

**CITY OF SANTA PAULA**  
**FINANCIAL STATEMENTS**  
Year Ended June 30, 2015

**City of Santa Paula  
Financial Statements  
Year Ended June 30, 2015**

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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, 2015, 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and other required supplementary information, 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 February 1, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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*

February 1, 2016

## CITY OF SANTA PAULA

### Management's Discussion and Analysis For the Year Ended June 30, 2015

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, 2015.

#### Financial Highlights

- The assets of the City of Santa Paula exceeded its liabilities at the close of FY 2014-15 by \$44,214,763 (*net position*).
- The government's total net position decreased by \$12,294,178. The decreases in net position are attributed to the recording of the pension liabilities which are explained in further detail on pages 40-45.
- As of the close of the current fiscal year, the City of Santa Paula's governmental funds reported combined ending fund balances of \$14,068,182 an increase of \$852,416 from the ending balance of 2014 which was \$13,215,766. Pursuant to GASB Statement 54, the fund balance of \$762,647 is unspendable funds (loans receivable and endowments/trusts), \$11,690,916 (restricted fund balance-grant funds and bond proceeds), \$850,150 is committed (budgeted for projects and deposit balances) and \$764,469 is (*unassigned fund balance*) available for spending with some government discretion. However, of the \$764,469, there is a fund 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, unassigned fund balance for the General Fund is \$1,016,670 or 7.5% of total General Fund expenditure. This is an increase of \$7,229 from the prior year.
- The City of Santa Paula's year-end governmental funds total current liabilities, excluding advances from other funds and deferred inflows was \$2,003,471, a decrease of \$52,658 over the prior year.

#### Overview of the Financial Statements

This discussion and analysis is 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.

**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* 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 Agency, 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 than 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 governmental 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 forty-seven 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 seven separate internal funds), which is considered to be a major fund. Data from the other fifty-two 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. The internal service fund for Equipment Maintenance 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. At this time, the only fiduciary funds are held for the Successor agency for the Santa Paula Redevelopment agency.

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 13-47 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 48-52 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 57-76 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 \$56,508,941 at the close of 2014 and \$44,214,763 at June 30, 2015.

A large portion (almost all) of the City of Santa Paula's net position include \$22,714,817 (51.4 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, 2014			June 30, 2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>						
Current and other Assets	14,962,821	42,739,035	57,701,856	15,968,650	49,611,496	65,580,146
Capital Assets (net of depreciation)	19,179,586	117,173,114	136,352,700	19,091,815	115,842,487	134,934,302
<b>Total Assets</b>	<b>34,142,407</b>	<b>159,912,149</b>	<b>194,054,556</b>	<b>35,060,465</b>	<b>165,453,983</b>	<b>200,514,448</b>
<b>Deferred Outflows of Resources</b>						
Deferred Charges on Refundings	-	1,441,270	1,441,270	-	9,262,162	9,262,162
Deferred Pension Contributions	-	-	-	1,931,920	227,616	2,159,536
Proportionate Share Contribution Diff	-	-	-	81,638	-	81,638
Pension Actuarial Amounts	-	-	-	144,811	57,110	201,921
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>1,441,270</b>	<b>1,441,270</b>	<b>2,158,369</b>	<b>9,546,888</b>	<b>11,705,257</b>
<b>Liabilities</b>						
Long-term liabilities outstanding	5,148,317	125,537,487	130,685,804	17,189,144	138,716,704	155,905,848
Other liabilities	2,456,337	5,844,744	8,301,081	1,943,793	6,047,120	7,990,913
<b>Total Liabilities</b>	<b>7,604,654</b>	<b>131,382,231</b>	<b>138,986,885</b>	<b>19,132,937</b>	<b>144,763,824</b>	<b>163,896,761</b>
<b>Deferred Inflows of Resources</b>						
Proportionate Share Contribution Diff	-	-	-	-	29,541	29,541
Pension Actuarial Amounts	-	-	-	3,470,413	608,227	4,078,640
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,470,413</b>	<b>637,768</b>	<b>4,108,181</b>
Net Investment in Capital Assets	19,007,336	9,889,593	28,896,929	18,444,826	4,269,991	22,714,817
Restricted For:						
Transportation and Other Purposes	5,388,000	-	5,388,000	5,388,000	-	5,388,000
Community Development	-	-	-	-	-	-
Nonexpendable	743,364	-	743,364	753,591	-	753,591
Public Safety	190,134	-	190,134	168,028	-	168,028
Public Works	1,324,474	-	1,324,474	3,609,214	-	3,609,214
Street Projects	-	-	-	3,866,711	-	3,866,711
Debt Services	-	4,798,453	4,798,453	-	9,865,892	9,865,892
Unrestricted	(115,555)	15,283,142	15,167,587	(17,614,886)	15,463,396	(2,151,490)
<b>Total Net Position</b>	<b>26,537,753</b>	<b>29,971,188</b>	<b>56,508,941</b>	<b>14,615,484</b>	<b>29,599,279</b>	<b>44,214,763</b>

An additional portion of the City of Santa Paula's net position (53.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position shows a negative position* (\$2,151,490) which is due to the new accounting principal which requires the City to book net pension liabilities. The balance of the bond proceeds is \$30,010,464 restricted for streets, water and sewer projects.

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 restricted purposes. Separately, the City's governmental *unrestricted net position* shows a negative balance of \$(17,614,886) which is a decrease in fund balance of \$17,499,331 from the previous year's figure of \$(115,555). A large portion of the decrease is the result of the reporting of pension liability as well as reclassification of street projects restricted funds (Gas Tax, Local Transportation, etc.).

The business-type activities *unrestricted net position* show a positive balance of \$15,463,396, an increase of \$180,254 over the prior year's balance of \$15,283,142. These unrestricted funds can only be used for Water and Sewer activities. The Water fund has remaining Capital Bond project funds of \$17,978,289 while the Sewer fund has a remaining Capital Bond project balance of \$8,865,868.

Government-Wide Financial Statements						
Table 2: Summary Changes of Net Position						
	June 30, 2014			June 30, 2015		
	Governmental Activities	Business - Type Activities	Total	Governmental Activities	Business -Type Activities	Total
<b>Revenues</b>						
Charges for services	2,377,976	20,138,964	22,516,940	2,512,057	19,421,586	21,933,643
Operating grants	1,972,523	-	1,972,523	1,922,978	-	1,922,978
Capital grants	1,107,395	-	1,107,395	1,021,903	-	1,021,903
General revenues:	-	-	-	-	-	-
Property taxes	5,981,182	-	5,981,182	7,017,821	-	7,017,821
Sales taxes	1,707,894	-	1,707,894	1,867,284	-	1,867,284
Other taxes	841,015	-	841,015	1,130,011	-	1,130,011
Investments	46,418	38,457	84,875	58,526	41,806	100,332
Other revenues	25,859	-	25,859	385,844	-	385,844
<b>Total Revenues</b>	<b>14,060,262</b>	<b>20,177,421</b>	<b>34,237,683</b>	<b>15,916,424</b>	<b>19,463,392</b>	<b>35,379,816</b>
<b>Expenses</b>						
General administration	1,218,438	-	1,218,438	959,229	-	959,229
Building and safety	522,030	-	522,030	513,283	-	513,283
Community services	1,933,292	-	1,933,292	1,836,022	-	1,836,022
Financial Services	460,909	-	460,909	479,943	-	479,943
Fire	2,930,723	-	2,930,723	3,082,387	-	3,082,387
Planning	475,976	-	475,976	662,528	-	662,528
Police	5,530,116	-	5,530,116	5,788,351	-	5,788,351
Public Works	2,249,048	-	2,249,048	1,948,086	-	1,948,086
Interest	17,448	-	17,448	26,072	-	26,072
Water	-	7,296,082	7,296,082	-	7,334,386	7,334,386
Sewer	-	8,887,824	8,887,824	-	9,946,162	9,946,162
<b>Total expenses</b>	<b>15,337,980</b>	<b>16,183,906</b>	<b>31,521,886</b>	<b>15,295,901</b>	<b>17,280,548</b>	<b>32,576,449</b>
Increase in Net Position before Transfers	(1,277,718)	3,993,515	2,715,797	620,523	2,182,844	2,803,367
Transfers	1,548,582	(1,548,582)	-	0	0	-
Increase in Net Position	270,864	2,444,933	2,715,797	620,523	2,182,844	2,803,367
Extraordinary Loss	-	-	-	-	-	-
Beginning Net Position	26,159,673	34,520,328	60,680,001	26,537,753	29,971,188	56,508,941
Prior period adjustment	107,216	(6,994,073)	(6,886,857)	(12,542,792)	(2,554,753)	(15,097,545)
<b>Ending Net Position</b>	<b>\$26,537,753</b>	<b>\$29,971,188</b>	<b>\$56,508,941</b>	<b>\$14,615,484</b>	<b>\$29,599,279</b>	<b>\$44,214,763</b>

There was a decrease of \$371,909 in total net position reported in connection with the City of Santa Paula's business-type activities.

**Governmental activities.** Governmental activities decreased the City of Santa Paula's net position by \$11,922,269 for the current year. The decreases in net position are attributed to the recording of the pension liabilities which are explained in further detail on pages 40-45.

Expenses for governmental activities decreased from \$15,337,980 in 2014 to \$15,295,901 in 2015, a decrease of \$42,079.

**Business-type activities.** Business-type activities decreased the City of Santa Paula's net position by \$371,909.

### **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 \$14,068,182.

The General Fund is the chief operating fund of the City of Santa Paula. At June 30, 2015, the unreserved fund balance for the General Fund was \$1,016,670, while total fund balance reached \$5,042,183. 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 7.5 percent of the total General Fund expenditures, while total fund balance represents 37.1 percent of that same amount.

The City of Santa Paula's unassigned General Fund fund balance, increased by \$37,229 during the current fiscal year. The major change reflects an increase in most revenue categories as well as minor savings in 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 \$29,599,279 a decrease of \$371,909 from the prior period. The net position for the proprietary funds – water decreased \$(1,645,686) and sewer increased \$1,273,777. Other factors concerning the finances of these funds are addressed in the discussion of the City of Santa Paula's business-type activities.

<b>Statement of Revenues, Expenses and Changes in Net Positions</b>			
<b>Table 3: Proprietary Funds</b>			
	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues	7,929,496	11,421,990	19,351,486
Operating Expenses	4,804,773	4,602,060	9,406,833
Operating Income (loss)	3,124,723	6,819,930	9,944,653
Total Non-Operating Revenues (Expenses)	(2,392,826)	(5,368,983)	(7,761,809)
Transfers In	177,170	-	177,170
Transfers Out	-	(177,170)	(177,170)
<b>Change in Net Positions</b>	909,067	1,273,777	2,182,844
Total Net Positions, Beginning	18,106,999	11,864,189	29,971,188
Prior Period Adjustments	(2,554,753)	-	(2,554,753)
Total Net Positions, Ending	16,461,313	13,137,966	29,599,279

### General Fund Budgetary Highlights

The actual General Fund revenue ended \$495,791 over the final budgeted amount. There were \$166,305 in fiscal year adjustments to the final revenue budget. Revenues overall were approximately 4.1% over budget estimates. The General Fund revenue final budget vs. actual breakdown is as follows:

- Property Taxes \$(410,505) under budget estimates
- Fines and Forfeitures \$(96,400) under budget estimates
- Intergovernmental \$(40,237) under budget estimates
- Sales Tax and Other Taxes \$375,620 over budget estimates
- Charges for Services \$352,861 over budget estimates
- Other Revenue \$312,011 over budget estimates (largely due to worker's compensation reimbursements)
- Licenses and Permits \$3,107 over estimates and Investments \$(666) under budget estimates

Differences between the final budget and the actual expenditures for the operating departments varied considerably.

