and improvements furnished by the Enterprise during each fiscal year that are sufficient to yield net revenues that are at least equal to one hundred twenty percent (120%) of the total debt service payments coming due and payable in such fiscal year.

Notes Payable

On January 2, 1996, the City of Santa Paula purchased surface water rights and groundwater rights from the Santa Paula Waterworks, Ltd. by issuing notes for \$496,500 at an interest rate of 9.87% per annum. Interest only payments are due annually with principal to be paid in full on January 2, 2026. Debt Service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2014	\$ -	\$ 73,000
2015	-	73,000
2016	-	73,000
2017	-	73,000
2018	-	73,000
2019-2023	-	365,000
2024-2026	496,500	219,136
	\$ 496,500	\$ 949,136

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS - Continued

Pension-Related Debt

As of June 30, 2003, CalPERS implemented risk pooling for the City's multiple-employer public employee defined benefit pension plan. At that point, in accordance with generally accepted accounting principles, the City's Miscellaneous and Safety Plans converted from an "agent" multiple-employer plan to a "cost-sharing" multiple-employer plan. Although a portion of the City's annual required contributions are actuarially determined and shared by all employers of the risk pool, the City is also required to make annual payments on a "Side Fund" which was created when the City entered the risk pool. The responsibility for funding the Side Fund is specific to the City and is not shared by all employers in the plan. Therefore, the Side Fund falls under the definition of pension-related debt, as described in GASB Statement No. 27. The annual payments on the Side Fund represent principal and interest payments on the pension-related debt. Principal and interest are included in the retirement expenditures in the various functions of the governmental funds and the principal is reported as a reduction of the liability in the proprietary funds.

The future debt service requirements on the Miscellaneous Plan Side Fund are as follows:

Year Ending June 30,	Pension-related Debt		Total
	Principal	Interest	
2014	\$ 142,182	\$ 104,444	\$ 246,626
2015	161,522	93,120	254,642
2016	182,630	80,288	262,918
2017	205,654	65,809	271,463
2018	230,750	49,535	280,285
2019	258,089	31,306	289,395
2020	287,854	10,946	298,800
Total	<u>\$ 1,468,681</u>	<u>\$ 435,448</u>	<u>\$ 1,904,129</u>

The future debt service requirements on the Safety Plan Side Fund are as follows:

Year Ending June 30,	Pension-related Debt		Total
	Principal	Interest	
2014	\$ 389,929	\$ 83,706	\$ 473,635
2015	436,127	52,901	489,028
2016	486,425	18,497	504,922
Total	<u>\$ 1,312,481</u>	<u>\$ 155,104</u>	<u>\$ 1,467,585</u>

City of Santa Paula
Notes to Financial Statements
June 30, 2013

III) DETAILED NOTES ON ALL FUNDS - Continued

Fiduciary Fund

Tax Allocation Bonds

On March 21, 1994, the Redevelopment Agency of the City of Santa Paula adopted a resolution authorizing the sale of \$6,900,000 aggregate principal amount of Santa Paula Redevelopment Project 1994 Tax Allocation Refunding Bonds at interest rates ranging from 6.345% to 6.548% for the purpose of retiring \$6,000,000 of Tax Allocation Notes issued on November 1, 1992. The bonds mature on December 1 of each year to 2024 with interest payable semi-annually. On June 7, 2000, the Agency defeased \$2,285,000 of the \$6,900,000 Tax Allocation Refunding Bonds by purchasing United States government securities in an irrevocable trust with an escrow agent utilizing existing funds. The bonds are considered to be partially defeased and the related liability has been removed from long-term debt.

Debt service requirements to maturity on the remaining bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2014	\$ 150,000	\$ 170,150
2015	160,000	160,590
2016	175,000	150,430
2017	185,000	139,300
2018	200,000	127,500
2019-2023	1,195,000	428,100
2024-2025	590,000	57,375
	\$ 2,655,000	\$ 1,233,445

Changes in Long-term Debt

The following is a schedule of changes in long-term debt of the Successor Agency for the fiscal year ended June 30, 2013.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds Payable:					
Tax Allocation Refunding Bonds	\$ 2,805,000	\$ -	\$ (150,000)	\$ 2,655,000	\$ 150,000
Unamortized Discount	(18,531)	-	1,426	(17,105)	-
Total	\$ 2,786,469	\$ -	\$ (148,574)	2,637,895	\$ 150,000

City of Santa Paula
Notes to Financial Statements
June 30, 2013

F) Fund Balance

The details of the fund balances as of June 30, 2013 are presented below:

	General Fund	Total Non-major Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Nonspendable:			
Loans Receivable	\$ 13,174	\$	\$ 13,174
Permanent Endowments		739,473	739,473
Restricted for:			
Street Work	2,536,713	1,921,841	4,458,554
Public Safety		123,167	123,167
Community Development		89,883	89,883
Miscellaneous Grants		41,082	41,082
Cable Television		63,099	63,099
Hazard Abatement		160,863	160,863
Inclusionary Housing Ordinance		31,757	31,757
Development Fees		3,519,237	3,519,237
Committed to:			-
Assigned to:			-
Unassigned:	<u>2,728,089</u>	<u>(677,527)</u>	<u>2,050,562</u>
Total Fund Balance	<u>\$ 5,277,976</u>	<u>\$ 6,012,875</u>	<u>\$ 11,290,851</u>

The unassigned category above encompasses fund designations that do not satisfy the criteria of the other categories presented. The \$2,728,089 reported in the General Fund includes the council approved operating reserve of \$1,108,863.

IV) OTHER INFORMATION

A) Risk Management

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

The City of Santa Paula is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code 6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

City of Santa Paula
Notes to Financial Statements
June 30, 2013

IV) OTHER INFORMATION - Continued

2. Self Insurance Programs of the Authority

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

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

Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

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

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$25 million per occurrence. This \$25 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate.

