



AGENDA
CITY COUNCIL/SUCCESSOR AGENCY/STANTON HOUSING AUTHORITY
JOINT REGULAR MEETING
STANTON CITY HALL, 7800 KATELLA AVENUE, STANTON, CA
TUESDAY, DECEMBER 8, 2015 - 6:30 P.M.

As a courtesy to those in attendance, the City of Stanton respectfully requests that all cell phones, pagers and/or electronic devices be turned off or placed on silent mode while the meeting is in session. Thank you for your cooperation.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, CONTACT THE CITY CLERK AT (714) 379-9222. NOTIFICATION BY 9:00 A.M. ON MONDAY, DECEMBER 7, 2015 WILL ENABLE THE CITY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.

Supporting, descriptive documentation for agenda items, including staff reports, is available for review in the City Clerk's Office and on the City web site at www.ci.stanton.ca.us.

1. **CLOSED SESSION** None.

2. **CALL TO ORDER REGULAR CITY COUNCIL / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY MEETING**

3. **PLEDGE OF ALLEGIANCE**

4. **ROLL CALL** Council/Agency/Authority Member Ramirez
 Council/Agency/Authority Member Shawver
 Council/Agency/Authority Member Warren
 Mayor Pro Tem/Vice Chairman Donahue
 Mayor/Chairman Ethans

CC/SA/SHA AGENDA – Joint Regular Meeting – December 8, 2015 - Page 1

Any writings or documents provided to a majority of the City Council/Successor Agency/Stanton Housing Authority regarding any item on this agenda will be made available for public inspection at the Public Counter at City Hall located at 7800 Katella Avenue, Stanton CA, during normal business hours.

5. SPECIAL PRESENTATIONS AND AWARDS

- Presentation of Certificate of Recognition honoring Mr. Ken Ash and Mr. Johnny Grubbs as Veteran of the Month for the month of December 2015.

6. CONSENT CALENDAR

All items on the Consent Calendar may be acted on simultaneously, unless a Council/Board Member requests separate discussion and/or action.

CONSENT CALENDAR

6A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED

RECOMMENDED ACTION:

City Council/Agency Board/Authority Board waive reading of Ordinances and Resolutions.

6B. APPROVAL OF WARRANTS

City Council approve demand warrants dated November 19 and November 24, 2015, in the amount of \$1,135,210.22; and

6C. APPROVAL OF MINUTES

City Council/Agency/Authority Board approve Minutes of Regular Joint Meeting – November 24, 2015.

6D. PROCLAMATION DECLARING JANUARY 2016 AS BUSINESS APPRECIATION MONTH

As part of an effort to recognize and celebrate the contributions local businesses make in the City, the proposed proclamation would declare the month of January 2016 as Business Appreciation Month.

RECOMMENDED ACTION:

1. City Council declare that the proclamation is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(5) – Organizational or administrative activities of governments that will not result in direct or indirect physical change in the environment; and
2. Approve the Proclamation declaring January 2016 as Business Appreciation Month.

6E. ANNUAL AUDIT REPORTS FOR FISCAL YEAR 2014-15 (CC & SA JOINT ITEM)

Attached is the Comprehensive Annual Financial Report (CAFR) for the City of Stanton for the fiscal year ended June 30, 2015. This report includes all funds and entities that are within the control of the City. The independent firm of White Nelson Diehl Evans LLP, Certified Public Accountants and Consultants (WNDE), has conducted an independent audit of the financial statements of the City included in the CAFR and has issued an "unqualified" opinion thereon.

Also attached is the annual financial statements for the Successor Agency to the Stanton Redevelopment Agency (a private-purpose trust fund of the City of Stanton) as audited by WNDE.

Three additional reports and letters required by governmental auditing standards were issued by the auditors and are submitted herewith. All three cite no significant instances of noncompliance or other exceptions.

RECOMMENDED ACTION:

1. City Council declare that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3).
2. City Council receive and file the Comprehensive Annual Financial Report for fiscal year ended June 30, 2015, the Report on Internal Controls Over Financial Reporting and On Compliance and Other Matters, the Auditor's Communication With Those Charged With Governance, and the Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheet for the Year Ended June 30, 2015.

3. Successor Agency Board receive and file the Financial Statements for the Successor Agency to the Stanton Redevelopment Agency for the fiscal year ended June 30, 2015.

6F. EXTENSION OF CONTRACT FOR TOWING SERVICES

On November 26, 2013, the City Council approved towing contracts for four tow companies located in the City. The contracts were for a 24-month period ending December 1, 2015 and allowed for two one-year extensions. The City Council is being requested to approve contract amendments to allow for the first of these one-year extensions for the three companies still in operation.

RECOMMENDED ACTION:

1. City Council declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
2. Approve the First Amendment to the Non-Exclusive Towing Services Agreement and award a 1-year contract extension to Southland Towing/Action Towing, Russell's Towing and Golden Touch Auto Body and Towing; and
3. Authorize the City Manager to enter into a contract with selected towing firms.

END OF CONSENT CALENDAR

7. PUBLIC HEARINGS

7A. ESTABLISHMENT OF A FEE FOR THE PROCESSING OF DONATION COLLECTION BOX PERMIT APPLICATIONS

On November 24, 2015, the City Council gave second reading of Ordinance No. 1042, to adopt new land use regulations for donation collection boxes. As part of the new regulations, a permit application must be filed with the Community Development Director for the proposed location and operation of collection boxes. This resolution would establish a fee to recover the costs associated with the permit processing for this new application.

RECOMMENDED ACTION:

1. City Council conduct a public hearing; and
2. Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(4) – The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
3. Adopt Resolution No. 2015-43 establishing a permit fee for processing of donation collection box permit applications.

8. UNFINISHED BUSINESS

8A. APPROVAL OF ORDINANCE NO. 1043

This Ordinance was introduced at the regular City Council meeting of November 24, 2015.

RECOMMENDED ACTION:

1. City Clerk read the title of Ordinance No. 1043, entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, AMENDING SECTIONS 20.315.010 ‘PURPOSE’, 20.315.020 ‘APPLICABILITY’, 20.315.050 ‘IRRIGATION PLANS AND WATER CONSERVATION STANDARDS’, AND 20.315.080 ‘DEFINITIONS’ OF CHAPTER 20.315 OF THE STANTON MUNICIPAL CODE REGARDING THE ADOPTION OF A WATER EFFICIENT LANDSCAPE ORDINANCE”; and

2. Find that this Ordinance is exempt from environmental review under the California Environmental Quality Act (Pub. Resources Code, §§ 21000 et seq.) (“CEQA”) and the State CEQA Guidelines (Cal. Code Regs., tit. 14, §§ 15000 et seq.). Pursuant to State CEQA Guidelines section 15061(b)(1), the Ordinance is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Here, it can be seen with certainty that the Ordinance, which will improve water savings and promote efficient landscapes in new developments and retrofitted landscapes, will not have a significant effect on the environment; and
3. Adopt Ordinance No. 1043.

ROLL CALL VOTE: Council Member Ramirez
Council Member Shawver
Council Member Warren
Mayor Pro Tem Donahue
Mayor Ethans

9. NEW BUSINESS None.

10. ORAL COMMUNICATIONS - PUBLIC

At this time members of the public may address the City Council/Successor Agency/Stanton Housing Authority regarding any items within the subject matter jurisdiction of the City Council/Successor Agency/Stanton Housing Authority, provided that NO action may be taken on non-agenda items.

- Members of the public wishing to address the Council/Agency/Authority during Oral Communications-Public or on a particular item are requested to fill out a REQUEST TO SPEAK form and submit it to the City Clerk. Request to speak forms must be turned in prior to Oral Communications-Public.
- When the Mayor/Chairman calls you to the microphone, please state your Name, slowly and clearly, for the record. A speaker's comments shall be limited to a three (3) minute aggregate time period on Oral Communications and Agenda Items. Speakers are then to return to their seats and no further comments will be permitted.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council/Agency/Authority and Staff need to be recognized by the Mayor/Chairman before speaking.

11. WRITTEN COMMUNICATIONS None.

12. MAYOR/CHAIRMAN COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS

12A. COMMITTEE REPORTS/ COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS

At this time Council/Agency/Authority Members may report on items not specifically described on the agenda which are of interest to the community provided no discussion or action may be taken except to provide staff direction to report back or to place the item on a future agenda.

12B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE MEETING

At this time Council/Agency/Authority Members may place an item on a future agenda.

12C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

At this time Council/Agency/Authority Members may place an item on a future study session agenda.

Currently Scheduled: None.

12D. REORGANIZATION OF CITY COUNCIL

Annually, the City Council elects a Mayor and Mayor Pro Tem.

RECOMMENDED ACTION:

1. The City Clerk will accept nominations for Mayor.
2. The Mayor will accept nominations for Mayor Pro Tem.

12E. RECOGNITION OF OUTGOING MAYOR

- Presentation of Mayor's plaque by the City Council.

13. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

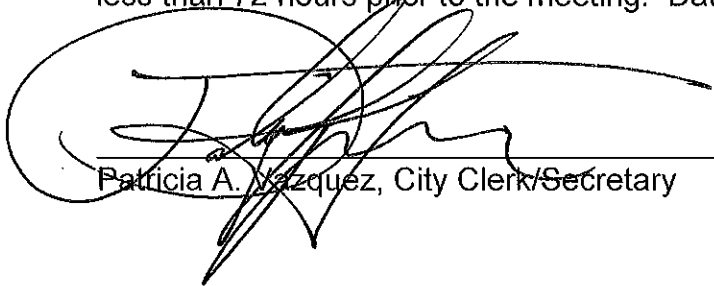
14. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

14A. ORANGE COUNTY SHERIFF'S DEPARTMENT

At this time the Orange County Sheriff's Department will provide the City Council with an update on their current operations.

15. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, the foregoing agenda was posted at the Post Office, Stanton Community Services Center and City Hall, not less than 72 hours prior to the meeting. Dated this 3rd day of December, 2015.



Patricia A. Yazquez, City Clerk/Secretary

**CITY OF STANTON
ACCOUNTS PAYABLE REGISTER**

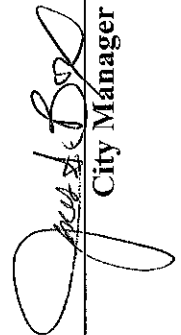
November 19, 2015	\$242,954.79
November 24, 2015	\$892,255.43

\$1,135,210.22

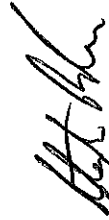
Council
Agenda Item #

6B

Demands listed on the attached registers conform to the City of Stanton Annual Budget as approved by the City Council.


City Manager

Demands listed on the attached registers are accurate and funds are available for payment thereof.



Administrative Services Director

DRAFT

MINUTES OF THE CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY OF THE CITY OF STANTON JOINT REGULAR MEETING NOVEMBER 24, 2015

1. CALL TO ORDER / CLOSED SESSION

The City Council meeting was called to order at 6:00 p.m. by Mayor Ethans.

2. ROLL CALL

Present: Council Member Ramirez, Council Member Shawver, Council Member Warren, Mayor Pro Tem Donahue, and Mayor Ethans

Absent: None.

Excused: None.

3. PUBLIC COMMENT ON CLOSED SESSION ITEMS None.

4. CLOSED SESSION

The members of the Stanton City Council of the City of Stanton proceeded to closed session at 6:00 p.m. for discussion regarding:

4A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Pursuant to Government Code Section 54956.9(a))

Musa Madain vs. City of Stanton, Orange County Superior Court Case Number: 30-2012-00582698 (Consolidated with OCSC Case No. 30-2009-00119013)

5. CALL TO ORDER / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY MEETING

The meetings were called to order at 6:32 p.m. by Mayor/Chairman Ethans.

6. ROLL CALL

Present: Agency/Authority Member Ramirez, Agency/Authority Member Shawver, Agency/Authority Member Warren, Vice Chairman Donahue, and Chairman Ethans.

Absent: None.

Excused: None.

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7. PLEDGE OF ALLEGIANCE

Led by Nicholas Ramirez.

The City Attorney reported that the Stanton City Council met in closed session from 6:00 to 6:30 p.m.

The City Attorney reported that there was no reportable action.

8. SPECIAL PRESENTATIONS AND AWARDS

1. Presentation of Certificate of Recognition honoring Nicholas Ramirez on being selected to wear the #78 Jersey for the Servite High School varsity football team.
2. Presentation of Certificate of Recognition by Jeremy Tran, District Representative, Supervisor Steel's office, congratulating Nicholas Ramirez on being selected to wear the #78 Jersey for the Servite High School varsity football team.

9. CONSENT CALENDAR

Motion/Second: Ramirez/Warren

Motion unanimously carried by the following vote:

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

The City Council/Agency Board/Authority Board approved the following Consent Calendar items:

CONSENT CALENDAR

9A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED

The City Council/Agency Board waived reading of Ordinances and Resolutions.

DRAFT

9B. APPROVAL OF WARRANTS

The City Council approved demand warrants dated November 5 and November 12, 2015, in the amount of \$1,272,249.71.

9C. APPROVAL OF MINUTES

1. The City Council approved Minutes of Special Meeting – October 29, 2015; and
2. The City Council/Agency/Authority Board approved Minutes of Regular Joint Meeting – November 10, 2015; and
3. The City Council approved Minutes of Special Meeting – November 14, 2015.

9D. OCTOBER 2015 INVESTMENT REPORT

The Investment Report as of October 31, 2015 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

1. The City Council finds that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment), and
2. Received and filed the Investment Report for the month of October 2015.

9E. OCTOBER 2015 INVESTMENT REPORT (SUCCESSOR AGENCY)

The Investment Report as of October 31, 2015 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

1. The Successor Agency finds that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment), and
2. Received and filed the Investment Report for the month of October 2015.

DRAFT

9F. FY 2015/16 BUDGET ADJUSTMENT REQUEST

This report requests a budget adjustment to fund an additional Departmental Assistant position (existing classification) for the second half of the current fiscal year.

1. The City Council declared that this project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(2) – continuing administrative or maintenance activities, such as purchases for supplies, personnel-related actions, general policy or procedure making; and
2. Approved Budget Adjustment 2016-03.

9G. RESOLUTION AMENDING THE STANTON CRIMINAL BACKGROUND CHECK PROCESS

The attached Resolution makes changes to the current background check procedures by allowing the City to also access federal level criminal history information as opposed to only state level criminal history information.

1. The City Council declared that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(2) – continuing administrative or maintenance activities, such as purchases for supplies, personnel-related actions, general policy and procedure making; and
2. Approved Resolution No. 2015-40 authorizing the City of Stanton to access both state and federal summary criminal history information for employment (including volunteers and contract employees) and licensing of massage establishment owners/operators.

END OF CONSENT CALENDAR

DRAFT

10. PUBLIC HEARINGS

10A. CONSIDERATION OF ORDINANCE NO. 1043, AMENDING 20.315 (LANDSCAPING STANDARDS) OF THE STANTON MUNICIPAL CODE BY MODIFYING SECTIONS 20.315.010 'PURPOSE', 20.315.020 'APPLICABILITY', 20.315.050 'IRRIGATION PLANS AND WATER CONSERVATION STANDARDS', AND 20.315.080 'DEFINITIONS', REGARDING THE ADOPTION OF A WATER EFFICIENT LANDSCAPE ORDINANCE

Introduce Ordinance No. 1043 amending various sections in Chapter 20.315 (Landscaping Standards) of the Stanton Municipal Code regarding water efficient landscape regulations to meet the new statewide standards as stipulated in Governor Brown's Drought Executive Order (B-29-15).

The public hearing was opened.

No one appearing to speak, the public hearing was closed.

Motion/Second: Donahue/Warren

ROLL CALL VOTE:	Council Member Ramirez	AYE
	Council Member Shawver	AYE
	Council Member Warren	AYE
	Mayor Pro Tem Donahue	AYE
	Mayor Ethans	AYE

Motion unanimously carried:

1. The City Council conducted a public hearing; and
2. Declared that the ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15061(b)(1) (the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and Section 15307 as the activity consists of actions taken by regulatory agencies as authorized by state law or local ordinance to assure the maintenance, restoration, or enhancement of a natural resource where the regulatory process involves procedures for protection of the environment; and

DRAFT

3. Introduced Ordinance No. 1043 entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, AMENDING 20.315 (LANDSCAPING STANDARDS) OF THE STANTON MUNICIPAL CODE BY MODIFYING SECTIONS 20.315.010 ‘PURPOSE’, 20.315.020 ‘APPLICABILITY’, 20.315.050 ‘IRRIGATION PLANS AND WATER CONSERVATION STANDARDS’, AND 20.315.080 ‘DEFINITIONS’, REGARDING THE ADOPTION OF A WATER EFFICIENT LANDSCAPE ORDINANCE”; and

4. Adopt Resolution No. 2015-38 entitled:

“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA APPROVING THE IMPLEMENTATION GUIDELINES FOR THE IMPLEMENTATION OF ORDINANCE NO. 1043 PERTAINING TO A WATER EFFICIENT LANDSCAPE ORDINANCE REGULATIONS”; and

5. Set said Ordinance for adoption at the regular City Council meeting of December 8, 2015.

11. UNFINISHED BUSINESS

11A. APPROVAL OF ORDINANCE NO. 1042

This Ordinance was introduced at the regular City Council meeting of November 10, 2015.

Motion/Second: Donahue/Warren

ROLL CALL VOTE:	Council Member Ramirez	AYE
	Council Member Shawver	AYE
	Council Member Warren	AYE
	Mayor Pro Tem Donahue	AYE
	Mayor Ethans	AYE

Motion unanimously carried:

1. The City Clerk read the title of Ordinance No. 1042, entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA DELETING CHAPTER 5.46, ADDING CHAPTER 20.435, AND AMENDING CHAPTERS 20.215, 20.220, 20.700, AND 20.710 OF THE STANTON MUNICIPAL CODE REGARDING DONATION COLLECTION BOXES”; and

DRAFT

2. Declared that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and

3. Adopted Ordinance No. 1042.

12. NEW BUSINESS None.

13. ORAL COMMUNICATIONS – PUBLIC

- John R. Harris, Stanton, spoke regarding his concern for the well being of those who are unsheltered during the upcoming 2015 El Niño season and requested that the City Council please support and join him in his efforts to petition the County to keep shelters open during the day.

14. WRITTEN COMMUNICATIONS None.

15. MAYOR/CHAIRMAN/COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS

15A. COMMITTEE REPORTS/COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS

None.

15B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE COUNCIL MEETING

- Council Member Shawver requested to agendaize discussion regarding pedestrian safety along Beach Boulevard.
- Council Member Ramirez requested that the Orange County Sheriff's Department report on the results of their satisfaction survey once every month.

15C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

None.

16. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

None.

DRAFT

17. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

- Community Services Director Roman reported on the upcoming Christmas Tree Lighting Ceremony Celebrating Holidays Around the World event, which is scheduled to be held on December 3, 2015.
- Community Services Director Roman reported on the Adopt-A-Tree program and expressed her gratitude to the Kiwanis Club of Greater Stanton for their gracious donation of ornaments and lights to decorate fifteen trees for fifteen families.
- Council Member Shawver expressed his gratitude to Community Services Director Roman with her assistance in spreading the word regarding Harry's Café's 20th Annual Thanksgiving Dinner for those in need of a hot meal on Thanksgiving Day.
- City Manager Box and Public Works Director/City Engineer Rigg provided the City Council with an update regarding construction on Stanton Central Park.

17A. ORANGE COUNTY FIRE AUTHORITY

Chief Allan Wilkes provided the City Council with an update on their current operations.

18. ADJOURNMENT Motion/Second: Ethans/ Motion carried at 7:24 p.m.

MAYOR/CHAIRMAN

ATTEST:

CITY CLERK/SECRETARY

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: December 8, 2015

SUBJECT: PROCLAMATION DECLARING JANUARY 2016 AS BUSINESS APPRECIATION MONTH

REPORT IN BRIEF:

As part of an effort to recognize and celebrate the contributions local businesses make in the City, the proposed proclamation would declare the month of January 2016 as Business Appreciation Month.

RECOMMENDED ACTION:

1. Declare that the proclamation is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(5) – Organizational or administrative activities of governments that will not result in direct or indirect physical change in the environment; and
2. That the City Council approve the proclamation declaring January 2016 as Business Appreciation Month.

BACKGROUND:

The business community is a critical component of the City's economic health. The business community provides residents with diverse employment opportunities and a broad and stable tax base to support public services, infrastructure and a high quality of life. The City actively engages businesses that are located within city limits or that are interested in relocating or starting up their business in Stanton.

ANALYSIS/JUSTIFICATION:

The attached proclamation would provide an opportunity for the City of Stanton and its residents to recognize and honor the Stanton Business Community.

FISCAL IMPACT:

None.

ENVIRONMENTAL IMPACT:

In accordance with the requirements of the CEQA, this proclamation has been determined to be exempt under Section 15378(b)(5).

PUBLIC NOTIFICATION:

None required.

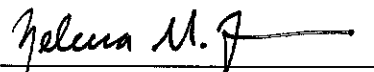
STRATEGIC PLAN OBJECTIVE ADDRESSED:

2 – Provide a strong local economy.

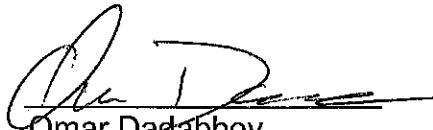
Prepared By:

Reviewed by:

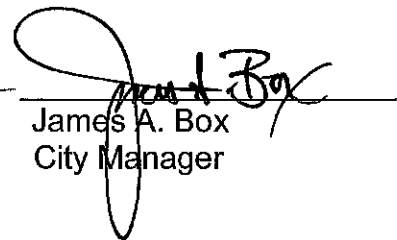
Approved by:



Rebecca M. Pennington
Associate Planner/
Economic Development
Coordinator



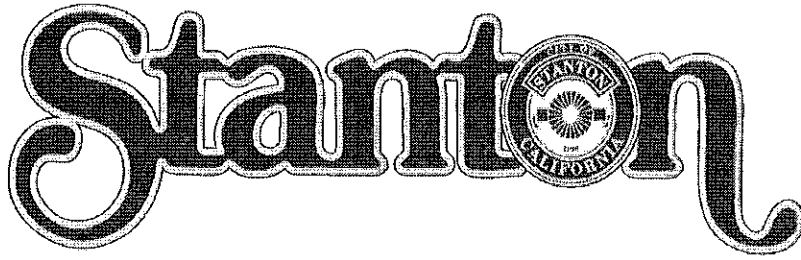
Omar Dadabhoy
Community and Economic
Development Director



James A. Box
City Manager

Attachment:

A. Proclamation



PROCLAMATION

BUSINESS APPRECIATION MONTH JANUARY, 2016

WHEREAS, the City of Stanton recognizes the contributions of local businesses to the economic strength and overall character of the City; and

WHEREAS, the business community of the City of Stanton is crucial to the City's economic health; and,

WHEREAS, through the variety of products and services offered, Stanton businesses continue to drive the City towards solidifying its reputation as a leading location for conducting business; and

WHEREAS, the revenue generated by the business community allows the City to provide services that positively affect the quality of life for its residents; and,

WHEREAS, the jobs created by the business community support the quality of life that Stanton residents enjoy; and,

WHEREAS, the business community provides valuable support that fosters and encourages public-private partnerships through organizations such as the Stanton Business Alliance, the West Orange County Regional Chamber of Commerce, SCORE, and others; and,

WHEREAS, the City values its existing business community and commits to making every effort to retain that strong economic base; and,

WHEREAS, the City of Stanton is committed to continuing development of a supportive business climate which encourages local investment, job growth and community involvement; and,

WHEREAS, the City of Stanton recognizes and appreciates the dedication, innovation and entrepreneurial spirit displayed by local businesses; and,

WHEREAS, Business Appreciation Month provides an opportunity for the City of Stanton and its residents to recognize and celebrate the contributions local businesses make in our community.

NOW THEREFORE, BE IT PROCLAIMED that I, Alexander A. Ethans, Mayor of the City of Stanton, do hereby declare the month of January, 2016 to be **BUSINESS APPRECIATION MONTH** throughout the City of Stanton and I encourage the citizens of this community to join with me in celebrating the richness, diversity, and success of our business community.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND CAUSED TO BE AFFIXED
THE SEAL OF THE CITY OF STANTON THIS 8TH DAY OF DECEMBER, 2015

MAYOR

CITY OF STANTON

REPORT TO THE CITY COUNCIL AND THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

TO: Honorable Mayor and Chairman of the Successor Agency and Members
of the City Council and Successor Agency Board

DATE: December 8, 2015

SUBJECT: ANNUAL AUDIT REPORTS FOR FISCAL YEAR 2014-15

REPORT IN BRIEF:

Attached is the Comprehensive Annual Financial Report (CAFR) for the City of Stanton for the fiscal year ended June 30, 2015. This report includes all funds and entities that are within the control of the City. The independent firm of White Nelson Diehl Evans LLP, Certified Public Accountants and Consultants (WNDE), has conducted an independent audit of the financial statements of the City included in the CAFR and has issued an "unqualified" opinion thereon.

Also attached is the annual financial statements for the Successor Agency to the Stanton Redevelopment Agency (a private-purpose trust fund of the City of Stanton) as audited by WNDE.

Three additional reports and letters required by governmental auditing standards were issued by the auditors and are submitted herewith. All three cite no significant instances of noncompliance or other exceptions.

RECOMMENDED ACTION:

1. That City Council declare that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3).
2. That City Council receive and file the Comprehensive Annual Financial Report for fiscal year ended June 30, 2015, the Report on Internal Controls Over Financial Reporting and On Compliance and Other Matters, the Auditor's Communication With Those Charged With Governance, and the Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheet for the Year Ended June 30, 2015.

Successor Agency
Agenda Item # SA

60E

Council
Agenda Item #

60E

3. That the Successor Agency Board receive and file the Financial Statements for the Successor Agency to the Stanton Redevelopment Agency for the fiscal year ended June 30, 2015.

BACKGROUND:

The CAFR has been prepared by the staff of the Administrative Services Department in conformity with generally accepted accounting principles. This report includes all funds and entities that are within the control of the City. The activity of the Successor Agency to the Stanton Redevelopment Agency is included in the report within a private-purpose trust fund.