- General Governmental \$(86,714) over budget estimates
- Building & Safety \$(105,078) over budget estimates
- Fire \$(846,528) over budget estimates
- Planning \$(42,298) over budget estimates
- Police \$(295,727) over budget estimates
- Debt Service \$(31,695) over budget estimates
- Community Services \$14,966 under budget estimates
- Financial Services \$75,056
- Public Works \$1,340,399 under budget estimates. This is due mainly to capital projects not completed this fiscal year.

Overall the General Fund expenditures came in under budget by \$22,381 or .001%.

<b>General Fund Budgetary Highlights</b>	
<b>Table 4</b>	
Revenues	
Property Taxes	(410,505)
Sales Tax	304,821
Other Taxes	70,799
<b>Total Taxes</b>	<b>(34,885)</b>
Licenses & Permits	3,107
Intergovernmental	(40,237)
Charges for Services	352,861
Fines and Forfeitures	(96,400)
Investment Earnings	(666)
Other Revenue	312,011
<b>Total Revenue Over/(Under) Budget</b>	<b>495,791</b>
Expenditures	
General government	(86,714)
Building & Safety	(105,078)
Community Services	14,966
Financial Services	75,056
Fire	(846,528)
Planning	(42,298)
Police	(295,727)
Public Works	1,340,399
Debt Service	(31,695)
<b>Total Expenditure (Over)/Under Budget</b>	<b>22,381</b>

### 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, 2015, amounts to \$134,934,302 (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.

<b>Capital Assets</b>			
<b>Table 5</b>			
	<b>(Net of Depreciation)</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Land	489,183	7,104,082	7,593,265
Water Rights	-	13,834,827	13,834,827
Construction in progress	1,260,755	1,549,644	2,810,399
Buildings and System	1,205,796	77,180,383	78,386,179
Machinery and Equipment	1,371,209	1,164,904	2,536,113
Improvements other than buildings	14,764,872	15,008,647	29,773,519
<b>Total Capital Assets</b>	<b>19,091,815</b>	<b>115,842,487</b>	<b>134,934,302</b>

The value of the City's assets has decreased by \$1,418,398 during this reporting period. The majority of the decrease in the valuation is related to the sale of the Sewer Vector Truck and annual depreciation. Additional information on the City of Santa Paula's capital assets can be found in note IIIC 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 \$158,774,996. This is an increase of \$24,016,439 from the prior period's level of \$134,758,557. Governmental activities increased by \$11,479,491 which is largely due to the reporting of the pension related debt. The Business-Type activities increased by \$13,046,237, again due to the pension issue as well as the issuance of new Wastewater Revenue bonds to purchase the Wastewater Treatment Plant in the amount of \$69,230,000. This is offset by a reduction due to the Capital Lease of \$(64,337,771) that the City owed for the Treatment Plant DBOF (Design, Build, Operate and Finance). Bonds secured solely by specified revenue sources (i.e., revenue bonds) equal \$139,086,423. The remaining debt is backed by the full faith and credit of the government.

The City of Santa Paula's total outstanding debt includes \$130,090,000 principal amount comprised of five series of revenue bonds. The \$69,200,000 in Wastewater bonds were issued on April 30, 2015. 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.

<b>Outstanding Debt</b>			
<b>Table 6</b>			
	Governmental Activities	Business-Type Activities	Total
Lease Revenue Bonds:			
Water 2010	-	49,620,000	49,620,000
Add Deferred Issuance Premiums	-	1,520,748	1,520,748
Wastewater 2010A	-	5,460,000	5,460,000
Wastewater 2010B	-	5,780,000	5,780,000
Less Deferred Issuance Discounts	-	(159,986)	(159,986)
Wastewater 2015A		67,195,000	67,195,000
Wastewater 2015B		2,035,000	2,035,000
Add Deferred Issuance Premiums		7,635,661	7,635,661
Loans Payable	137,700	-	137,700
Claims Liability	2,085,038	-	2,085,038
Lease Payable	509,289		
Notes Payable	-	496,500	496,500
Wastewater Facilities Lease	-	-	-
Pension Related Debt	13,623,704	2,323,781	15,947,485
OPEB Obligations	502,861	-	502,861
Compensated Absences	491,216	27,773	518,989
<b>Total</b>	<b>17,349,808</b>	<b>141,934,477</b>	<b>158,774,996</b>
June 30, 2014	5,870,317	128,888,240	134,758,557
Change in Debt Service	11,479,491	13,046,237	24,016,439

## **Next Year's Budgets and Rates**

The Water rates were last increased November 1, 2012 and the Sewer rates increased 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**

**City of Santa Paula**  
**Statement of Net Position**  
**June 30, 2015**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 11,316,663	\$ 20,472,705	\$ 31,789,368
Receivables (Net of Allowance)	995,404	2,294,634	3,290,038
Due from Other Governments	10,994	-	10,994
Loans Receivable, Net	467,001	-	467,001
Cash - Restricted	3,178,588	26,844,157	30,022,745
Capital Assets Not Being Depreciated			
Land	489,183	7,104,082	7,593,265
Water Rights	-	13,834,827	13,834,827
Construction in Progress	1,260,755	1,549,644	2,810,399
Capital Assets Net of Accumulated Depreciation			
Buildings and System	1,205,796	77,180,383	78,386,179
Machinery and Equipment	1,371,209	1,164,904	2,536,113
Improvements Other Than Buildings	14,764,872	15,008,647	29,773,519
Total Assets	<u>35,060,465</u>	<u>165,453,983</u>	<u>200,514,448</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charges on Refundings	-	9,262,162	9,262,162
Deferred Pension Contributions	1,931,920	227,616	2,159,536
Proportionate Share Contribution Differences	81,638	-	81,638
Pension Actuarial Amounts	144,811	57,110	201,921
Total Deferred Outflows of Resources	<u>2,158,369</u>	<u>9,546,888</u>	<u>11,705,257</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	771,141	973,773	1,744,914
Accrued Interest Payable	-	1,855,574	1,855,574
Deposits	1,011,988	-	1,011,988
Noncurrent Liabilities			
Due Within One Year	160,664	3,217,773	3,378,437
Due in More Than One Year	17,189,144	138,716,704	155,905,848
Total Liabilities	<u>19,132,937</u>	<u>144,763,824</u>	<u>163,896,761</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Proportionate Share Contribution Differences	-	29,541	29,541
Pension Actuarial Amounts	3,470,413	608,227	4,078,640
Total Deferred Outflows of Resources	<u>3,470,413</u>	<u>637,768</u>	<u>4,108,181</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	18,444,826	4,269,991	22,714,817
Restricted for:			
Transportation and Other Purposes	5,388,000	-	5,388,000
Community Services:			
Nonexpendable	753,591	-	753,591
Public Safety	168,028	-	168,028
Development	3,609,214	-	3,609,214
Street Projects	3,866,711	-	3,866,711
Debt Service	-	9,865,892	9,865,892
Unrestricted	(17,614,886)	15,463,396	(2,151,490)
Total Net Position	<u>\$ 14,615,484</u>	<u>\$ 29,599,279</u>	<u>\$ 44,214,763</u>

The accompanying notes are an integral part of this statement.

**City of Santa Paula  
Statement of Activities  
For the Year Ended June 30, 2015**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 972,623	\$ 469,686	\$ 4,487	\$ 7,236
Building and Safety	516,500	334,154	-	-
Community Services	1,752,113	462,173	195,660	85,884
Financial Services	479,943	12,942	-	-
Fire	3,029,180	77,929	214,457	-
Planning	662,528	515,140	-	-
Police	5,787,639	415,826	307,704	16,117
Public Works	2,069,303	224,207	1,200,670	912,666
Interest on Long-term Debt	26,072	-	-	-
<b>Total Governmental Activities</b>	<b>15,295,901</b>	<b>2,512,057</b>	<b>1,922,978</b>	<b>1,021,903</b>
<b>Business-type Activities:</b>				
Water	7,334,386	8,038,496	-	-
Sewer	9,946,162	11,383,090	-	-
<b>Total Business-type Activities</b>	<b>17,280,548</b>	<b>19,421,586</b>	<b>-</b>	<b>-</b>
<b>Total Government</b>	<b>\$ 32,576,449</b>	<b>\$ 21,933,643</b>	<b>\$ 1,922,978</b>	<b>\$ 1,021,903</b>

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 Adjustment

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
\$ (491,214)	\$ -	\$ (491,214)
(182,346)	-	(182,346)
(1,008,396)	-	(1,008,396)
(467,001)	-	(467,001)
(2,736,794)	-	(2,736,794)
(147,388)	-	(147,388)
(5,047,992)	-	(5,047,992)
268,240	-	268,240
<u>(26,072)</u>	-	<u>(26,072)</u>
<u>(9,838,963)</u>	-	<u>(9,838,963)</u>
-	704,110	704,110
-	1,436,928	1,436,928
-	<u>2,141,038</u>	<u>2,141,038</u>
<u>(9,838,963)</u>	<u>2,141,038</u>	<u>(7,697,925)</u>
7,017,821	-	7,017,821
1,867,284	-	1,867,284
110,817	-	110,817
904,177	-	904,177
115,017	-	115,017
-	-	-
58,526	41,806	100,332
385,844	-	385,844
-	-	-
<u>10,459,486</u>	<u>41,806</u>	<u>10,501,292</u>
620,523	2,182,844	2,803,367
26,537,753	29,971,188	56,508,941
<u>(12,542,792)</u>	<u>(2,554,753)</u>	<u>(15,097,545)</u>
<u>\$ 14,615,484</u>	<u>\$ 29,599,279</u>	<u>\$ 44,214,763</u>

**City of Santa Paula  
Balance Sheet  
Governmental Funds  
June 30, 2015**

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 2,527,942	\$ 8,788,721	\$ 11,316,663
Receivables	800,775	194,629	995,404
Due from Other Funds	220,342	-	220,342
Due from Other Governments	10,994	-	10,994
Loans Receivable	9,056	457,945	467,001
Advances to Other Funds	-	112,036	112,036
Cash - Restricted	3,166,307	12,281	3,178,588
	<u>3,166,307</u>	<u>12,281</u>	<u>3,178,588</u>
Total Assets	<u>\$ 6,735,416</u>	<u>\$ 9,565,612</u>	<u>\$ 16,301,028</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ 605,485	\$ 165,656	\$ 771,141
Due to Other Funds	-	220,342	220,342
Deposits	1,011,988	-	1,011,988
Advances From Other Funds	-	112,036	112,036
	<u>-</u>	<u>112,036</u>	<u>112,036</u>
Total Liabilities	<u>1,617,473</u>	<u>498,034</u>	<u>2,115,507</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues - Grants	75,760	41,579	117,339
	<u>75,760</u>	<u>41,579</u>	<u>117,339</u>
<b>FUND BALANCE (DEFICITS)</b>			
Nonspendable	9,056	753,591	762,647
Restricted	3,166,307	8,524,609	11,690,916
Committed	850,150	-	850,150
Unassigned	1,016,670	(252,201)	764,469
	<u>1,016,670</u>	<u>(252,201)</u>	<u>764,469</u>
Total Fund Balances (Deficits)	<u>5,042,183</u>	<u>9,025,999</u>	<u>14,068,182</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,735,416</u>	<u>\$ 9,565,612</u>	<u>\$ 16,301,028</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, 2015**