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses

City of Santa Paula
Notes to Financial Statements
June 30, 2013

IV) OTHER INFORMATION - Continued

includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

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

3. Purchased Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City property is currently insured according to a schedule of covered property submitted by the City to the Authority. Total all-risk property insurance coverage is \$52,912,691. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

4. Adequacy of Protection

During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

5. Claims and Judgments

The City accounts for uninsured, material claims and judgments and associated legal and administrative costs when it is probable that the liability claim has been incurred and the amount of the loss can be reasonably estimated. Included therein are claims incurred but not reported, which consists of (a) known loss events expected to be presented as claims later, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported. This is based upon historical actual results that have established a reliable pattern supplemented by specific information about current matters. Small dollar claims and judgments are recorded as expenditures when paid. The following claims schedule includes workers' compensation and general liability for the past two fiscal years.

Year	Beginning of Year Liability	Current Year Claims and Changes In Estimates	Claim Payments For Current and Prior Years	End of Year Liability
2011-2012	\$ 2,980,281	\$ -	\$ 445,826	\$ 2,535,455
2012-2013	2,535,455	94,734	71,336	2,558,853

City of Santa Paula
Notes to Financial Statements
June 30, 2013

IV) OTHER INFORMATION - Continued

B) Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City, as part of a consent judgment entered into on September 24, 2007, was required to construct a new water recycling facility ("WRF") no later than December 15, 2010. The WRF was constructed and placed into operation prior to the December 15, 2010 deadline. However, the WRF, does not fully comply with the consent judgment, and therefore, may be subject to additional penalties. The amount of penalties, if any, has not been determined.

The City is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

C) Employee Retirement Systems and Pension Plans

Defined Benefit Pension Plan

Plan Description. The City of Santa Paula's Defined Benefit Pension Plan (Plan) provides retirement, disability, annual cost of living adjustments and death benefits to plan members and their beneficiaries. The Plan is part of the public agency portion of the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the state of California. State statutes establish a menu of benefit provisions as well as other requirements with the Public Employees' Retirement Law.

The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through City ordinance. CalPERS issue a publicly available financial report that includes the applicable financial statements and required supplementary information. The report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

Funding Policy. Safety and miscellaneous plan members are required to contribute 8% and 9%, respectively of their annual covered salary. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. As of the 2007-08 fiscal year, both plans were required to participate in risk pools, which includes pooled employer contribution rates. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the year ended June 30, 2013 was 24.490% and 10.238% for Tier 1 and Tier 2 for miscellaneous employees and 37.252% for safety employees. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

City of Santa Paula
Notes to Financial Statements
June 30, 2013

IV) OTHER INFORMATION - Continued

Three Year Trend Information for the Miscellaneous and Safety Plans:

Fiscal Year	Required Contributions	Percentage Contributed
6/30/11	\$ 1,446,862	100%
6/30/12	\$ 1,465,197	100%
6/30/13	\$ 2,114,132	100%

D) Post Employment Benefits

Plan Description. The City of Santa Paula's defined benefit postemployment healthcare plan, (DHP), provides medical benefits to eligible retired City employees. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. DHP selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through City resolution. The DHP does not issue a publicly available report.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by the Council. The City contributed \$112 per employee from July through December 2012, and \$115 thereafter.

Annual OPEB Cost. For 2013, the City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$ 111,683
Interest on net OPEB obligation	13,620
Adjustment to annual required contribution	(12,959)
Annual OPEB cost (expense)	<u>112,344</u>
Contributions made	(36,090)
Increase in net OPEB obligation	<u>76,254</u>
Net OPEB obligation – beginning of the year	272,393
Net OPEB obligation – end of the year	<u>\$ 348,647</u>

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending June 30, 2013 and the two preceding fiscal years as follows:

City of Santa Paula
Notes to Financial Statements
June 30, 2013

IV) OTHER INFORMATION - Continued

THREE-YEAR TREND INFORMATION DPHP			
Fiscal Year	Annual OPEB Cost (AOC)	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/13	\$ 112,344	32.1%	348,647
6/30/12	\$ 108,685	32.6%	272,393
6/30/11	\$ 99,958	39.2%	199,212

Funded Status and Funding Progress. As of July 1, 2012, the actuarial valuation accrued liability for benefits was \$1,174,307, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,126,370 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 50 percent.

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

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

Valuation Date	July 1, 2012
Discount Rate	0.05
Ultimate Trend Rate	0.05
HealthCare trend rates: Initial, Ultimate	.08, .05
Dental	0.04
Vision (tied to dental)	0.04
Other (tied to dental)	0.04
Age-adjustment factor	0
Cap inflator	
(neg = full inflation, 0 = frozen)	0.04
Percent of Retirees with Spouses)	0.6

City of Santa Paula
Notes to Financial Statements
June 30, 2013

IV) OTHER INFORMATION - Continued

E) Loans Receivable

An allowance for doubtful accounts has been established for the loans receivable balance in the governmental activities section of the statement of net position for \$507,952. The loans receivable balance of \$0 is net of the allowance.

F) Construction Commitments

The estimated amount of remaining construction contract obligations at year-end is \$516,103.

G) Restatement of Net Position/Prior Period Adjustment

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in fiscal year 2012-13. As a result, the beginning net position in the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds and the Statement of Changes in Net Position – Fiduciary Funds was restated by \$2,971,058 and \$67,377, respectively, to reflect the cumulative effect of applying this statement.