The report is organized in three sections: 1) the Introductory Section, which includes the letter of transmittal, the City's organizational chart and a list of principal officials for the fiscal year ended June 30, 2015; 2) the Financial Section, which includes the independent auditor's report, management's discussion and analysis, the basic financial statements, and supplementary information; and 3) the Statistical Section, which includes information on financial trends, revenue and debt capacity, and demographic, economic and operating information for multiple years. To gain an initial understanding of the report, the reader is directed to the letter of transmittal and management's discussion and analysis.

The firm of White Nelson Diehl Evans LLP, Certified Public Accountants and Consultants (WNDE), has conducted an independent audit of the financial statements of the City of Stanton for the fiscal year ended June 30, 2015 and has issued an "unqualified" opinion thereon. An "unqualified" opinion is the highest rating possible and means that the auditors believe the financial statements of the City fairly present, in all material respects, the financial position and the changes in financial position and cash flows for the City for the year ended June 30, 2015, in conformance with generally accepted accounting principles.

The Financial Statements for the Successor Agency to the Stanton Redevelopment Agency, which is a private-purpose trust fund of the City of Stanton has also been audited by WNDE, and is attached. As with the City's financial statements, the independent auditors have issued an "unqualified opinion" on the Successor Agency financial statements.

In addition to their reports on the City and Successor Agency's financial statements, the independent auditors have also issued three other required reports and letters to the City Council: a Report on Internal Controls Over Financial Reporting and On Compliance and Other Matters, an auditor communication letter and a report on agreed-upon procedures relating to the calculation of the City's appropriations limit for the year ended June 30, 2015. The first report indicates that they discovered no deficiencies in internal controls that they considered to be material weaknesses, nor any reportable instances of noncompliance. The auditors did offer two

recommendations for improvements to the City's internal controls, regarding the year-end accrual process and procedures for posting housing reports on the website. Staff concurs with both recommendations and has already addressed them.

The second letter is a direct communication between the auditors and the governing body and advises the City Council of certain significant matters related to the audit, such as the most sensitive estimates and disclosures included in the financial statements, as well as whether they encountered any difficulties in dealing with management or had any disagreements with management. The auditors noted no such difficulties or disagreements during the course of their audit.

The third additional item is the Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheet for the Year Ended June 30, 2015. The auditors noted no issues in reviewing staff's calculation of the appropriations limit for the 14/15 fiscal year.

The reports and statements described above are hereby presented for City Council review and consideration.

ANALYSIS/JUSTIFICATION:

None

FISCAL IMPACT:

None

ENVIRONMENTAL IMPACT:

None

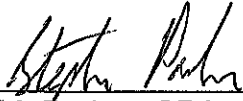
PUBLIC NOTIFICATION:

Through the regular agenda process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

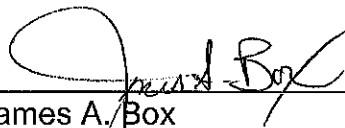
4. Ensure Fiscal Stability and Efficiency in Government

Prepared by:



Stephen M. Parker, CPA
Administrative Services Director

Approved by:



James A. Box
City Manager and
Executive Director

Attachments:

- A. Comprehensive Annual Financial Report for the Year Ended June 30, 2015
- B. Financial Statements for Successor Agency to the Stanton Redevelopment Agency for the Year Ended June 30, 2015
- C. Report on Internal Controls Over Financial Reporting and On Compliance and Other Matters
- D. Auditor's Communication With Those Charged With Governance
- E. Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheet for the Year Ended June 30, 2015



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2015



City of Stanton, CA
7800 Katella Avenue

www.ci.stanton.ca.us

CITY OF STANTON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
For the Year Ended June 30, 2015

Prepared by the Administrative Services Department

City of Stanton
Comprehensive Annual Financial Report
For the year ended June 30, 2015

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Comprehensive Annual Financial Report
For the year ended June 30, 2015

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November 30, 2015

Alexander A. Ethans
Mayor

Brian Donahue
Mayor Pro Tem

Rigoberto A. Ramirez
Council Member

David J. Shawver
Council Member

Carol Warren
Council Member

James A. Box
City Manager

City of Stanton
Stanton, California

Honorable Mayor and Members of the City Council:

City Staff are pleased to present to you the Comprehensive Annual Financial Report (CAFR) for the City of Stanton (City) for the fiscal year ended June 30, 2015. The accompanying financial statements were prepared by the staff of the Administrative Services Department in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for the integrity and completeness of the financial information presented in this report rests with City management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position, and results of operations of the various activities of the City of Stanton. Management has established a comprehensive framework of internal control to provide a reasonable basis for asserting that these financial statements are fairly presented. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report represents the culmination of all budgeting and accounting activities of the City during the fiscal year 2014-15. The report is presented in three sections: Introductory, Financial and Statistical. There has been no significant change in the City's fiscal policies that impact the current year financial statements.

Each year, the City's financial statements are audited by an independent, certified public accounting firm. White Nelson Diehl Evans, Inc, Certified Public Accountants performed the audit for the fiscal year ended June 30, 2015. Their audit included a review of the City's accounting systems, internal controls and other audit procedures sufficient to enable them to render an opinion on the City's financial statements. For the fiscal year ended June 30, 2015, the City's financial statements received an unqualified opinion. Their report is included on page 1 of this CAFR.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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Stanton, CA 90680
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PROFILE OF THE CITY OF STANTON

The City of Stanton was incorporated in June, 1956 under the general laws of the State of California, and operates under a Council-Manager form of government. The City Council is comprised of five members elected at large on a staggered basis for a term of four years. The City Manager is appointed by the City Council and has the responsibility of administering municipal services in accordance with the policies and annual budget adopted by the City Council.

The City comprises 3.1 square miles in area and has 39,219 residents. Stanton is located in central Orange County, just 23 miles southeast of downtown Los Angeles. It has easy freeway access and is within 12 miles of Disneyland, Anaheim Stadium, Knott's Berry Farm, Huntington Beach and the John Wayne and Long Beach Airports. State Highway 39, Beach Boulevard, runs through the center of the City.

Stanton provides a broad range of municipal services to its citizens, including planning, zoning and building safety, code enforcement, parking control, recreation and community services, engineering, public works, streets and park maintenance, street sweeping, graffiti abatement and general administration. Police and fire services are provided by contracts with the Orange County Sheriff's Department and Orange County Fire Authority, respectively. The public library located in Stanton is a part of the Orange County Library System.

This report combines the financial activities of the City of Stanton, the primary government and the Housing Authority of the City of Stanton, a blended component unit. The resources and activities of the Successor Agency to the City of Stanton Redevelopment Agency are reported in a separate Private-Purpose Trust Fund, which is also included in these financial statements. Additional information on all three of these legally separate entities can be found in Note 1 to the basic financial statements and additional information on the dissolution of the Redevelopment Agency can be found in Note 15.

During the fiscal year under audit, the City implemented Governmental Accounting Standards Board (GASB) Statements No. 68 and 71. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit pension plans, these Statements identify the methods and assumptions that should be present... The City also implemented GASB Statement No. 69, although its implementation did not affect the City.

The City adopts a bi-annual budget prepared on the modified accrual basis for all of its governmental funds. The City Manager is required, under City Code Section 2.08.50, to prepare and submit to the City Council the bi-annual budget and administer it after adoption. Legally, expenditures cannot exceed total appropriations at the fund level. Any revisions between funds must be approved by the City Council. The City also maintains an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved so budgets may not be overspent. Unexpended and unencumbered appropriations lapse at fiscal year end. Encumbrances outstanding at the fiscal year end are carried into the following budgetary year for continued funding.

ECONOMIC OUTLOOK AND CONDITION

Current Economic Condition

The U.S. economy (GDP) grew at a 3.9% real (after inflation) annual rate during 2015's initial third quarter report. That rate indicated a slower growth than forecasted. The growth is an indication of the economy improving at better, but slower rate than the shrinking of 0.2% in the first quarter of 2015. The shrinking GDP impacted the stock market as it plummeted nearly 2,000 points in the second quarter. Since the drop,

the market has continued to see rapid recovery in the third quarter and has nearly matched the previous losses.

The Labor Department reported on November 6, 2015 that employers in the US added 271,000 jobs in October, in line with the 230,000 average over the last 12 months. In addition, the unemployment rate did not change at 5.0%, which is down slightly from 5.7% in October 2014. For California, the seasonally adjusted unemployment rate for September 2015 was 5.5%. For Orange County, the September unemployment rate was 4.0%. For Stanton, the September unemployment rate was 5.3%, a substantial 3.0% lower than the prior year.

The Orange County median housing price in October 2015, based on the California Association of Realtors data, was \$707,700, which is 1.7% above the year ago level and 5.6% below the peak price of \$749,697 in April 2006. On a year-over-year basis, the median price has been increasing since October 2011. Stanton's 2014 third quarter median sales price was \$370,000, up 6.5% from last year.

Confidence among U.S. consumers maintained its ground in November 2015 at 93.1, a slight increase from October 2014 at 88.8. The Present Situation Index edged up to 121.1, well higher than October 2014's 93.7. The Expectations Index fell from 91.0 to 90.6 in September. Consumers are optimistic overall regarding the economy, but have a mixed outlook on the labor market. The contributing factor is the lower than estimated job availability.

Consumer spending in the U.S. increased by 3.3% in October 2015. Retail has seen a slight rise of 0.1% from September after being unchanged two months prior. Total sales receipts have been up 1.7% since October 2014. Lower gasoline prices have increased to the extra spending in the retail industry. Automobile sales have decreased slightly after a lower than predicted monthly estimate due to the 20.1% decrease in gasoline sales since October 2014. As brick and mortar businesses see a trending decrease in sales, online purchases were up 1.4% from the previous month. Fourth quarter sales are predicted to see a 3.7% increase with most of its sales coming from online purchases.

However, wages are only slightly increasing. Real average hourly earnings rose 2.6% in October from the same time last year, according to the Labor Department.

Stanton's economy is expected to show continued steady growth in 2015. Home prices should continue a slight rise, as current median prices are still gaining from their peak price in 2004. Stanton's second quarter receipts were up 1.1% in the same period a year prior. It is expected that sales tax revenue will increase approximately 4.1% over the next year. The City's sales tax revenue climbed to 29.7% of General Fund revenues in fiscal year 2014-15.

The City's staff continued to utilize the City's financial and human resources in the most efficient manner possible, and allocated these resources toward projects and programs designed to accomplish the goals and objectives identified in the Strategic Plan and in the budget document. Both of these documents were prepared with the input and guidance of the City Council and subsequently adopted by the same body.

Outlook for the Future

When the 2014-15 budget was approved, it marked Stanton's seventh consecutive budget with a structural budget deficit. After an attempted solution failed at the ballot in 2012, City council sought the resident's opinion. They began holding monthly neighborhood meetings, requested feedback from the community on priorities in a survey and formed a Blue Ribbon Committee to see how to best solve the problem. The result was the Stanton 9-1-1 Public Safety and Essential City Services Protection Measure, a one-cent transactions and use tax that was on the November 2014 ballot. Stanton residents understood the importance of funding

public safety, and approved the measure 55% to 45%. In one fell swoop, Stanton's future was re-written. Instead of making additional cuts in the FY 15/16 budget, City Council was able to add 2 Orange County Sheriff's Department deputies (a 10% increase), 1 Code Enforcement Officer, funding for school crossing guards, and additional funding for economic development programs to attract new businesses and create jobs. After all those additions, the budget still allowed for \$0.5 million in building up Stanton's dwindling reserves. Stanton's future looked bright again.

Unfortunately, prior to the ballot measure taking effect, the City was notified that signatures would be collected to repeal the Stanton 9-1-1 Public Safety and Essential City Services Protection Measure. In October 2015 the City Clerk's Office determined that enough signatures were gathered to put a Repeal Measure on the November 2016 ballot.

Should the Repeal Measure be adopted, the City would once again face fiscal challenges. An impartial report revealed that the City would need to cut the budget by 17.5%, removing the additional deputies and Code Enforcement Officer just hired, with many more cuts to follow. Estimates of having to cut an additional 5 deputies and 3 firefighter/paramedics would not be feasible with either of the City's contract safety service providers. The City would need to cut over 30% of General Fund full time equivalent employees, which would result in longer wait times to accomplish anything at City Hall, the elimination of all economic development programs, abolishing most City special events, and cutting many of the community services that residents of all generations currently enjoy.

Turning away from the potential disruption to the City's budget, there are many positive aspects in the City to look forward to. The most noticeable positive is Stanton Central Park, which is under construction. This 11.5 acre park funded with redevelopment bonds, a Proposition 84 Grant from the State and Park-In-Lieu (Quimby) Fees is progressing. The park, which will include a two playgrounds, basketball and tennis courts, a baseball and soccer fields, a bandstand and group picnic pavilions, a splash pad, a skate park, an exercise loop trail and more, is expected to open in June 2016. The City of Stanton will also celebrate its 60th anniversary of incorporation in 2016. The City's diamond anniversary will be highlighted by a special event every month for the community to help celebrate. In addition, a Beach Boulevard Beautification Project is scheduled for completion in 2016. The project will include re-landscaping with drought-tolerant plants, wayfinding signage and new monument signs at all major entrances to the City. And perhaps most importantly, economic development is making positive strides throughout the City. A number of key parcels are seeing activity, including The Village Center, a 12.7-acre property on the south entrance to the City, which should be changing hands within the next couple of months. This parcel is very important to the City, but the current owners have almost complete vacancy in the large shopping center. The new owners will want to put their investment to work, and Stanton is ready to help them do it. In addition, there is also positive movement at Stanton Plaza, 12345 Beach Boulevard, the southeast corner of Beach & Garden Grove and Beach and Chapman.

If residents are not informed and do not realize the importance of the voter-approved one-cent transactions and use tax, the City's fortunes would see a 180 degree turn. While it is prudent to remain cautious at this time, it is hard to not be excited as there are many positives happening in Stanton.

SPENDING LIMITATION

The voters of California, during a special election in 1979, approved Proposition 4 (the "Gann Initiative") which was incorporated into Article XIII-B of the California State Constitution. It restricted, in any given fiscal year, the total amount of appropriations allowed from the "proceeds of taxes." Each year, the governing body of local jurisdictions must establish, by resolution, an Appropriations Limit for the following year. If a city ends the fiscal year having more appropriations from the proceeds of taxes than the Limit allows, it must return the excess to the taxpayers within two years (either by reducing taxes levied or

fees charged). The City's 2014-15 Appropriations Limit was \$47,444,389 and the City's actual appropriations subject to the limit were well within the legal requirement.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Stanton for its comprehensive annual financial report for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Achievement, a city must publish an easily readable and efficiently organized comprehensive annual report, which also satisfies both generally accepted accounting principles and all applicable legal requirements.

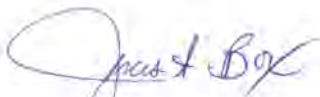
A Certificate of Achievement is valid for only one year. We believe this comprehensive annual financial report (CAFR) continues to meet the high award program standards. We are submitting it to the GFOA to determine its eligibility for 2014-15.

The City of Stanton also received awards for "Excellence in Operational Budgeting" from the California Society of Municipal Finance Officers for its 1994-95 through 2011-13 Budget Documents. This award recognizes the achievement of excellence in the preparation of an outstanding budget document, and the underlying budgeting process through which the budget is implemented. In addition, The GFOA awarded the City its Distinguished Budget Presentation Award for the 1996-97 through 2011-13 fiscal years. This award is the highest form of recognition in governmental budgeting.

ACKNOWLEDGEMENTS

The preparation of this comprehensive annual financial report was made possible by the dedicated staff of the Administrative Services Department and the City Manager's Office, and the cooperation and assistance of the City's auditors, White Nelson Diehl Evans, Inc., Certified Public Accountants. Each member of this team has our sincere appreciation. We also extend our thanks and appreciation to the members of the Stanton City Council for their encouragement and support in conducting the financial operations of the City in a responsible manner.

Respectfully submitted,



James A. Box
City Manager



Stephen M. Parker, CPA
Director of Administrative Services

City of Stanton

Principal Officials

Members of the City Council for 2014-15

Mayor	Alexander A. Ethans
Mayor Pro Tem	Brian Donahue
Council Member	Carol Warren
Council Member	David J. Shawver
Council Member	Rigoberto A. Ramirez

Administrative Staff

City Manager	James A. Box
City Attorney	Matthew “Mal” Richardson
City Clerk	Patricia A. Vazquez
Administrative Services Director/City Treasurer	Stephen M. Parker
Community and Economic Development Director	Omar Dadabhoy
Public Works Director/City Engineer/	Allan Rigg
Community Services Director	Julie S. Roman
O.C. Fire Authority Division Chief	David Steffen
O.C. Sheriff Department Lieutenant	James England



Government Finance Officers Association

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**City of Stanton
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

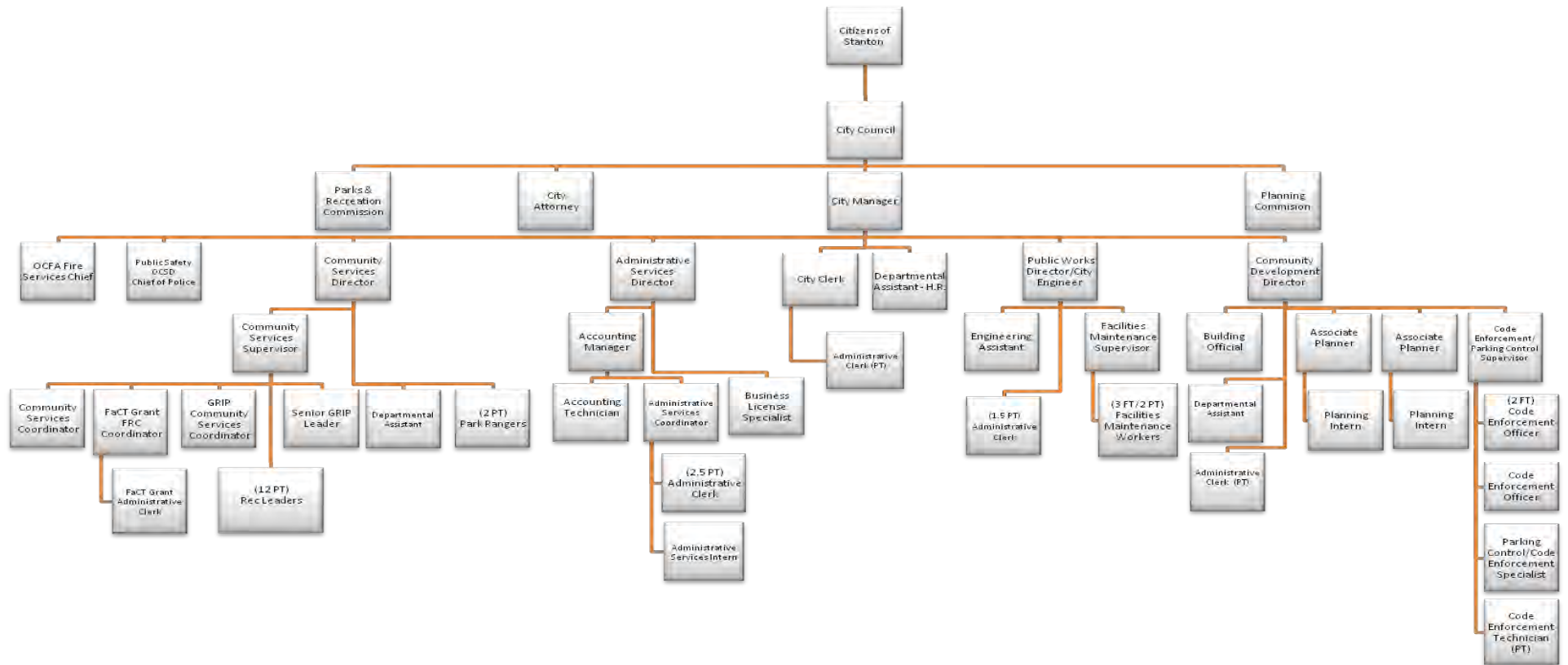
June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is fluid and cursive.

Executive Director/CEO



ORGANIZATION CHART



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council
of the City of Stanton
Stanton, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City of Stanton (the City), as of and for the year ended June 30, 2015, and the related notes to the basic 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.

Auditors' 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 auditors' 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 auditors consider internal control relevant to the City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Emphasis of Matter

As discussed in Notes 1E and 17 to the financial statements, the City adopted Governmental Accounting Standards Board's Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*". The adoption of these standards required retrospective application resulting in a \$8,549,339 and \$143,128 reduction of previously reported net position of the governmental activities and business-type activity, respectively. Also, as discussed in Note 17, the City restated the net position of the governmental activities and the private-purpose trust fund and the fund balance of the general fund. Our opinions are not modified with respect to these matters.

Other Matters

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of contributions - defined benefit pension plans, the schedule of funding progress - other post-employment benefit plan and budgetary comparison schedules for the General Fund, Housing Authority Special Revenue Fund, Stanton Central Park Grant Special Revenue Fund, Measure M Special Revenue Fund, and Community Development Special Revenue Fund, identified as Required Supplementary Information (RSI) in the accompanying 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 RSI 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 the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI 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 introductory section, combining and individual non-major fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters (Continued)

Other Information (Continued)

The combining and individual non-major fund financial statements and schedules (supplementary information), as listed in the table of contents, is the responsibility of management and was derived from and relates 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, 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.

White Nelson Riehl Evans LLP

Irvine, California
November 30, 2015

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City of Stanton

Management's Discussion and Analysis

June 30, 2015

This discussion and analysis of the City of Stanton's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

USING THIS ANNUAL REPORT

This Comprehensive Annual Financial Report consists of three parts:

1. The Introductory Section, which includes the Transmittal Letter and general information,
2. The Financial Section, which includes Management's Discussion and Analysis as well as:
 - The Basic Financial Statements, which include the Government-wide and the fund financial statements
 - Notes to these financial statements
 - Required supplementary information
 - Combining statements and budgetary comparison schedules
3. Statistical Section.

FINANCIAL HIGHLIGHTS

- The total assets and deferred outflows of the City exceeded its total liabilities and deferred inflows at the end of FY 14/15 by \$122.0 million. Of this amount, \$17.5 million represents unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net position decreased by \$2.4 million during the past year. The current year activity was primarily the \$3.4 million write-down of land held for resale to net realizable value, despite governmental activities revenues exceeding expenses on a government-wide basis by \$0.5 million. A gain of \$0.3 million in business-type activities also helped offset the land write-down.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$40.9 million, a decrease of \$2.5 million as compared to the prior year. The drop is primarily due to a net loss of \$2.1 million in special items in the Housing Authority, as expenditures only exceeded revenues by \$0.2 million in the governmental funds, and transfers out only exceeded transfers in by \$0.2 million.
- \$8.9 million, or 22% of the combined governmental fund balances at year-end is unassigned and available for spending at the City's discretion. In addition, \$0.8 million is assigned, \$4.3 million is committed, and \$20.2 million is restricted for particular purposes. The remaining \$6.7 million of the fund balances is non-spendable.
- At the end of the fiscal year, the unassigned fund balance of the General Fund was \$9.4 million, or 56% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Stanton and the Stanton Housing Authority, using the integrated approach as prescribed by GASB Statement No. 34. The Successor Agency to the City of Stanton Redevelopment Agency is reported as a Private Purpose Trust Fund within these financial statements since the Redevelopment Agency's dissolution on February 1, 2012.

Government-wide Financial Statements

The government-wide financial statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the City (including infrastructure) and deferred outflows of resources, as well as all liabilities (including long-term debt) and deferred inflows of resources. Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regards to inter-fund activity, payables and receivables.

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include *all* assets, deferred outflows of resources, liabilities and deferred inflows of resources of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, which is one way to measure the City's financial health, or *financial position*. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads.

In the Statement of Net Position and Statement of Activities and Changes in Net Position, we distinguish the City's functions that are principally supported by taxes and intergovernmental revenues (governmental activities), from other functions that are intended to recover all or a portion of their costs through user fees and charges for business-type activities. The activities of these two distinctions are as follows:

Governmental activities – Most of the City's basic services are reported in this category, including the General Government, Public Safety, Urban Development, Highways and Streets and Culture and Welfare. Property sales and transactions and use taxes, utility and other user fees, vehicle license fees, franchise fees, interest income, and state and federal grants finance these activities.

Business-type activities – The City charges a fee to customers to cover all, or most of the cost, of certain services it provides. The City's Sewer system is reported in this category.

Fund Financial Statements

Fund financial statements include statements for each of the three categories of activities; governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus, and a private purpose trust fund, which is prepared using the economic resources measurement focus and the accrual basis of accounting is used to account for the activities of the Successor Agency to the Stanton Redevelopment Agency. Reconciliations of the fund financial statements to the government-wide financial statements are provided to explain the differences created by the integrated approach.

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and bond covenants. However, management establishes many other funds, to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other funding sources.

Governmental Funds – Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation schedule following each governmental fund financial statement.

Proprietary Funds – When the City charges customers for the service it provides, whether to outside customers or to other units of the City, these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. In fact, the City’s Enterprise Fund is the same as the business-type activities reported in the government-wide statements but provides more detail and additional information, such as cash flows. The City uses internal service funds (the other component of Proprietary Funds) to report activities that provide supplies and services for the City’s other programs and activities such as the City’s self insurance, fleet maintenance and equipment replacement funds. The Internal Service Funds are reported with governmental activities in the government-wide financial statements.