Fund balances of governmental funds	\$ 14,068,182
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.	19,091,815
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	117,339
Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds:	
Deferred Pension Contributions	1,931,920
Pension Actuarial Amounts - Outflows	144,811
Proportionate Share Contribution Differences	81,638
Pension Actuarial Amounts - Inflows	(3,470,413)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(491,216)
OPEB Obligation	(502,861)
Loans Payable	(646,989)
Claims Liabilities	(2,085,038)
Net Pension Liability	(13,623,704)
Net position of governmental activities	\$ 14,615,484

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, 2015**

	General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 9,939,399	\$ 380,802	\$ 10,320,201
Licenses and Permits	355,657	-	355,657
Intergovernmental	493,668	2,143,600	2,637,268
Charges for Services	1,430,115	304,768	1,734,883
Fines and Forfeitures	138,100	28,482	166,582
Investment Earnings	3,934	40,945	44,879
Other Revenues	353,311	199,023	552,334
	<u>12,714,184</u>	<u>3,097,620</u>	<u>15,811,804</u>
Total Revenues			
<b>EXPENDITURES</b>			
Current:			
General Government	1,137,850	268,330	1,406,180
Building and Safety	384,110	121,573	505,683
Community Services	1,005,677	259,116	1,264,793
Financial Services	473,290	4,320	477,610
Fire	3,464,461	173,778	3,638,239
Planning	649,040	10,377	659,417
Police	5,883,754	112,174	5,995,928
Public Works	577,952	1,246,800	1,824,752
Debt Service:			
Principal	19,403	34,550	53,953
Interest	12,292	13,780	26,072
	<u>13,607,829</u>	<u>2,244,798</u>	<u>15,852,627</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>(893,645)</u>	<u>852,822</u>	<u>(40,823)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	152,815	152,815
Transfers Out	(22,770)	(130,045)	(152,815)
Capital Lease	528,692	-	528,692
	<u>505,922</u>	<u>22,770</u>	<u>528,692</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(387,723)	875,592	487,869
Fund Balances, Beginning	5,429,906	7,785,860	13,215,766
Prior Period Adjustment	-	364,547	364,547
Fund Balances, Ending	<u>\$ 5,042,183</u>	<u>\$ 9,025,999</u>	<u>\$ 14,068,182</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, 2015**

Net change in fund balances-total governmental funds \$ 487,869

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 depreciation of \$1,044,012 exceeded capital outlay of \$956,241 in the current period. (87,771)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 104,621

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	53,953
Issuance of Capital Lease	(528,692)
Decrease in Net Pension Liability	3,549,652
Increase in OPEB Obligation	(77,776)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds. This is the net change in deferred inflows and deferred outflows related to the pension liability.

Deferred Pension Contributions	162,190
Pension Actuarial Amounts - Outflows	144,811
Proportionate Share Contribution Differences	81,638
Pension Actuarial Amounts - Inflows	(3,470,413)

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. 241,192

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. (40,751)

Change in net position of governmental activities \$ 620,523

The accompanying notes are an integral part of this statement.

**City of Santa Paula  
Statement of Net Position  
Proprietary Funds  
June 30, 2015**

	Business-type Activities - Enterprise Funds		
	Utility Authority		Totals
	Water	Sewer	
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 12,259,380	\$ 8,213,325	\$ 20,472,705
Receivables	1,115,869	1,178,765	2,294,634
Total Current Assets	<u>13,375,249</u>	<u>9,392,090</u>	<u>22,767,339</u>
Noncurrent Assets:			
Restricted Cash:			
Cash with Fiscal Agents	17,978,289	8,865,868	26,844,157
Capital Assets:			
Land	2,356,451	4,747,631	7,104,082
Water Rights	13,834,827	-	13,834,827
Buildings	12,251,164	74,097,756	86,348,920
Improvements	16,195,793	1,276,626	17,472,419
Machinery and Equipment	2,414,771	204,993	2,619,764
Construction in Progress	985,114	564,530	1,549,644
Less: Accumulated Depreciation	<u>(8,149,892)</u>	<u>(4,937,277)</u>	<u>(13,087,169)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>39,888,228</u>	<u>75,954,259</u>	<u>115,842,487</u>
Total Noncurrent Assets	<u>57,866,517</u>	<u>84,820,127</u>	<u>142,686,644</u>
Total Assets	<u>71,241,766</u>	<u>94,212,217</u>	<u>165,453,983</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charges on Refundings	1,363,713	7,898,449	9,262,162
Deferred Pension Contributions	227,616	-	227,616
Pension Actuarial Amounts	57,110	-	57,110
Total Deferred Outflows of Resources	<u>1,648,439</u>	<u>7,898,449</u>	<u>9,262,162</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	768,170	205,603	973,773
Interest Payable	1,034,152	821,422	1,855,574
Compensated Absences	27,773	-	27,773
Bonds Payable - Current	1,420,000	1,770,000	3,190,000
Total Current Liabilities	<u>3,250,095</u>	<u>2,797,025</u>	<u>6,047,120</u>
Noncurrent Liabilities:			
Bonds Payable	49,720,748	86,175,675	135,896,423
Notes Payable	496,500	-	496,500
Net Pension Liability	2,323,781	-	2,323,781
Total Noncurrent Liabilities	<u>52,541,029</u>	<u>86,175,675</u>	<u>138,716,704</u>
Total Liabilities	<u>55,791,124</u>	<u>88,972,700</u>	<u>144,763,824</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Proportionate Share Contribution Differences	29,541	-	29,541
Pension Actuarial Amounts	608,227	-	608,227
Total Deferred Inflows of Resources	<u>637,768</u>	<u>-</u>	<u>637,768</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,682,037	587,954	4,269,991
Restricted for:			
Debt Service	3,910,945	5,954,947	9,865,892
Unrestricted	8,868,331	6,595,065	15,463,396
Total Net Position	<u>\$ 16,461,313</u>	<u>\$ 13,137,966</u>	<u>\$ 29,599,279</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, 2015**

	Business-type Activities - Enterprise Funds		
	Utility Authority		Totals
	Water	Sewer	
<b>OPERATING REVENUES</b>			
Water Sales	\$ 7,919,015	\$ -	\$ 7,919,015
Sewer Sales	-	11,275,152	11,275,152
Other Revenues	10,481	146,838	157,319
<b>Total Operating Revenues</b>	<b>7,929,496</b>	<b>11,421,990</b>	<b>19,351,486</b>
<b>OPERATING EXPENSES</b>			
Cost of Sales	2,176,480	2,590,627	4,767,107
Administration	1,470,303	1,015,203	2,485,506
Depreciation	1,157,990	996,230	2,154,220
<b>Total Operating Expenses</b>	<b>4,804,773</b>	<b>4,602,060</b>	<b>9,406,833</b>
<b>Operating Income (Loss)</b>	<b>3,124,723</b>	<b>6,819,930</b>	<b>9,944,653</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Earnings	27,787	14,019	41,806
Interest Expense	(2,529,613)	(5,344,102)	(7,873,715)
Gain/(Loss) on Disposal of Capital Assets	109,000	(38,900)	70,100
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(2,392,826)</b>	<b>(5,368,983)</b>	<b>(7,761,809)</b>
<b>Income Before Contributions and Transfers</b>	<b>731,897</b>	<b>1,450,947</b>	<b>2,182,844</b>
Transfers In	177,170	-	177,170
Transfers Out	-	(177,170)	(177,170)
<b>Change in Net Position</b>	<b>909,067</b>	<b>1,273,777</b>	<b>2,182,844</b>
<b>Total Net Position, Beginning</b>	<b>18,106,999</b>	<b>11,864,189</b>	<b>29,971,188</b>
<b>Prior Period Adjustment</b>	<b>(2,554,753)</b>	<b>-</b>	<b>(2,554,753)</b>
<b>Total Net Position, Ending</b>	<b>\$ 16,461,313</b>	<b>\$ 13,137,966</b>	<b>\$ 29,599,279</b>

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, 2015**

	Utility Authority		Total
	Water	Sewer	
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers and Users	\$ 8,116,996	\$ 11,358,544	\$ 19,475,540
Payments to Suppliers	(1,964,270)	(4,051,492)	(6,015,762)
Payments to Employees	(1,345,879)	(121,892)	(1,467,771)
Net Cash Provided (Used) by Operating Activities	<u>4,806,847</u>	<u>7,185,160</u>	<u>11,992,007</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Intrefund Advances Received	100,000	-	100,000
Transfers In	177,170	-	177,170
Transfers Out	-	(177,170)	(177,170)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>277,170</u>	<u>(177,170)</u>	<u>100,000</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of Capital Assets	(992,244)	(50,249)	(1,042,493)
Sale of Property	109,000	180,000	289,000
Proceeds from Bonds	-	76,865,661	76,865,661
Interest Paid on Capital Debt	(2,536,749)	(4,815,695)	(7,352,444)
Principal Paid on Capital Debt	(1,370,000)	(72,427,022)	(73,797,022)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,789,993)</u>	<u>(247,305)</u>	<u>(5,037,298)</u>
<b>Cash Flows from Investing Activities</b>			
Investment Earnings	27,787	14,019	41,806
Net Cash Provided (Used) by Investing Activities	<u>27,787</u>	<u>14,019</u>	<u>41,806</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	321,811	6,774,704	7,096,515
Cash and Cash Equivalents, Beginning	<u>29,915,858</u>	<u>10,304,489</u>	<u>40,220,347</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 30,237,669</u>	<u>\$ 17,079,193</u>	<u>\$ 47,316,862</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating income	\$ 3,124,723	\$ 6,819,930	\$ 9,944,653
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation Expense	1,157,990	996,230	2,154,220
(Increase) Decrease in Receivables	187,500	(63,446)	124,054
(Increase) Decrease in Deferred Outflows - Pensions	(66,344)	-	(66,344)
Increase (Decrease) in Accounts Payable	384,537	(567,554)	(183,017)
Increase (Decrease) in Compensated Absences	(12,387)	-	(12,387)
Increase (Decrease) in Deferred Inflows - Pensions	637,768	-	637,768
Increase (Decrease) in Net Pension Liability	(606,940)	-	(606,940)
<b>Net Cash Provided By Operating Activities</b>	<u>\$ 4,806,847</u>	<u>\$ 7,185,160</u>	<u>\$ 11,992,007</u>
<b>Noncash Investing, Capital, and Financing Activities</b>			
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, 2015**

	Successor Agency Private-purpose Trust Fund
<b>ASSETS</b>	
Cash and Investments	\$ 596,519
Restricted Cash and Investments	294,500
Interest Receivable	798
Loans Receivable, Net	8,703
Property Held for Resale	<u>818,178</u>
Total Assets	<u>1,718,698</u>
 <b>LIABILITIES</b>	
Accounts Payable	7,407
Interest Payable	12,536
Bonds Payable	<u>2,330,747</u>
Total Liabilities	<u>2,350,690</u>
 <b>NET POSITION</b>	
Net Position Held in Trust for Successor Agency	<u><u>\$ (631,992)</u></u>

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, 2015**

	Successor Agency Private-purpose Trust Fund
<b>ADDITIONS</b>	
Taxes	\$ 598,193
Interest Income	4,782
Total Additions	602,975
<b>DEDUCTIONS</b>	
Administrative Costs	1,501,220
Interest on Bonds	157,616
Total Deductions	1,658,836
Change in Net Position	(1,055,861)
Net Position - Beginning of Year	423,869
Net Position - End of Year	\$ (631,992)

The accompanying notes are an integral part of this statement.