The prior period adjustment in the Statement of Activities of \$2,535,455 represents claims liabilities as of June 30, 2012 that was not recorded in the prior year financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Santa Paula
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 7,970,736	\$ 7,970,736	\$ 8,631,851	\$ 661,115
Licenses & Permits	256,450	256,450	407,621	151,171
Intergovernmental	340,800	340,800	361,584	20,784
Charges for Services	1,060,717	1,060,717	1,108,153	47,436
Fines and Forfeitures	249,750	249,750	188,292	(61,458)
Investment Earnings	7,000	7,000	33,695	26,695
Other Revenues	22,800	22,800	136,438	113,638
	<u>9,908,253</u>	<u>9,908,253</u>	<u>10,867,634</u>	<u>959,381</u>
EXPENDITURES				
Current:				
General Government	2,167,485	2,167,485	2,069,948	97,537
Building and Safety	284,257	285,983	261,136	24,847
Community Services	916,309	917,452	946,254	(28,802)
Financial Services	367,623	369,163	423,780	(54,617)
Fire	2,128,625	2,131,289	2,163,795	(32,506)
Planning	535,730	536,599	573,109	(36,510)
Police	4,661,067	4,661,925	4,422,138	239,787
Public Works	2,126,280	2,127,762	754,919	1,372,843
	<u>13,187,376</u>	<u>13,197,658</u>	<u>11,615,079</u>	<u>1,582,579</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,279,123)</u>	<u>(3,289,405)</u>	<u>(747,445)</u>	<u>2,541,960</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,120,299	1,120,299	1,099,299	(21,000)
Transfers Out	-	-	(97,792)	(97,792)
	<u>1,120,299</u>	<u>1,120,299</u>	<u>1,001,507</u>	<u>(118,792)</u>
Net Change in Fund Balances	(2,158,824)	(2,169,106)	254,062	2,423,168
Fund Balances, Beginning	<u>5,023,914</u>	<u>5,023,914</u>	<u>5,023,914</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 2,865,090</u>	<u>\$ 2,854,808</u>	<u>\$ 5,277,976</u>	<u>\$ 2,423,168</u>

City of Santa Paula
Schedule of Funding Progress for DPHP
For the Year Ended June 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
06/30/09	\$ -	\$ 1,115,534	\$ 1,115,534	0%	\$ 2,199,767	50.71%
07/01/12	\$ -	\$ 1,174,307	\$ 1,174,307	0%	\$ 2,126,370	55.23%

City of Santa Paula
Notes to Required Supplementary Information
June 30, 2013

Budgetary Information

Budgeted revenue and expenditure amounts shown represent the City's originally adopted legal budget adjusted for unanticipated revenues and appropriations during the course of the fiscal year. Budget amounts, as adjusted, reported for the governmental funds of the City are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts and projects entered into by the City are subject to annual review by the City Council; hence, they legally are one-year contracts with an option for renewal for another fiscal year.

The City Council has the responsibility for adoption of the City's Budget. Budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during each fiscal year. The City Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by City Council. The level at which expenditures may not legally exceed appropriations is therefore established at the department level. Budgeted amounts may be transferred between programs with City Manager approval.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

SUPPLEMENTARY INFORMATION

City of Santa Paula
Nonmajor Governmental Funds
June 30, 2013

Special Revenue Funds

Mobile Home Rent Review Fund - This fund is used to administer the Mobile Home Rent Review Program.

State Gas Tax Fund - This fund is to be used for street repairs and maintenance.

Local Transportation TDA Fund - This fund is to be used for local streets and roads.

Housing and Community Development I - This fund is to be used for housing needs.

HUD CDBG Fund - This fund is used to account for the CDBG program run through the County of Ventura.

CA Oil Museum Fund - Revenues from fundraising, membership and interest from endowment. Used to cover operating costs of museum.

Asset Forfeiture Fund - To account for money derived from police asset forfeitures and related law enforcement expenses.

Hillsborough Open Space Assessment Fund - This fund is used to account for the Maintenance Assessment District for Tract #4486-1 (except parcels D & E) and Tract 4486-2.

DOJ-BJA Local Law Enforcement Fund - This fund is used to account for law enforcement for specified purposes.

Local Transportation TDA Article 3 Fund - This fund is set aside for bicycle and pedestrian facilities.

SAFER Grant Fund - This fund is used to account for grants specific for Fire Department staffing.

Cal Home Grant Fund - This fund is used to account for funds received from the CA Housing and Community Development Department for assisting individuals with housing loans.

NPDES Storm Water Quality Fund - This fund is only for use in relation to storm water quality.

SLESF - COPS (State) Fund - This fund is used to account for law enforcement for additional public safety use.

Beverage Container Recycling Fund - This fund is used to account for the recycling program state grants.

Area Agency on Aging Fund - This fund is used to account or the Senior Citizen program.

State Homeland Security Grant Fund - This fund is used to account for grant proceeds from the state that are to be used to enhance public safety and security.

Federal STP Fund - This fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

CA Used Oil Block Grant Fund - This fund is used to account for grant proceeds from the State that are to be used for used oil collection projects.

City of Santa Paula
Nonmajor Governmental Funds - Continued
June 30, 2013

Special Revenue Funds - Continued

Cable Television Fund - This fund is used to account for cable television fees.

Stormwater Program Fund - This fund is used to account for storm water program activities.

Transportation Enhancement Grant Fund - This fund is used to account for Transportation Enhancement Grant activities.

BJA Vest Grant Fund - This fund is used to account for BJA Vest Grant activities.

Miscellaneous State Grants Fund - Used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

GHAD-GEO Hazardous Abatement District Fund - This fund is used to account for the Geological Hazard Abatement District #5606.

City of Santa Paula
Nonmajor Governmental Funds
June 30, 2013

Capital Project Funds

Congestion Management and Air Quality Fund - This fund is used to account for specific revenue sources that are restricted for congestion management and air quality.

Library Expansion Facilities Fund - This fund is used to account for developers fees collected to be used for Library Facility Expansion projects.

Law Enforcement Facilities Fund - This fund is used to account for developers fees collected to be used for Law Enforcement Facilities projects.

Water Distribution Facilities - This fund is used to account for developers fees collected to be used for Water Distribution Facilities projects.

Inclusionary Housing Ordinance Improvement - This fund is used to account for developers fees collected to be used for future Inclusionary Housing Ordinance Implementation Programs.

Fire Protection Facilities Fund - This fund is used to account for developers fees collected to be used for Fire Protection Facilities projects.

Public Meeting Facilities Fund - This fund is used to account for developers fees collected to be used for Public Meeting Facilities projects.