Fiduciary Funds – the City is the trustee, or *fiduciary*, for certain funds held on behalf of other agencies. The City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in this fund are used for their intended purposes.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City’s progress in funding its obligation to provide pension benefits to its employees, and a budgetary comparison schedule for the General Fund, the Housing Authority Special Revenue Fund, the Stanton Central Park Special Revenue Fund, the Measure M Special Revenue Fund and the Community Development Special Revenue Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net position for the City totaled \$122.0 million at June 30, 2015. Approximately \$84.3 million (69%) reflects the investment in capital assets such as land, buildings, machinery and equipment. These assets are used to provide services to the citizens of the City of Stanton; therefore, they are not available for future spending. It should be noted that the City's investment in capital assets are not reported net of related debt, as the City has no outstanding debt. All bonds related to the City are actually in the name of the Successor Agency to the Stanton Redevelopment Agency and are reported on the Statement of Fiduciary Net Position in the Private-Purpose Trust Fund. The major decrease in the Invested in Capital Assets Net of Related Debt category from the prior year amount of \$92.5 million is due to a prior period adjustment recording a transfer of \$6.5 million worth of land to the Successor Agency as required by a State Controller's Office Asset Transfer Review as well as depreciation expense of \$2.0 million along with only a limited number of capital projects completed and in process during FY 14-15.

An additional portion of the City's net position totaling approximately \$20.2 million (17%) represents resources subject to external restrictions on how they may be used. Restricted net position decreased by \$1.9 million during FY 14/15, primarily due to a \$2.0 million decrease in net position restricted for low and moderate housing, as the Stanton Housing Authority wrote down land held for resale by \$3.4 million, which was partially offset by the net proceeds from sale of land of \$1.3 million. The remaining balance of unrestricted net position (\$17.5 million, 14%) may be used to meet the City's ongoing obligations to citizens and creditors.

The City is able to report positive balances in all three categories of net position, for both the government as a whole, as well as for its separate governmental and business-type activities.

City of Stanton Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 45,924,872	\$ 45,785,270	\$ 2,846,121	\$ 2,403,931	\$ 48,770,993	\$ 48,189,201
Capital assets	79,209,329	87,225,759	5,135,853	5,238,330	84,345,182	92,464,089
Total assets	125,134,201	133,011,029	7,981,974	7,642,261	133,116,175	140,653,290
Total deferred outflows of resources	878,838	-	23,921	-	902,759	-
Long-term liabilities outstanding	6,961,936	153,434	124,728	6,705	7,086,664	160,139
Other liabilities	2,703,715	791,698	106,595	88,522	2,810,310	880,220
Total liabilities	9,665,651	945,132	231,323	95,227	9,896,974	1,040,359
Total deferred inflows of resources	2,042,440	-	34,090	-	2,076,530	-
Investment in capital assets	79,209,329	87,225,759	5,135,853	5,238,330	84,345,182	92,464,089
Restricted	20,219,980	22,114,070	-	-	20,219,980	22,114,070
Unrestricted	14,875,639	22,726,068	2,604,629	2,308,704	17,480,268	25,034,772
Total net position	\$ 114,304,948	\$ 132,065,897	\$ 7,740,482	\$ 7,547,034	\$ 122,045,430	\$ 139,612,931

The table above illustrates the changes in the City's net position at June 30, 2015 compared to June 30, 2014. Most of the significant changes occurred due to the implementation of GASB 68 and 71, which records the City's pension liability on the books and the corresponding deferred outflows and inflows of resources.

Governmental Activities capital assets decreased by \$8.0 million. This is primarily due to a transfer of land recorded as a \$6.5 million prior period adjustment as required by the State Controller's Office Asset Transfer Review as well as depreciation expense of \$2.0 million. Governmental activities long-term liabilities outstanding increased by \$6.8 million due to the recording of the net pension liability. Deferred outflows of resources were established in the current year recording the pension contributions subsequent to the June 30, 2014 measurement date.

Governmental activities other liabilities increased by \$1.9 million, due primarily to Accounts Payable increases in a number of funds. The General Fund saw an increase of \$740,000 due primarily to \$678,000 for a monthly Orange County Sheriff's Department invoice. There were also new Accounts Payable balances in Community Development (\$325,000), Measure M (\$568,000) and Stanton Central Park Grant (\$142,000) due to projects that were active at year-end.

Deferred inflows of resources were established in the current year as the net difference between projected and actual earnings on plan investments (which was negative in the current year) was recorded.

There were no significant changes in business-type activities between FY 13/14 and FY 14/15.

GOVERNMENTAL ACTIVITIES

The City's net position from governmental activities totaled \$114.3 million, as can be seen in the chart on the following page. For the year, there was a \$2.8 million decrease in net position for governmental activities as a result of a \$3.4 million write-down of land held for resale to net realizable value, which was partially offset by governmental revenues exceeding expenditures by \$0.5 million. This decrease factors the activity during the year, and does not include the \$8.5 million decrease as a prior period adjustment due to recording the pension liability as a result of the implementation of GASB 68 and 71 or a \$6.5 million decrease relating to the prior period adjustment transfer of land from the City to the Successor Agency as required by a State Controller's Office Asset Transfer Review.

Revenues for governmental activities were \$1.1 million higher in FY 2014-15 than in FY 2013-14. In program revenues, general government operating grants and contributions were up \$0.1 million primarily due to overlapping California Gang Reduction Intervention and Prevention (CalGRIP) grants being available to the City from January 1 - June 30, 2015. Property taxes were down \$0.3 million due to a large residual distribution in FY 13/14 that did not come through in FY 14/15. Transactions and use taxes is a one-cent voter-approved tax which took effect in April 2015. The amount that was collected in FY 14/15 is \$0.8 million. In addition, a \$0.5 million gain on sale of capital assets was recognized when the Housing Authority sold property it owned at the corner of Beach and Catherine during the year.

Governmental activities expenses decreased in FY 14/15 by \$9.8 million, or 14% over FY 13/14 adjusted numbers. The major decreases were due to a \$1.2 million transfer of land to the Successor Agency in FY 13/14 and a decrease of \$0.6 million in highways and streets as there was a decrease in construction expenses that were not capitalized. These decreases were partially offset by an increase of \$1.1 million or 9% in spending on public safety, as contract expenses continue to increase more quickly than revenues.

BUSINESS TYPE ACTIVITIES

The City has one business type activity, the Sewer Maintenance Fund. The City's net position from business type activities totaled \$7.7 million. Net position for business type activities increased by \$337,000 in FY 14/15, compared to an increase of \$359,000 in FY 13/14. The two years were almost identical, as there was no significant change in either revenues or expenses between the fiscal years.

City of Stanton Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 3,038,048	\$ 3,020,014	\$ 945,360	\$ 955,372	\$ 3,983,408	\$ 3,975,386
Operating grants and contributions	3,058,470	2,960,253	-	-	3,058,470	2,960,253
Capital grants and contributions	294,210	316,226	-	-	294,210	316,226
General revenues:						
Property taxes	5,314,329	5,613,269	90,282	105,749	5,404,611	5,719,018
Sales taxes	4,012,917	3,925,839	-	-	4,012,917	3,925,839
Transactions and use taxes	792,300	-	-	-	792,300	-
Transient occupancy taxes	375,876	323,938	-	-	375,876	323,938
Franchise taxes	964,450	1,031,034	-	-	964,450	1,031,034
Other taxes	2,591,806	2,497,612	-	-	2,591,806	2,497,612
Investment earnings	132,205	199,807	10,430	7,760	142,635	207,567
Other	725,215	744,002	-	-	725,215	744,002
Gain on sale of capital assets	475,282	-	-	-	475,282	-
Total Revenues	21,775,108	20,631,994	1,046,072	1,068,881	22,821,180	21,700,875
Expenses:						
General government	3,043,005	2,976,011	-	-	3,043,005	2,976,011
Public safety	13,460,725	12,390,690	-	-	13,460,725	12,390,690
Urban development	1,709,355	1,818,001	-	-	1,709,355	1,818,001
Health and welfare	3,476	4,265	-	-	3,476	4,265
Highways and streets	1,762,185	2,358,073	-	-	1,762,185	2,358,073
Culture and recreation	1,162,126	1,198,807	-	-	1,162,126	1,198,807
Transfer of land to successor agency	-	10,192,858	-	-	-	10,192,858
Sewer	-	-	709,496	709,880	709,496	709,880
Total Expenses	21,140,872	30,938,705	709,496	709,880	21,850,368	31,648,585
Increase in net position before transfers	634,236	(10,306,711)	336,576	- 359,001	970,812	(9,947,710)
Special item	(3,393,141)	-	-	-	(3,393,141)	-
Increase/Decrease in net position	(2,758,905)	(10,306,711)	336,576	359,001	(2,422,329)	(9,947,710)
Net position - beginning of year, as restated*	117,063,853	135,919,903	7,403,906	7,188,033	124,467,759	145,518,515
Net position - end of year	\$ 114,304,948	\$ 125,613,192	\$ 7,740,482	\$ 7,547,034	\$ 122,045,430	\$ 135,570,805

Note: Net position at June 30, 2014 does not equal beginning net position at July 1, 2015 due to the implementation of GASB 68.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds. The focus of the City of Stanton's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Stanton's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary spending at the end of the fiscal year. Approximately \$8.9 million of the total \$40.9 million governmental funds fund balance constitutes fund balance that is available for spending at the government's discretion. The remainder of fund balances (\$32.0 million) is either non-spendable, or restricted, committed, or assigned for a variety of purposes. From the previous fiscal year to the current year there was a decrease of \$2.4 million in total governmental fund balance. Most of this decrease was due to a \$1.9 million decrease in Housing Authority fund balances, as a \$3.4 million write-down of land held for resale was somewhat offset by \$1.3 million in net proceeds of the sale of land.

The General Fund is the chief operating fund of the City of Stanton. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9.4 million and total fund balance stood at \$20.4 million. As a measure of the General Fund's fiscal strength, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. At June 30, 2015, unassigned fund balance of the General Fund represents 56% of the total General Fund expenditure, while total fund balance represents 121% of that same amount.

The total General Fund balance decreased by \$217,000 during the past year. The fund balance moved from \$20.6 million at June 30, 2014 (as restated) to \$20.4 million as of June 30, 2015. The \$217,000 decrease was mainly due to a disparity in the General Fund of \$0.6 million between revenues and expenditures, offset by a net gain in transfers into the General Fund of \$0.3 million. Last year, the comparable disparity between revenues and expenditures was \$0.3 million, with a net gain in transfers (due to the one-time closing of four internal service funds) of \$1.8 million for a total net gain of \$1.5 million. General Fund revenues were up \$0.8 million this year over the prior year, while expenditures increased \$1.0 million.

The major differences in the General Fund revenues from 2014-15 are as follows:

- Taxes and assessments increased by \$0.7 million, completely due to \$0.8 million received from the one-cent transactions and use tax, which took effect on April 1, 2015 as a result of Stanton voters approving the Stanton 9-1-1 Public Safety and Essential City Services Protection Measure 55% to 45% in November 2014.

The Housing Authority fund balance decreased by \$1.9 million, or 12% to \$13.7 million. As described above, the \$1.9 million decrease in Housing Authority fund balances, as a \$3.4 million write-down of land held for resale was somewhat offset by \$1.3 million in net proceeds of the sale of land.

The Stanton Central Park Grant fund has total liabilities and deferred inflows of resources of \$0.6 million. The grants receivable of \$0.3 million offsets the deferred inflow of resources, but as the grants had not been received within the availability period, though they have been received as of the writing of this note, a deferred inflow of resources was required to be placed on the fund. \$0.3 million in liabilities is a relatively insignificant liability for a City with a budget of \$17 million, but it actually makes up 10% of the governmental liabilities, highlighting the prudent job City Council has done in ensuring the City does not go into debt. The Stanton Central Park Grant fund balance has a deficit of \$296,710 due to a timing difference of spending the grant and submitting for reimbursement. The prior year's balance was a negative \$2,500 due to better timing in the submission for reimbursement.

The Measure M fund became a major fund in the current year as a result of having \$0.7 million in liabilities and deferred inflows of resources. In the Measure M fund's case, the liability is accrued expenditures that were paid in the subsequent year and deferred inflows of resources for unavailable revenues. The special revenue fund's fund balance is \$827,488 as there are still more than one years' worth of Measure M funds that have not been spent as of the end of FY 14/15.

The Community Development fund also became a major fund in the current year as a result of having \$0.6 million in liabilities and deferred inflow of resources. As with the Measure M fund, the liability is primarily accrued expenditures that were paid in the subsequent year and deferred inflows of resources for unavailable revenues. The Community Development fund balance has a deficit of \$84,247 due to the timing difference of spending the grant and submitting for reimbursement.

Proprietary Funds. The City of Stanton's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Sewer Enterprise Fund at the end of the year amounted to \$2.6 million. The unrestricted net position increased by \$337,000 compared to the prior year. Charges for services decreased by \$10,000 and property taxes decreased by \$15,000 due to a decrease in distribution to taxing entities as a result of the dissolution of the Redevelopment Agency.

Unrestricted net position in the Internal Service Funds at the end of the year amounted to \$1.3 million. The unrestricted net position increased by \$0.1 million compared to the prior year. There was a \$0.3 million increase in administrative and personnel services expenses as compared to the prior year, but a net transfer in of \$0.2 million to the Internal Service Funds from the General Fund allowed the slight increase in net position.

GENERAL FUND BUDGETARY HIGHLIGHTS

Overall, the General Fund came in \$1.4 million better than budget for the year. Actual revenues for the year were \$1.0 million greater than the final budget estimates. The major variances in revenue are accounted for in the following accounts:

- Taxes and assessments revenue came in over budget by \$701,000. \$292,000 of this can be attributed to transactions and use tax, with the first quarter of the one-cent voter-approved tax coming in higher than initially estimated. Another \$257,000 is related to property taxes which includes a one-time ROPS residual distribution and supplemental property taxes and property tax in lieu from the County of Orange. Other increases included transient occupancy taxes and Utility User's Taxes on electricity.
- Charges for services came in over budget by \$124,000 as development in the City exceeded budgeted expectations.

Actual expenditures were \$368,000 under final budget. The most significant individual expense accounts that were under budget were: general government by \$144,000, urban development by \$82,000 and public safety by \$68,000.

CAPITAL ASSETS

The capital assets of the City are those longer-life assets used in the performance of the City's functions and include: land, buildings and improvements, machinery and equipment, park facilities, and roads and highways.

Governmental Accounting Standards Board (GASB) Statement No. 34 allows for governmental agencies to either depreciate their infrastructure assets or to use a modified approach to maintain an inventory of such assets. The City has elected the depreciation method, and utilizes straight-line depreciation. Estimated useful lives for capital assets range from 5 to 50 years, depending on type of asset. Depreciation on capital assets is recognized in the government-wide financial statements and proprietary funds.

At June 30, 2015, net capital assets of the governmental activities totaled \$79.2 million, and the net capital assets of the business-type activities totaled \$5.1 million. Capital assets related to governmental activities decreased by a net of \$1.6 million during FY 14/15 and capital assets related to business-type activities decreased by \$0.1 million.

Major capital asset events during 2014-15 included the following:

- The City transferred land valued at \$6.5 million to the Successor Agency as a prior period adjustment.
- Land valued at \$0.8 million owned by the Housing Authority at the Intersection of Beach and Catherine was sold for a gain of \$0.5 million.
- Construction in progress increased by \$712,000 primarily due to work on Stanton Central Park (\$346,000) and a project fixing the intersection at Beach and Village Center Drive (\$363,000).

Depreciation for the year totaled \$2.0 million.

Additional information on the City's capital assets can be found in note 4 on pages 62-63 of this report.

DEBT ADMINISTRATION

Long-term liabilities of the City at June 30, 2015 totaled \$159,000 and relate to claims payable and compensated absences. All remaining debt issuances were Redevelopment Agency-related and were transferred to the Successor Agency in FY 2011-12.

The liabilities associated with estimated claims payable are recorded in the Liability/Risk Management Internal Service Fund and the Workers' Compensation Internal Service Fund, and accrued long-term employee vacation and compensation leaves are recorded in the Employee Benefits Internal Service Fund. Both of these have been allocated to governmental activities in the government-wide statement of net position. During the current fiscal year estimated claims liability decreased \$24,000 (100%), due to the remaining claims on the books being paid off or settled. Accrued long-term leave balances increased \$22,000 (17%) as no long-term employees left the City.

Additional information on the City's long-term debt can be found in note 7 on page 66 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET, TAX RATES AND FEE LEVELS

The 2015-16 budget is the first year of the City's two-year budget. The 2015-17 two-year budget was adopted in June 2015.

General Fund revenues for 2015-16 are currently expected to be \$18.6 million, 23% more than the 2015-16 final budget. The key assumptions in the General Fund revenue forecast for FY 15/16 are:

1. The City is expected to receive \$3.13 million from the transactions and use tax which took effect in April 2015 after the Stanton 9-1-1 Public Safety and Essential City Services Protection Measure was approved by Stanton voters 55% to 45% in November 2014.
2. Economic conditions have been gradually improving in California. Dramatic increases aren't to be expected, but consistent gradual improvement looks likely.
3. Property tax revenue is expected to increase by \$0.3 million in FY 2015-16 compared the final FY 2014-15 budget. This is due to 4% growth on tax increment and a projected 10% increase in Property Tax-In-Lieu revenue. This expectation was provided to the City by our property tax consultants, HdL Coren & Cone.
4. Sales Tax revenue is projected to increase 8% to \$4,258,000 due to a projected 4.5% increase on strengthening local economies as well as a projected one-time increase of \$245,000 relating to the Triple Flip close-out. This expectation was provided to the City by our sales tax consultants, HdL Companies.

5. The City will receive its second repayment of the loan it made to the former Redevelopment Agency on the ROPS. This \$848,000 payment resulted in \$678,000 in one-time money going into the General Fund, and \$170,000 being received by the Stanton Housing Authority.

General Fund expenditure appropriations for 2015-16 total \$18.6 million. This represents an increase of 8% from the final 2014-15 budget. The causes of the expenditure increase are primarily a 10% increase in the Law Enforcement budget due to a 5% increase in Orange County Sheriff's Department costs and a 5% increase due to the addition of two new deputies. After the passage of the Stanton 9-1-1 Public Safety and Essential City Services Protection Measure, City Council approved increasing the budget to hire 2 additional deputies (a 10% increase), one additional Code Enforcement Officer, funding for school crossing guards and funding for additional economic development programs to attract new businesses and create jobs. The budget also increased due to a 5% increase in the cost of Fire Services contract costs with Orange County Fire Authority. Net one-time revenues and transfers into the General Fund are budgeted at \$0.5 million for 2015-16, which combines with the previously described loan repayment of \$0.7 million to result in an expected increase in the fund balance of the General Fund of \$1.1 million for FY 15/16.

Detailed information about the economic analysis, revenue assumptions, and other budgetary processes utilized in the bi-annual budget preparation, can be obtained from the 2015-17 City Budget document available through the Administrative Services Department or on the City's website at www.ci.stanton.ca.us.

CONTACTING CITY MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, or need any additional financial information, contact the City's Administrative Services Department at 7800 Katella Avenue, Stanton, California, 90680.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Stanton
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activity	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Cash and investments	\$ 25,863,411	\$ 2,829,476	\$ 28,692,887
Receivables	2,592,340	16,645	2,608,985
Due from other governments	220,386	-	220,386
Prepaid items	13,174	-	13,174
Notes and loans receivable	2,319,669	-	2,319,669
Land held for resale	3,000,000	-	3,000,000
Advance to successor agency	7,189,010	-	7,189,010
Restricted assets:			
Cash held by fiscal agent	4,726,882	-	4,726,882
Capital assets:			
Not being depreciated	40,957,005	30,063	40,987,068
Being depreciated (net of accumulated depreciation)	38,252,324	5,105,790	43,358,114
Total assets	125,134,201	7,981,974	133,116,175
Deferred amount from pension plans	878,838	23,921	902,759
Total deferred outflows of resources	878,838	23,921	902,759
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Accounts payable	2,266,333	99,188	2,365,521
Accrued liabilities	151,452	7,407	158,859
Unearned revenue	285,930	-	285,930
Long-term liabilities:			
Net pension liability	6,810,417	116,939	6,927,356
Due within one year	70,939	1,622	72,561
Due in more than one year	80,580	6,167	86,747
Total liabilities	9,665,651	231,323	9,896,974
Deferred amount from pension plans	2,042,440	34,090	2,076,530
Total deferred inflows of resources	2,042,440	34,090	2,076,530
NET POSITION			
Investment in capital assets	79,209,329	5,135,853	84,345,182
Restricted for:			
Low and moderate income housing	13,638,696	-	13,638,696
Street maintenance	2,450,378	-	2,450,378
Community development	18,954	-	18,954
Public safety program	36,416	-	36,416
Lighting and landscape maintenance	2,772,575	-	2,772,575
Pollution remediation	151,484	-	151,484
Parks and recreation facilities	1,151,477	-	1,151,477
Unrestricted	14,875,639	2,604,629	17,480,268
Total net position	\$ 114,304,948	\$ 7,740,482	\$ 122,045,430

See accompanying notes to basic financial statements.

City of Stanton
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
Governmental activities:				
General government	\$ 3,043,005	\$ 458,286	\$ 111,775	\$ -
Public safety	13,460,725	896,383	590,766	-
Urban development	1,709,355	1,254,023	-	-
Highways and streets	1,762,185	11,608	2,039,124	-
Culture and recreation	1,162,126	417,748	255,975	294,210
Health and welfare	3,476	-	60,830	-
Total governmental activities	21,140,872	3,038,048	3,058,470	294,210
Business-type activity:				
Sewer enterprise	709,496	945,360	-	-
Total	\$ 21,850,368	\$ 3,983,408	\$ 3,058,470	\$ 294,210

General revenues:

Taxes:

Property taxes

Sales taxes

Transactions and use taxes

Transient occupancy taxes

Franchise taxes

Utility user taxes

Other taxes

Investment earnings

Miscellaneous

Gain on sale of capital assets

Total general revenues

Change in net position, before special item

Write down of land held for
resale to net realizable value

Changes in net position

Net position - Beginning of Year, as restated

Net position - End of Year

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activity	Total
\$ (2,472,944)	\$ -	\$ (2,472,944)
(11,973,576)	-	(11,973,576)
(455,332)	-	(455,332)
288,547	-	288,547
(194,193)	-	(194,193)
57,354	-	57,354
(14,750,144)	-	(14,750,144)
-	235,864	235,864
(14,750,144)	235,864	(14,514,280)
5,314,329	90,282	5,404,611
4,012,917	-	4,012,917
792,300	-	792,300
375,876	-	375,876
964,450	-	964,450
2,177,807	-	2,177,807
413,999	-	413,999
132,205	10,430	142,635
725,215	-	725,215
475,282	-	475,282
15,384,380	100,712	15,485,092
634,236	336,576	970,812
(3,393,141)	-	(3,393,141)
(2,758,905)	336,576	(2,422,329)
117,063,853	7,403,906	124,467,759
\$ 114,304,948	\$ 7,740,482	\$ 122,045,430

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FUND FINANCIAL STATEMENTS

City of Stanton
Balance Sheet
Governmental Funds
June 30, 2015

		Special Revenue Funds	
		Housing	Stanton
	General	Authority	Central Park
			Grant
ASSETS			
Cash and investments	\$ 13,317,966	\$ 3,166,727	\$ -
Cash held by fiscal agent	-	4,726,882	-
Receivable:			
Accounts	130,292	773	-
Interest	2,036	345	-
Taxes	1,364,330	-	-
Grants	-	-	296,710
Prepaid items	3,174	-	-
Due from other funds	-	-	-
Notes and loans receivable	975,669	1,344,000	-
Advance to successor agency	5,751,208	1,437,802	-
Land held for resale	-	3,000,000	-
Total assets	<u>\$ 21,544,675</u>	<u>\$ 13,676,529</u>	<u>\$ 296,710</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 994,814	\$ 15,455	\$ 141,805
Accrued liabilities	110,822	9,714	-
Unearned revenue	-	-	-
Due to other funds	-	-	154,905
Total liabilities	<u>1,105,636</u>	<u>25,169</u>	<u>296,710</u>
Deferred Inflows of Resources:			
Unavailable revenues	-	-	296,710
Total liabilities and deferred inflows of resources	<u>1,105,636</u>	<u>25,169</u>	<u>593,420</u>
Fund Balances (Deficits):			
Nonspendable	6,730,051	-	-
Restricted	-	13,651,360	-
Committed	4,317,883	-	-
Assigned	-	-	-
Unassigned	9,391,105	-	(296,710)
Total fund balances (deficits)	<u>20,439,039</u>	<u>13,651,360</u>	<u>(296,710)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,544,675</u>	<u>\$ 13,676,529</u>	<u>\$ 296,710</u>

See accompanying notes to basic financial statements

Special Revenue Funds (Continued)			
Measure M	Community Development	Other Governmental Funds	Total Governmental Funds
\$ 1,313,705	\$ 240,715	\$ 6,587,638	\$ 24,626,751
-	-	-	4,726,882
81,283	-	20,661	233,009
208	38	1,113	3,740
-	-	118,406	1,482,736
107,533	325,000	143,336	872,579
-	-	10,000	13,174
-	-	236,968	236,968
-	-	-	2,319,669
-	-	-	7,189,010
-	-	-	3,000,000
<u>\$ 1,502,729</u>	<u>\$ 565,753</u>	<u>\$ 7,118,122</u>	<u>\$ 44,704,518</u>
\$ 567,708	\$ 325,000	\$ 212,693	\$ 2,257,475
-	-	29,684	150,220
-	-	285,930	285,930
-	-	82,063	236,968
<u>567,708</u>	<u>325,000</u>	<u>610,370</u>	<u>2,930,593</u>
<u>107,533</u>	<u>325,000</u>	<u>143,129</u>	<u>872,372</u>
<u>675,241</u>	<u>650,000</u>	<u>753,499</u>	<u>3,802,965</u>
-	-	-	6,730,051
827,488	-	5,753,796	20,232,644
-	-	-	4,317,883
-	-	756,521	756,521
-	(84,247)	(145,694)	8,864,454
<u>827,488</u>	<u>(84,247)</u>	<u>6,364,623</u>	<u>40,901,553</u>
<u>\$ 1,502,729</u>	<u>\$ 565,753</u>	<u>\$ 7,118,122</u>	<u>\$ 44,704,518</u>

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City of Stanton
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2015

Fund balances - total governmental funds	\$ 40,901,553
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.