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**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, 2015**

**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, 2015**

**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. 72

In February of 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement was issued to address accounting and financial reporting issues related to fair value measurements. This GASB Statement is required to be implemented in financial statements issued for the periods beginning after June 15, 2015. The City has elected not to early implement this statement and has not determined its effect on the financial statements.

**E) Pensions**

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

**F) 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.

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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.

**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, 2015**

**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, 2015**

**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 currently has four items that qualify for reporting in this category. The first 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. The three other items that qualify for reporting in this category are a result of the City's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. See Note IV C – Pension Plans for more information.

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 one item, which arises only under the modified accrual basis of accounting, and another, which is a result of the City's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category. Under the modified accrual basis of accounting, 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, 2015**

**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, 2015**

**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**

**Deficit Fund Equity**

The following non-major funds had deficit fund balances at June 30, 2015:

Mobile Home Rent Review	\$ 174,684
Miscellaneous State Grants	1,081
Harding Park Improvements	358
Harding Park Trust	76,078

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, 2015**

**III) DETAILED NOTES ON ALL FUNDS**

**A) Cash and Investments**

The City's cash and investments consist of the following at June 30, 2015:

Petty Cash	\$	5,600
Deposits		2,823,603
Investments		<u>59,873,929</u>
 Total Cash and Investments	 \$	 <u>62,703,132</u>
 Statement of Net Position:		
Cash and Investments	\$	31,789,368
Restricted Cash and Investments		30,022,745
 Statement of Fiduciary Net Position:		
Cash and Investments		596,519
Restricted Cash and Investments		<u>294,500</u>
 Total Cash and Investments	 \$	 <u>62,703,132</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, 2015**

**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	\$29,247,831	\$ 29,247,831	\$ -	\$ -	\$ -
Certificates of Deposit	308,853	308,853	-	-	-
Held by Bond Trustees:					
Money Market Mutual Funds	30,317,245	30,317,245	-	-	-
<b>Total</b>	<b>\$59,873,929</b>	<b>\$ 59,873,929</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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	\$ 29,247,831	N/A	\$ -	\$ -	\$29,247,831
Certificates of Deposit	308,853	N/A	-	-	308,853
Held by Bond Trustees:					
Money Market Mutual Funds	30,317,245	N/A	-	30,317,245	-
<b>Total</b>	<b>\$ 59,873,929</b>		<b>\$ -</b>	<b>\$30,317,245</b>	<b>\$29,556,684</b>

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**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, 2015, 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, 2015**

**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	\$ 1,383	\$ 6,906	\$ 4,659	\$ 5,398	\$ 18,346
Taxes	567,398	-	-	41,579	608,977
Accounts	180,701	1,108,963	1,174,106	33,769	2,497,539
Intergovernmental	51,293	-	-	113,883	165,176
<b>Total Receivables</b>	<b>\$ 800,775</b>	<b>\$ 1,115,869</b>	<b>\$ 1,178,765</b>	<b>\$ 194,629</b>	<b>\$ 3,290,038</b>

**C) Capital Assets**

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 489,183	\$ -	\$ -	\$ 489,183
Construction in Progress	1,257,911	86,796	(83,952)	1,260,755
Total Capital Assets, Not Being Depreciated	1,747,094	86,796	(83,952)	1,749,938
Capital Assets Being Depreciated:				
Buildings and System	2,127,899	185,515	-	2,313,414
Machinery and Equipment	3,860,085	767,882	(29,520)	4,598,447
Improvements Other Than Buildings	21,187,848	-	-	21,187,848
Total Capital Assets Being Depreciated	27,175,832	953,397	(29,520)	28,099,709
Less Accumulated Depreciation:				
Buildings and System	(1,035,836)	(71,782)	-	(1,107,618)
Machinery and Equipment	(3,117,129)	(139,629)	29,520	(3,227,238)
Improvements Other Than Buildings	(5,590,375)	(832,601)	-	(6,422,976)
Total Accumulated Depreciation	(9,743,340)	(1,044,012)	29,520	(10,757,832)
Total Capital Assets Being Depreciated, Net	17,432,492	(90,615)	-	17,341,877
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 19,179,586</b>	<b>\$ (3,819)</b>	<b>\$ (83,952)</b>	<b>\$ 19,091,815</b>

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**III) DETAILED NOTES ON ALL FUNDS - Continued**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 7,104,082	\$ -	\$ -	\$ 7,104,082
Water Rights	13,834,827	-	-	13,834,827
Construction in Progress	1,138,761	477,821	(66,938)	1,549,644
Total Capital Assets, Not Being Depreciated	<u>22,077,670</u>	<u>477,821</u>	<u>(66,938)</u>	<u>22,488,553</u>
Capital Assets Being Depreciated:				
Buildings and System	86,348,920	-	-	86,348,920
Machinery and Equipment	2,750,822	229,595	(360,653)	2,619,764
Improvements Other Than Buildings	17,077,974	394,445	-	17,472,419
Total Capital Assets Being Depreciated	<u>106,177,716</u>	<u>624,040</u>	<u>(360,653)</u>	<u>106,441,103</u>
Less Accumulated Depreciation:				
Buildings and System	(7,947,691)	(1,220,846)	-	(9,168,537)
Machinery and Equipment	(1,500,559)	(103,624)	149,323	(1,454,860)
Improvements Other Than Buildings	(1,634,022)	(829,750)	-	(2,463,772)
Total Accumulated Depreciation	<u>(11,082,272)</u>	<u>(2,154,220)</u>	<u>149,323</u>	<u>(13,087,169)</u>
Total Capital Assets Being Depreciated, Net	<u>95,095,444</u>	<u>(1,530,180)</u>	<u>(211,330)</u>	<u>93,353,934</u>
Business-type Activities Capital Assets, Net	<u>\$ 117,173,114</u>	<u>\$ (1,052,359)</u>	<u>\$ (278,268)</u>	<u>\$ 115,842,487</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 43,948
Community Services	481,098
Fire	23,327
Building and Safety	8,484
Police	63,578
Public Works	423,577
	<u>1,044,012</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 1,044,012</u>
<b>Business-type Activities:</b>	
Water	\$ 1,157,990
Sewer	996,230
	<u>2,154,220</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 2,154,220</u>

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**III) DETAILED NOTES ON ALL FUNDS - Continued**

**D) Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2015 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 220,342
	Total	\$ 220,342

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
Nonmajor Governmental Funds	Nonmajor Governmental Funds	\$ 112,036
	Total	\$ 112,036

Amounts payable between the Nonmajor Governmental Funds are for park projects. This balance is not 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. 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, 2015 is \$3,166,307 and is included in restricted fund balance.

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**III) DETAILED NOTES ON ALL FUNDS – Continued**

Interfund transfers:

<u>Transfers Out</u>	Transfers In		
	Water Fund	Other Governmental Funds	Total
Sewer Fund	\$ 177,170	\$ -	\$ 177,170
General Fund	-	22,770	22,770
Other Governmental Funds	-	130,045	130,045
	\$ 177,170	\$ 152,815	\$ 329,985

Transfers were made from the Sewer funds to the Water fund to reimburse various costs. Transfers were made from the General Fund to the Other Governmental Funds and between the Other Governmental Funds to provide resources for various projects.

**E) Long-term Debt**

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 450,465	\$ 91,384	\$ (50,633)	\$ 491,216	\$ 80,000
Loan Payable	172,250	-	(34,550)	137,700	34,550
Lease Payable	-	528,692	(19,403)	509,289	46,114
Claims Liability	2,326,230	-	(241,192)	2,085,038	-
OPEB Obligation	425,085	110,790	(33,014)	502,861	-
Net Pension Liability	-	17,173,356	(3,549,652)	13,623,704	-
Pension Related Debt	2,496,287	-	(2,496,287)	-	-
	\$ 5,870,317	\$ 17,904,222	\$ (6,424,731)	\$ 17,349,808	\$ 160,664

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**III) DETAILED NOTES ON ALL FUNDS - Continued**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type Activities:</b>					
Revenue Bonds:					
2010 Water Revenue Bonds	\$ 50,990,000	\$ -	\$ (1,370,000)	\$ 49,620,000	\$ 1,420,000
Add Deferred Amounts:					
Issuance Premiums	1,582,608	-	(61,860)	1,520,748	-
Wastewater Revenue Bonds - 2010A	5,575,000	-	(115,000)	5,460,000	120,000
Wastewater Revenue Bonds -2010B	5,875,000	-	(95,000)	5,780,000	100,000
Add Deferred Amounts:					
Issuance Discounts	(166,386)	-	6,400	(159,986)	-
Wastewater Revenue Bonds - 2015A	-	67,195,000	-	67,195,000	-
Wastewater Revenue Bonds -2015B	-	2,035,000	-	2,035,000	1,550,000
Add Deferred Amounts:					
Issuance Premiums	-	7,635,661	-	7,635,661	-
Notes Payable	496,500	-	-	496,500	-
Wastewater Facilities Lease	64,337,771	-	(64,337,771)	-	-
Compensated Absences	40,160	21,054	(33,441)	27,773	27,773
Net Pension Liability	-	2,930,721	(606,940)	2,323,781	-
Pension Related Debt	157,587	-	(157,587)	-	-
<b>Business-type Activities Long-term Liabilities</b>	<b>\$ 128,888,240</b>	<b>\$ 79,817,436</b>	<b>\$ (66,771,199)</b>	<b>\$ 141,934,477</b>	<b>\$ 3,217,773</b>

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 are as follows:

Asset:	Governmental Activities
Improvements Other than Buildings	\$ 345,000
Machinery and Equipment	574,878
Less: Accumulated Depreciation	(69,000)
<b>Total</b>	<b>\$ 850,878</b>

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**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
2016	\$ 34,550	\$ 11,016
2017	34,550	8,252
2018	34,550	5,488
2019	34,050	2,724
	\$ 137,700	\$ 27,480

Lease Payable

In August of 2014, the City entered into a capital lease agreement for purposes of financing a new fire truck. The principal amount of the loan is \$528,692 and is payable in 20 semi-annual installments with an interest rate of 3.47%.