General Government Facilities Fund - This fund is used to account for developers fees collected to be used for General Government Facilities projects.

Traffic Impact Fees Fund - This fund is used to account for developers fees collected to be used for traffic related projects. This fund is legally restricted to capital acquisition or related debt service.

Parks and Recreation Facilities Fund - This fund is used to account for prior developer fees collected to be used for Parks and Recreation Facilities related projects. This fund is legally restricted to capital acquisition or related debt service.

Parkland Facilities Fund - This fund is used to account for developers fees collected to be used for Parkland Facilities projects.

Corporate Yard Facilities Fund - This fund is used to account for the funds for the Corporate Yard Facilities activities.

Sewer Collection Facilities Fund - This fund is used to account for developers fees collected to be used for Sewer Collection Facilities projects.

Storm Drain Facilities Fund - This fund is used to account for developers fees collected to be used for Storm Drain Facilities projects.

City of Santa Paula
Nonmajor Governmental Funds
June 30, 2013

Capital Project Funds - continued

Harding Park Improvements Fund - This fund is used to account for the funds used for the improvements to Harding Park from the Harding Park Trust Permanent fund.

Air Quality Impact Fee - This fund is used to account for developers fees collected to be used for air quality management.

Permanent Funds

Community Center Endowment Fund - This fund is used to account for principal trust amounts received and related investment earning. Investment earnings may be used to support the Center.

Museum Endowment Fund - This fund is used to account for principal trust amounts received and related investment earnings. Investment earnings may be used to support the Museum.

Harding Park Trust Fund - This fund is used to account for principal trust amounts received and related investment earnings. Investment earnings may be used to support the Harding Park Trust Fund subject to the approval of the Harding Park Advisory Committee.

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**City of Santa Paula
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013**

	Special Revenue	Capital Projects	Permanent Funds	Total
ASSETS				
Cash and Investments	\$ 2,298,537	\$ 3,523,320	\$ 779,691	\$ 6,601,548
Receivables	525,570	1,972	413	527,955
Loans Receivable	494,778	-	-	494,778
Advances to Other Funds	-	140,046	-	140,046
Cash - Restricted	29,844	-	-	29,844
	<u>29,844</u>	<u>-</u>	<u>-</u>	<u>29,844</u>
Total Assets	<u>\$ 3,348,729</u>	<u>\$ 3,665,338</u>	<u>\$ 780,104</u>	<u>\$ 7,794,171</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 81,192	\$ 17,568	\$ 1,502	\$ 100,262
Due to Other Funds	591,349	-	-	591,349
Advances From Other Funds	-	100,000	140,046	240,046
	<u>-</u>	<u>100,000</u>	<u>140,046</u>	<u>240,046</u>
Total Liabilities	<u>672,541</u>	<u>117,568</u>	<u>141,548</u>	<u>931,657</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	354,861	-	-	354,861
Unavailable Revenues - Loans Receivable	494,778	-	-	494,778
	<u>494,778</u>	<u>-</u>	<u>-</u>	<u>494,778</u>
Total Deferred Inflows of Resources	<u>849,639</u>	<u>-</u>	<u>-</u>	<u>849,639</u>
FUND BALANCE				
Nonspendable	-	-	739,473	739,473
Restricted	2,399,935	3,550,994	-	5,950,929
Unassigned	(573,386)	(3,224)	(100,917)	(677,527)
	<u>(573,386)</u>	<u>(3,224)</u>	<u>(100,917)</u>	<u>(677,527)</u>
Total Fund Balances	<u>1,826,549</u>	<u>3,547,770</u>	<u>638,556</u>	<u>6,012,875</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,348,729</u>	<u>\$ 3,665,338</u>	<u>\$ 780,104</u>	<u>\$ 7,794,171</u>

**City of Santa Paula
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013**

	Mobile Home Rent Review	State Gas Tax	Local Transportation TDA	Housing and Community Development I	(CDBG) Housing and Community Development II
ASSETS					
Cash and Investments	\$ -	\$ 1,185,307	\$ 551,339	\$ 69,609	\$ -
Receivables	-	62,783	284	39	12,865
Loans Receivable	-	-	-	-	278,214
Cash - Restricted	-	-	-	-	29,844
Total Assets	\$ -	\$ 1,248,090	\$ 551,623	\$ 69,648	\$ 320,923
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 1,460	\$ 40,205	\$ 4,989	\$ -	\$ 3,751
Due to Other Funds	176,643	-	-	-	59,371
Total Liabilities	178,103	40,205	4,989	-	63,122
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Unavailable Revenues - Loans Receivable	-	-	-	-	278,214
Total Deferred Inflows of Resources	-	-	-	-	278,214
FUND BALANCE					
Restricted	-	1,207,885	546,634	69,648	-
Unassigned	(178,103)	-	-	-	(20,413)
Total Fund Balances	(178,103)	1,207,885	546,634	69,648	(20,413)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 1,248,090	\$ 551,623	\$ 69,648	\$ 320,923

CA Oil Museum	Asset Forfeiture	Hillsborough Open Space Assessment	DOJ-BJA Local Law Enforecment 03/04	Local Transportation TDA Article 3	SAFER Grant	Cal Home Grant Dept. of HCD
\$ -	\$ 7,102	\$ -	\$ -	\$ 1,446	\$ -	\$ 8,312
-	4	374	211	1	326,475	-
-	-	-	-	-	-	216,564
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 7,106</u>	<u>\$ 374</u>	<u>\$ 211</u>	<u>\$ 1,447</u>	<u>\$ 326,475</u>	<u>\$ 224,876</u>
\$ 8,200	\$ -	\$ 690	\$ -	\$ -	\$ 11,230	\$ -
-	-	2	211	-	326,475	-
<u>8,200</u>	<u>-</u>	<u>692</u>	<u>211</u>	<u>-</u>	<u>337,705</u>	<u>-</u>
-	-	-	-	-	326,475	-
-	-	-	-	-	-	216,564
-	-	-	-	-	326,475	216,564
-	7,106	-	-	1,447	-	8,312
<u>(8,200)</u>	<u>-</u>	<u>(318)</u>	<u>-</u>	<u>-</u>	<u>(337,705)</u>	<u>-</u>
<u>(8,200)</u>	<u>7,106</u>	<u>(318)</u>	<u>-</u>	<u>1,447</u>	<u>(337,705)</u>	<u>8,312</u>
<u>\$ -</u>	<u>\$ 7,106</u>	<u>\$ 374</u>	<u>\$ 211</u>	<u>\$ 1,447</u>	<u>\$ 326,475</u>	<u>\$ 224,876</u>