Capital assets	\$ 106,207,853	
Accumulated depreciation	<u>(26,998,524)</u>	79,209,329

Pension related deferred outflows of resources, net of accumulated amortization, have not been reported in the governmental funds:

Employer contributions subsequent to the measurement date	878,838
---	---------

Long-term liabilities are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds. Long-term liabilities consist of the following:

Net pension liability	(6,810,417)
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Pension related deferred inflows of resources, net of accumulated amortization, have not been reported in the governmental funds:

Difference in projected and actual earnings on investments	(1,963,820)	
Changes in proportion and differences between employer contributions and the proportionate share of contributions	<u>(78,620)</u>	(2,042,440)

Internal service funds are used by management to charge the costs of activities involved in rendering services to departments within the City. The assets and liabilities of the internal service funds are included in the Statement of Net Position.

1,295,713

Certain revenues in the governmental funds are deferred inflows of resources because they are not collected within the prescribed time period after year-end. However, these revenues are included in the government-wide statements.

Deferred inflows of resources	<u>872,372</u>
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Net position of governmental activities	<u>\$ 114,304,948</u>
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See accompanying notes to basic financial statements

City of Stanton
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

		Special Revenue Funds	
		Housing Authority	Stanton Central Park Grant
	General		
REVENUES:			
Taxes and assessments	\$ 13,652,752	\$ -	\$ -
Licenses and permits	417,780	-	-
Intergovernmental	279,595	-	-
Charges for services	1,385,364	-	-
Fines and forfeitures	292,505	-	-
Interest income	142,548	21,991	-
Rental income	168,824	537,441	-
Miscellaneous	11,361	6,594	-
Total revenues	16,350,729	566,026	-
EXPENDITURES:			
Current:			
General government	2,615,927	-	-
Public safety	12,186,493	-	-
Urban development	994,732	429,902	-
Highways and streets	436,881	-	-
Culture and recreation	655,090	-	-
Health and welfare	-	-	-
Capital outlay	14,486	-	294,210
Total expenditures	16,903,609	429,902	294,210
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(552,880)	136,124	(294,210)
OTHER FINANCING SOURCES (USES):			
Transfers in	580,500	-	-
Transfers out	(244,442)	-	-
Total other financing sources (uses)	336,058	-	-
SPECIAL ITEMS:			
Proceeds from sale of land	-	1,400,000	-
Selling costs from sale of land	-	(89,671)	-
Write down of land held for resale to net realizable value	-	(3,393,141)	-
Total special items	-	(2,082,812)	-
Net change in fund balances	(216,822)	(1,946,688)	(294,210)
FUND BALANCES (DEFICITS):			
Beginning of year, as restated	20,655,861	15,598,048	(2,500)
End of year	<u>\$ 20,439,039</u>	<u>\$ 13,651,360</u>	<u>\$ (296,710)</u>

See accompanying notes to basic financial statements

Special Revenue Funds (Continued)			
Measure M	Community Development	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,077,988	\$ 14,730,740
-	-	-	417,780
466,536	-	1,170,301	1,916,432
-	-	964,156	2,349,520
-	-	-	292,505
4,912	893	25,182	195,526
-	-	-	706,265
-	-	-	17,955
471,448	893	3,237,627	20,626,723
-	-	-	2,615,927
-	-	989,511	13,176,004
-	-	-	1,424,634
332,838	56,083	722,842	1,548,644
-	-	293,495	948,585
-	-	3,476	3,476
363,103	269,881	189,946	1,131,626
695,941	325,964	2,199,270	20,848,896
(224,493)	(325,071)	1,038,357	(222,173)
-	-	44,442	624,942
-	-	(580,500)	(824,942)
-	-	(536,058)	(200,000)
-	-	-	1,400,000
-	-	-	(89,671)
-	-	-	(3,393,141)
-	-	-	(2,082,812)
(224,493)	(325,071)	502,299	(2,504,985)
1,051,981	240,824	5,862,324	43,406,538
\$ 827,488	\$ (84,247)	\$ 6,364,623	\$ 40,901,553

City of Stanton
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes
in Fund Balances to the Government-wide Statement of Activities
For the Year Ended June 30, 2015

Net change in fund balances - total governmental funds	\$ (2,504,985)
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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 those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation and retirements in the current period.

Capital asset purchases	\$ 1,131,627	
Depreciation expense	(1,860,305)	
Disposals	<u>(835,047)</u>	
		(1,563,725)

Pension expense reported in the governmental funds includes the actual contributions made in the fiscal year. Pension expense reported in the Statement of Activities includes the changes in the net pension liability and pension related deferred outflows/inflows of resources.

Change in net pension liability	2,088,976	
Change in deferred outflows of resources related to pensions	528,784	
Change in deferred inflows of resources related to pensions	<u>(2,042,440)</u>	
		575,320

Internal service funds are used by management to charge the costs of activities involved in rendering services to departments within the City. The net income is reported with Governmental Activities. The assets and liabilities of the internal service funds are included in the Statement of Net Position.

61,382

Certain revenues in the governmental funds are unavailable revenues because they are not collected within the prescribed time period after year-end. However, the revenues are included in the government-wide statements.

673,103

Change in net position of governmental activities	<u><u>\$ (2,758,905)</u></u>
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PROPRIETARY FUND FINANCIAL STATEMENTS

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City of Stanton
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activity Sewer Enterprise Fund	Governmental Activities Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash and investments	\$ 2,829,476	\$ 1,236,660
Receivables:		
Interest	433	276
Taxes	16,212	-
Due from other governments	-	220,386
Total current assets	<u>2,846,121</u>	<u>1,457,322</u>
Noncurrent assets:		
Capital assets:		
Not being depreciated	30,063	-
Being depreciated, net	5,105,790	-
Total noncurrent assets	<u>5,135,853</u>	<u>-</u>
Total assets	<u>7,981,974</u>	<u>1,457,322</u>
Deferred Outflows of Resources:		
Deferred amount from pension plans	23,921	-
Total deferred outflows of resources	<u>23,921</u>	<u>-</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current liabilities:		
Accounts payable	99,188	8,858
Accrued liabilities	7,407	1,232
Compensated absences payable	1,622	70,939
Total current liabilities	<u>108,217</u>	<u>81,029</u>
Noncurrent liabilities:		
Compensated absences payable	6,167	80,580
Net pension liability	116,939	-
Total noncurrent liabilities	<u>123,106</u>	<u>80,580</u>
Total liabilities	<u>231,323</u>	<u>161,609</u>
Deferred Inflows of Resources:		
Deferred amounts from pension plans	34,090	-
Total deferred inflows of resources	<u>34,090</u>	<u>-</u>
NET POSITION		
Investment in capital assets	5,135,853	-
Unrestricted	2,604,629	1,295,713
Total net position	<u>\$ 7,740,482</u>	<u>\$ 1,295,713</u>

See accompanying notes to basic financial statements.

City of Stanton
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activity Sewer Enterprise Fund	Governmental Activities Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 945,360	\$ 658,116
Total operating revenue	945,360	658,116
OPERATING EXPENSES:		
Equipment maintenance and operation	98,029	47,456
Depreciation	132,540	-
Administrative and personnel services	274,838	670,830
Provision for estimated claims	-	5,421
Insurance premiums	8,060	86,286
Contractual services	196,029	8,095
Total operating expenses	709,496	818,088
OPERATING INCOME (LOSS)	235,864	(159,972)
NONOPERATING REVENUES:		
Property taxes	90,282	-
Interest income	10,430	6,530
Other	-	14,824
Total nonoperating revenues	100,712	21,354
INCOME (LOSS) BEFORE TRANSFERS	336,576	(138,618)
TRANSFERS:		
Transfers in	-	711,590
Transfers out	-	(511,590)
Total transfers	-	200,000
CHANGES IN NET POSITION	336,576	61,382
NET POSITION:		
Beginning of the year, as restated	7,403,906	1,234,331
End of the year	\$ 7,740,482	\$ 1,295,713

See accompanying notes to basic financial statements.

City of Stanton
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activity Sewer Enterprise Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 945,360	\$ 617,527
Cash paid to other suppliers of goods or services	(285,291)	(163,643)
Cash paid to employees for salaries and wages	(288,528)	(716,312)
Net cash provided by (used for) operating activities	371,541	(262,428)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash transfer from other funds	-	711,590
Cash transfer to other funds	-	(511,590)
Cash received from reimbursement	-	14,824
Cash received from property taxes	89,506	-
Net cash provided by noncapital financing activities	89,506	214,824
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(30,063)	-
Net cash used for capital and related financing activities	(30,063)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income received	10,256	6,433
Net cash provided by investing activities	10,256	6,433
Net increase (decrease) in cash and cash equivalents	441,240	(41,171)
CASH AND CASH EQUIVALENTS:		
Beginning of the year	2,388,236	1,277,831
End of the year	<u>\$ 2,829,476</u>	<u>\$ 1,236,660</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating income (loss)	\$ 235,864	\$ (159,972)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	132,540	-
Changes in assets and liabilities:		
(Increase) decrease in due from other governments	-	(40,589)
(Increase) decrease in deferred outflows of resources from pension plans	(16,141)	-
Increase (decrease) in accounts payable	16,827	7,204
Increase (decrease) in accrued liabilities	1,246	516
Increase (decrease) in claims and judgments payable	-	(23,589)
Increase (decrease) in compensated absences payable	1,084	21,674
Increase (decrease) in due to other funds	-	(67,672)
Increase (decrease) in net pension liability	(33,969)	-
Increase (decrease) in deferred inflows of resources from pension plans	34,090	-
Net cash provided by (used for) operating activities	\$ 371,541	\$ (262,428)

See accompanying notes to basic financial statements.

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FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Stanton
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Successor Agency to the Stanton Redevelopment Agency Private-Purpose Trust Fund	City Trust Agency Fund
ASSETS		
CURRENT ASSETS:		
Cash and investments	\$ 14,200,171	\$ 206,502
Interest receivable	2,227	-
Notes and loans receivable	23,072	-
Restricted assets:		
Cash held by fiscal agent	14,435,157	-
Total current assets	28,660,627	206,502
NONCURRENT ASSETS:		
Capital assets, not being depreciated	10,192,858	-
Total noncurrent assets	10,192,858	-
Total assets	38,853,485	\$ 206,502
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	1,829	\$ -
Interest payable	357,984	-
Deposits payable	-	206,502
Bonds payable - current portion	1,850,000	-
Total current liabilities	2,209,813	206,502
LONG-TERM LIABILITIES:		
Advance from the City of Stanton	7,189,010	-
Bonds payable	71,865,683	-
Total long term liabilities	79,054,693	-
Total liabilities	81,264,506	\$ 206,502
NET POSITION		
Restricted for private purpose	\$ (42,411,021)	

See accompanying notes to basic financial statements.

City of Stanton
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Successor Agency to the Stanton Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS:	
Taxes	\$ 7,200,326
Investment income	56,364
Total additions	<u>7,256,690</u>
DEDUCTIONS:	
Urban development	240,673
Contractual services	33,545
Interest and fiscal charges	<u>4,576,341</u>
Total deductions	<u>4,850,559</u>
Change in net position	2,406,131
NET POSITION:	
Beginning of Year, as restated	<u>(44,817,152)</u>
End of Year	<u><u>\$ (42,411,021)</u></u>

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Description of Government-wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the reporting government as a whole, except for its fiduciary activities. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component units for which the primary government is financially accountable.

B. Description of Reporting Entity:

The City was incorporated under the general laws of the State of California and enjoys all rights and privileges pertaining to such "general law" cities.

The Housing Authority of the City of Stanton (Housing Authority), a blended component unit, was formed on March 22, 2011, to facilitate the retention and use of transferred properties from the former Redevelopment Agency consistent with the redevelopment plan and for the purposes of ongoing maintenance of completed development projects.

Although the Housing Authority is legally separate from the City, its financial operations are the responsibility of the City. In addition, City Council has a continuing accountability for fiscal matters of the Housing Authority. Since the Stanton City Council acts as the Board of Directors and is able to impose its will on the Housing Authority, the City is considered to be the primary government and the Housing Authority is a component unit of the City. Additionally, since the governing bodies of the City and the Housing Authority are the same, the financial statements of the City and the component unit are blended. For presentation within the financial statements of the governmental reporting entity, the transactions between the Housing Authority and the City are reported as interfund transactions. The Housing Authority's financial data and activity are presented as a Special Revenue Fund. The Housing Authority does not issue separate financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Basis of Presentation:

Government-wide Financial Statements:

While separate government-wide financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds and internal service funds, while the business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the government's sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements:

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate financial statements for the government's governmental, proprietary, and fiduciary funds are presented after the Government-wide Financial Statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements, even though excluded from the government-wide financial statements represent private purpose trust funds and agency funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law, or contractual agreement to some other fund, are accounted for in this fund. General operating expenses not paid through other funds are paid from this fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Basis of Presentation (Continued):

Fund Financial Statements (Continued):

City's Major Governmental Funds (Continued):

The Housing Authority Special Revenue Fund is used to account for the accumulated resources received from the former Redevelopment Agency's Low and Moderate Income Housing Special Revenue Fund, rental income, and expenses related to low and moderate income housing.

The Stanton Central Park Grant Special Revenue Fund is used to account for the grant proceeds and the expenses related to the design and construction of Stanton Central Park.

The Measure M Special Revenue Fund is used to account for funds received by the City as a result of the voter-approved ballot measure in 1990 and extended by voter approval in 2006 to increase sales tax by ½ percent in Orange County to fund transportation projects.

The Community Development Special Revenue Fund is used to account for grants requiring segregated fund accounting, such as the Community Development Block Grant program.

The City reports the following major enterprise fund:

The Sewer Fund is used to account for the operations of the City's sewer system.

Additionally, the City reports the following fund types:

Governmental Funds:

The Special Revenue Funds are used to account for the revenues derived from specific revenue sources, which are usually required by law or administrative regulation, to be accounted for in separate funds.

The Capital Projects Funds are used to account for financial resources segregated for the development, construction, and improvement of City facilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Basis of Presentation (Continued):

Fund Financial Statements (Continued):

City's Fund Types (Continued):

Proprietary Funds:

The Internal Service Funds are used to account for the financing of services provided by the following departments, to other departments of the City, on a cost reimbursement basis:

- Workers' Compensation
- Liability/Risk Management
- Employee Benefits
- Fleet Maintenance

Fiduciary Funds:

The Private Purpose Trust Fund is used to account for the activities of the Successor Agency to the Stanton Redevelopment Agency. Separate financial statements of the Successor Agency are available at City Hall, 7800 Katella Avenue, Stanton, California 90680.

The City Trust Agency Fund is used to account for assets held by the City as an agent for individuals, private businesses and other governmental agencies. These assets include refundable and expendable cash deposits and retentions withheld pending satisfactory project completion.

Interfund Transactions:

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/due to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in the governmental activities are eliminated so that only the net amount included as internal balances in the governmental activities column. Similarly, balances between funds included in business type activities are eliminated so that only the net amount is included in internal balances in the business-type activities column.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Basis of Presentation (Continued):

Fund Financial Statements (Continued):

Interfund Transactions (Continued):

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amount as transfer in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities column are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between funds included in business type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting:

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and private purpose trust fund financial statements. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their balance sheets. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue from property taxes is recognized in the fiscal year which the taxes are levied. Grants and similar items are recognized as revenues as soon as the eligibility requirements imposed by the provider have been satisfied. Unbilled receivables are recorded as revenues when services are provided.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of “available spendable resources”.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

D. Measurement Focus and Basis of Accounting (Continued):

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Revenues are recognized as soon as they become 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 government 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, except for principal and interest on general long-term liabilities, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition of capital leases are reported as other financing sources.

Property taxes, sales tax, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue (within 60 days of year end). Amounts owed to the city, which are not available, are recorded as receivables and deferred inflows of resources. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City’s Fiduciary Funds consists of a private purpose trust fund which is reported using the economic resources measurement focus and an agency fund which has no measurement focus, but utilizes the accrual basis for reporting its assets and liabilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

E. New Accounting Pronouncements:

Current Year Standards:

In fiscal year 2014-2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *“Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27”* and GASB Statement No. 71, *“Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68”*. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit pension plans, these Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Accounting changes adopted to conform to the provisions of these statements should be applied retroactively. The result of the implementation of these standards decreased the governmental activities and business-type activity net position at July 1, 2014 by \$8,549,339 and \$143,128, respectively.

GASB Statement No. 69 - *“Government Combinations and Disposals of Government Operations”* was required to be implemented in the current fiscal year and did not impact the City.

Pending Accounting Standards:

GASB has issued the following statements which may impact the City’s financial reporting requirements in the future.

- GASB 72 - *“Fair Value Measurement and Application”*, effective for periods beginning after June 15, 2015.
- GASB 73 - *“Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”*, effective for periods beginning after June 15, 2015 - except for those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for periods beginning after June 15, 2016.
- GASB 74 - *“Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”*, effective for periods beginning after June 15, 2016.
- GASB 75 - *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”*, effective for periods beginning after June 15, 2017.
- GASB 76 - *“The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”*, effective for periods beginning after June 15, 2015.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

F. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has one item that qualifies for reporting in this category. The first item is the deferred outflow related to pensions. This amount is equal to employer contributions made after the measurement date of the net pension liability.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The first item is unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: grants and investment earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is a deferred inflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years. The third item is a deferred inflow related to pensions for the changes in employer's proportion and differences between employer contributions and the employer's proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2013 (the beginning of the measurement period ended June 30, 2014), which is 3.8 years.

G. Net Position Flow Assumptions:

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 government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

H. Assets, Liabilities, and Net Position or Equity:

Cash and Investments:

The City considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents. In addition, cash invested in the City's cash management pool is considered to be cash equivalents. For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

Investments are reported in the accompanying balance sheet at fair market value (the value at which financial instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale).

Receivables and Payables:

Property, sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year end. Federal and state grants are considered receivable and accrued as revenue, when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue, under the modified accrual basis of accounting, is limited to the amount that is deemed measurable and collectible. Loans extended from other funds are recorded as loans receivable.

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" or "advances 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 unavailable revenues or a nonspendable fund balance for noncurrent assets, as applicable in governmental funds to indicate that they do not constitute resources available for appropriation.

Land Held for Resale:

The land held for resale is recorded in the Housing Authority Special Revenue Fund at the lower of acquisition cost or net realizable value. At June 30, 2015, the cost of property held for resale for various housing properties in Stanton totaled \$3,000,000.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

H. Assets, Liabilities, and Net Position or Equity (Continued):

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Acquired assets are recorded at historical cost or estimated historical cost. Donated assets are valued at the fair market value of the assets on the date on which they were contributed. The costs of normal maintenance and repairs that do not add value to the assets or materially extend the life are not capitalized. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year with the exception of land, structures and improvements, and infrastructure which have a threshold of \$50,000.

Depreciation is charged to operations using the straight-line method of depreciation over the estimated useful lives of the assets as follows:

Structures and improvements	20 - 50 years
Machinery and equipment	5 - 20 years
Infrastructure	20 - 50 years

Compensated Absences Payable:

Employees can carry forward up to 360 hours of earned, but unused, vacation leave. Upon termination, the City is obligated to compensate employees the earned, but unused, vacation time.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Compensated absences are recorded in the Employee Benefits Internal Service Fund as liabilities for all employees.

Claims and Judgments:

The City records a liability for claims, judgments and litigation when it is probable that a liability has been incurred at year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. City management believes that the aggregate accrual is adequate to cover such losses, including amounts for incurred but not reported claims. Estimated claims payables are recorded in the Workers' Compensation and Liability/Risk Management Internal Service Funds as appropriate.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

H. Assets, Liabilities, and Net Position or Equity (Continued):

Property Taxes:

The assessment, levy and collection of property taxes are the responsibility of the County of Orange. The City receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan", whereby the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the City. The City records property taxes as revenue when received from the County, except at year end, when property taxes received within 60 days are accrued as revenue.

Property taxes are assessed and collected according to the following property tax calendar:

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

Net Position:

The governmental and business-type activities in the government-wide financial statements utilize a net position presentation. Net position is classified in the following categories:

Net Investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets. The City has no debt related to capital assets.

Restricted net position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position - This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

Fund Balances:

The fund balances reported on the fund statements consist of the following categories:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

H. Assets, Liabilities, and Net Position or Equity (Continued):

Fund Balances (Continued):

Committed - This classification includes amounts, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City and the adoption of a formal resolution prior to the end of the fiscal year is required to establish a fund balance commitment. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of resolution) to remove or revise the limitation.

An emergency condition stabilization reserve has been established through a resolution approved by the City Council. This reserve is calculated as 25% of the yearly budgeted operating expenses. The reserve may be used when there is a threat to public health, welfare or safety, such as may arise from an earthquake, fire, equipment failure, hazardous material spill, or other disruption of essential services or civic functions, as declared by the City Manager. This emergency condition stabilization reserve has a balance of \$4,317,883 as of June 30, 2015.

Assigned - This classification includes amounts to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized the Administrative Services Director for that purpose. The Administrative Services Director determines the assigned amount based on encumbrances and any future budget deficits.

Unassigned - This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

Spending Policy:

When expenditures are incurred for purposes for which all restricted, committed, assigned and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

I. Program Revenues:

Amounts reported as 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

J. Proprietary Funds Operating and Nonoperating Revenues and Expenses:

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 principal ongoing operations. The principal operating revenues of the sewer fund and internal service funds are charges to customers for sales and services. Operating expenses for proprietary 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.

K. 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'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.

L. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the statement of net position date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful account and certain liabilities. Actual results may differ from those estimates.

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A. Deficit Fund Balances/Net Position:

The following funds had deficit fund balances/net position at June 30, 2015:

Major Fund:

Stanton Central Park Grant Special Revenue Fund	\$	(296,710)
Community Development Special Revenue Fund		(84,247)

Other Governmental Funds:

FaCT Park and Recreation Grant Special Revenue Fund		(8,510)
JAG Grant Special Revenue Fund		(4,507)
CalGRIP Grant Special Revenue Fund		(132,677)

These deficits are expected to be eliminated with future revenues and reimbursements from federal and state agencies.

B. Excess of Expenditures over Appropriations:

The following fund reported expenditures exceeding appropriations at June 30, 2015:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Major Fund:			
Community Development Special Revenue Fund	\$ 260,000	\$ 325,964	\$ (65,964)
Other Governmental Funds:			
FaCT Park and Recreation Grant Special Revenue Fund	264,442	265,470	(1,028)
Park and Recreation Facilities Capital Projects Fund	99,053	141,543	(42,490)

3. CASH AND INVESTMENTS:

Cash and Investments:

Cash and investments as of June 30, 2015 were classified in the accompanying financial statements as follows:

	<u>Government Wide Statement of Net Position</u>	<u>Fiduciary Funds Statement of Net Position</u>	<u>Total</u>
Cash and investments	\$ 28,692,887	\$ 14,406,673	\$ 43,099,560
Cash held by fiscal agent	4,726,882	14,435,157	19,162,039
Total cash and investments	<u>\$ 33,419,769</u>	<u>\$ 28,841,830</u>	<u>\$ 62,261,599</u>

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

3. CASH AND INVESTMENTS (CONTINUED):

Cash and Investments (Continued):

Cash and investments at June 30, 2015 consisted of the following:

Cash in hand	\$ 1,100
Deposits with financial institutions	24,370,363
Cash held by fiscal agent	19,162,039
Investments	<u>18,728,097</u>
Total cash and investments	<u>\$ 62,261,599</u>

Investments Authorized by the City's Investment Policy:

The City's Investment Policy is reviewed and adopted by the City Council each year. Regarding allowable investment types, the investment policy is more conservative and restrictive than the investment vehicles authorized by Section 53600.5 of the California Government Code. Investment vehicles not specifically mentioned in the City's investment policy, are not authorized unless the policy is amended by the City Council or is approved as part of the provisions of the bond indentures. Investments are limited to:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Notes	5 years	100%	None
United States Government Sponsored Agency Securities:			
Federal Home Loan Banks (FHLB)	5 years	100%	25%
Fannie Mae (FNMA)	5 years	100%	25%
Federal Home Loan Mortgage Corp (FHLMC)	5 years	100%	25%
Federal Farm Credit Banks (FFCB)	5 years	100%	25%
All Other	5 years	100%	25%
Local Agency Securities	5 years	100%	5%
Certificates of Deposit	5 years	20%	None
Banker's Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Medium-Term Corporate Notes	5 years	30%	5%
Local Agency Investment Fund (LAIF)	N/A	100%	None
Negotiable Certificates of Deposit:			
Certificate of Deposit Placement Service	5 years	30%	30%
Negotiable Certificates of Deposit	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
Asset-backed and Mortgage-backed Securities	5 years	20%	5%

N/A - Not Applicable

* - Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

3. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by Debt Agreements:

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	None	None	None
United States Government Sponsored Agency Securities	None	None	None
Banker's Acceptances	270 days	None	None
Commercial Paper	180 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None
Interest-bearing Deposit Accounts	N/A	None	None
N/A - Not Applicable			

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

3. CASH AND INVESTMENTS (CONTINUED):

Disclosures Relating to Interest Rate Risk:

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 rate 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 as of June 30, 2015:

Investment Type	Remaining Maturity (in Years)					Total
	1 Year or Less	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	
Local Agency Investment Fund (LAIF)	\$ 9,447,846	\$ -	\$ -	\$ -	\$ -	\$ 9,447,846
Medium Term Notes	300,961	1,096,959	880,105	-	-	2,278,025
Negotiable Certificates of Deposit	200,496	1,246,168	846,796	-	-	2,293,460
United States Treasury Notes	360,528	747,277	373,486	343,135	-	1,824,426
United States Government						
Sponsored Agency Securities:						
FHLB	125,071	190,046	185,424	-	-	500,541
FNMA	-	246,155	418,931	114,913	-	779,999
FHLMC	275,502	-	190,885	-	178,088	644,475
FFCB	-	-	185,549	-	-	185,549
Money Market Mutual Funds	24,294	-	-	-	-	24,294
Asset-backed and Mortgage-backed Securities	-	69,339	404,972	275,171	-	749,482
Total	<u>\$10,734,698</u>	<u>\$ 3,595,944</u>	<u>\$ 3,486,148</u>	<u>\$ 733,219</u>	<u>\$ 178,088</u>	<u>\$ 18,728,097</u>

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

3. CASH AND INVESTMENTS (CONTINUED):

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, the City's investment policy, or debt agreements, and the actual rating, by Standard and Poors or Moody's, as of year end for each investment type:

Investment Type	Total as of June 30, 2015	Minimum Legal Rating	Aaa	Other	Not Rated	Not Required to be Rated
Local Agency Investment Fund (LAIF)	\$ 9,447,846	N/A	\$ -	\$ -	\$ 9,447,846	\$ -
Medium Term Notes	2,278,025	A	-	2,278,025	-	-
Negotiable Certificates of Deposit	2,293,460	A	-	-	2,293,460	-
United States Treasury Notes	1,824,426	N/A	-	-	-	1,824,426
United States Government Sponsored Agency Securities:						
FHLB	500,541	N/A	500,541	-	-	-
FNMA	779,999	N/A	779,999	-	-	-
FHLMC	644,475	N/A	644,475	-	-	-
FFCB	185,549	N/A	185,549	-	-	-
Money Market Mutual Funds	24,294	Aaa	24,294	-	-	-
Asset-backed and Mortgage-backed Securities	<u>749,482</u>	AA	<u>749,482</u>	-	-	-
Total	<u>\$18,728,097</u>		<u>\$ 2,884,340</u>	<u>\$ 2,278,025</u>	<u>\$11,741,306</u>	<u>\$ 1,824,426</u>

N/A - Not Applicable

The actual ratings for the "Other" category above are as follows:

Investment Type	AA+	AA	AA-	A+	A	Total
Medium Term Notes	<u>\$ 150,905</u>	<u>\$ 636,646</u>	<u>\$ 264,270</u>	<u>\$ 670,797</u>	<u>\$ 555,407</u>	<u>\$ 2,278,025</u>

3. CASH AND INVESTMENTS (CONTINUED):

Concentration of Credit Risk:

The investment policy of the City contains 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 non-government sponsored issuer 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 custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Any deposits in excess of depository insurance limits at the end of the year are collateralized by securities held at the depository financial institution's trust department, with the exception of cash held by fiscal agent. Of the \$19,162,039 of cash held by fiscal agent, \$500,000 is insured by the Federal Deposit Insurance Corporation (FDIC) (\$250,000 for the City and \$250,000 for the Successor Agency) and the remaining \$18,662,039 was neither insured by the FDIC nor collateralized as required under California Law.