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

Fiscal Year Ending June 30,	Principal	Interest
2016	\$ 46,114	\$ 17,276
2017	47,728	15,662
2018	49,399	13,991
2019	51,128	12,262
2020	52,917	10,473
2021	54,769	8,620
2022	56,686	6,704
2023	58,670	4,719
2024	60,724	2,666
2025	31,154	541
	\$ 509,289	\$ 92,914

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**III) DETAILED NOTES ON ALL FUNDS - Continued**

Wastewater Facilities Lease

The City 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. In accordance with the terms of the early termination fee, the City terminated the agreement. The Santa Paula Utility Authority issued the 2015 Wastewater Enterprise Revenue Bonds, Series A and B and purchased the water treatment facility from the Company resulting in a defeasance of the Wastewater Facilities Lease. See 2015 Wastewater Revenue Bonds for more information.

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 1<sup>st</sup> and February 1<sup>st</sup> of each year with principal maturing on February 1<sup>st</sup> of each year through 2040. The interest rate on the bonds ranges from 3.00% to 5.25%.

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**III) DETAILED NOTES ON ALL FUNDS - Continued**

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

Fiscal Year Ending June 30,	Principal	Interest
2016	\$ 1,420,000	\$ 2,481,950
2017	1,485,000	2,425,150
2018	1,545,000	2,365,750
2019	1,620,000	2,288,500
2020	1,700,000	2,207,500
2021-2025	9,855,000	9,675,000
2026-2030	12,565,000	6,953,750
2031-2035	11,735,000	3,560,613
2036-2040	7,695,000	1,245,950
	<u>\$ 49,620,000</u>	<u>\$ 33,204,163</u>

**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.

The wastewater bonds are payable from Net Revenues of the Wastewater Enterprise. Interest is payable semi-annually on August 1<sup>st</sup> and February 1<sup>st</sup> of each year with principal maturing on February 1<sup>st</sup> 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
2016	\$ 120,000	\$ 271,445
2017	125,000	267,245
2018	130,000	263,495
2019	135,000	259,270
2020	140,000	254,275
2021-2025	795,000	1,164,125
2026-2030	1,025,000	943,625
2031-2035	1,305,000	655,200
2036-2040	1,685,000	274,050
	<u>\$ 5,460,000</u>	<u>\$ 4,352,730</u>

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**III) DETAILED NOTES ON ALL FUNDS - Continued**

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

Fiscal Year Ending June 30,	Principal	Interest
2016	\$ 100,000	\$ 391,825
2017	105,000	386,325
2018	110,000	380,550
2019	115,000	374,500
2020	125,000	368,175
2021-2025	750,000	1,712,000
2026-2030	1,030,000	1,423,775
2031-2035	1,430,000	1,018,850
2036-2040	2,015,000	442,400
	\$ 5,780,000	\$ 6,498,400

**2015 Wastewater Revenue Bonds**

In April 2015, the Utility Authority issued \$67,195,000 aggregate principal amount of Wastewater Enterprise Revenue Bonds, 2015A Series, Non-Taxable, and \$2,035,000 aggregate principal amount of Wastewater Enterprise Revenue Bonds, 2015B Series, Taxable. Proceeds of the bonds were used to fund a termination payment payable to the operator of the wastewater treatment facility, fund a reserve account, pay issuance costs and, as to a portion of the 2015B Bonds, to pay other capital costs of the Wastewater Enterprise.

The 2015 Wastewater Revenue Bonds are payable from Net Revenues of the Wastewater Enterprise on parity with the 2010 Wastewater Revenue Bonds. Interest is payable semi-annually on August 1<sup>st</sup> and February 1<sup>st</sup> of each year with principal maturing on February 1<sup>st</sup> of each year through 2050. The interest rate on the bonds ranges from 3.50% to 5.00%.

As of April 30, 2015, the date of the bond issuance, the Wastewater Facility Lease (refunded debt) had an outstanding balance of \$62,607,177. The refunding decreases the total debt service payments over the next 35 years by \$53,678,274 and results in an economic gain of approximately \$42 million.

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**III) DETAILED NOTES ON ALL FUNDS - Continued**

Debt service requirements to maturity for the Wastewater Enterprise Revenue Bonds, 2015A Series, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2016	\$ -	\$ 2,423,549
2017	270,000	3,219,475
2018	765,000	3,211,375
2019	805,000	3,173,125
2020	840,000	3,132,875
2021-2025	4,765,000	15,130,175
2026-2030	5,860,000	14,035,325
2031-2035	7,240,000	12,664,000
2036-2040	9,105,000	10,796,750
2041-2045	16,495,000	7,817,250
2046-2050	21,050,000	3,260,000
	<u>\$ 67,195,000</u>	<u>\$ 78,863,899</u>

Debt service requirements to maturity for the Wastewater Enterprise Revenue Bonds, 2015B Series, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2016	\$ 1,550,000	\$ 11,250
2017	485,000	5,335
	<u>\$ 2,035,000</u>	<u>\$ 16,585</u>

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.

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**III) DETAILED NOTES ON ALL FUNDS - Continued**

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
2016	\$ -	\$ 73,000
2017	-	73,000
2018	-	73,000
2019	-	73,000
2020	-	73,000
2021-2025	-	365,000
2026	496,500	73,136
	\$ 496,500	\$ 803,136

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**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
2016	\$ 175,000	\$ 150,430
2017	185,000	139,300
2018	200,000	127,500
2019	215,000	114,600
2020	220,000	100,800
2021-2025	1,350,000	270,075
	\$ 2,345,000	\$ 902,705

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, 2015.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds Payable:					
Tax Allocation Refunding Bonds	\$ 2,505,000	\$ -	\$ (160,000)	\$ 2,345,000	\$ 175,000
Unamortized Discount	(15,679)	-	1,426	(14,253)	-
Total	\$ 2,489,321	\$ -	\$ (158,574)	2,330,747	\$ 175,000

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**III) DETAILED NOTES ON ALL FUNDS - Continued**

**F) Fund Balance**

The details of the fund balances as of June 30, 2015 are presented below:

	General Fund	Total Non-major Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Nonspendable:</b>			
Loans Receivable	\$ 9,056	\$	\$ 9,056
Permanent Endowments		753,591	753,591
<b>Restricted for:</b>			
Street Work	3,166,307	3,866,711	7,033,018
Public Safety		169,028	169,028
Community Development		528,567	528,567
Miscellaneous Grants		22,492	22,492
Cable Television		100,433	100,433
Hazard Abatement		228,164	228,164
Inclusionary Housing Ordinance		11,469	11,469
Development Fees		3,597,745	3,597,745
<b>Committed to:</b>			
CJPIA Insurance Premiums	267,000	-	267,000
Citywide development fee study	38,380	-	38,380
Limoneira Grant Match	250,000	-	250,000
Capital Improvements	294,770	-	294,770
<b>Assigned to:</b>			
			-
<b>Unassigned:</b>	<u>1,016,670</u>	<u>(252,201)</u>	<u>764,469</u>
Total Fund Balance	<u>\$ 5,042,183</u>	<u>\$ 9,025,999</u>	<u>\$ 14,068,182</u>

The unassigned category above encompasses fund designations that do not satisfy the criteria of the other categories presented. Included in the General Fund fund balance of \$5,042,183 is the City Council approved operating reserve of \$1,108,863.

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**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.

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.

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**IV) OTHER INFORMATION - Continued**

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 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.

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**IV) OTHER INFORMATION - Continued**

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
2013-2014	\$ 2,558,853	\$ -	\$ 232,623	\$ 2,326,630
2014-2015	2,326,630	-	241,592	2,085,038

**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.

**City of Santa Paula  
Notes to Financial Statements  
June 30, 2015**

**IV) OTHER INFORMATION - Continued**

**C) Pension Plans**

**General Information about the Defined Benefit Pension Plans**

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous and Safety Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – The Plans are cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2013 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2013 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

	Miscellaneous	Miscellaneous Tier II	Miscellaneous PEPRA
	Prior to 3/20/2006	On or after 3/20/2006 and before 1/1/2013	On or after January 1, 2013
Hire date			
Benefit formula	2.5% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	55	62
Monthly benefits, as a % of eligible compensation	Highest single year	Highest single year	3-year average
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	30.220%	11.522%	6.25%
	Safety	Safety PEPRA	
	Prior to January 1, 2013	On or after January 1, 2013	
Hire date			
Benefit formula	3% @ 50	2.7% @ 57	
Benefit vesting schedule	5 years service	5 years service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50	57	
Monthly benefits, as a % of eligible compensation	3-year average	3-year average	
Required employee contribution rates	9%	11.5%	
Required employer contribution rates	44.738%	11.5%	

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**IV) OTHER INFORMATION - Continued**

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

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Contributions - employer	\$ 657,977	\$ 1,022,986
Contributions - employee (paid by employer)	95,060	212,088

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

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 8,013,037
Safety	<u>7,934,448</u>
Total Net Pension Liability	<u><u>\$ 15,947,485</u></u>

The City’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City’s proportionate share of the net pension liability as of June 30, 2013 and 2014 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2013	0.3083%	0.20890%
Proportion - June 30, 2014	0.3242%	0.21153%
Change - Increase (Decrease)	0.0159%	0.00263%

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**IV) OTHER INFORMATION - Continued**

For the year ended June 30, 2015, the City recognized pension expense of \$5,525,450. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,159,536	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	283,559	104,388
Net differences between projected and actual earnings on plan investments	-	4,003,793
Total	\$ 2,443,095	\$ 4,108,181

\$2,159,536 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2016	\$ (936,959)
2017	(936,959)
2018	(949,757)
2019	(1,000,947)
2020	-
Thereafter	-

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**IV) OTHER INFORMATION - Continued**

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	All Plans
Valuation date	June 30, 2013
Measurement date	June 30, 2014
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.50%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.50% (2)
Mortality	(3)

(1) Depending on age, service and type of employment

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

(3) Derived using CalPERS' Membership Data for all Funds.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**IV) OTHER INFORMATION - Continued**

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.50%	5.13%
Infrastructure and Forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%

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

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

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**IV) OTHER INFORMATION - Continued**

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

– The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety
1% Decrease	6.50%	6.50%
Net Pension Liability	\$ 12,982,226	\$ 12,848,675
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$ 8,013,037	\$ 7,934,448
1% Increase	8.50%	8.50%
Net Pension Liability	\$ 3,889,080	\$ 3,885,337

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

**Payable to the Pension Plan**

At June 30, 2015, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

**D) Post Employment Benefits**

*Plan Description.* The City of Santa Paula’s defined benefit postemployment healthcare plan, (DPHP), 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. DPHP selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through City resolution. The DPHP 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 \$119 per employee from July through December 2014, and \$122 thereafter.

*Annual OPEB Cost.* For 2015, 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.