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**City of Santa Paula
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2013**

	NPDES Storm Water Quality	SLESF-COPS State	Beverage Container Recycling	Area Agency on Aging	State Homeland Security Grant
ASSETS					
Cash and Investments	\$ 17,150	\$ 117,176	\$ 14,752	\$ 9,903	\$ -
Receivables	41,458	76	8,302	2,042	-
Loans Receivable	-	-	-	-	-
Cash - Restricted	-	-	-	-	-
Total Assets	<u>\$ 58,608</u>	<u>\$ 117,252</u>	<u>\$ 23,054</u>	<u>\$ 11,945</u>	<u>\$ -</u>
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 389	\$ 1,191	\$ 468	\$ 22	\$ -
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>389</u>	<u>1,191</u>	<u>468</u>	<u>22</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Unavailable Revenues - Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Restricted	58,219	116,061	22,586	11,923	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>58,219</u>	<u>116,061</u>	<u>22,586</u>	<u>11,923</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 58,608</u>	<u>\$ 117,252</u>	<u>\$ 23,054</u>	<u>\$ 11,945</u>	<u>\$ -</u>

Federal STP	CA Used Oil Block Grant	Cable Television Fund	Stormwater Program	Transportation Enhancement Grant	BJA Vest Grant	Miscellaneous State Grants
\$ -	\$ 19,524	\$ 55,386	\$ 79,842	\$ -	\$ -	\$ 925
-	14	8,467	28,701	-	28,386	4,989
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 19,538</u>	<u>\$ 63,853</u>	<u>\$ 108,543</u>	<u>\$ -</u>	<u>\$ 28,386</u>	<u>\$ 5,914</u>
\$ -	\$ 1,042	\$ 754	\$ 887	\$ -	\$ -	\$ 5,914
-	-	-	-	261	28,386	-
-	1,042	754	887	261	28,386	5,914
-	-	-	-	-	28,386	-
-	-	-	-	-	-	-
-	-	-	-	-	28,386	-
-	18,496	63,099	107,656	-	-	-
-	-	-	-	(261)	(28,386)	-
-	18,496	63,099	107,656	(261)	(28,386)	-
<u>\$ -</u>	<u>\$ 19,538</u>	<u>\$ 63,853</u>	<u>\$ 108,543</u>	<u>\$ -</u>	<u>\$ 28,386</u>	<u>\$ 5,914</u>

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**City of Santa Paula
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2013**

	GHAD-GEO Hazardous Abatement Dist	<u>Total</u>
ASSETS		
Cash and Investments	\$ 160,764	\$ 2,298,537
Receivables	99	525,570
Loans Receivable	-	494,778
Cash - Restricted	-	29,844
	<u> </u>	<u> </u>
Total Assets	<u>\$ 160,863</u>	<u>\$ 3,348,729</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ -	\$ 81,192
Due to Other Funds	-	591,349
	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>672,541</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues - Grants	-	354,861
Unavailable Revenues - Loans Receivable	-	494,778
	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>-</u>	<u>849,639</u>
FUND BALANCE		
Restricted	160,863	2,399,935
Unassigned	-	(573,386)
	<u> </u>	<u> </u>
Total Fund Balances	<u>160,863</u>	<u>1,826,549</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 160,863</u>	<u>\$ 3,348,729</u>

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**City of Santa Paula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2013**

	Congestion Management and Air Quality	Library Expansion Facilities	Law Enforcement Facilities	Water Distribution Facilities	Inclusionary Housing Ordinance
ASSETS					
Cash and Investments	\$ -	\$ 306,662	\$ 49,718	\$ 743,052	\$ 31,739
Receivables	-	169	27	416	18
Advances to Other Funds	-	-	-	-	-
Total Assets	\$ -	\$ 306,831	\$ 49,745	\$ 743,468	\$ 31,757
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ 9,544	\$ -	\$ -	\$ -
Advances From Other Funds	-	-	-	-	-
Total Liabilities	-	9,544	-	-	-
Fund Balances:					
Restricted	-	297,287	49,745	743,468	31,757
Unassigned	-	-	-	-	-
Total Fund Balances	-	297,287	49,745	743,468	31,757
Total Liabilities and Fund Balances	\$ -	\$ 306,831	\$ 49,745	\$ 743,468	\$ 31,757

Fire Protection Facilities	Public Meeting Facilities	General Government Facilities	Traffic Impact Fees	Parks and Recreation Facilities	Parkland Facilities	Corp Yard Facilities
\$ 54,220 30 -	\$ 300,778 166 -	\$ 206,600 113 -	\$ 393,956 212 -	\$ 126,305 71 -	\$ 963,966 550 140,046	\$ 97,947 60 -
<u>\$ 54,250</u>	<u>\$ 300,944</u>	<u>\$ 206,713</u>	<u>\$ 394,168</u>	<u>\$ 126,376</u>	<u>\$ 1,104,562</u>	<u>\$ 98,007</u>
\$ - -	\$ - -	\$ - -	\$ 243 -	\$ - -	\$ 6,489 -	\$ - 100,000
-	-	-	243	-	6,489	100,000
54,250 -	300,944 -	206,713 -	393,925 -	126,376 -	1,098,073 -	- (1,993)
<u>54,250</u>	<u>300,944</u>	<u>206,713</u>	<u>393,925</u>	<u>126,376</u>	<u>1,098,073</u>	<u>(1,993)</u>
<u>\$ 54,250</u>	<u>\$ 300,944</u>	<u>\$ 206,713</u>	<u>\$ 394,168</u>	<u>\$ 126,376</u>	<u>\$ 1,104,562</u>	<u>\$ 98,007</u>