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 upon 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 Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

4. CAPITAL ASSETS:

A summary of changes in the Governmental Activities capital assets at June 30, 2015 is as follows:

Governmental Activities:

	Balance at July 1, 2014 (As Restated)	Additions	Deletions	Balance at June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 40,156,684	\$ -	\$ (835,047)	\$ 39,321,637
Construction in progress	923,551	714,844	(3,027)	1,635,368
Total capital assets, not being depreciated	<u>41,080,235</u>	<u>714,844</u>	<u>(838,074)</u>	<u>40,957,005</u>
Capital assets, being depreciated:				
Buildings and improvements	27,244,420	92,984	-	27,337,404
Equipment	973,784	28,952	-	1,002,736
Vehicles	676,614	27,993	(5,683)	698,924
Infrastructure	<u>36,255,012</u>	<u>269,881</u>	<u>-</u>	<u>36,524,893</u>
Total capital assets, being depreciated	<u>65,149,830</u>	<u>419,810</u>	<u>(5,683)</u>	<u>65,563,957</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,742,347)	(592,512)	-	(5,334,859)
Equipment	(945,880)	(13,220)	-	(959,100)
Vehicles	(526,904)	(52,743)	5,683	(573,964)
Infrastructure	<u>(19,241,880)</u>	<u>(1,201,830)</u>	<u>-</u>	<u>(20,443,710)</u>
Total accumulated depreciation	<u>(25,457,011)</u>	<u>(1,860,305)</u>	<u>5,683</u>	<u>(27,311,633)</u>
Total capital assets, being depreciated, net	<u>39,692,819</u>	<u>(1,440,495)</u>	<u>-</u>	<u>38,252,324</u>
Total governmental activities capital assets, net	<u>\$ 80,773,054</u>	<u>\$ (725,651)</u>	<u>\$ (838,074)</u>	<u>\$ 79,209,329</u>

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

4. CAPITAL ASSETS (CONTINUED):

Governmental Activities (Continued):

Depreciation expense was charged to functions/programs of the governmental activities as follows:

General government	\$ 558,091
Public safety	372,061
Urban development	372,061
Highways and streets	279,046
Culture and recreation	<u>279,046</u>
Total depreciation expense - governmental activities	<u>\$ 1,860,305</u>

Business-type Activities:

A summary of changes in the Business-type Activities capital assets at June 30, 2015 is as follows:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
Capital assets, not being depreciated:				
Construction in progress	<u>\$ -</u>	<u>\$ 30,063</u>	<u>\$ -</u>	<u>\$ 30,063</u>
Capital assets, being depreciated:				
Sanitary plant	6,058,601	-	-	6,058,601
General plant	654,840	-	-	654,840
Vehicles	<u>162,099</u>	<u>-</u>	<u>-</u>	<u>162,099</u>
Total capital assets, being depreciated	<u>6,875,540</u>	<u>-</u>	<u>-</u>	<u>6,875,540</u>
Less accumulated depreciation for:				
Sanitary plant	(1,370,335)	(119,443)	-	(1,489,778)
General plant	(104,776)	(13,097)	-	(117,873)
Vehicles	<u>(162,099)</u>	<u>-</u>	<u>-</u>	<u>(162,099)</u>
Total accumulated depreciation	<u>(1,637,210)</u>	<u>(132,540)</u>	<u>-</u>	<u>(1,769,750)</u>
Total capital assets, being depreciated, net	<u>5,238,330</u>	<u>(132,540)</u>	<u>-</u>	<u>5,105,790</u>
Business-type activities capital assets, net	<u>\$ 5,238,330</u>	<u>\$ (102,477)</u>	<u>\$ -</u>	<u>\$ 5,135,853</u>

Depreciation expense of \$132,540 was charged to the Sewer function/program.

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

5. INTERFUND TRANSACTIONS:

Due To and Due From:

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	Stanton Central Park Grant	
	Special Revenue Fund	\$ 154,905
	Other Governmental Funds	<u>82,063</u>
		<u>\$ 236,968</u>

The outstanding balances between funds result mainly from interfund borrowings to cover operating deficits.

Interfund Transfers:

The composition of interfund transfers for the year ended June 30, 2015 is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds (1)	\$ 580,500
Other Governmental Funds	General Fund (2)	44,442
Internal Service Funds	General Fund (3)	200,000
	Internal Service Funds (4)	<u>511,590</u>
		<u>\$ 1,336,532</u>

Transfers are used to (1) transfer reimbursements of allowable expenditures and administrative costs in accordance with budgetary authorization, (2) transfer funds to cover grant funding deficiency in the FaCT Park and Recreation Grant Special Revenue Fund, (3) transfer funds to pay for liability/risk management internal service fund and employee benefits internal service fund costs, and (4) transfer funds to the employee benefits internal service fund to pay off the Miscellaneous Tier I defined benefit pension plan side fund.

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

6. NOTES AND LOANS RECEIVABLE:

The notes and loans receivable balance at June 30, 2015 was as follows:

Stanton Accessible Apartments Construction	\$ 336,949
Housing	92,275
1st Time Homebuyer	40,000
Housing Rehabilitation	1,304,000
CR&R	880,023
Employee Computer	3,371
Allowance for doubtful accounts	<u>(336,949)</u>
	<u>\$ 2,319,669</u>

In November 2004, the former Redevelopment Agency entered into a Residual Receipts Promissory Note with Stanton Accessible Apartments Construction. Under the terms of the agreement, the former Redevelopment Agency loaned \$258,261 to Stanton Accessible Apartments Construction. The note commenced on May 5, 2005 and bears interest at 3% per year. The note was transferred to the Housing Authority on February 1, 2012. The total amount outstanding, including accrued interest at June 30, 2015 was \$336,949, with an allowance for the forgivable amount of \$336,949.

Housing loans receivable of \$92,275 consists of various low interest home loans made to low income families and funded from small cities housing monies.

The first time home buyer assistance program, or HOMES, was created by the Former Redevelopment Agency in order to help existing and new residents purchase their first home. The HOMES program provides up to \$40,000 in down payment assistance for eligible first time homebuyers of low to moderate income. Assistance is in the form of a forty-five year loan with interest and payments deferred for the first ten years of the loan. The HOMES Loan is secured by a second trust deed in conjunction with a first mortgage offered by a participating lender. The loan was transferred to the Housing Authority on February 1, 2012. The total amount outstanding at June 30, 2015 was \$40,000.

The Housing Rehabilitation Loan Program offers loans of up to \$50,000 for newer homes and up to \$75,000 for pre 1960 homes to low and moderate income households. The purpose of the program is to assist Stanton's homeowners with addressing code violations and eliminating blighted, unsafe, unsanitary, and deteriorating living conditions. The loans are interest free with deferred payments until the property is sold, refinanced, or a change in title occurs. The loans were transferred to the Housing Authority on February 1, 2012. The total amount outstanding at June 30, 2015 was \$1,304,000.

In October 2008, the City sold land to CR&R for \$4.5 million. Under the purchase terms, equal monthly payments of \$56,970 representing interest and principal would be paid for 8 years. The interest rate is at 5% per year. The initial payment started November 2008. The total amount outstanding including accrued interest at June 30, 2015 was \$880,023.

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

6. NOTES AND LOANS RECEIVABLE (CONTINUED):

Employees can avail of the opportunity to purchase a personal computer with an interest free two year loan. Full time employees, who have completed the one year probationary period, or part time employees, who have been employed with the City for over one year, are eligible to participate in this program. The total amount outstanding at June 30, 2015 was \$3,371.

7. LONG-TERM LIABILITIES:

The following is a summary of long-term liability transactions for the year ended June 30, 2015:

Governmental Activities:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015	Due Within One Year	Due in More Than One Year
Claims payable	\$ 23,589	\$ -	\$ (23,589)	\$ -	\$ -	\$ -
Compensated absences	129,845	93,574	(71,900)	151,519	70,939	80,580
Total governmental activities long-term liabilities	<u>\$ 153,434</u>	<u>\$ 93,574</u>	<u>\$ (95,489)</u>	<u>\$ 151,519</u>	<u>\$ 70,939</u>	<u>\$ 80,580</u>

Claims Payable

There was no claims payable for governmental activities at June 30, 2015. The prior year liability was liquidated in the internal service funds.

Compensated Absences

The City's liability for vested and unpaid compensated absences (accrued vacation and compensation time pay) in the governmental activities has been accrued and amounted to \$151,519 at June 30, 2015. This liability is being liquidated in the internal service funds.

Business-type Activities:

The following is a summary of long-term debt transactions of the business-type activities for the year ended June 30, 2015:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year	Due in More Than One Year
Compensated absences	<u>\$ 6,705</u>	<u>\$ 3,006</u>	<u>\$ (1,922)</u>	<u>\$ 7,789</u>	<u>\$ 1,622</u>	<u>\$ 6,167</u>

In proprietary funds, the liability for vested and unpaid compensated absences (accrued vacation and compensation time pay) is reported in the fund as the benefits are vested and earned. The compensated absences accrued in the proprietary funds amounted to \$7,789 at June 30, 2015.

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

8. RISK MANAGEMENT:

Coverage:

The City retains a level of risk for both general liability and workers' compensation.

General Liability - The City is self-insured for the first \$25,000 on each general liability claim against the City. Insurance coverage in excess of the self-insured amount is provided by the Public Entity Risk Management Authority (PERMA), a public entity risk pool consisting of cities and other public agencies in Southern California established under the provisions of California Government Code Section 65000 et seq.

Effective December 10, 1986, the City became a member of PERMA. PERMA is governed by a Board consisting of one councilor board member appointed by each of the 31 member agencies. The Board meets three times per year and elects an Executive Committee to supervise and conduct PERMA affairs. PERMA maintains a staff headed by a General Manager to implement the policies of the Board.

PERMA provides risk coverage for its members through the pooling of risks and purchased insurance. The City pays an annual premium to the pool for its excess general liability insurance coverage. The coverage extends to workers' compensation and employer's liability, employment practices liability, property and auto physical damage. PERMA has published its own financial report for the year ended June 30, 2015, the most recent available, which can be obtained from PERMA, 36-951 Cook Street, Suite 100, Palm Desert, California 92211.

As a member of PERMA, any losses in excess of PERMA's self-insured amount up to \$50,000,000 are shared by all participating members.

Listed below is the allocation of risk coverage for the City:

Area of Risk	City Self-Insurance	PERMA
General Liability	\$0 - \$25,000	\$25,000 - \$50,000,000 per claim
Workers' Compensation	\$0 - \$250,000	\$250,000 - Statutory limits
Employers' Liability	\$0 - \$250,000	\$250,000 - \$5,000,000 per claim
Employment Practices Liability	\$0 - \$25,000	\$25,000 - \$1,000,000 per claim
Property	\$0 - \$5,000	\$5,000 - \$50,000,000 per claim
Auto Physical Damage	\$0 - \$2,500	\$2,500 - \$5,000,000 per claim
Crime	\$0 - \$5,000	\$5,000 - \$1,000,000 per claim
Cyber Liability	\$0 - \$50,000	\$50,000 - \$2,000,000 per claim

Workers' Compensation - The City is self-insured for the first \$250,000 on workers' compensation. The insurance coverage in excess of the self-insured amount is provided by PERMA. As a member of PERMA, all participating members share any losses in excess of the City's self-insured amount up to statutory limits.

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

8. RISK MANAGEMENT (CONTINUED):

Claims Activity:

Claim expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. At June 30, 2015, there are no claims liabilities. The lack of a claims liability is the City's best estimate based on available information.

During the past three fiscal (claims) years, none of the above programs for protection have experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2014-2015.

A summary of the changes in claims liabilities for the past three fiscal years follows:

Year Ended June 30,	Claims Payable July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30,
2013	\$ 385,019	\$ 322,768	\$ (559,140)	\$ 148,647
2014	148,647	67,074	(192,132)	23,589
2015	23,589	-	(23,589)	-

9. COMMITMENTS:

On September 15, 1994, the Agency entered into a Revenue Sharing Agreement with the City of Anaheim related to the development and operation of an automobile recycling facility by Pick Your Part. The location of the project is equally split between the cities of Stanton and Anaheim. All sales tax revenue for the project is collected in Stanton. Additionally, the City receives a recycling fee equal to \$5 per automobile recycled by Pick Your Part at the project site. Under the terms of the agreement, the City of Anaheim will be compensated so as to mitigate the environmental impacts under CEQA associated with the project. Sales tax revenue generated by the project has been determined to be an appropriate measure of the impacts associated with the project. The City will pay to the City of Anaheim a portion of the recycling fee revenue equal to one-half of the sales tax revenue received by the City for the project, on a calendar year basis. In accordance with the agreement, the City has made payments totaling \$29,996 to the City of Anaheim for the fiscal year ended June 30, 2015.

Operating Lease:

In October 1994, the City entered into a sublease with the #1 Golf Company, which provides for monthly payments of \$7,870 beginning June 2013. For the year ended June 30, 2015, the #1 Golf Company has made its rental payments to the City in the amount of \$90,505.

10. ORANGE COUNTY FIRE AUTHORITY - JOINT VENTURE:

In January 1995, the City entered into a joint powers agreement with eighteen other cities and the County of Orange (County) to create the Orange County Fire Authority (Fire Authority). The purpose of the Fire Authority is to provide for mutual fire protection, prevention and suppression services and related and incidental services including, but not limited to, emergency medical and transport services, as well as providing facilities and personnel for such services. The Fire Authority's governing board consists of one representative from each member city and two from the County. The operations of the Fire Authority are funded with structural fire fees collected by the County through either the property tax roll or with cash contributions based on the Fire Authority's annual budget. The County pays all structural fire fees it collects to the Fire Authority.

No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2015. Upon dissolution of the Fire Authority, all surplus money and property of the Fire Authority will be conveyed or distributed to each member in proportion to all funds provided to the Fire Authority by that member or by the County on behalf of that member during its membership. Complete financial statements may be obtained from the Orange County Fire Authority, 1 Fire Authority Road, Irvine, CA 92602.

11. RETIREMENT PLANS:

A. General Information about the Pension Plans:

Plan Descriptions:

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety and Miscellaneous (all other) 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:

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

11. RETIREMENT PLANS (CONTINUED):

A. General Information about the Pension Plans (Continued):

Benefits Provided (Continued):

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous		
	Tier I	Tier II	Tier III - PEPRA
	On or Prior to	After	On or After
Hire date	August 27, 2011	August 27, 2011	January 1, 2013
Benefit formula	2%@55	2%@60	2%@62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 67	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	7%	6.25%
Required employer contribution rates	14.141%	8.050%	6.25%

	Safety
	Closed
Hire date	
Benefit formula	1/2%@55
Benefit vesting schedule	5 years of service
Benefit payments	monthly for life
Retirement age	50 - 65
Monthly benefits, as a % of eligible compensation	1.783% to 2.5%
Required employee contribution rates (1)	0%
Required employer contribution	\$ 115,461

(1) The City currently outsources the safety function to the County. There are no members of the safety plan that are active employees of the City. Therefore, there are no required employee contribution rates. In addition, the required employer contribution is a dollar amount provided by CalPERS.

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 both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with 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.

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

11. RETIREMENT PLANS (CONTINUED):

B. 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:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 3,642,924
Safety	3,284,432
Total Net Pension Liability	<u>\$ 6,927,356</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 proportionate share 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 for each Plan as of June 30, 2013 and 2014 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2013	0.14347%	0.09090%
Proportion - June 30, 2014	0.14740%	0.08756%
Change - Increase (Decrease)	0.00393%	-0.00334%

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

11. RETIREMENT PLANS (CONTINUED):

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

For the year ended June 30, 2015, the City recognized pension expense of \$311,419. 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	\$ 902,759	\$ -
Differences between actual and expected experience	-	-
Change in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(80,469)
Net differences between projected and actual earnings on plan investments	-	(1,996,061)
Total	<u>\$ 902,759</u>	<u>\$ (2,076,530)</u>

\$902,759 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2016	\$ (527,754)
2017	(527,754)
2018	(522,005)
2019	(499,017)
2020	-
Thereafter	-

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

11. RETIREMENT PLANS (CONTINUED):

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Actuarial Assumptions:

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

	Miscellaneous	Safety
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	(4)
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Mortality	(3)	(3)

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) The probabilities of mortality are derived using CalPERS' membership data for all funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.
- (4) The plan has no active members; therefore, there is no payroll growth.

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% 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% 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.

11. RETIREMENT PLANS (CONTINUED):

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Discount Rate (Continued):

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% 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%. 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.

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 a change in methodology occurs.

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 (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

11. RETIREMENT PLANS (CONTINUED):

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Discount Rate (Continued):

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

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

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

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

The following presents the City's proportionate share of the net pension liability for 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	\$ 6,066,034	\$ 5,652,083
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$ 3,642,924	\$ 3,284,432
1% Increase	8.50%	8.50%
Net Pension Liability	\$ 1,631,974	\$ 1,333,590

11. RETIREMENT PLANS (CONTINUED):

- B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Pension Plans Fiduciary Net Position:

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

- C. Payable to the Pension Plans:

At June 30, 2015, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2015.

12. OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN:

On July 10, 1972, the City Council first adopted a resolution to provide health care insurance benefits for retired City employees. The City pays the greater of \$215 per month or the PEMHCA minimum of \$122 for fiscal year 2014-2015. To be eligible for post-retirement health benefits, employees must complete at least 5 years of continuous service, and be a minimum of 50 years of age.

The cost of retiree health care insurance benefits is recognized as expenditures, as insurance premiums are paid on a monthly basis. For the fiscal year ended June 30, 2015, those costs totaled \$59,904. Twenty-three retired employees were covered by the provisions of these benefits during the fiscal year.

Annual OPEB Cost and Net OPEB Obligation:

The City's annual Other Postemployment Benefit (OPEB) cost (expense) is calculated based on the *Annual Required Contribution of the Employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The City has an agreement with PERS to prefund its OPEB. The pre-funding plan, also known as California Employer's Retiree Benefit Trust Program (CERBT) is an agent multiple-employer plan. The plan does not provide a publicly available financial report.

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

12. OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED):

Annual OPEB Cost and Net OPEB Obligation (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 Plan:

Annual required contribution	\$ 23,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	23,000
Contributions made	(23,000)
Increase in net OPEB obligation	-
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	\$ -

At June 30, 2015, the City's annual OPEB cost of \$23,000 was equal to the required contribution. The City's annual OPEB cost, annual contribution, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Actual Annual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 177,000	\$ 177,000	100.0%	\$ -
6/30/2014	182,000	182,000	100.0%	-
6/30/2015	23,000	23,000	100.0%	-

Funded Status and Funding Progress:

As of June 30, 2013, the most recent actuarial valuation date, the plan was 75.88% funded. The actuarial accrued liability for benefits was \$771,000, and the actuarial value of assets was \$585,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$186,000. The covered payroll (annual payroll of active employees covered by the plan) was \$1,870,000 and the ratio of the UAAL to the covered payroll was 9.95%.

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

12. OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED):

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 the plan members), and include the types of benefits provided at the time of each valuation, and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, and are consistent with the long-term perspective of the calculations.

In the June 30, 2013, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 6.75% investment rate of return which is based on the expected return on funds invested by CalPERS, and an annual healthcare cost trend rates of \$115 and \$119 in 2013 and 2014, respectively, plus 4.5% in 2015 and thereafter. The actuarial assumption for inflation was 3%, and an aggregate payroll increase of 3.25% was used in the actuarial valuation. The UAAL is being amortized as level percentage of projected payroll over a 15 year fixed (closed) period. The remaining amortization period at June 30, 2013, was 15 years. The actuarial assumptions for the value of assets includes investment gains and losses spread over a 5-year rolling period and a market value of assets using not less than 80% or more than 120% of market value.

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

13. CLASSIFICATION OF FUND BALANCES:

The City has adopted the provisions of GASB Statement No. 54 "Fund Balance and Governmental Fund Type Definitions". GASB 54 established fund balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to this classification. The various fund balance classifications established as of June 30, 2015 were as follows:

	General	Housing Authority Special Revenue Fund	Stanton Central Park Grant Special Revenue Fund	Measure M Special Revenue Fund	Community Development Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid items	\$ 3,174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,174
Notes & loans receivable	975,669	-	-	-	-	-	975,669
Advance to Successor							
Agency	<u>5,751,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,751,208</u>
Total nonspendable	<u>6,730,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,730,051</u>
Restricted:							
Low and moderate							
income housing	-	13,651,360	-	-	-	-	13,651,360
Street maintenance	-	-	-	827,488	-	1,622,890	2,450,378
Community development	-	-	-	-	-	18,954	18,954
Public safety program	-	-	-	-	-	36,416	36,416
Lighting and landscape							
maintenance	-	-	-	-	-	2,772,575	2,772,575
Pollution remediation	-	-	-	-	-	151,484	151,484
Parks and recreation							
facilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,151,477</u>	<u>1,151,477</u>
Total restricted	<u>-</u>	<u>13,651,360</u>	<u>-</u>	<u>827,488</u>	<u>-</u>	<u>5,753,796</u>	<u>20,232,644</u>
Committed:							
Emergency condition	<u>4,317,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,317,883</u>
Assigned:							
Capital improvement							
projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>756,521</u>	<u>756,521</u>
Unassigned	<u>9,391,105</u>	<u>-</u>	<u>(296,710)</u>	<u>-</u>	<u>(84,247)</u>	<u>(145,694)</u>	<u>8,864,454</u>
Total fund balances	<u>\$ 20,439,039</u>	<u>\$ 13,651,360</u>	<u>\$ (296,710)</u>	<u>\$ 827,488</u>	<u>\$ (84,247)</u>	<u>\$ 6,364,623</u>	<u>\$ 40,901,553</u>

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

14. SUCCESSOR AGENCY DISCLOSURES:

The assets and liabilities of the former Redevelopment Agency (Agency) were transferred to the Successor Agency to the City of Stanton Redevelopment Agency on February 1, 2012 as a result of the dissolution of the former Redevelopment Agency. The City is acting in a fiduciary capacity for the assets and liabilities. Disclosure related to notes receivable and long-term liabilities are as follows:

Notes and Loans Receivable:

In April 2005, the Agency entered into a loan agreement with the Boys and Girls Club of Stanton to develop a new Teen Center. Under the terms of the agreement, the Agency loaned \$180,000 to the Boys and Girls Club. Annual payments of interest and principal shall be forgiven at the end of each 12 month period that the Boys & Girls Club of Stanton continues operations. The note commenced on June 16, 2005 and bears interest at 6% per year. The total amount outstanding including accrued interest at June 30, 2015 was \$23,072.

Long-Term Liabilities:

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

	Balance at July 1, 2014			Balance at June 30, 2015			Due Within One Year	Due in More Than One Year
		Additions	Deletions					
Bonds payable:								
Tax allocation bonds, (TAB)								
2005 Series A	\$ 14,730,000	\$ -	\$ (270,000)	\$ 14,460,000	\$ 280,000	\$ 14,180,000		
TAB, 2005 Series B	8,675,000	-	(195,000)	8,480,000	200,000	8,280,000		
Less: Issuance discounts	(151,552)	-	7,217	(144,335)	-	(144,335)		
TAB, 2010 Series A	24,425,000	-	(315,000)	24,110,000	875,000	23,235,000		
Add: Bond premium	3,268	-	(126)	3,142	-	3,142		
TAB, 2011 Series A	15,330,000	-	(235,000)	15,095,000	245,000	14,850,000		
TAB, 2011 Series B	12,480,000	-	-	12,480,000	250,000	12,230,000		
Less: Issuance discounts	(798,849)	-	30,725	(768,124)	-	(768,124)		
Total bonds payable	<u>\$ 74,692,867</u>	<u>\$ -</u>	<u>\$ (977,184)</u>	<u>\$ 73,715,683</u>	<u>\$ 1,850,000</u>	<u>\$ 71,865,683</u>		

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

14. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

Long-Term Liabilities (Continued):

Tax Allocation Bonds, 2005 Series A

On July 1, 2005, the Agency issued Tax Allocation Bonds, 2005 Series A, in the amount of \$16,500,000. The purpose of the Bonds was to finance redevelopment activities of the Agency within, or of benefit to, the Agency's Stanton Consolidated Redevelopment Project, fund a portion of the reserve fund for the Bonds, and provide for the costs of issuing Series A Bonds.