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**IV) OTHER INFORMATION - Continued**

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	21,254
Adjustment to annual required contribution	(22,147)
Annual OPEB cost (expense)	110,790
Contributions made	(33,014)
Increase in net OPEB obligation	77,776
Net OPEB obligation – beginning of the year	425,085
Net OPEB obligation – end of the year	\$ 502,861

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, 2015 and the two preceding fiscal years as follows:

THREE-YEAR TREND INFORMATION DPHP			
Fiscal Year	Annual OPEB Cost (AOC)	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/15	\$ 110,790	29.8%	502,861
6/30/14	\$ 112,528	32.1%	425,085
6/30/13	\$ 112,344	32.1%	348,647

*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 55.2 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.

**City of Santa Paula**  
**Notes to Financial Statements**  
**June 30, 2015**

**IV) OTHER INFORMATION - Continued**

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

**E) Loans Receivable**

The City has issued first-time homebuyer and residential rehabilitation loans to low and moderate income residents. These loans are to be repaid over a specified period of time or upon sale of the property. As of June 30, 2015, the amount of loans receivable at year-end is \$467,001.

**F) Construction Commitments**

The estimated amount of remaining construction contract obligations at year-end is \$406,813.

**G) Prior Period Adjustment**

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, in fiscal year 2014-15. As a result, the beginning net position in the Statement of Activities – Governmental Activities and Business-type Activities was restated by (\$12,907,339) and (\$2,554,753), respectively, to reflect the cumulative effect of applying this statement. In addition, the beginning net position in the Statement of Revenues Expenses, and Changes in Net Position – Proprietary Funds – Water, was restated by (\$2,554,753), to reflect the cumulative effect of applying this statement. Also, included as part of the restatement in the Statement of Activities – Governmental Activities is an adjustment of (\$93,398) to accrued revenues and receivables for Gas Tax. This is also an adjustment in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds for the Other Governmental Funds. In addition, included as part of the restatement in the Statement of Activities – Governmental Activities is an adjustment of \$457,945 to reinstate loans receivable that were written off as uncollectible in prior years. This is also an adjustment in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds for the Other Governmental Funds. Included as part of the prior period adjustment for the Net Pension Liability is the deletion of the Pension Related Debt as recorded in prior years. This is now included as part of the Net Pension Liability.

**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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 9,974,284	\$ 9,974,284	\$ 9,939,399	\$ (34,885)
Licenses & Permits	352,550	352,550	355,657	3,107
Intergovernmental	367,600	533,905	493,668	(40,237)
Charges for Services	1,077,254	1,077,254	1,430,115	352,861
Fines and Forfeitures	234,500	234,500	138,100	(96,400)
Investment Earnings	4,600	4,600	3,934	(666)
Other Revenues	41,300	41,300	353,311	312,011
	<u>12,052,088</u>	<u>12,218,393</u>	<u>12,714,184</u>	<u>495,791</u>
<b>EXPENDITURES</b>				
Current:				
General Government	996,880	1,051,136	1,137,850	(86,714)
Building and Safety	272,265	279,032	384,110	(105,078)
Community Services	1,007,833	1,020,643	1,005,677	14,966
Financial Services	540,151	548,346	473,290	75,056
Fire	2,573,769	2,617,933	3,464,461	(846,528)
Planning	599,695	606,742	649,040	(42,298)
Police	5,230,149	5,588,027	5,883,754	(295,727)
Public Works	1,910,236	1,918,351	577,952	1,340,399
Debt Service:				
Principal	-	-	19,403	(19,403)
Interest	-	-	12,292	(12,292)
	<u>13,130,978</u>	<u>13,630,210</u>	<u>13,607,829</u>	<u>22,381</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,078,890)</u>	<u>(1,411,817)</u>	<u>(893,645)</u>	<u>518,172</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(22,770)	(22,770)
Capital Lease	-	-	528,692	528,692
	<u>-</u>	<u>-</u>	<u>505,922</u>	<u>505,922</u>
Net Change in Fund Balances	(1,078,890)	(1,411,817)	(387,723)	1,024,094
Fund Balances, Beginning	<u>5,429,906</u>	<u>5,429,906</u>	<u>5,429,906</u>	<u></u>
Fund Balances, Ending	<u>\$ 4,351,016</u>	<u>\$ 4,018,089</u>	<u>\$ 5,042,183</u>	<u>\$ 1,024,094</u>

**City of Santa Paula  
Required Supplementary Information  
For the Year Ended June 30, 2015**

SCHEDULE OF FUNDING PROGRESS FOR DPHP

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  
Required Supplementary Information  
For the Year Ended June 30, 2015**

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
Last 10 Years\*

	Miscellaneous Risk Pool
	2015
Proportion of the Net Pension Liability	0.12877%
Proportionate Share of Net Pension Liability	\$ 8,013,037
Covered - Employee Payroll	\$ 3,348,408
Proportionate Share of the Net Pension Liability as a percentage of Payroll	239.31%
Plan's Fiduciary Net Position	\$ 29,444,285
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.61%
	Safety Risk Pool
	2015
Proportion of the Net Pension Liability	0.12751%
Proportionate Share of Net Pension Liability	\$ 7,934,448
Covered - Employee Payroll	\$ 2,643,230
Proportionate Share of the Net Pension Liability as a percentage of Payroll	300.18%
Plan's Fiduciary Net Position	\$ 28,753,254
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.37%

\*Fiscal year 2015 is the first year of implementation, therefore only one year of information is available.

**Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability**

**Benefit Changes:** None

**Changes in Assumptions:** None

**City of Santa Paula  
Required Supplementary Information  
For the Year Ended June 30, 2015**

SCHEDULE OF PLAN CONTRIBUTIONS  
Last 10 Years\*

		2015
Contractually Required Contributions (actuarially determined)	\$	1,707,545
Contributions in Relation to the Actuarially Determined Contributions		(1,707,545)
Contribution Deficiency (Excess)	\$	-
Covered-Employee Payroll	\$	5,991,638
Contributions as a Percentage of Covered Employee Payroll		28.50%

\*Fiscal year 2015 is the first year of implementation, therefore only one year of information is available

**Notes to the Schedule of Plan Contributions**

Valuation Date: 6/30/2013

**City of Santa Paula**  
**Notes to Required Supplementary Information**  
**June 30, 2015**

**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, 2015**

**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, 2015**

**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, 2015**

**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, 2015**

**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 earnings. 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.

**City of Santa Paula  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2015**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and Investments	\$ 4,482,836	\$ 3,500,390	\$ 805,495	\$ 8,788,721
Receivables	191,907	2,214	508	194,629
Loans Receivable	457,945	-	-	457,945
Advances to Other Funds	-	112,036	-	112,036
Cash - Restricted	12,281	-	-	12,281
 Total Assets	 <u>\$ 5,144,969</u>	 <u>\$ 3,614,640</u>	 <u>\$ 806,003</u>	 <u>\$ 9,565,612</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 143,418	\$ 5,784	\$ 16,454	\$ 165,656
Due to Other Funds	220,342	-	-	220,342
Advances From Other Funds	-	-	112,036	112,036
 Total Liabilities	 <u>363,760</u>	 <u>5,784</u>	 <u>128,490</u>	 <u>498,034</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues - Grants	41,579	-	-	41,579
 Total Deferred Inflows of Resources	 <u>41,579</u>	 <u>-</u>	 <u>-</u>	 <u>41,579</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	753,591	753,591
Restricted	4,915,395	3,609,214	-	8,524,609
Unassigned	(175,765)	(358)	(76,078)	(252,201)
 Total Fund Balances	 <u>4,739,630</u>	 <u>3,608,856</u>	 <u>677,513</u>	 <u>9,025,999</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 5,144,969</u>	 <u>\$ 3,614,640</u>	 <u>\$ 806,003</u>	 <u>\$ 9,565,612</u>

**City of Santa Paula  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2015**

	Mobile Home Rent Review	State Gas Tax	Local Transportation TDA	Housing and Community Development I	(CDBG) Housing and Community Development II
<b>ASSETS</b>					
Cash and Investments	\$ -	\$ 2,346,119	\$ 1,308,537	\$ 69,935	\$ -
Receivables	-	4,590	67,001	44	16,822
Loans Receivable	-	-	-	-	241,381
Cash - Restricted	-	-	-	-	12,281
Total Assets	<u>\$ -</u>	<u>\$ 2,350,709</u>	<u>\$ 1,375,538</u>	<u>\$ 69,979</u>	<u>\$ 270,484</u>
<b>LIABILITIES</b>					
Accounts Payable and Accrued Liabilities	\$ -	\$ 88,300	\$ 36,840	\$ -	\$ 3,034
Due to Other Funds	174,684	-	-	-	44,577
Total Liabilities	<u>174,684</u>	<u>88,300</u>	<u>36,840</u>	<u>-</u>	<u>47,611</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>					
Restricted	-	2,262,409	1,338,698	69,979	222,873
Unassigned	(174,684)	-	-	-	-
Total Fund Balances	<u>(174,684)</u>	<u>2,262,409</u>	<u>1,338,698</u>	<u>69,979</u>	<u>222,873</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 2,350,709</u>	<u>\$ 1,375,538</u>	<u>\$ 69,979</u>	<u>\$ 270,484</u>

CA Oil Museum	Asset Forfeiture	Hillsborough Open Space Assessment	DOJ-BJA Local Law Enforecement 03/04	Local Transportation TDA Article 3	SAFER Grant	Cal Home Grant Dept. of HCD
\$ 5,961	\$ 26,907	\$ 3,176	\$ -	\$ 6,093	\$ -	\$ 8,087
-	4,059	152	-	2	-	-
-	-	-	-	-	-	216,564
-	-	-	-	-	-	-
<u>\$ 5,961</u>	<u>\$ 30,966</u>	<u>\$ 3,328</u>	<u>\$ -</u>	<u>\$ 6,095</u>	<u>\$ -</u>	<u>\$ 224,651</u>
\$ 5,961	\$ -	\$ 3,297	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>5,961</u>	<u>-</u>	<u>3,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	30,966	31	-	6,095	-	224,651
-	-	-	-	-	-	-
-	<u>30,966</u>	<u>31</u>	<u>-</u>	<u>6,095</u>	<u>-</u>	<u>224,651</u>
<u>\$ 5,961</u>	<u>\$ 30,966</u>	<u>\$ 3,328</u>	<u>\$ -</u>	<u>\$ 6,095</u>	<u>\$ -</u>	<u>\$ 224,651</u>

CONTINUED

**City of Santa Paula  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)  
June 30, 2015**

	NPDES Storm Water Quality	SLESF-COPS State	Beverage Container Recycling	Area Agency on Aging	State Homeland Security Grant
<b>ASSETS</b>					
Cash and Investments	\$ 20,987	\$ 121,677	\$ 6,407	\$ 3,116	\$ -
Receivables	41,594	16,742	4	9,300	-
Loans Receivable	-	-	-	-	-
Cash - Restricted	-	-	-	-	-
Total Assets	<u>\$ 62,581</u>	<u>\$ 138,419</u>	<u>\$ 6,411</u>	<u>\$ 12,416</u>	<u>\$ -</u>
<b>LIABILITIES</b>					
Accounts Payable and Accrued Liabilities	\$ 271	\$ 357	\$ -	\$ 1,383	\$ -
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>271</u>	<u>357</u>	<u>-</u>	<u>1,383</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues - Grants	41,579	-	-	-	-
Total Deferred Inflows of Resources	<u>41,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>					
Restricted	20,731	138,062	6,411	11,033	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>20,731</u>	<u>138,062</u>	<u>6,411</u>	<u>11,033</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 62,581</u>	<u>\$ 138,419</u>	<u>\$ 6,411</u>	<u>\$ 12,416</u>	<u>\$ -</u>