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**City of Santa Paula
Combining Balance Sheet
Nonmajor Capital Projects Funds - Continued
June 30, 2013**

	Sewer Collection Facilities	Storm Drain Facilities	Harding Park Improvements	Air Quality Impact Fee	Total
ASSETS					
Cash and Investments	\$ 122,909	\$ 121,671	\$ -	\$ 3,797	\$ 3,523,320
Receivables	70	68	-	2	1,972
Advances to Other Funds	-	-	-	-	140,046
Total Assets	<u>\$ 122,979</u>	<u>\$ 121,739</u>	<u>\$ -</u>	<u>\$ 3,799</u>	<u>\$ 3,665,338</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Accrued					
Liabilities:	\$ 61	\$ -	\$ 1,231	\$ -	\$ 17,568
Advances From Other Funds	-	-	-	-	100,000
Total Liabilities	<u>61</u>	<u>-</u>	<u>1,231</u>	<u>-</u>	<u>117,568</u>
Fund Balances:					
Restricted	122,918	121,739	-	3,799	3,550,994
Unassigned	-	-	(1,231)	-	(3,224)
Total Fund Balances	<u>122,918</u>	<u>121,739</u>	<u>(1,231)</u>	<u>3,799</u>	<u>3,547,770</u>
Total Liabilities and Fund Balances	<u>\$ 122,979</u>	<u>\$ 121,739</u>	<u>\$ -</u>	<u>\$ 3,799</u>	<u>\$ 3,665,338</u>

**City of Santa Paula
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2013**

	<u>Community Center Endowment</u>	<u>Museum Endowment</u>	<u>Harding Park Trust</u>	<u>Total</u>
ASSETS				
Cash and Investments	\$ 527,537	\$ 211,523	\$ 40,631	\$ 779,691
Receivables	295	118	-	413
	<u>527,832</u>	<u>211,641</u>	<u>40,631</u>	<u>780,104</u>
Total Assets	<u>\$ 527,832</u>	<u>\$ 211,641</u>	<u>\$ 40,631</u>	<u>\$ 780,104</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 1,502	\$ 1,502
Advances from Other Funds	-	-	140,046	140,046
	<u>-</u>	<u>-</u>	<u>141,548</u>	<u>141,548</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>141,548</u>	<u>141,548</u>
Fund Balances:				
Nonspendable	527,832	211,641	-	739,473
Unassigned	-	-	(100,917)	(100,917)
	<u>527,832</u>	<u>211,641</u>	<u>(100,917)</u>	<u>638,556</u>
Total Fund Balance	<u>527,832</u>	<u>211,641</u>	<u>(100,917)</u>	<u>638,556</u>
Total Liabilities and Fund Balances	<u>\$ 527,832</u>	<u>\$ 211,641</u>	<u>\$ 40,631</u>	<u>\$ 780,104</u>

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City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue	Capital Projects	Permanent Funds	Total
REVENUES				
Taxes	\$ 52,067	\$ 459,391	\$ -	\$ 511,458
Intergovernmental	1,993,868	1,320	-	1,995,188
Charges for Services	194,212	-	90,774	284,986
Investment Earnings	27,174	9,592	3,502	40,268
Other Revenues	133,169	-	6,696	139,865
Total Revenues	2,400,490	470,303	100,972	2,971,765
EXPENDITURES				
General Government	46,139	21,939	-	68,078
Building and Safety	140,351	25,952	-	166,303
Community Services	223,215	770,342	519,696	1,513,253
Financial Services	2,341	-	-	2,341
Fire	351,711	9,891	-	361,602
Planning	-	9,999	-	9,999
Police	105,226	-	-	105,226
Public Works	1,233,539	21,356	-	1,254,895
Debt Service:				
Principal	34,550	-	-	34,550
Interest	19,722	-	-	19,722
Total Expenditures	2,156,794	859,479	519,696	3,535,969
Excess (Deficiency) of Revenues Over Expenditures	243,696	(389,176)	(418,724)	(564,204)
OTHER FINANCING SOURCES (USES)				
Transfers In	337,049	559,240	-	896,289
Transfers Out	(386,578)	-	(559,240)	(945,818)
Total Other Financing Sources (Uses)	(49,529)	559,240	(559,240)	(49,529)
Net Change in Fund Balances	194,167	170,064	(977,964)	(613,733)
Fund Balances - Beginning	1,632,382	3,377,706	1,616,520	6,626,608
Fund Balances - Ending	<u>\$ 1,826,549</u>	<u>\$ 3,547,770</u>	<u>\$ 638,556</u>	<u>\$ 6,012,875</u>

City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2013

	Mobile Home Rent Review	State Gas Tax	Local Transportation TDA	Housing and Community Development I	(CDBG) Housing and Community Development II
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	690,930	500,239	-	255,085
Charges for Services	11,898	9,219	-	-	9,616
Investment Earnings	-	2,533	1,233	196	9,331
Other Revenues	-	-	-	-	3,156
Total Revenues	11,898	702,682	501,472	196	277,188
EXPENDITURES					
General Government	46,139	-	-	-	-
Building and Safety	-	-	-	-	140,351
Community Services	-	-	-	-	7,187
Financial Services	-	-	2,341	-	-
Fire	-	-	-	-	-
Police	-	-	-	-	-
Public Works	-	552,970	105,383	-	148,586
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	46,139	552,970	107,724	-	296,124
Excess (Deficiency) of Revenues Over Expenditures	(34,241)	149,712	393,748	196	(18,936)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	337,049	-	-	-
Transfers Out	-	(59,208)	(314,279)	-	-
Total Other Financing Sources (Uses)	-	277,841	(314,279)	-	-
Net Change in Fund Balances	(34,241)	427,553	79,469	196	(18,936)
Fund Balances - Beginning	(143,862)	780,332	467,165	69,452	(1,477)
Fund Balances - Ending	\$ (178,103)	\$ 1,207,885	\$ 546,634	\$ 69,648	\$ (20,413)