The Bonds bear interest rates between 4.40% to 5.20% due June 1 and December 1 of each year and mature December 1, 2035. The Bonds maturing on or after December 1, 2016, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2015, as a whole or in part at a redemption price equal to the principal amount of Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The Bonds are subject to mandatory sinking account redemption in amounts ranging from \$190,000 to \$1,070,000 as outlined in the official statements.

Tax revenues are pledged for the payment of principal and interest on the Bonds until the Bonds and any Parity Debt have been paid, or until monies have been set-aside irrevocably for that purpose. A reserve account has been established to be held by the Trustee to further secure the timely payment of principal and interest on the Bonds. The amount required to be maintained by the trustee for the Bonds is \$1,261,450. At June 30, 2015, this reserve was fully funded with a balance of \$1,264,031.

The outstanding balance of the Bonds was \$14,460,000 at June 30, 2015.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 280,000	\$ 732,360	\$ 1,012,360
2017	305,000	718,575	1,023,575
2018	315,000	703,075	1,018,075
2019	565,000	681,075	1,246,075
2020	590,000	652,200	1,242,200
2021 - 2025	3,160,000	2,788,250	5,948,250
2026 - 2030	3,570,000	1,957,935	5,527,935
2031 - 2035	4,605,000	900,770	5,505,770
2036	<u>1,070,000</u>	<u>27,820</u>	<u>1,097,820</u>
Totals	<u>\$ 14,460,000</u>	<u>\$ 9,162,060</u>	<u>\$ 23,622,060</u>

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

14. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

Long-Term Liabilities (Continued):

Taxable Tax Allocation Bonds, 2005 Series B

On July 1 2005, the Agency issued Tax Allocation Bonds, 2005 Series B, in the amount of \$10,000,000. The purpose of the Bonds was to finance redevelopment activities of the Agency within or of benefit to the Agency's Stanton Consolidated Redevelopment Project, fund the remaining portion of the reserve fund for the Bonds, and provide for the costs of issuing the Series B Bonds.

The Bonds bear interest rates between 3.50% to 4.25% due June 1 and December 1 of each year and mature December 1, 2035. The Bonds maturing on or after December 1, 2016, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2015, as a whole or in part at a redemption price equal to the principal amount of Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The Bonds are subject to mandatory sinking account redemption in amounts ranging from \$430,000 to \$580,000 as outlined in the official statements.

The Tax Revenues are pledged for the payment of principal and interest on the Bonds until the Bonds and any Parity Debt have been paid, or until monies have been set-aside irrevocably for that purpose. A reserve account has been established to be held by the Trustee to further secure the timely payment of principal and interest on the Bonds. The amount required to be maintained by the trustee for the Bonds is \$698,766. At June 30, 2015, this reserve was fully funded with a balance of \$701,903.

The outstanding balance of the Bonds was \$8,480,000 at June 30, 2015.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 200,000	\$ 358,208	\$ 558,208
2017	215,000	350,630	565,630
2018	220,000	342,473	562,473
2019	355,000	331,370	686,370
2020	370,000	317,048	687,048
2021 - 2025	1,925,000	1,342,543	3,267,543
2026 - 2030	2,065,000	929,538	2,994,538
2031 - 2035	2,550,000	426,066	2,976,066
2036	580,000	13,048	593,048
Totals	<u>\$ 8,480,000</u>	<u>\$ 4,410,924</u>	<u>\$ 12,890,924</u>

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

14. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

Long-Term Liabilities (Continued):

Tax Allocation Bonds, 2010 Series A

On October 28, 2010, the Agency issued Tax Allocation Bonds, 2010 Series A, in the amount of \$25,280,000. The purpose of the Bonds was to refinance certain outstanding obligations of the Agency, finance public facilities, capitalize a portion of interest with respect to the Bonds, satisfy the reserve requirement of the Bonds, and provide for the costs of issuing the Bonds.

The Bonds bear interest rates between 2.00% to 5.00% due June 1 and December 1 of each year and mature December 1, 2040. The Bonds maturing on or after December 1, 2021, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2020, as a whole or in part at a redemption price equal to the principal amount of Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The Bonds are subject to mandatory sinking account redemption in amounts ranging from \$565,000 to \$2,095,000 as outlined in the official statements.

Tax revenues are pledged for the payment of principal and interest on the Bonds until the Bonds and any Parity Debt have been paid, or until monies have been set-aside irrevocably for that purpose. A reserve account has been established to be held by the Trustee to further secure the timely payment of principal and interest on the Bonds. The amount required to be maintained by the trustee for the Bonds is \$1,561,680. At June 30, 2015, this reserve was fully funded with a balance of \$1,561,914.

The outstanding balance of the Bonds was \$24,110,000 at June 30, 2015.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 875,000	\$ 1,053,444	\$ 1,928,444
2017	880,000	1,027,119	1,907,119
2018	915,000	995,619	1,910,619
2019	410,000	969,119	1,379,119
2020	425,000	952,419	1,377,419
2021 - 2025	2,820,000	4,481,069	7,301,069
2026 - 2030	4,190,000	3,757,350	7,947,350
2031 - 2035	3,390,000	2,904,081	6,294,081
2036 - 2040	8,110,000	1,676,216	9,786,216
2041	2,095,000	52,375	2,147,375
Totals	<u>\$ 24,110,000</u>	<u>\$ 17,868,811</u>	<u>\$ 41,978,811</u>

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

14. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

Long-Term Liabilities (Continued):

Taxable Housing Tax Allocation Bonds, 2011 Series A

On March 1, 2011, the Agency issued Tax Allocation Bonds, 2011 Series A, in the amount of \$15,330,000. The purpose of the Bonds was to finance low-and moderate-income housing activities of the Agency, satisfy the reserve requirement for the Bonds, and provide for the costs of issuing the Bonds.

The Bonds bear interest rates between 4.85% to 9.00% due June 1 and December 1 of each year and mature December 1, 2040. The Bonds maturing on or after December 1, 2022, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2021, as a whole or in part at a redemption price equal to the principal amount of Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The Bonds are subject to mandatory sinking account redemption in amounts ranging from \$385,000 to \$1,065,000 as outlined in the official statements.

Housing tax revenues are pledged for the payment of principal and interest on the Bonds until the Bonds and any Parity Debt have been paid, or until monies have been set-aside irrevocably for that purpose. A reserve account has been established to be held by the Trustee to further secure the timely payment of principal and interest on the Bonds. The amount required to be maintained by the trustee for the Bonds is \$1,474,364. At June 30, 2015, this reserve was fully funded with a balance of \$1,474,585.

The outstanding balance of the Bonds was \$15,095,000 at June 30, 2015.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 245,000	\$ 1,295,587	\$ 1,540,587
2017	260,000	1,281,050	1,541,050
2018	275,000	1,264,312	1,539,312
2019	295,000	1,245,418	1,540,418
2020	315,000	1,224,438	1,539,438
2021 - 2025	1,955,000	5,708,569	7,663,569
2026 - 2030	2,945,000	4,668,638	7,613,638
2031 - 2035	4,525,000	3,013,875	7,538,875
2036 - 2040	3,450,000	1,192,950	4,642,950
2041	<u>830,000</u>	<u>37,350</u>	<u>867,350</u>
Totals	<u>\$ 15,095,000</u>	<u>\$ 20,932,187</u>	<u>\$ 36,027,187</u>

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

14. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

Long-Term Liabilities (Continued):

Taxable Tax Allocation Bonds, 2011 Series B

On March 1, 2011, the Agency issued Tax Allocation Bonds, 2011 Series B, in the amount of \$12,480,000. The purpose of the Bonds was to finance redevelopment activities of the Agency within, or of benefit to, the Agency's Stanton Consolidated Redevelopment Project Area, repay the outstanding loan from the City, together with accrued interest thereon, satisfy the reserve requirement for the Bonds, and provide for the costs of issuing the Bonds.

The Bonds bear interest rates between 5.50% to 9.00% due June 1 and December 1 of each year and mature December 1, 2030. The Bonds maturing on or after December 1, 2022, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2021, as a whole or in part at a redemption price equal to the principal amount of Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The Bonds are subject to mandatory sinking account redemption in amounts ranging from \$535,000 to \$1,400,000 as outlined in the official statements.

Tax revenues are pledged for the payment of principal and interest on the Bonds until the Bonds and any Parity Debt have been paid, or until monies have been set-aside irrevocably for that purpose. A reserve account has been established to be held by the Trustee to further secure the timely payment of principal and interest on the Bonds. The amount required to be maintained by the trustee for the Bonds is \$1,348,929. At June 30, 2015, this reserve was fully funded with a balance of \$1,349,131.

The outstanding balance of the Bonds was \$12,480,000 at June 30, 2015.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 250,000	\$ 1,041,912	\$ 1,291,912
2017	310,000	1,025,738	1,335,738
2018	330,000	1,005,712	1,335,712
2019	535,000	974,925	1,509,925
2020	575,000	933,300	1,508,300
2020 - 2024	3,620,000	3,883,997	7,503,997
2025 - 2029	5,460,000	1,940,034	7,400,034
2030 - 2031	<u>1,400,000</u>	<u>63,000</u>	<u>1,463,000</u>
Totals	<u>\$ 12,480,000</u>	<u>\$ 10,868,618</u>	<u>\$ 23,348,618</u>

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

14. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

Long-Term Liabilities (Continued):

Issuance Discount

The following is a summary of bond issuance discount at June 30, 2015:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
2005 Tax Allocation Bonds	\$ (151,552)	\$ -	\$ 7,217	\$ (144,335)
2011 Tax Allocation Bonds	(798,849)	-	30,725	(768,124)
Total	<u>\$ (950,401)</u>	<u>\$ -</u>	<u>\$ 37,942</u>	<u>\$ (912,459)</u>

Amortization expense for the year ended June 30, 2015 was \$37,942.

Issuance Premium

The following is a summary of bond issuance premium at June 30, 2015:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
2010 Tax Allocation Bonds	<u>\$ 3,268</u>	<u>\$ -</u>	<u>\$ (126)</u>	<u>\$ 3,142</u>

Amortization expense for the year ended June 30, 2015 was \$126.

Advances:

The composition of advances for the year ended June 30, 2015 is as follows:

<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>	<u>Amount</u>
Successor Agency to the Stanton Redevelopment Agency	General Fund	\$ 5,751,208
	Housing Authority Special Revenue Fund	<u>1,437,802</u>
		<u>\$ 7,189,010</u>

14. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

Advances (Continued):

The General Fund advanced a total of \$8,586,029 to the Successor Agency to the Stanton Redevelopment Agency. A loan of \$4,500,000 was made for purposes of carrying out activities of the Former Redevelopment Project Area. Another loan of \$4,086,029 was made for the purposes of paying the SERAF payment required by the State. The interest portion of the advance was calculated using the LAIF rate effective for the corresponding years through June 30, 2013. The City does not charge interest on the advance after June 30, 2013. Total accrued interest on the advance totals \$63,322 as of June 30, 2015. As required by law, 20% of the loan repayments from the Successor Agency are transferred to the Housing Authority, which serves as the Low and Moderate Income Housing Asset Fund. Accordingly 20% of the principal and interest of the advance is recorded in the Housing Authority Special Revenue Fund.

15. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES:

On June 29, 2011, Assembly Bills 1x 26 (the “Dissolution Act”) and 1x 27 were enacted as part of the fiscal year 2011-12 state budget package.

On June 27, 2012, as part of the fiscal year 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing the Dissolution Act.

Under the Dissolution Act, each California redevelopment agency (each a “Dissolved RDA”) was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. A Successor Agency was created for each Dissolved RDA which is the sponsoring community of the Dissolved RDA unless it elected not to serve as the Successor Agency. On January 10, 2012, the City elected to serve as the Successor Agency of the Stanton Redevelopment Agency.

The Dissolution Act also created oversight boards which monitor the activities of the successor agencies. The roles of the successor agencies and oversight boards is to administer the wind down of each Dissolved RDA which includes making payments due on enforceable obligations, disposing of the assets (other than housing assets) and remitting the unencumbered balances of the Dissolved RDAs to the County Auditor-Controller for distribution to the affected taxing entities.

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. If the sponsoring community does not elect to become the Successor Housing Agency and assume the Dissolved RDA’s housing functions, such housing functions and all related housing assets will be transferred to the local housing authority in the jurisdiction.

15. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES (CONTINUED):

AB 1484 modified and provided some clarifications on the treatment of housing assets under the Dissolution Act. The Housing Authority elected on January 10, 2012 to serve as the Housing Successor Agency.

After the date of dissolution, the housing assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in the Housing Authority special revenue fund in the financial statements of the City. All other assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The Dissolution Act and AB 1484 also establish roles for the County Auditor-Controller, the California Department of Finance (the "DOF") and the California State Controller's office in the dissolution process and the satisfaction of enforceable obligations of the Dissolved RDAs.

The County Auditor-Controller is charged with establishing a Redevelopment Property Tax Trust Fund (the "RPTTF") for each Successor Agency and depositing into the RPTTF for each six-month period the amount of property taxes that would have been redevelopment property tax increment had the Dissolved RDA not been dissolved. The deposit in the RPTTF fund is to be used to pay to the Successor Agency the amounts due on the Successor Agency's enforceable obligations for the upcoming six-month period.

The Successor Agency is required to prepare a recognized obligation payment schedule (the "ROPS") approved by the oversight board setting forth the amounts due for each enforceable obligation during each six month period. The ROPS is submitted to the DOF for approval. The County Auditor-Controller will make payments to the Successor Agency from the RPTTF fund based on the ROPS amount approved by the DOF. The ROPS is prepared in advance for the enforceable obligations due over the next six months.

The process of making RPTTF deposits to be used to pay enforceable obligations of the Dissolved RDA will continue until all enforceable obligations have been paid in full and all non-housing assets of the Dissolved RDA have been liquidated.

16. CONTINGENT LIABILITIES:

Lawsuits:

The City is a defendant in certain legal actions arising in the normal course of operations. In the opinion of management and legal counsel, any liability resulting from these actions will not result in a material adverse effect on the City's financial position.

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

16. CONTINGENT LIABILITIES (CONTINUED):

Federal and State Grant Programs:

The City has received Federal grants for specific purposes that are subject to review and audit by the Federal government. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material.

Other Matters:

As of June 30, 2015, in the opinion of City Management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

17. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS:

Restatements of the Government-Wide Financial Statements' net position as of July 1, 2014, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activity</u>	<u>Total</u>
Net position at July 1, 2014, as originally reported	\$ 132,065,897	\$ 7,547,034	\$ 139,612,931
Implementation of GASB Statements 68 and 71 to record pension liability at beginning of year	(8,549,339)	(143,128)	(8,692,467)
Transfer of land from the City to the Successor Agency as required by the SCO Asset Transfer Review	<u>(6,452,705)</u>	<u>-</u>	<u>(6,452,705)</u>
Net position at July 1, 2014, as restated	<u>\$ 117,063,853</u>	<u>\$ 7,403,906</u>	<u>\$ 124,467,759</u>

Restatement of the General Fund's fund balance as of July 1, 2014 is as follows:

Fund balance at July 1, 2014, as originally reported	\$ 20,564,856
Increase in fund balance to remove previously recorded deferred inflows of resources, unavailable revenues for long-term receivable	<u>91,005</u>
Fund balance at July 1, 2014, as restated	<u>\$ 20,655,861</u>

City of Stanton
Notes to Basic Financial Statements, Continued
June 30, 2015

17. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS (CONTINUED):

Restatement of the Successor Agency to the Stanton Redevelopment Agency Private-Purpose Trust Fund's net position as of July 1, 2014, is as follows:

Net position at July 1, 2014, as originally reported	\$ (51,269,857)
Transfer of land from the City to the Successor Agency as required by the SCO Asset Transfer Review	<u>6,452,705</u>
Net position at July 1, 2014, as restated	<u>\$ (44,817,152)</u>

18. SUBSEQUENT EVENT:

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through November 30, 2015, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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City of Stanton
Schedule of Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

	2015
Plan's proportion of the net pension liability	0.11133%
Plan's proportionate share of the net pension liability	\$ 6,927,356
Plan's covered - employee payroll	\$ 1,884,740
Plan's proportionate share of the net pension liability as a percentage of its covered - employee payroll	367.55%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	80.73%
Plan's proportionate share of aggregate employer contributions	\$ 802,851

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

City of Stanton
Schedule of Contributions - Defined Benefit Pension Plans
Last Ten Fiscal Years*

	2015
Contractually required contribution (actuarially determined)	\$ 902,759
Contributions in relation to the actuarially determined contributions	<u>(902,759)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered - employee payroll	\$ 1,968,200
Contributions as a percentage of covered - employee payroll	45.87%

Notes to Schedule:

Valuation Date 6/30/2012

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 and 11 years as of the valuation date for the miscellaneous and safety plans, respectively.
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service, and type of employment
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	50 years (2% @55, 2% @60, and 1/2% @55), 52 years (2% @62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

City of Stanton
Schedule of Funding Progress
For the Year Ended June 30, 2015

OTHER POST-EMPLOYMENT BENEFIT PLAN

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(b)-(a)]/c]
12/23/08	\$ -	\$ 788,000	\$ 788,000	0.00%	\$ 2,314,000	34.05%
06/30/10	199,000	776,000	577,000	25.64%	2,439,000	23.66%
06/30/11	313,000	809,000	496,000	38.69%	2,518,000	19.70%
06/30/13	585,000	771,000	186,000	75.88%	1,870,000	9.95%

City of Stanton
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Taxes and assessments	\$ 12,307,800	\$ 12,951,800	\$ 13,652,752	\$ 700,952
Licenses and permits	325,565	374,115	417,780	43,665
Intergovernmental	182,000	204,000	279,595	75,595
Charges for services	1,241,119	1,261,569	1,385,364	123,795
Fines and forfeitures	241,800	266,802	292,505	25,703
Interest income	144,100	114,100	142,548	28,448
Rental income	71,775	159,315	168,824	9,509
Miscellaneous	5,000	11,000	11,361	361
Total revenues	14,519,159	15,342,701	16,350,729	1,008,028
EXPENDITURES:				
Current:				
General government	2,606,310	2,759,469	2,615,927	143,542
Public safety	12,193,073	12,254,073	12,186,493	67,580
Urban development	1,072,651	1,076,651	994,732	81,919
Highways and streets	474,645	482,576	436,881	45,695
Culture and recreation	657,735	684,275	655,090	29,185
Capital outlay	14,486	14,486	14,486	-
Total expenditures	17,018,900	17,271,530	16,903,609	367,921
EXCESS OF REVENUES UNDER EXPENDITURES	(2,499,741)	(1,928,829)	(552,880)	1,375,949
OTHER FINANCING SOURCES (USES):				
Transfers in	580,500	580,500	580,500	-
Transfers out	(244,442)	(244,442)	(244,442)	-
Total other financing sources (uses)	336,058	336,058	336,058	-
NET CHANGE IN FUND BALANCE	\$ (2,163,683)	\$ (1,592,771)	(216,822)	\$ 1,375,949
FUND BALANCE:				
Beginning of year, as restated			20,655,861	
End of year			\$ 20,439,039	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Housing Authority Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ 4,000	\$ 4,000	\$ 21,991	\$ 17,991
Rental income	430,000	430,000	537,441	107,441
Miscellaneous	-	-	6,594	6,594
Total revenues	434,000	434,000	566,026	132,026
EXPENDITURES:				
Current:				
Urban development	449,950	471,950	429,902	42,048
Total expenditures	449,950	471,950	429,902	42,048
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,950)	(37,950)	136,124	174,074
SPECIAL ITEMS:				
Proceeds from sale of land	-	-	1,400,000	1,400,000
Selling costs from sale of land	-	-	(89,671)	(89,671)
Write down of land held for resale to net realizable value	-	-	(3,393,141)	(3,393,141)
Total special items	-	-	(2,082,812)	(2,082,812)
NET CHANGE IN FUND BALANCE	\$ (15,950)	\$ (37,950)	(1,946,688)	\$ (1,908,738)
FUND BALANCE:				
Beginning of year			15,598,048	
End of year			<u>\$ 13,651,360</u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Stanton Central Park Grant Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 2,963,700	\$ 2,963,700	\$ -	\$ (2,963,700)
Total revenues	<u>2,963,700</u>	<u>2,963,700</u>	<u>-</u>	<u>(2,963,700)</u>
EXPENDITURES:				
Capital outlay	<u>9,458,700</u>	<u>9,618,190</u>	<u>294,210</u>	<u>9,323,980</u>
Total expenditures	<u>9,458,700</u>	<u>9,618,190</u>	<u>294,210</u>	<u>9,323,980</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(6,495,000)</u>	<u>(6,654,490)</u>	<u>(294,210)</u>	<u>6,360,280</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>6,495,000</u>	<u>6,495,000</u>	<u>-</u>	<u>(6,495,000)</u>
Total other financing sources	<u>6,495,000</u>	<u>6,495,000</u>	<u>-</u>	<u>(6,495,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (159,490)</u>	<u>(294,210)</u>	<u>\$ (134,720)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(2,500)</u>	
End of year			<u>\$ (296,710)</u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Measure M Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 900,000	\$ 1,020,000	\$ 466,536	\$ (553,464)
Interest income	6,000	6,000	4,912	(1,088)
Total revenues	<u>906,000</u>	<u>1,026,000</u>	<u>471,448</u>	<u>(554,552)</u>
EXPENDITURES:				
Current:				
Highway and streets	810,470	964,741	332,838	631,903
Capital outlay	<u>89,530</u>	<u>89,530</u>	<u>363,103</u>	<u>(273,573)</u>
Total expenditures	<u>900,000</u>	<u>1,054,271</u>	<u>695,941</u>	<u>358,330</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 6,000</u>	<u>\$ (28,271)</u>	(224,493)	<u>\$ (196,222)</u>
FUND BALANCE:				
Beginning of year			<u>1,051,981</u>	
End of year			<u>\$ 827,488</u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Community Development Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 260,000	\$ 260,000	\$ -	\$ (260,000)
Interest income	-	-	893	893
Total revenues	<u>260,000</u>	<u>260,000</u>	<u>893</u>	<u>(259,107)</u>
EXPENDITURES:				
Current:				
Highways and streets	-	-	56,083	(56,083)
Capital outlay	<u>260,000</u>	<u>260,000</u>	<u>269,881</u>	<u>(9,881)</u>
Total expenditures	<u>260,000</u>	<u>260,000</u>	<u>325,964</u>	<u>(65,964)</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>(325,071)</u>	<u>\$ (325,071)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>240,824</u>	
End of year			<u>\$ (84,247)</u>	

1. BUDGET AND BUDGETARY ACCOUNTING:

The City adopts a bi-annual budget prepared on the modified accrual basis for all of its governmental funds. The City Manager is required, under City Code Section 2.08.050, to prepare and submit to the City Council the bi-annual budget of the City and administer it after adoption. Legally, expenditures may not exceed total appropriations at the fund level. The City Manager is authorized to transfer budgeted amounts within the accounts of any fund; however, any revisions between funds must be approved by the City Council. Prior year appropriations lapse, unless they are encumbered at year-end, and reappropriated through the formal budget process.

The budgetary information shown for revenues and expenditures represent the original adopted budget adjusted for any changes made by the City Council or City Manager.

The City did not adopt a budget for the Asset Forfeiture Special Revenue Fund.

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SUPPLEMENTARY INFORMATION

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DESCRIPTION OF OTHER GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Gas Tax - To account for expenditures financed by money apportioned under the Streets and Highways Code of the State of California.

Supplemental Law Enforcement Program - To account for revenues and expenditures related to funding received under the State Citizens Option for Public Safety (COPS) program.

Protective Services - To account for a special tax approved by the voters in August 1985 for fire protection and prevention services.

Lighting and Median Maintenance - To account for benefit assessments levied under the 1919 Act Stanton Municipal Lighting District, and the Stanton Lighting and Landscaping District No. 1 (Landscaping and Lighting Act of 1972), for street lighting and landscaping maintenance within the City.

Air Quality Improvement Program - To account for the City's share of additional motor vehicle registration fees, imposed by the South Coast Air Quality Management District, to finance the implementation of mobile source emission reduction programs and the provisions of the California Clean Air Act.

FaCT Park and Recreation Grant - To account for revenues and expenditure related to funding received by the County of Orange, through the federal government, for the Family Preservation and Support Program (FaCT).

JAG Grant - To account for justice funding for prevention and control of crime in the community.

Senior Transportation - To account for the City's share of funds identified as 1% of Renewed Measure M (M2) net sales tax revenue to be allocated to all local jurisdictions based upon the City's respective percentage of senior population for the entire County of Orange.

CalGRIP Grant - To account for revenues and expenditures related to funding received by the Board of State and Community Corrections (BSCC) for the California Gang Reduction, Intervention and Prevention (CalGRIP) Program.

Asset Forfeiture - To account for monies seized from criminal activities. Revenues are restricted for use in law enforcement.

Development Impact Fees - To account for street, traffic signal, community center, and police services impact fees.

Proposition 1B - To account for revenues and expenditures related to funding transportation related projects including maintenance and improvements of local transportation facilities.

CAPITAL PROJECTS FUNDS

Capital Improvements - To account for financial resources segregated for the acquisition of major general City capital facilities, other than those financed by Proprietary or Special Revenue Funds.

Park and Recreation Facilities - To account for the financial resources segregated for park or recreational purposes, pursuant to Stanton Municipal Code Section 19.42.090.