Federal STP	CA Used Oil Block Grant	Cable Television Fund	Stormwater Program	Transportation Enhancement Grant	BJA Vest Grant	Miscellaneous State Grants
\$ -	\$ 16,156	\$ 93,619	\$ 218,701	\$ -	\$ -	\$ -
-	12	8,336	22,397	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 16,168</u>	<u>\$ 101,955</u>	<u>\$ 241,098</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 87	\$ 1,522	\$ 2,320	\$ -	\$ -	\$ -
-	-	-	-	-	-	1,081
-	87	1,522	2,320	-	-	1,081
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	16,081	100,433	238,778	-	-	-
-	-	-	-	-	-	(1,081)
-	16,081	100,433	238,778	-	-	(1,081)
<u>\$ -</u>	<u>\$ 16,168</u>	<u>\$ 101,955</u>	<u>\$ 241,098</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CONTINUED

**City of Santa Paula  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)  
June 30, 2015**

	GHAD-GEO Hazardous Abatement Dist	<u>Total</u>
<b>ASSETS</b>		
Cash and Investments	\$ 227,358	\$ 4,482,836
Receivables	852	191,907
Loans Receivable	-	457,945
Cash - Restricted	-	12,281
	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 228,210</u>	<u>\$ 5,144,969</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 46	\$ 143,418
Due to Other Funds	-	220,342
	<u>          </u>	<u>          </u>
Total Liabilities	<u>46</u>	<u>363,760</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenues - Grants	-	41,579
	<u>          </u>	<u>          </u>
Total Deferred Inflows of Resources	<u>-</u>	<u>41,579</u>
<b>FUND BALANCE</b>		
Restricted	228,164	4,915,395
Unassigned	-	(175,765)
	<u>          </u>	<u>          </u>
Total Fund Balances	<u>228,164</u>	<u>4,739,630</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 228,210</u>	<u>\$ 5,144,969</u>

**City of Santa Paula  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2015**

	Congestion Management and Air Quality	Library Expansion Facilities	Law Enforcement Facilities	Water Distribution Facilities	Inclusionary Housing Ordinance
<b>ASSETS</b>					
Cash and Investments	\$ -	\$ 231,878	\$ 22,377	\$ 797,631	\$ 11,462
Receivables	-	150	14	501	7
Advances to Other Funds	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 232,028</u>	<u>\$ 22,391</u>	<u>\$ 798,132</u>	<u>\$ 11,469</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Advances From Other Funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted	-	232,028	22,391	798,132	11,469
Unassigned	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>232,028</u>	<u>22,391</u>	<u>798,132</u>	<u>11,469</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 232,028</u>	<u>\$ 22,391</u>	<u>\$ 798,132</u>	<u>\$ 11,469</u>

<u>Fire Protection Facilities</u>	<u>Public Meeting Facilities</u>	<u>General Government Facilities</u>	<u>Traffic Impact Fees</u>	<u>Parks and Recreation Facilities</u>	<u>Parkland Facilities</u>	<u>Corp Yard Facilities</u>
\$ 61	\$ 326,258	\$ 161,750	\$ 643,246	\$ -	\$ 1,067,135	\$ -
-	205	112	404	-	671	-
-	-	-	-	-	112,036	-
<u>\$ 61</u>	<u>\$ 326,463</u>	<u>\$ 161,862</u>	<u>\$ 643,650</u>	<u>\$ -</u>	<u>\$ 1,179,842</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,426	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	5,426	-
61	326,463	161,862	643,650	-	1,174,416	-
-	-	-	-	-	-	-
<u>61</u>	<u>326,463</u>	<u>161,862</u>	<u>643,650</u>	<u>-</u>	<u>1,174,416</u>	<u>-</u>
<u>\$ 61</u>	<u>\$ 326,463</u>	<u>\$ 161,862</u>	<u>\$ 643,650</u>	<u>\$ -</u>	<u>\$ 1,179,842</u>	<u>\$ -</u>

CONTINUED

**City of Santa Paula  
Combining Balance Sheet  
Nonmajor Capital Projects Funds - Continued  
June 30, 2015**

	Sewer Collection Facilities	Storm Drain Facilities	Harding Park Improvements	Air Quality Impact Fee	Total
<b>ASSETS</b>					
Cash and Investments	\$ 98,528	\$ 136,627	\$ -	\$ 3,437	\$ 3,500,390
Receivables	62	86	-	2	2,214
Advances to Other Funds	-	-	-	-	112,036
<b>Total Assets</b>	<b>\$ 98,590</b>	<b>\$ 136,713</b>	<b>\$ -</b>	<b>\$ 3,439</b>	<b>\$ 3,614,640</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable and Accrued					
Liabilities:	\$ -	\$ -	\$ 358	\$ -	\$ 5,784
Advances From Other Funds	-	-	-	-	0
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>358</b>	<b>-</b>	<b>5,784</b>
Fund Balances:					
Restricted	98,590	136,713	-	3,439	3,609,214
Unassigned	-	-	(358)	-	(358)
<b>Total Fund Balances</b>	<b>98,590</b>	<b>136,713</b>	<b>(358)</b>	<b>3,439</b>	<b>3,608,856</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 98,590</b>	<b>\$ 136,713</b>	<b>\$ -</b>	<b>\$ 3,439</b>	<b>\$ 3,614,640</b>

**City of Santa Paula  
Combining Balance Sheet  
Nonmajor Permanent Funds  
June 30, 2015**

	<u>Community Center Endowment</u>	<u>Museum Endowment</u>	<u>Harding Park Trust</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and Investments	\$ 541,509	\$ 211,609	\$ 52,377	\$ 805,495
Receivables	340	133	35	508
	<u>541,849</u>	<u>211,742</u>	<u>52,412</u>	<u>806,003</u>
Total Assets	<u>\$ 541,849</u>	<u>\$ 211,742</u>	<u>\$ 52,412</u>	<u>\$ 806,003</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 16,454	\$ 16,454
Advances from Other Funds	-	-	112,036	112,036
	<u>-</u>	<u>-</u>	<u>128,490</u>	<u>128,490</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>128,490</u>	<u>128,490</u>
Fund Balances:				
Nonspendable	541,849	211,742	-	753,591
Unassigned	-	-	(76,078)	(76,078)
	<u>541,849</u>	<u>211,742</u>	<u>(76,078)</u>	<u>677,513</u>
Total Fund Balance	<u>541,849</u>	<u>211,742</u>	<u>(76,078)</u>	<u>677,513</u>
Total Liabilities and Fund Balances	<u>\$ 541,849</u>	<u>\$ 211,742</u>	<u>\$ 52,412</u>	<u>\$ 806,003</u>

**City of Santa Paula**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2015**

	Special Revenue	Capital Projects	Permanent Funds	Total
<b>REVENUES</b>				
Taxes	\$ 10,590	\$ 370,212	\$ -	\$ 380,802
Intergovernmental	2,143,100	500	-	2,143,600
Charges for Services	197,736	-	107,032	304,768
Fines and Forfeitures	28,482	-	-	28,482
Investment Earnings	30,134	8,848	1,963	40,945
Other Revenues	185,613	3,316	10,094	199,023
	<u>2,595,655</u>	<u>382,876</u>	<u>119,089</u>	<u>3,097,620</u>
Total Revenues				
<b>EXPENDITURES</b>				
General Government	182,440	85,890	-	268,330
Building and Safety	121,573	-	-	121,573
Community Services	80,755	110,205	68,156	259,116
Financial Services	4,320	-	-	4,320
Fire	140,588	33,190	-	173,778
Planning	-	10,377	-	10,377
Police	112,174	-	-	112,174
Public Works	1,207,240	39,560	-	1,246,800
Debt Service:				
Principal	34,550	-	-	34,550
Interest	13,780	-	-	13,780
	<u>1,897,420</u>	<u>279,222</u>	<u>68,156</u>	<u>2,244,798</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>698,235</u>	<u>103,654</u>	<u>50,933</u>	<u>852,822</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	123,460	29,355	-	152,815
Transfers Out	(100,690)	-	(29,355)	(130,045)
	<u>22,770</u>	<u>29,355</u>	<u>(29,355)</u>	<u>22,770</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	721,005	133,009	21,578	875,592
Fund Balances - Beginning	3,654,078	3,475,847	655,935	7,785,860
Prior Period Adjustments	364,547	-	-	364,547
Fund Balances - Ending	<u>\$ 4,739,630</u>	<u>\$ 3,608,856</u>	<u>\$ 677,513</u>	<u>\$ 9,025,999</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, 2015**

	Mobile Home Rent Review	State Gas Tax	Local Transportation TDA	Housing and Community Development I	(CDBG) Housing and Community Development II
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	869,441	651,692	-	170,266
Charges for Services	9,729	21,345	150	-	13,011
Fines and Forfeitures	-	-	-	-	200
Investment Earnings	-	5,376	2,644	171	6,882
Other Revenues	-	8,338	-	-	10,403
<b>Total Revenues</b>	<b>9,729</b>	<b>904,500</b>	<b>654,486</b>	<b>171</b>	<b>200,762</b>
<b>EXPENDITURES</b>					
General Government	11,475	-	-	-	-
Building and Safety	-	-	-	-	121,573
Community Services	-	-	-	-	20,644
Financial Services	-	-	4,320	-	-
Fire	-	-	-	-	-
Police	-	-	-	-	-
Public Works	-	891,331	67,912	-	72,671
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<b>11,475</b>	<b>891,331</b>	<b>72,232</b>	<b>-</b>	<b>214,888</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,746)	13,169	582,254	171	(14,126)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	123,460	-	-	-
Transfers Out	-	-	(100,690)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>123,460</b>	<b>(100,690)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(1,746)</b>	<b>136,629</b>	<b>481,564</b>	<b>171</b>	<b>(14,126)</b>
Fund Balances - Beginning	(172,938)	2,219,178	857,134	69,808	(4,382)
Prior Period Adjustments	-	(93,398)	-	-	241,381
<b>Fund Balances - Ending</b>	<b>\$ (174,684)</b>	<b>\$ 2,262,409</b>	<b>\$ 1,338,698</b>	<b>\$ 69,979</b>	<b>\$ 222,873</b>