CA Oil Museum	Asset Forfeiture	Hillsborough Open Space Assessment	DOJ-BJA Local Law Enforecment 03/04	Local Transportation TDA Article 3	SAFER Grant	CAL Home Grant Dept. of HCD
\$ -	\$ -	\$ 10,631	\$ -	\$ -	\$ -	\$ -
-	-	-	990	2,625	-	-
23,581	-	-	-	-	-	-
12,544	21	6	-	-	-	-
116,239	-	-	-	-	-	-
<u>152,364</u>	<u>21</u>	<u>10,637</u>	<u>990</u>	<u>2,625</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
171,045	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	337,705	-
-	799	-	990	-	-	-
-	-	7,115	-	6,853	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>171,045</u>	<u>799</u>	<u>7,115</u>	<u>990</u>	<u>6,853</u>	<u>337,705</u>	<u>-</u>
<u>(18,681)</u>	<u>(778)</u>	<u>3,522</u>	<u>-</u>	<u>(4,228)</u>	<u>(337,705)</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(18,681)</u>	<u>(778)</u>	<u>3,522</u>	<u>-</u>	<u>(4,228)</u>	<u>(337,705)</u>	<u>-</u>
<u>10,481</u>	<u>7,884</u>	<u>(3,840)</u>	<u>-</u>	<u>5,675</u>	<u>-</u>	<u>8,312</u>
<u>\$ (8,200)</u>	<u>\$ 7,106</u>	<u>\$ (318)</u>	<u>\$ -</u>	<u>\$ 1,447</u>	<u>\$ (337,705)</u>	<u>\$ 8,312</u>

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City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Continued
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2013

	NPDES Storm Water Quality	SLESF-COPS State	Beverage Container Recycling	Area Agency on Aging	State Homeland Security Grant
REVENUES					
Taxes	\$ 41,436	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	75,000	13,373	21,234	13,119
Charges for Services	-	-	-	-	-
Investment Earnings	206	353	46	12	-
Other Revenues	-	-	-	13,441	-
Total Revenues	<u>41,642</u>	<u>75,353</u>	<u>13,419</u>	<u>34,687</u>	<u>13,119</u>
EXPENDITURES					
General Government	-	-	-	-	-
Building and Safety	-	-	-	-	-
Community Services	-	-	6,500	30,816	-
Financial Services	-	-	-	-	-
Fire	-	-	-	-	5,098
Police	-	83,683	-	-	-
Public Works	87,637	-	526	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>87,637</u>	<u>83,683</u>	<u>7,026</u>	<u>30,816</u>	<u>5,098</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(45,995)</u>	<u>(8,330)</u>	<u>6,393</u>	<u>3,871</u>	<u>8,021</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(3,360)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(3,360)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(49,355)	(8,330)	6,393	3,871	8,021
Fund Balances - Beginning	<u>107,574</u>	<u>124,391</u>	<u>16,193</u>	<u>8,052</u>	<u>(8,021)</u>
Fund Balances - Ending	<u>\$ 58,219</u>	<u>\$ 116,061</u>	<u>\$ 22,586</u>	<u>\$ 11,923</u>	<u>\$ -</u>

Federal STP	CA Used Oil Block Grant	Cable Television Fund	Stormwater Program Fund	Transportation Enhancement Grant	BJA Vest Grant	Miscellaneous State Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
307,179	8,594	-	96,592	-	-	8,908
-	-	34,128	-	-	-	-
-	66	-	132	-	-	-
-	-	-	-	333	-	-
<u>307,179</u>	<u>8,660</u>	<u>34,128</u>	<u>96,724</u>	<u>333</u>	<u>-</u>	<u>8,908</u>
-	-	-	-	-	-	-
-	-	7,667	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	8,908
-	-	-	-	-	19,754	-
264,625	13,879	-	21,312	597	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>264,625</u>	<u>13,879</u>	<u>7,667</u>	<u>21,312</u>	<u>597</u>	<u>19,754</u>	<u>8,908</u>
<u>42,554</u>	<u>(5,219)</u>	<u>26,461</u>	<u>75,412</u>	<u>(264)</u>	<u>(19,754)</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	(9,731)	-	-	-
-	-	-	(9,731)	-	-	-
42,554	(5,219)	26,461	65,681	(264)	(19,754)	-
(42,554)	23,715	36,638	41,975	3	(8,632)	-
<u>\$ -</u>	<u>\$ 18,496</u>	<u>\$ 63,099</u>	<u>\$ 107,656</u>	<u>\$ (261)</u>	<u>\$ (28,386)</u>	<u>\$ -</u>

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City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Continued
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2013

	GHAD-GEO Hazardous Abatement Dist	Total
REVENUES		
Taxes	\$ -	\$ 52,067
Intergovernmental	-	1,993,868
Charges for Services	105,770	194,212
Investment Earnings	495	27,174
Other Revenues	-	133,169
	<u>106,265</u>	<u>2,400,490</u>
Total Revenues		
EXPENDITURES		
General Government	-	46,139
Building and Safety	-	140,351
Community Services	-	223,215
Financial Services	-	2,341
Fire	-	351,711
Police	-	105,226
Public Works	24,056	1,233,539
Debt Service:		
Principal	34,550	34,550
Interest	19,722	19,722
	<u>78,328</u>	<u>2,156,794</u>
Total Expenditures		
Excess (Deficiency) of Revenues Over Expenditures	<u>27,937</u>	<u>243,696</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	-	337,049
Transfers Out	-	(386,578)
	<u>-</u>	<u>(49,529)</u>
Total Other Financing Sources (Uses)		
Net Change in Fund Balances	27,937	194,167
Fund Balances - Beginning	132,926	1,632,382
Fund Balances - Ending	<u>\$ 160,863</u>	<u>\$ 1,826,549</u>