City of Stanton
Combining Balance Sheet
Other Governmental Funds
June 30, 2015

	Special Revenue Funds	
	Gas Tax	Supplemental Law Enforcement Program
ASSETS		
Cash and investments	\$ 1,472,949	\$ 313,913
Receivables:		
Accounts	-	-
Interest	243	50
Taxes	104,904	-
Grants	-	-
Prepaid items	-	-
Due from other funds	-	-
Total assets	\$ 1,578,096	\$ 313,963
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 20,127	\$ 28,033
Accrued liabilities	7,551	-
Unearned revenue	-	285,930
Due to other funds	-	-
Total liabilities	27,678	313,963
Deferred Inflows of Resources:		
Unavailable revenues	-	-
Total liabilities and deferred inflows of resources	27,678	313,963
Fund Balances (Deficits):		
Restricted	1,550,418	-
Assigned	-	-
Unassigned	-	-
Total fund balances (deficits)	1,550,418	-
Total liabilities, deferred inflows of resources and fund balances	\$ 1,578,096	\$ 313,963

Special Revenue Funds (Continued)					
Protective Services	Lighting and Median Maintenance	Air Quality Improvement Program	FaCT Park and Recreation Grant	JAG Grant	Senior Transportation
\$ 12,084	\$ 2,803,823	\$ 138,779	\$ 18,644	\$ -	\$ 32,946
-	-	12,685	-	-	7,976
-	472	20	-	-	5
5,971	7,531	-	-	-	-
-	-	-	-	4,715	-
-	10,000	-	-	-	-
-	-	-	-	-	-
<u>\$ 18,055</u>	<u>\$ 2,821,826</u>	<u>\$ 151,484</u>	<u>\$ 18,644</u>	<u>\$ 4,715</u>	<u>\$ 40,927</u>
\$ 1,250	\$ 49,251	\$ -	\$ 19,793	\$ 4,508	\$ 480
-	-	-	7,361	-	619
-	-	-	-	-	-
-	-	-	-	206	-
<u>1,250</u>	<u>49,251</u>	<u>-</u>	<u>27,154</u>	<u>4,714</u>	<u>1,099</u>
-	-	-	-	4,508	-
<u>1,250</u>	<u>49,251</u>	<u>-</u>	<u>27,154</u>	<u>9,222</u>	<u>1,099</u>
16,805	2,772,575	151,484	-	-	39,828
-	-	-	-	-	-
-	-	-	(8,510)	(4,507)	-
<u>16,805</u>	<u>2,772,575</u>	<u>151,484</u>	<u>(8,510)</u>	<u>(4,507)</u>	<u>39,828</u>
<u>\$ 18,055</u>	<u>\$ 2,821,826</u>	<u>\$ 151,484</u>	<u>\$ 18,644</u>	<u>\$ 4,715</u>	<u>\$ 40,927</u>

(Continued)

City of Stanton
Combining Balance Sheet, Continued
Other Governmental Funds
June 30, 2015

		<u>Special Revenue Funds (Continued)</u>	
		<u>CalGRIP Grant</u>	<u>Asset Forfeiture</u>
ASSETS			
Cash and investments		\$ 998	\$ 2,456
Receivables:			
Accounts		-	-
Interest		-	-
Taxes		-	-
Grants		132,677	-
Prepaid items		-	-
Due from other funds		-	-
		<u> </u>	<u> </u>
Total assets		<u><u>\$ 133,675</u></u>	<u><u>\$ 2,456</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable		\$ 37,665	\$ -
Accrued liabilities		14,153	-
Unearned revenue		-	-
Due to other funds		81,857	-
		<u> </u>	<u> </u>
Total liabilities		133,675	-
Deferred Inflows of Resources:			
Unavailable revenues		132,677	-
		<u> </u>	<u> </u>
Total liabilities and deferred inflows of resources		<u>266,352</u>	<u>-</u>
Fund Balances (Deficits):			
Restricted		-	2,456
Assigned		-	-
Unassigned		(132,677)	-
		<u> </u>	<u> </u>
Total fund balances (deficits)		<u>(132,677)</u>	<u>2,456</u>
Total liabilities, deferred inflows of resources and fund balances		<u><u>\$ 133,675</u></u>	<u><u>\$ 2,456</u></u>

Special Revenue Funds (Continued)		Capital Projects Funds			Total Other Governmental Funds
Development Impact Fees	Proposition 1B	Capital Improvements	Park and Recreation Facilities		
\$ 68,743	\$ -	\$ 519,430	\$ 1,202,873		\$ 6,587,638
-	-	-	-		20,661
10	-	123	190		1,113
-	-	-	-		118,406
-	-	5,944	-		143,336
-	-	-	-		10,000
-	-	236,968	-		236,968
<u>\$ 68,753</u>	<u>\$ -</u>	<u>\$ 762,465</u>	<u>\$ 1,203,063</u>		<u>\$ 7,118,122</u>
\$ -	\$ -	\$ -	\$ 51,586		\$ 212,693
-	-	-	-		29,684
-	-	-	-		285,930
-	-	-	-		82,063
-	-	-	51,586		610,370
-	-	5,944	-		143,129
-	-	5,944	51,586		753,499
68,753	-	-	1,151,477		5,753,796
-	-	756,521	-		756,521
-	-	-	-		(145,694)
<u>68,753</u>	<u>-</u>	<u>756,521</u>	<u>1,151,477</u>		<u>6,364,623</u>
<u>\$ 68,753</u>	<u>\$ -</u>	<u>\$ 762,465</u>	<u>\$ 1,203,063</u>		<u>\$ 7,118,122</u>

City of Stanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds	
	Gas Tax	Supplemental Law Enforcement Program
REVENUES:		
Taxes and assessments	\$ 704,400	\$ -
Intergovernmental	408,951	69,775
Charges for services	-	-
Interest income	5,737	-
Total revenues	1,119,088	69,775
EXPENDITURES:		
Current:		
Public safety	-	27,316
Highways and streets	713,493	-
Culture and recreation	-	-
Health and welfare	-	-
Capital outlay	-	42,459
Total expenditures	713,493	69,775
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	405,595	-
OTHER FINANCING SOURCES (USES):		
Transfers in	-	-
Transfers out	(205,000)	-
Total other financing sources (uses)	(205,000)	-
NET CHANGE IN FUND BALANCES	200,595	-
FUND BALANCES (DEFICITS):		
Beginning of year	1,349,823	-
End of year	<u>\$ 1,550,418</u>	<u>\$ -</u>

Special Revenue Funds (Continued)

Protective Services	Lighting and Median Maintenance	Air Quality Improvement Program	FaCT Park and Recreation Grant	JAG Grant	Senior Transportation
\$ -	\$ 373,588	\$ -	\$ -	\$ -	\$ -
-	1,598	60,830	219,049	206	36,926
377,077	196,828	-	-	-	-
-	11,223	465	-	-	122
377,077	583,237	61,295	219,049	206	37,048
2,500	567,973	-	-	4,713	-
-	-	-	-	-	-
-	-	-	265,470	-	28,025
-	-	3,476	-	-	-
-	-	-	-	-	-
2,500	567,973	3,476	265,470	4,713	28,025
374,577	15,264	57,819	(46,421)	(4,507)	9,023
-	-	-	44,442	-	-
(375,500)	-	-	-	-	-
(375,500)	-	-	44,442	-	-
(923)	15,264	57,819	(1,979)	(4,507)	9,023
17,728	2,757,311	93,665	(6,531)	-	30,805
\$ 16,805	\$ 2,772,575	\$ 151,484	\$ (8,510)	\$ (4,507)	\$ 39,828

(Continued)

City of Stanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Other Governmental Funds
For the Year Ended June 30, 2015

	<u>Special Revenue Funds (Continued)</u>	
	<u>CalGRIP Grant</u>	<u>Asset Forfeiture</u>
REVENUES:		
Taxes and assessments	\$ -	\$ -
Intergovernmental	296,686	-
Charges for services	-	-
Interest income	-	10
	<u>-</u>	<u>10</u>
Total revenues	<u>296,686</u>	<u>10</u>
EXPENDITURES:		
Current:		
Public safety	387,009	-
Highways and streets	-	-
Culture and recreation	-	-
Health and welfare	-	-
Capital outlay	-	-
	<u>-</u>	<u>-</u>
Total expenditures	<u>387,009</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(90,323)</u>	<u>10</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	-	-
Transfers out	-	-
	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(90,323)</u>	<u>10</u>
FUND BALANCES (DEFICITS):		
Beginning of year	<u>(42,354)</u>	<u>2,446</u>
End of year	<u>\$ (132,677)</u>	<u>\$ 2,456</u>

Special Revenue Funds (Continued)		Capital Projects Funds		Total Other Governmental Funds
Development Impact Fees	Proposition 1B	Capital Improvements	Park and Recreation Facilities	
\$ -	\$ -	\$ -	\$ -	\$ 1,077,988
-	-	76,280	-	1,170,301
29,940	-	-	360,311	964,156
223	-	2,909	4,493	25,182
30,163	-	79,189	364,804	3,237,627
-	-	-	-	989,511
-	9,349	-	-	722,842
-	-	-	-	293,495
-	-	-	-	3,476
-	-	5,944	141,543	189,946
-	9,349	5,944	141,543	2,199,270
30,163	(9,349)	73,245	223,261	1,038,357
-	-	-	-	44,442
-	-	-	-	(580,500)
-	-	-	-	(536,058)
30,163	(9,349)	73,245	223,261	502,299
38,590	9,349	683,276	928,216	5,862,324
\$ 68,753	\$ -	\$ 756,521	\$ 1,151,477	\$ 6,364,623

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	\$ 596,800	\$ 596,800	\$ 704,400	\$ 107,600
Intergovernmental	563,300	563,300	408,951	(154,349)
Interest income	7,000	7,000	5,737	(1,263)
Total revenues	<u>1,167,100</u>	<u>1,167,100</u>	<u>1,119,088</u>	<u>(48,012)</u>
EXPENDITURES:				
Current:				
Highway and streets	<u>1,001,544</u>	<u>1,001,544</u>	<u>713,493</u>	<u>288,051</u>
Total expenditures	<u>1,001,544</u>	<u>1,001,544</u>	<u>713,493</u>	<u>288,051</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>165,556</u>	<u>165,556</u>	<u>405,595</u>	<u>240,039</u>
OTHER FINANCING USES:				
Transfers out	<u>(205,000)</u>	<u>(205,000)</u>	<u>(205,000)</u>	<u>-</u>
Total other financing uses	<u>(205,000)</u>	<u>(205,000)</u>	<u>(205,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (39,444)</u>	<u>\$ (39,444)</u>	<u>200,595</u>	<u>\$ 240,039</u>
FUND BALANCE:				
Beginning of year			<u>1,349,823</u>	
End of year			<u>\$ 1,550,418</u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Supplemental Law Enforcement Program Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 200,000	\$ 358,782	\$ 69,775	\$ (289,007)
Total revenues	<u>200,000</u>	<u>358,782</u>	<u>69,775</u>	<u>(289,007)</u>
EXPENDITURES:				
Current:				
Public safety	157,541	316,323	27,316	289,007
Capital outlay	<u>42,459</u>	<u>42,459</u>	<u>42,459</u>	<u>-</u>
Total expenditures	<u>200,000</u>	<u>358,782</u>	<u>69,775</u>	<u>289,007</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Protective Services Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ 378,500	\$ 378,500	\$ 377,077	\$ (1,423)
Total revenues	<u>378,500</u>	<u>378,500</u>	<u>377,077</u>	<u>(1,423)</u>
EXPENDITURES:				
Current:				
Public safety	<u>3,000</u>	<u>3,625</u>	<u>2,500</u>	<u>1,125</u>
Total expenditures	<u>3,000</u>	<u>3,625</u>	<u>2,500</u>	<u>1,125</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>375,500</u>	<u>374,875</u>	<u>374,577</u>	<u>(298)</u>
OTHER FINANCING USES:				
Transfers out	<u>(375,500)</u>	<u>(375,500)</u>	<u>(375,500)</u>	<u>-</u>
Total other financing uses	<u>(375,500)</u>	<u>(375,500)</u>	<u>(375,500)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (625)</u>	<u>(923)</u>	<u>\$ (298)</u>
FUND BALANCE:				
Beginning of year			<u>17,728</u>	
End of year			<u>\$ 16,805</u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Lighting and Median Maintenance Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	\$ 313,000	\$ 313,000	\$ 373,588	\$ 60,588
Intergovernmental	1,800	1,800	1,598	(202)
Charges for services	195,900	195,900	196,828	928
Interest income	18,900	18,900	11,223	(7,677)
Total revenues	529,600	529,600	583,237	53,637
EXPENDITURES:				
Current:				
Public safety	1,037,024	1,117,497	567,973	549,524
Total expenditures	1,037,024	1,117,497	567,973	549,524
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (507,424)	\$ (587,897)	15,264	\$ 603,161
FUND BALANCE:				
Beginning of year			2,757,311	
End of year			<u>\$ 2,772,575</u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Air Quality Improvement Program Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 42,000	\$ 42,000	\$ 60,830	\$ 18,830
Interest income	-	-	465	465
Total revenues	<u>42,000</u>	<u>42,000</u>	<u>61,295</u>	<u>19,295</u>
EXPENDITURES:				
Current:				
Health and welfare	<u>4,300</u>	<u>4,300</u>	<u>3,476</u>	<u>824</u>
Total expenditures	<u>4,300</u>	<u>4,300</u>	<u>3,476</u>	<u>824</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 37,700</u>	<u>\$ 37,700</u>	57,819	<u>\$ 20,119</u>
FUND BALANCE:				
Beginning of year			<u>93,665</u>	
End of year			<u>\$ 151,484</u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
FaCT Park and Recreation Grant Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 220,000	\$ 220,000	\$ 219,049	\$ (951)
Total revenues	<u>220,000</u>	<u>220,000</u>	<u>219,049</u>	<u>(951)</u>
EXPENDITURES:				
Current:				
Culture and recreation	<u>264,442</u>	<u>264,442</u>	<u>265,470</u>	<u>(1,028)</u>
Total expenditures	<u>264,442</u>	<u>264,442</u>	<u>265,470</u>	<u>(1,028)</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(44,442)</u>	<u>(44,442)</u>	<u>(46,421)</u>	<u>(1,979)</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>44,442</u>	<u>44,442</u>	<u>44,442</u>	<u>-</u>
Total other financing sources	<u>44,442</u>	<u>44,442</u>	<u>44,442</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(1,979)</u>	<u>\$ (1,979)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(6,531)</u>	
End of year			<u>\$ (8,510)</u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
JAG Grant Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ 21,116	\$ 206	\$ (20,910)
Total revenues	-	21,116	206	(20,910)
EXPENDITURES:				
Current:				
Public safety	-	21,116	4,713	16,403
Total expenditures	-	21,116	4,713	16,403
EXCESS OF REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	(4,507)	<u>\$ (4,507)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			-	
End of year			<u>\$ (4,507)</u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Senior Transportation Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 32,875	\$ 32,875	\$ 36,926	\$ 4,051
Interest income	-	-	122	122
Total revenues	<u>32,875</u>	<u>32,875</u>	<u>37,048</u>	<u>4,173</u>
EXPENDITURES:				
Current:				
Culture and recreation	<u>34,239</u>	<u>34,239</u>	<u>28,025</u>	<u>6,214</u>
Total expenditures	<u>34,239</u>	<u>34,239</u>	<u>28,025</u>	<u>6,214</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,364)</u>	<u>\$ (1,364)</u>	9,023	<u>\$ 10,387</u>
FUND BALANCE:				
Beginning of year			<u>30,805</u>	
End of year			<u>\$ 39,828</u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
CalGRIP Grant Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 222,356	\$ 472,356	\$ 296,686	\$ (175,670)
Total revenues	<u>222,356</u>	<u>472,356</u>	<u>296,686</u>	<u>(175,670)</u>
EXPENDITURES:				
Current:				
Public safety	<u>222,356</u>	<u>472,356</u>	<u>387,009</u>	<u>85,347</u>
Total expenditures	<u>222,356</u>	<u>472,356</u>	<u>387,009</u>	<u>85,347</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>(90,323)</u>	<u>\$ (90,323)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(42,354)</u>	
End of year			<u>\$ (132,677)</u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Development Impact Fees Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ 44,800	\$ 44,800	\$ 29,940	\$ (14,860)
Interest income	-	-	223	223
Total revenues	44,800	44,800	30,163	(14,637)
EXPENDITURES	-	-	-	-
Total expenditures	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	\$ 44,800	\$ 44,800	30,163	\$ (14,637)
FUND BALANCE:				
Beginning of year			38,590	
End of year			\$ 68,753	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Proposition 1B Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Highways and streets	<u>-</u>	<u>9,349</u>	<u>9,349</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>9,349</u>	<u>9,349</u>	<u>-</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u><u>\$ -</u></u>	<u><u>\$ (9,349)</u></u>	<u>(9,349)</u>	<u><u>\$ -</u></u>
FUND BALANCE:				
Beginning of year			<u>9,349</u>	
End of year			<u><u>\$ -</u></u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Improvements Capital Projects Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 76,280	\$ (423,720)
Interest income	-	-	2,909	2,909
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>79,189</u>	<u>(420,811)</u>
EXPENDITURES:				
Current:				
Highways and streets	1,024,056	1,030,443	-	1,030,443
Capital outlay	<u>5,944</u>	<u>5,944</u>	<u>5,944</u>	<u>-</u>
Total expenditures	<u>1,030,000</u>	<u>1,036,387</u>	<u>5,944</u>	<u>1,030,443</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (530,000)</u>	<u>\$ (536,387)</u>	73,245	<u>\$ 609,632</u>
FUND BALANCE:				
Beginning of year			<u>683,276</u>	
End of year			<u>\$ 756,521</u>	

City of Stanton
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Park and Recreation Facilities Capital Projects Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ 400,000	\$ 400,000	\$ 360,311	\$ (39,689)
Interest income	-	-	4,493	4,493
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>364,804</u>	<u>(35,196)</u>
EXPENDITURES:				
Capital outlay	-	99,053	141,543	(42,490)
Total expenditures	<u>-</u>	<u>99,053</u>	<u>141,543</u>	<u>(42,490)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 400,000</u>	<u>\$ 300,947</u>	223,261	<u>\$ (77,686)</u>
FUND BALANCE:				
Beginning of year			<u>928,216</u>	
End of year			<u>\$ 1,151,477</u>	

DESCRIPTION OF INTERNAL SERVICE FUNDS

Workers' Compensation - To account for the City's workers' compensation insurance, including claims, legal and other expenses.

Liability/Risk Management - To account for the City's general liability insurance, including claims, legal and other expenses.

Employee Benefits - To account for the employee benefits costs including vacation, sick and holiday hours.

Fleet Maintenance - To account for costs related to operations and fleet maintenance for the City's vehicles.

City of Stanton
Combining Statement of Net Position
All Internal Service Funds
June 30, 2015

	Workers' Compensation	Liability/ Risk Management	Employee Benefits
ASSETS			
Current assets:			
Cash and investments	\$ 409,596	\$ 147,224	\$ 292,777
Receivables:			
Interest	147	15	47
Due from other governments	217,810	2,576	-
Total assets	627,553	149,815	292,824
LIABILITIES			
Current liabilities:			
Account payable	-	-	1,298
Accrued liabilities	-	-	-
Compensated absences payable	-	-	70,833
Total current liabilities	-	-	72,131
Noncurrent liabilities:			
Compensated absences payable	-	-	80,580
Total noncurrent liabilities	-	-	80,580
Total liabilities	-	-	152,711
NET POSITION			
Unrestricted	627,553	149,815	140,113
Total net position	\$ 627,553	\$ 149,815	\$ 140,113

<u>Fleet Maintenance</u>	<u>Total</u>
\$ 387,063	\$ 1,236,660
67	276
<u>-</u>	<u>220,386</u>
<u>387,130</u>	<u>1,457,322</u>
7,560	8,858
1,232	1,232
<u>106</u>	<u>70,939</u>
<u>8,898</u>	<u>81,029</u>
<u>-</u>	<u>80,580</u>
<u>-</u>	<u>80,580</u>
<u>8,898</u>	<u>161,609</u>
<u>378,232</u>	<u>1,295,713</u>
<u>\$ 378,232</u>	<u>\$ 1,295,713</u>

City of Stanton
Combining Statement of Revenues, Expenses and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2015

	Workers' Compensation	Liability/ Risk Management	Employee Benefits
OPERATING REVENUES:			
Charges for services	\$ 96,643	\$ 132,000	\$ 325,400
Total operating revenues	<u>96,643</u>	<u>132,000</u>	<u>325,400</u>
OPERATING EXPENSES:			
Equipment maintenance and operation	-	-	-
Administrative and personnel services	-	-	641,123
Provision for estimated claims	3,961	1,460	-
Insurance premiums	25,076	59,996	-
Contractual services	-	-	8,095
Total operating expenses	<u>29,037</u>	<u>61,456</u>	<u>649,218</u>
OPERATING INCOME (LOSS)	<u>67,606</u>	<u>70,544</u>	<u>(323,818)</u>
NONOPERATING REVENUES:			
Interest income	3,474	346	1,121
Other	-	14,824	-
Total nonoperating revenues	<u>3,474</u>	<u>15,170</u>	<u>1,121</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>71,080</u>	<u>85,714</u>	<u>(322,697)</u>
TRANSFERS:			
Transfers in	-	50,000	661,590
Transfers out	(511,590)	-	-
Total transfers	<u>(511,590)</u>	<u>50,000</u>	<u>661,590</u>
CHANGES IN NET POSITION	<u>(440,510)</u>	<u>135,714</u>	<u>338,893</u>
NET POSITION:			
Beginning of year	<u>1,068,063</u>	<u>14,101</u>	<u>(198,780)</u>
End of year	<u>\$ 627,553</u>	<u>\$ 149,815</u>	<u>\$ 140,113</u>

Fleet Maintenance	Total
\$ 104,073	\$ 658,116
104,073	658,116
47,456	47,456
29,707	670,830
-	5,421
1,214	86,286
-	8,095
78,377	818,088
25,696	(159,972)
1,589	6,530
-	14,824
1,589	21,354
27,285	(138,618)
-	711,590
-	(511,590)
-	200,000
27,285	61,382
350,947	1,234,331
\$ 378,232	\$ 1,295,713

City of Stanton
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2015

	Workers' Compensation	Liability/ Risk Management	Employee Benefits
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 54,593	\$ 133,461	\$ 325,400
Cash paid to other suppliers of goods or services	(52,626)	(61,456)	(8,071)
Cash paid to employees for salaries and wages	-	-	(687,227)
Net cash provided by (used for) operating activities	1,967	72,005	(369,898)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash transfer from other funds	-	50,000	661,590
Cash transfer to other funds	(511,590)	-	-
Cash received from reimbursement	-	14,824	-
Net cash provided by (used for) noncapital financing activities	(511,590)	64,824	661,590
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income received	3,448	331	1,085
Net cash provided by investing activities	3,448	331	1,085
Net increase (decrease) in cash and cash equivalents	(506,175)	137,160	292,777
CASH AND CASH EQUIVALENTS:			
Beginning of the year	915,771	10,064	-
End of the year	<u>\$ 409,596</u>	<u>\$ 147,224</u>	<u>\$ 292,777</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 67,606	\$ 70,544	\$ (323,818)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in due from other governments	(42,050)	1,461	-
Increase (decrease) in accounts payable	-	-	24
Increase (decrease) in accrued liabilities	-	-	-
Increase (decrease) in claims and judgments payable	(23,589)	-	-
Increase (decrease) in compensated absences payable	-	-	21,568
Increase (decrease) in due to other funds	-	-	(67,672)
Net cash provided by (used for) operating activities	\$ 1,967	\$ 72,005	\$ (369,898)

Fleet Maintenance	Total
\$ 104,073	\$ 617,527
(41,490)	(163,643)
(29,085)	(716,312)
33,498	(262,428)
-	711,590
-	(511,590)
-	14,824
-	214,824
1,569	6,433
1,569	6,433
35,067	(41,171)
351,996	1,277,831
<u>\$ 387,063</u>	<u>\$ 1,236,660</u>
\$ 25,696	\$ (159,972)
-	(40,589)
7,180	7,204
516	516
-	(23,589)
106	21,674
-	(67,672)
<u>\$ 33,498</u>	<u>\$ (262,428)</u>

City of Stanton
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2015

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
City Trust Agency Fund				
ASSETS:				
Cash and investments	\$ 183,145	\$ 182,182	\$ (158,825)	\$ 206,502
LIABILITIES:				
Deposits payable	\$ 183,145	\$ 182,182	\$ (158,825)	\$ 206,502

CITY OF STANTON
STATISTICAL SECTION (UNAUDITED)
June 30, 2015

This section of the City of Stanton's Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. The statistical information presented herein is un-audited.