<u>CA Oil Museum</u>	<u>Asset Forfeiture</u>	<u>Hillsborough Open Space Assessment</u>	<u>DOJ-BJA Local Law Enforcement 03/04</u>	<u>Local Transportation TDA Article 3</u>	<u>SAFER Grant</u>	<u>CAL Home Grant Dept. of HCD</u>
\$ -	\$ -	\$ 10,590	\$ -	\$ -	\$ -	\$ -
-	-	-	-	6,495	81,185	-
14,825	-	-	-	-	-	-
-	28,282	-	-	-	-	-
13,542	45	3	-	-	-	-
146,369	-	-	-	-	-	-
<u>174,736</u>	<u>28,327</u>	<u>10,593</u>	<u>-</u>	<u>6,495</u>	<u>81,185</u>	<u>-</u>
170,965	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	89,321	-
-	4,113	-	-	-	-	-
-	-	9,368	-	2,962	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>170,965</u>	<u>4,113</u>	<u>9,368</u>	<u>-</u>	<u>2,962</u>	<u>89,321</u>	<u>-</u>
<u>3,771</u>	<u>24,214</u>	<u>1,225</u>	<u>-</u>	<u>3,533</u>	<u>(8,136)</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,771</u>	<u>24,214</u>	<u>1,225</u>	<u>-</u>	<u>3,533</u>	<u>(8,136)</u>	<u>-</u>
<u>(3,771)</u>	<u>6,752</u>	<u>(1,194)</u>	<u>-</u>	<u>2,562</u>	<u>8,136</u>	<u>8,087</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,564</u>
<u>\$ -</u>	<u>\$ 30,966</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 6,095</u>	<u>\$ -</u>	<u>\$ 224,651</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, 2015**

	NPDES Storm Water Quality	SLESF-COPS State	Beverage Container Recycling	Area Agency on Aging	State Homeland Security Grant
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	97,897	8,132	25,394	50,608
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	75	301	25	25	-
Other Revenues	-	-	-	12,360	-
<b>Total Revenues</b>	<b>75</b>	<b>98,198</b>	<b>8,157</b>	<b>37,779</b>	<b>50,608</b>
<b>EXPENDITURES</b>					
General Government	-	-	-	-	-
Building and Safety	-	-	-	-	-
Community Services	-	-	7,554	39,034	-
Financial Services	-	-	-	-	-
Fire	-	-	-	-	50,166
Police	-	108,061	-	-	-
Public Works	30,379	-	3,327	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<b>30,379</b>	<b>108,061</b>	<b>10,881</b>	<b>39,034</b>	<b>50,166</b>
Excess (Deficiency) of Revenues Over Expenditures	(30,304)	(9,863)	(2,724)	(1,255)	442
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(30,304)	(9,863)	(2,724)	(1,255)	442
Fund Balances - Beginning	51,035	147,925	9,135	12,288	(442)
Prior Period Adjustments	-	-	-	-	-
<b>Fund Balances - Ending</b>	<b>\$ 20,731</b>	<b>\$ 138,062</b>	<b>\$ 6,411</b>	<b>\$ 11,033</b>	<b>\$ -</b>

<u>Federal STP</u>	<u>CA Used Oil Block Grant</u>	<u>Cable Television Fund</u>	<u>Stormwater Program Fund</u>	<u>Transportation Enhancement Grant</u>	<u>BJA Vest Grant</u>	<u>Miscellaneous State Grants</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	8,593	-	160,659	-	12,718	20
-	-	32,904	-	-	-	-
-	-	-	-	-	-	-
-	45	54	426	-	-	-
-	-	-	-	8,143	-	-
-	<u>8,638</u>	<u>32,958</u>	<u>161,085</u>	<u>8,143</u>	<u>12,718</u>	<u>20</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	13,523	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,101
-	-	-	-	-	-	-
-	13,305	-	84,186	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	<u>13,305</u>	<u>13,523</u>	<u>84,186</u>	<u>-</u>	<u>-</u>	<u>1,101</u>
-	<u>(4,667)</u>	<u>19,435</u>	<u>76,899</u>	<u>8,143</u>	<u>12,718</u>	<u>(1,081)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	<u>(4,667)</u>	<u>19,435</u>	<u>76,899</u>	<u>8,143</u>	<u>12,718</u>	<u>(1,081)</u>
-	20,748	80,998	161,879	(8,143)	(12,718)	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 16,081</u>	<u>\$ 100,433</u>	<u>\$ 238,778</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,081)</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, 2015**

	GHAD-GEO Hazardous Abatement Dist	<u>Total</u>
<b>REVENUES</b>		
Taxes	\$ -	\$ 10,590
Intergovernmental	-	2,143,100
Charges for Services	105,772	197,736
Fines and Forfeitures	-	28,482
Investment Earnings	520	30,134
Other Revenues	-	185,613
	<u>106,292</u>	<u>2,595,655</u>
<b>EXPENDITURES</b>		
General Government	-	182,440
Building and Safety	-	121,573
Community Services	-	80,755
Financial Services	-	4,320
Fire	-	140,588
Police	-	112,174
Public Works	31,799	1,207,240
Debt Service:		
Principal	34,550	34,550
Interest	13,780	13,780
	<u>80,129</u>	<u>1,897,420</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>26,163</u>	<u>698,235</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	-	123,460
Transfers Out	-	(100,690)
	<u>-</u>	<u>22,770</u>
Net Change in Fund Balances	26,163	721,005
Fund Balances - Beginning	202,001	3,654,078
Prior Period Adjustments	-	364,547
Fund Balances - Ending	<u>\$ 228,164</u>	<u>\$ 4,739,630</u>

**City of Santa Paula**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Capital Project Funds**  
**For the Year Ended June 30, 2015**

	Congestion Management and Air Quality	Library Expansion Facilities	Law Enforcement Facilities	Water Distribution Facilities	Inclusionary Housing Ordinance
<b>REVENUES</b>					
Taxes	\$ -	\$ 22,482	\$ 9,834	\$ 38,721	\$ -
Charges for Services	-	-	-	-	-
Other Revenues	-	-	1,323	-	-
Investment Earnings	-	585	53	1,935	33
Total Revenues	-	23,067	11,210	40,656	33
<b>EXPENDITURES</b>					
General Government	-	16,108	-	-	-
Building and Safety	-	-	-	-	-
Community Services	-	-	-	-	-
Fire	-	-	-	-	-
Planning	-	-	-	-	10,377
Police	-	-	-	-	-
Public Works	-	-	-	377	-
Economic Development	-	-	-	-	-
Total Expenditures	-	16,108	-	377	10,377
Excess (Deficiency) of Revenues Over Expenditures	-	6,959	11,210	40,279	(10,344)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	6,959	11,210	40,279	(10,344)
Fund Balances - Beginning	-	225,069	11,181	757,853	21,813
Fund Balances - Ending	\$ -	\$ 232,028	\$ 22,391	\$ 798,132	\$ 11,469

<u>Fire Protection Facilities</u>	<u>Public Meeting Facilities</u>	<u>General Government Facilities</u>	<u>Traffic Impact Fees</u>	<u>Parks and Recreation Facilities</u>	<u>Parkland Facilities</u>	<u>Corp Yard Facilities</u>
\$ 6,283	\$ 16,080	\$ 7,236	\$ 181,357	\$ -	\$ 63,402	\$ -
-	-	-	-	-	500	-
-	-	-	-	-	-	1,993
51	794	517	1,431	28	2,636	188
<u>6,334</u>	<u>16,874</u>	<u>7,753</u>	<u>182,788</u>	<u>28</u>	<u>66,538</u>	<u>2,181</u>
-	5,086	64,696	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	20,433	60,059	-
33,190	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	377	-	-	188
-	-	-	-	-	-	-
<u>33,190</u>	<u>5,086</u>	<u>64,696</u>	<u>377</u>	<u>20,433</u>	<u>60,059</u>	<u>188</u>
<u>(26,856)</u>	<u>11,788</u>	<u>(56,943)</u>	<u>182,411</u>	<u>(20,405)</u>	<u>6,479</u>	<u>1,993</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(26,856)</u>	<u>11,788</u>	<u>(56,943)</u>	<u>182,411</u>	<u>(20,405)</u>	<u>6,479</u>	<u>1,993</u>
<u>26,917</u>	<u>314,675</u>	<u>218,805</u>	<u>461,239</u>	<u>20,405</u>	<u>1,167,937</u>	<u>(1,993)</u>
<u>\$ 61</u>	<u>\$ 326,463</u>	<u>\$ 161,862</u>	<u>\$ 643,650</u>	<u>\$ -</u>	<u>\$ 1,174,416</u>	<u>\$ -</u>

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**City of Santa Paula**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Continued**  
**Nonmajor Capital Project Funds**  
**For the Year Ended June 30, 2015**

	Sewer Collection Facilities	Storm Drain Facilities	Harding Park Improvements	Air Quality Impact Fee	Total
<b>REVENUES</b>					
Taxes	\$ 12,426	\$ 12,391	\$ -	\$ -	\$ 370,212
Intergovernmental	-	-	-	-	500
Other Revenues	-	-	-	-	3,316
Investment Earnings	260	329	-	8	8,848
Total Revenues	<u>12,686</u>	<u>12,720</u>	<u>-</u>	<u>8</u>	<u>382,876</u>
<b>EXPENDITURES</b>					
General Government	-	-	-	-	85,890
Building and Safety	-	-	-	-	-
Community Services	-	-	29,713	-	110,205
Fire	-	-	-	-	33,190
Planning	-	-	-	-	10,377
Police	-	-	-	-	-
Public Works	37,864	377	-	377	39,560
Economic Development	-	-	-	-	-
Total Expenditures	<u>37,864</u>	<u>377</u>	<u>29,713</u>	<u>377</u>	<u>279,222</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(25,178)</u>	<u>12,343</u>	<u>(29,713)</u>	<u>(369)</u>	<u>103,654</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	29,355	-	29,355
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>29,355</u>	<u>-</u>	<u>29,355</u>
Net Change in Fund Balances	(25,178)	12,343	(358)	(369)	133,009
Fund Balances - Beginning	<u>123,768</u>	<u>124,370</u>	<u>-</u>	<u>3,808</u>	<u>3,475,847</u>
Fund Balances - Ending	<u>\$ 98,590</u>	<u>\$ 136,713</u>	<u>\$ (358)</u>	<u>\$ 3,439</u>	<u>\$ 3,608,856</u>

**City of Santa Paula**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Permanent Funds**  
**For the Year Ended June 30, 2015**

	Community Center Endowment	Museum Endowment	Harding Park Trust	Total
<b>REVENUES</b>				
Investment Earnings	\$ 1,315	\$ 518	\$ 130	\$ 1,963
Charges for Services	-	-	107,032	107,032
Other Revenues	10,044	-	50	10,094
Total Revenues	<u>11,359</u>	<u>518</u>	<u>107,212</u>	<u>119,089</u>
<b>EXPENDITURES</b>				
Community Services	1,184	466	66,506	68,156
Public Works	-	-	-	-
Total Expenditures	<u>1,184</u>	<u>466</u>	<u>66,506</u>	<u>68,156</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,175</u>	<u>52</u>	<u>40,706</u>	<u>50,933</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(29,355)	(29,355)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(29,355)</u>	<u>(29,355)</u>
Net Change in Fund Balances	10,175	52	11,351	21,578
Fund Balances - Beginning	<u>531,674</u>	<u>211,690</u>	<u>(87,429)</u>	<u>655,935</u>
Fund Balances - Ending	<u>\$ 541,849</u>	<u>\$ 211,742</u>	<u>\$ (76,078)</u>	<u>\$ 677,513</u>