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City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Project Funds
For the Year Ended June 30, 2013

	Congestion Management and Air Quality	Library Expansion Facilities	Law Enforcement Facilities	Water Distribution Facilities	Inclusionary Housing Ordinance
REVENUES					
Taxes	\$ -	\$ 32,931	\$ 4,379	\$ 38,544	\$ -
Charges for Services	-	-	-	-	-
Investment Earnings	-	798	125	2,027	89
Total Revenues	-	33,729	4,504	40,571	89
EXPENDITURES					
General Government	-	19,172	-	-	-
Building and Safety	-	-	-	-	-
Community Services	-	-	-	-	-
Fire	-	-	-	-	-
Planning	-	-	-	-	9,999
Police	-	-	-	-	-
Public Works	84	-	-	-	-
Economic Development	-	-	-	-	-
Total Expenditures	84	19,172	-	-	9,999
Excess (Deficiency) of Revenues Over Expenditures	(84)	14,557	4,504	40,571	(9,910)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(84)	14,557	4,504	40,571	(9,910)
Fund Balances - Beginning	84	282,730	45,241	702,897	41,667
Fund Balances - Ending	\$ -	\$ 297,287	\$ 49,745	\$ 743,468	\$ 31,757

Fire Protection Facilities	Public Meeting Facilities	General Government Facilities	Traffic Impact Fees	Parks and Recreation Facilities	Parkland Facilities	Corp Yard Facilities
\$ 10,369	\$ 28,245	\$ 28,127	\$ 107,127	\$ -	\$ 165,565	\$ -
-	-	-	-	-	-	-
144	788	517	883	356	2,862	298
<u>10,513</u>	<u>29,033</u>	<u>28,644</u>	<u>108,010</u>	<u>356</u>	<u>168,427</u>	<u>298</u>
-	-	2,766	-	-	-	-
-	-	-	-	-	-	298
-	-	-	-	-	197,604	-
9,891	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	10,651	-	-	-
-	-	-	-	-	-	-
<u>9,891</u>	<u>-</u>	<u>2,766</u>	<u>10,651</u>	<u>-</u>	<u>197,604</u>	<u>298</u>
<u>622</u>	<u>29,033</u>	<u>25,878</u>	<u>97,359</u>	<u>356</u>	<u>(29,177)</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>622</u>	<u>29,033</u>	<u>25,878</u>	<u>97,359</u>	<u>356</u>	<u>(29,177)</u>	<u>-</u>
<u>53,628</u>	<u>271,911</u>	<u>180,835</u>	<u>296,566</u>	<u>126,020</u>	<u>1,127,250</u>	<u>(1,993)</u>
<u>\$ 54,250</u>	<u>\$ 300,944</u>	<u>\$ 206,713</u>	<u>\$ 393,925</u>	<u>\$ 126,376</u>	<u>\$ 1,098,073</u>	<u>\$ (1,993)</u>

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City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Continue
Nonmajor Capital Project Funds
For the Year Ended June 30, 2013

	Sewer Collection Facilities	Storm Drain Facilities	Harding Park Improvements	Air Quality Impact Fee	Total
REVENUES					
Taxes	\$ 8,009	\$ 36,095	\$ -	\$ -	\$ 459,391
Intergovernmental	-	-	1,320	-	1,320
Investment Earnings	356	289	-	60	9,592
Total Revenues	<u>8,365</u>	<u>36,384</u>	<u>1,320</u>	<u>60</u>	<u>470,303</u>
EXPENDITURES					
General Government	-	-	-	1	21,939
Building and Safety	-	-	25,654	-	25,952
Community Services	-	-	536,137	36,601	770,342
Fire	-	-	-	-	9,891
Planning	-	-	-	-	9,999
Police	-	-	-	-	-
Public Works	10,621	-	-	-	21,356
Economic Development	-	-	-	-	-
Total Expenditures	<u>10,621</u>	<u>-</u>	<u>561,791</u>	<u>36,602</u>	<u>859,479</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,256)</u>	<u>36,384</u>	<u>(560,471)</u>	<u>(36,542)</u>	<u>(389,176)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	559,240	-	559,240
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>559,240</u>	<u>-</u>	<u>559,240</u>
Net Change in Fund Balances	<u>(2,256)</u>	<u>36,384</u>	<u>(1,231)</u>	<u>(36,542)</u>	<u>170,064</u>
Fund Balances - Beginning	<u>125,174</u>	<u>85,355</u>	<u>-</u>	<u>40,341</u>	<u>3,377,706</u>
Fund Balances - Ending	<u>\$ 122,918</u>	<u>\$ 121,739</u>	<u>\$ (1,231)</u>	<u>\$ 3,799</u>	<u>\$ 3,547,770</u>

City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Permanent Funds
For the Year Ended June 30, 2013

	Community Center Endowment	Museum Endowment	Harding Park Trust	Total
REVENUES				
Investment Earnings	\$ 1,478	\$ 597	\$ 1,427	\$ 3,502
Charges for Services	-	-	90,774	90,774
Other Revenues	6,696	-	-	6,696
Total Revenues	8,174	597	92,201	100,972
EXPENDITURES				
Community Services	1,330	538	517,828	519,696
Public Works	-	-	-	-
Total Expenditures	1,330	538	517,828	519,696
Excess (Deficiency) of Revenues Over Expenditures	6,844	59	(425,627)	(418,724)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(559,240)	(559,240)
Total Other Financing Sources (Uses)	-	-	(559,240)	(559,240)
Net Change in Fund Balances	6,844	59	(984,867)	(977,964)
Fund Balances - Beginning	520,988	211,582	883,950	1,616,520
Fund Balances - Ending	<u>\$ 527,832</u>	<u>\$ 211,641</u>	<u>\$ (100,917)</u>	<u>\$ 638,556</u>