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Financial Trends - *These schedules contain information to help the reader to understand how the City's financial performance and well-being have changed over time.*

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City of Stanton
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2014	2013	2012	2011
Governmental activities:					
Investment in capital assets	\$79,209,329	\$80,773,054	\$92,494,864	\$ 93,573,202	\$ 30,303,477
Restricted	20,219,980	28,566,775	20,919,037	18,909,154	49,511,685
Unrestricted	14,875,639	22,726,068	22,506,002	25,969,301	10,339,493
Total governmental activities net position	114,304,948	132,065,897	135,919,903	138,451,657	90,154,655
Business-type activities:					
Investment in capital assets	5,135,853	5,238,330	5,371,857	5,506,126	5,640,395
Unrestricted	2,604,629	2,308,704	1,816,176	1,560,732	1,520,957
Total business-type activities net position	7,740,482	7,547,034	7,188,033	7,066,858	7,161,352
Primary government:					
Investment in capital assets	84,345,182	86,011,384	97,866,721	99,079,328	35,943,872
Restricted	20,219,980	28,566,775	20,919,037	18,909,154	49,511,685
Unrestricted	17,480,268	25,034,772	24,322,178	27,530,033	11,860,450
Total primary government net position	\$122,045,430	\$139,612,931	\$ 143,107,936	\$ 145,518,515	\$ 97,316,007
	Fiscal Year				
	2010	2009	2008	2007	2006
Governmental activities:					
Investment in capital assets	\$ 43,595,961	\$ 33,616,072	\$ 22,517,900	\$ 11,873,775	\$ 24,583,589
Restricted	18,911,631	27,040,539	23,114,967	21,323,214	7,007,933
Unrestricted	28,322,456	32,109,570	33,987,347	34,951,367	28,410,501
Total governmental activities net position	90,830,048	92,766,181	79,620,214	68,148,356	60,002,023
Business-type activities:					
Investment in capital assets	5,774,663	5,900,631	6,444,074	6,591,518	5,565,473
Unrestricted	1,235,929	2,676,942	3,587,715	3,244,602	2,806,965
Total business-type activities net position	7,010,592	8,577,573	10,031,789	9,836,120	8,372,438
Primary government:					
Investment in capital assets	49,370,624	39,516,703	28,961,974	18,465,293	30,149,062
Restricted	18,911,631	27,040,539	23,114,967	21,323,214	7,007,933
Unrestricted	29,558,385	34,786,512	37,575,062	38,195,969	31,217,466
Total primary government net position	\$ 97,840,640	\$ 101,343,754	\$ 89,652,003	\$ 77,984,476	\$ 68,374,461

Source: City of Stanton Administrative Services Department

City of Stanton
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental activities:										
General government	3,043,005	2,976,011	2,852,594	\$ 2,277,269	\$ 1,081,252	\$ 2,054,843	\$ 1,350,974	\$ 1,216,895	\$ 2,102,875	\$ 2,382,328
Public safety	13,460,725	12,390,690	11,425,129	12,494,004	12,744,191	13,644,863	12,683,780	12,382,175	11,332,688	10,671,112
Urban development	1,709,355	1,818,001	2,032,838	3,766,930	8,063,096	10,326,473	6,359,544	6,798,338	7,562,209	9,710,307
Health and welfare	3,476	4,265	2,826	2,132	19,505	6,449	2,565	-	21,018	95,385
Highways and streets	1,762,185	2,358,073	2,895,834	2,557,660	3,975,867	2,644,691	4,673,863	203,271	1,823,799	3,120,218
Culture and recreation	1,162,126	1,198,807	1,410,745	1,731,743	2,241,411	1,797,910	1,442,317	1,766,674	1,570,056	770,629
Interest and fiscal charges	-	-	-	3,378,862	2,844,199	1,795,494	1,782,582	1,839,237	2,101,407	1,860,472
Transfer of land to successor agency	-	10,192,858	-	-	-	-	-	-	-	-
Total governmental activities expenses	21,140,872	30,938,705	20,619,966	26,208,600	30,969,521	32,270,723	28,295,625	24,206,591	26,514,052	28,610,451
Business-type activities:										
Sewer	709,496	709,880	854,630	834,862	730,605	2,286,645	900,827	526,420	676,185	542,505
Total business-type activities expenses	709,496	709,880	854,630	834,862	730,605	2,286,645	900,827	526,420	676,185	542,505
Total primary government expenses	21,850,368	31,648,585	21,474,596	27,043,462	31,700,126	34,557,368	29,196,452	24,733,011	27,190,237	29,152,956
Program revenues:										
Governmental activities:										
Charges for services:										
General government	458,286	433,374	70,950	119,455	107,630	59,840	68,615	106,327	106,879	543,458
Public safety	896,383	882,480	895,826	904,419	1,006,527	996,993	970,879	956,957	964,821	730,474
Urban development	1,254,023	1,240,666	1,009,732	959,624	934,764	586,328	537,535	405,215	569,198	381,356
Highways and streets	11,608	14,966	-	19,560	-	-	-	-	-	-
Culture and recreation	417,748	448,528	109,456	141,360	234,392	341,811	69,003	64,484	68,037	51,172
Operating grants and contributions	3,058,470	2,960,253	2,760,472	2,510,694	1,956,567	1,716,419	1,196,251	3,809,555	3,610,402	2,262,570
Capital grants and contributions	294,210	316,226	-	-	2,214,326	2,061,904	4,808,260	2,058,826	1,225,005	874,499
Total governmental activities program revenues	6,390,728	6,296,493	4,846,436	4,655,112	6,454,206	5,763,295	7,650,543	7,401,364	6,544,342	4,843,529
Business-type activities:										
Charges for services:										
Sewer	945,360	955,372	819,274	656,860	528,779	397,400	396,377	394,139	394,462	393,949
Total business-type activities program revenues	945,360	955,372	819,274	656,860	528,779	397,400	396,377	394,139	1,655,189	2,901,509
Total primary government program revenues	7,336,088	7,251,865	5,665,710	5,311,972	6,982,985	6,160,695	8,046,920	7,795,503	8,199,531	7,745,038
Net revenues (expenses)										
Governmental activities	(14,750,144)	(24,642,212)	(15,773,530)	(21,553,488)	(24,515,315)	(26,507,428)	(20,645,082)	(16,805,227)	(19,969,710)	(23,766,922)
Business activities	235,864	245,492	(35,356)	(178,002)	(201,826)	(1,889,245)	(504,450)	(132,281)	979,004	2,359,004
Total net revenues (expenses)	(14,514,280)	(24,396,720)	(15,808,886)	(21,731,490)	(24,717,141)	(28,396,673)	(21,149,532)	(16,937,508)	(18,990,706)	(21,407,918)

City of Stanton
Changes in Net Position Continued
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 5,314,329	\$ 5,613,269	\$ 5,307,800	\$ 8,070,432	\$ 12,547,610	\$ 12,600,300	\$ 14,364,266	\$ 14,203,906	\$ 12,891,896	\$ 10,338,637
Sales taxes	4,012,917	3,925,839	3,683,199	3,579,392	3,091,571	3,079,791	3,075,670	3,537,975	4,177,392	4,193,645
Transactions and use taxes	792,300	-	-	-	-	-	-	-	-	-
Transient occupancy taxes	375,876	323,938	341,838	357,092	326,316	289,855	316,794	358,535	357,443	327,589
Franchise taxes	964,450	1,031,034	996,947	932,916	932,977	721,326	756,130	735,830	692,180	728,438
Other taxes	2,591,806	2,497,612	2,524,123	5,395,184	5,517,430	5,570,791	5,841,573	5,880,886	5,600,034	5,271,991
Investment earnings	132,205	199,807	111,367	435,891	986,415	1,937,904	2,043,799	2,011,540	2,649,832	2,582,680
Miscellaneous	725,215	744,002	719,734	553,650	437,603	371,328	5,910,837	1,548,413	1,608,466	1,474,683
Gain on sale of capital assets	475,282	-	-	-	-	-	-	-	-	-
Extraordinary item ¹	-	-	(443,232)	50,525,933	-	-	-	-	-	-
Special item ²	(3,393,141)	-	-	-	-	-	-	-	-	-
Total governmental activities	11,991,239	14,335,501	13,241,776	69,850,490	23,839,922	24,571,295	32,309,069	28,277,085	27,991,043	24,730,663
Business-type activities:										
Taxes:										
Property taxes	90,282	105,749	148,107	41,784	45,345	42,402	72,428	60,932	114,388	69,858
Investment earnings	10,430	7,760	8,424	13,729	20,065	61,123	123,449	144,138	163,442	92,966
Miscellaneous	-	-	-	27,995	287,176	218,739	(96,999)	122,880	220,648	-
Total business-type activities	100,712	113,509	156,531	83,508	352,586	322,264	98,878	327,950	484,678	349,824
Total primary government	12,091,951	14,449,010	13,398,307	69,933,998	24,192,508	24,893,559	32,407,947	28,605,035	28,475,721	25,080,487
Changes in net position										
Governmental activities	(2,758,905)	(10,306,711)	(2,531,754)	48,297,002	(675,393)	(1,936,133)	11,663,987	11,471,858	8,021,333	963,741
Business-type activities	336,576	359,001	121,175	(94,494)	150,760	(1,566,981)	(405,572)	195,669	1,463,682	2,708,828
Total primary government	<u>\$ (2,422,329)</u>	<u>\$ (9,947,710)</u>	<u>\$ (2,410,579)</u>	<u>\$ 48,202,508</u>	<u>\$ (524,633)</u>	<u>\$ (3,503,114)</u>	<u>\$ 11,258,415</u>	<u>\$ 11,667,527</u>	<u>\$ 9,485,015</u>	<u>\$ 3,672,569</u>

¹ Extraordinary gain on transfer of assets and liabilities to Successor Agency to the Stanton Redevelopment Agency (FY 11/12) and loss on payment of excess interest on loan to Successor Agency (FY 12/13)

² Write-down of land held for resale by Housing Authority to net realizable value

Source: City of Stanton Administrative Services Department

City of Stanton
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2014	2013	2012	2011
Post-GASB 54:					
General Fund:					
Nonspendable	6,730,051	8,379,173	8,971,880	\$ 2,247,340	\$ 9,260,140
Restricted	-	-	-	-	-
Committed	4,317,883	3,965,209	3,720,465	3,911,481	3,889,757
Assigned	-	38,751	31,772	50,193	2,780,440
Unassigned	9,391,105	8,181,723	6,313,207	14,413,187	12,468,010
Total general fund	<u>\$ 20,439,039</u>	<u>\$ 20,564,856</u>	<u>\$ 19,037,324</u>	<u>\$ 20,622,201</u>	<u>\$ 28,398,347</u>
All other governmental funds:					
Nonspendable	-	-	10,065,582	\$ 9,022,935	\$ -
Restricted	20,232,644	22,118,786	10,514,621	9,886,219	49,511,685
Committed	-	-	-	510,721	488,210
Assigned	756,521	683,276	1,451,877	1,616,912	1,741,257
Unassigned	(526,651)	(51,385)	(392,307)	(54,284)	(4,454,858)
Total all other governmental funds	<u>\$ 20,462,514</u>	<u>\$ 22,750,677</u>	<u>\$ 21,639,773</u>	<u>\$ 20,982,503</u>	<u>\$ 47,286,294</u>
Pre-GASB 54:					
	2010	2009	2008	2007	2006
General Fund					
Designated	\$ 12,526,117	\$ 9,054,451	\$ 4,823,618	\$ 4,500,000	\$ 5,358,671
Undesignated	10,034,896	14,355,757	14,355,757	15,368,153	13,342,315
Total general fund	<u>\$ 22,561,013</u>	<u>\$ 23,410,208</u>	<u>\$ 19,179,375</u>	<u>\$ 19,868,153</u>	<u>\$ 18,700,986</u>
All other governmental funds:					
Reserved	\$ 25,984,719	\$ 36,117,622	\$ 28,902,884	\$ 25,190,058	\$ 28,722,395
Unreserved, reported in					
Special revenue funds	-	-	3,480,889	2,630,514	2,892,262
Capital projects funds	(7,830,130)	(10,661,359)	(4,071,591)	259,652	3,334,535
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 40,715,602</u>	<u>\$ 48,866,471</u>	<u>\$ 47,491,557</u>	<u>\$ 47,948,377</u>	<u>\$ 53,650,178</u>

Source: City of Stanton Administrative Services Department

City of Stanton
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Taxes and assessments	\$14,730,740	14,062,751	13,469,674	\$ 15,247,661	\$ 19,626,114	\$ 19,451,299	\$ 20,965,865	\$ 21,554,863	\$ 20,847,200	\$ 18,324,534
Licenses and permits	\$417,780	419,298	917,431	865,687	863,403	455,820	429,034	313,887	437,568	280,093
Intergovernmental	\$1,916,432	2,765,837	2,843,557	5,684,978	7,482,746	7,150,779	10,018,262	8,137,202	7,734,056	5,977,230
Charges for services*	\$2,349,520	2,363,378	206,303	245,904	309,508	454,143	501,248	442,703	722,603	591,126
Fines and forfeitures	\$292,505	279,542	320,222	329,492	436,153	430,763	402,363	389,160	391,847	355,544
Interest income	\$195,526	202,857	272,502	428,230	986,416	1,937,907	2,043,798	2,011,538	2,649,835	2,440,273
Rental income	\$706,265	700,811	700,878	497,439	381,214	240,702	463,580	1,431,300	1,429,256	1,323,740
Miscellaneous	\$17,955	55,883	113,528	198,047	208,574	396,780	5,519,820	226,722	309,220	224,763
Total Revenues	\$20,626,723	20,850,357	18,844,095	23,497,438	30,294,128	30,518,193	40,343,970	34,507,375	34,521,585	29,517,303
Expenditures:										
Current:										
General government	\$2,615,927	2,461,666	2,189,685	1,444,457	398,456	1,486,629	1,143,461	1,030,298	1,744,944	1,952,170
Public safety	\$13,176,004	12,047,794	10,983,189	12,516,221	12,299,028	12,274,703	11,762,092	11,759,999	10,744,764	9,989,291
Urban development	\$1,424,634	1,475,104	1,590,898	3,211,789	7,617,933	10,256,694	6,467,504	7,897,515	7,103,286	8,254,416
Highways and streets	\$1,548,644	2,098,897	2,564,379	2,141,304	2,634,613	2,034,407	1,879,422	1,910,943	2,213,345	1,733,166
Culture and recreation	\$948,585	921,302	1,079,290	1,315,387	1,907,540	1,745,576	1,523,287	1,748,129	2,814,315	723,529
Health and welfare	\$3,476	4,265	2,826	2,132	19,505	6,449	2,565	-	-	24,736
Capital outlay	\$1,131,626	475,187	918,203	9,073,926	16,868,944	11,416,633	14,512,960	7,945,301	12,344,682	240,000
Debt Service:										
Bond issuance costs	-	-	-	-	2,243,450	-	-	-	-	-
Principal	-	-	-	680,000	2,875,000	615,000	590,000	575,000	585,000	1,816,060
Interest and fiscal charges	-	-	-	2,935,018	2,350,620	1,755,972	1,740,418	1,797,010	1,940,109	1,332,343
Total Expenditures	\$20,848,896	19,484,215	19,328,470	33,320,234	49,215,089	41,592,063	39,621,709	34,664,195	39,490,445	29,319,356
Excess (Deficiency) of Revenues Over (Under Expenditures	(\$222,173)	1,366,142	(484,375)	(9,822,796)	(18,920,961)	(11,073,870)	722,261	(156,820)	(4,968,860)	197,947
Other financing sources (Uses):										
Bond issuance	-	-	-	-	53,090,000	-	-	-	-	26,500,000
Gains on sales of assets	-	-	-	-	-	-	-	-	-	-
Transfers in	\$624,942	1,884,218	710,030	11,781,909	18,671,360	8,758,337	9,146,045	9,574,396	5,165,946	6,729,072
Transfers out	(\$824,942)	(611,924)	(710,030)	(11,781,909)	(17,871,360)	(7,301,337)	(8,493,392)	(9,874,396)	(6,461,376)	(8,308,561)
Total other financing sources (uses)	(\$200,000)	1,272,294	-	-	53,890,000	1,457,000	652,653	(300,000)	(1,295,430)	24,920,511
Net change in fund balance before special/extraordinary item	(\$422,173)	2,638,436	(484,375)	(9,822,796)	34,969,039	(9,616,870)	1,374,914	(456,820)	(6,264,290)	25,118,458
Special/Extraordinary item	(\$2,082,812)	-	(443,232)	(24,257,141)	-	-	-	-	-	-
Net change in fund balances	(\$2,504,985)	\$ 2,638,436	\$ (927,607)	\$ (34,079,937)	\$ 34,969,039	\$ (9,616,870)	\$ 1,374,914	\$ (456,820)	\$ (6,264,290)	\$ 25,118,458
Debt service as a percentage of noncapital expenditures	0%	0%	0%	15%	16%	8%	9%	9%	9%	11%

Source: City of Stanton Administrative Services Department

City of Stanton

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended June 30	City			Redevelopment Agency		
	Secured	Unsecured	Taxable Assessed Value	Secured	Unsecured	Taxable Assessed Value
2015	\$2,213,403,418	\$84,104,331	\$2,297,507,749	\$2,179,143,316	\$83,691,209	\$2,262,834,525
2014	2,071,979,786	72,290,061	2,114,269,847	2,039,488,139	72,218,843	2,111,706,982
2013	2,000,759,287	72,992,374	2,073,751,661	1,975,422,515	72,869,486	2,048,292,001
2012	1,981,189,883	82,102,752	2,063,292,635	1,956,092,939	81,960,877	2,038,053,816
2011	1,951,058,258	91,053,614	2,042,111,872	1,925,722,388	90,919,529	2,016,641,917
2010	1,972,305,106	98,510,249	2,070,815,355	1,947,585,036	98,429,354	2,046,014,390
2009	2,105,663,210	90,124,459	2,195,787,669	2,077,838,548	90,004,715	2,167,843,263
2008	2,094,325,109	89,851,518	2,184,176,627	2,066,493,955	89,754,347	2,156,248,302
2007	1,887,178,302	85,565,945	1,972,744,247	1,774,617,280	64,441,596	1,839,058,876
2006	1,696,785,591	77,884,260	1,774,669,851	1,463,327,591	54,207,166	1,517,534,757

NOTES:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of the property may be increased by an inflation factor (limited to a maximum of 2%). With few exceptions, property is only reassessed at the time it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

City amounts include the Redevelopment Agency assessed values

The City of Stanton and the Stanton Redevelopment Agency do not have any direct tax rates

Source: County of Orange Auditor-Controller

City of Stanton
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$100 of assessed value)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Overlapping Rates:										
County Bonds	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
County Flood	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00350	0.00350	0.00350	0.00370	0.00370	0.00430	0.00520	0.00450	0.00470	0.00520
Savanna School District	0.05443	0.05557	0.05976	0.02767	0.02660	0.00000	0.19686	0.00000	0.00000	0.00000
Anaheim Union High School District	0.02412	0.02620	0.02858	0.02678	0.02745	0.02363	0.01809	0.02516	0.02355	0.02444
Garden Grove Unified School District	0.04148	0.03703	0.03135	0.02483	0.03308	0.00000	0.00000	0.00000	0.00000	0.00000
North Orange County										
Community College District	0.01758	0.01704	0.01902	0.01742	0.01758	0.01493	0.01001	0.01502	0.01444	0.01666
Magnolia Elementary School District	0.02497	0.02737	0.02493	0.02326	0.02067	0.01998	0.10078	0.01800	0.01925	0.02209
Coast Community College District	0.03015	0.02899	0.01881	0.01754	0.01750	0.01472	0.01920	0.01501	0.01599	0.01545
Total	0.19623	0.19570	0.18595	0.14120	0.14658	0.07756	0.35014	0.07769	0.07793	0.08384

The City of Stanton and the Stanton Redevelopment Agency do not have any direct tax rates

Source: California Municipal Statistics, Inc.

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

Taxpayer	2014-15		2005-06	
	Assessed Valuation		Assessed Valuation	
	Secured Assessed Value	Percent of Total City Secured Assessed Value	Secured Assessed Value	Percent of Total City Secured Assessed Value
CR&R, Inc.	\$ 38,087,581	1.84%	\$ 28,778,314	1.55%
CP Briarwood LLC	28,601,487	1.38%	\$ 25,216,273	1.35%
Arrowhead Apt. Invest LLC	27,312,502	1.32%		
Shapell Social Rental Properties LLC	22,999,146	1.11%	19,010,270	1.02%
Walton CWCA Hoover 52 LLC	17,879,806	0.86%		
Continental Gardens LP	16,607,861	0.80%	14,605,559	0.78%
Faircrest, Inc.	12,874,414	0.62%	11,322,229	0.61%
Gilbert R. Shuman	13,839,576	0.67%	10,971,548	0.44%
Mideb Nominees, Inc.	13,046,204	0.63%		
G6 Hospitality Property LLC	11,743,072	0.57%		
Katella 111 Partners LLC	10,545,413	0.51%		
Playa Galleria Shopping Center LLC	9,785,292	0.47%		
Westgate Villa Apartments Ltd.	9,281,308	0.45%		
Muth Holdings	10,000,000	0.48%		
Park Plaza Apts. LLC	7,971,771	0.38%		
Mana Investment Co.	8,883,499	0.43%		
8080 Bever Place-Negba LLC	9,300,000	0.45%		
Extra Space Properties Ninety Five LLC	8,039,000	0.39%		
Sompop Mannil	8,000,000	0.39%		
7050 Katella Avenue LLC	8,161,887	0.39%		
Park Stanton Place			35,477,667	1.90%
KW Stanton LLC			14,645,874	0.79%
Stanton Plaza Group II			13,536,340	0.73%
Calwest Industrial			12,204,720	0.66%
	<u>\$ 292,959,819</u>	<u>14.14%</u>	<u>\$ 185,768,794</u>	<u>9.83%</u>

Source: California Municipal Statistics, Inc.; Hinderliter de Llamas & Associates

City of Stanton
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected Amount	Percent of Levy (1)
2015	\$ 1,014,799	\$ 1,014,799	100%
2014	1,011,984	1,011,984	100%
2013	1,000,828	1,000,828	100%
2012	1,000,716	1,000,716	100%
2011	1,092,222	1,092,222	100%
2010	1,102,577	1,102,577	100%
2009	1,356,789	1,356,789	100%
2008	1,467,319	1,467,319	100%
2007	1,463,687	1,463,687	100%
2006	1,468,053	1,468,053	100%

(1) Beginning with FY 1994-95, the City of Stanton elected the Teeter Plan for property tax distribution in which the City receives the entire secured levy in the current fiscal year, whether paid or not and the County retains the penalties and interest on delinquent taxes.

Source: County of Orange, Auditor-Controller

City of Stanton
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	2011 Tax Allocation Bonds Series A	2011 Tax Allocation Bonds Series B	2010 Tax Allocation Bonds Series A	2005 Tax Allocation Bonds Series A	2005 Tax Allocation Bonds Series B	1993 Tax Allocation Refunding Bonds	Countywide Revenue Bonds	Total Primary Government ¹	Percentage of Personal Income	Debt Per Capita
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2014	-	-	-	-	-	-	-	-	0.00%	-
2013	-	-	-	-	-	-	-	-	0.00%	-
2012	-	-	-	-	-	-	-	-	0.00%	-
2011	14,838,831	12,080,145	25,283,645	15,356,469	9,150,330	-	-	76,709,420	3.98%	2,008.84
2010	-	-	-	14,995,271	8,969,446	2,480,000	-	26,444,717	1.36%	664.46
2009	-	-	-	15,183,372	9,111,933	2,720,000	-	27,015,305	1.41%	684.28
2008	-	-	-	15,988,378	9,626,770	2,950,000	-	28,565,148	1.38%	670.15
2007	-	-	-	16,184,040	9,778,891	3,170,000	-	29,132,931	1.43%	693.86
2006	-	-	-	16,369,690	9,921,024	3,375,000	45,000	29,710,714	1.49%	738.07
2005	-	-	-	-	-	3,570,000	90,000	3,660,000	0.20%	94.30
2004	-	-	-	-	-	3,755,000	130,000	3,885,000	0.23%	100.61

Sources:

Personal Income - Regional Information System, Bureau of Economic Analysis, U.S. Department of Commerce
Santa-Ana-Anaheim-Irvine, CA Metropolitan Division
City of Stanton, Administrative Services Department

¹ As of February 1, 2012, tax allocation bond liabilities were transferred to the Successor Agency to the City of Stanton Redevelopment Agency

City of Stanton
Direct and Overlapping Debt
As of June 30, 2015

	Percentage Applicable	Outstanding Debt 6/30/2015 ¹	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
Metropolitan Water District	0.098%	\$ 110,420,000	\$ 108,212
Coast Community College District	0.435%	609,598,698	2,651,754
North Orange County Joint Community College District	1.674%	187,039,001	3,131,033
Anaheim Union High School District	3.003%	151,308,955	4,552,886
Garden Grove Unified School District	5.385%	243,995,160	13,139,139
Savanna School District	31.378%	41,708,730	13,087,365
Magnolia School District	14.884%	16,993,305	2,529,284
Total Overlapping Tax and Assessment Debt		1,361,063,849	39,199,673
Overlapping General Fund Debt:			
Orange County General Fund Obligations	0.488%	98,906,000	482,661
Orange County Pension Obligations	0.488%	366,854,623	1,790,251
Orange County Board of Education Certificates of Participation	0.488%	15,190,000	74,127
Municipal Water District of O.C. Water Facilities Corp.	0.577%	5,360,000	30,927
Anaheim Union High School District Certificates of Participation	3.009%	35,478,095	1,067,536
North Orange County Regional Occupation Program Certificates of Participation	1.062%	10,450,000	110,979
Total Gross Overlapping General Fund Debt		532,238,718	3,556,481
Less: MWDOC Water Facilities Corp (100% self-supporting)		5,360,000	30,927
Total Net Overlapping General Fund Debt		526,878,718	3,525,554
Total Overlapping Debt		1,887,942,567	42,725,227
Successor Agency to the Stanton Redevelopment Agency Direct Debt		75,640,000	74,625,000
Total Direct and Overlapping Debt		\$ 1,963,582,567	\$ 117,350,227

(1) Overlapping debt excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

City of Stanton
Legal Debt Margin Information
Last Ten Fiscal Years

	2015	2014	2013	2012	2011
Debt limit	\$ 86,156,541	\$ 79,285,119	\$ 77,765,687	\$ 77,373,474	\$ 76,579,195
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ 86,156,541	\$ 79,285,119	\$ 77,765,687	\$ 77,373,474	\$ 76,579,195
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Debt Limit Calculation:

Assessed value	\$ 2,297,507,749	\$ 2,114,269,847	\$ 2,073,751,661	\$ 2,063,292,635	\$ 2,042,111,872
Debt limit percentage	3.75%	3.75%	3.75%	3.75%	3.75%
Debt limit	\$ 86,156,541	\$ 79,285,119	\$ 77,765,687	\$ 77,373,474	\$ 76,579,195

Note:

Under state finance law, the City of Stanton's outstanding general obligation debt should not exceed 3.75 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds

Source: City of Stanton, Administrative Services Department.

2010	2009	2008	2007	2006
\$ 77,655,576	\$ 82,342,038	\$ 81,906,624	\$ 571,770,468	\$ 493,830,691
-	-	-	-	-
\$ 77,655,576	\$ 82,342,038	\$ 81,906,624	\$ 571,770,468	\$ 493,830,691
0.00%	0.00%	0.00%	0.00%	0.00%
\$ 2,070,815,355	\$ 2,195,787,669	\$ 2,184,176,627	\$ 1,972,744,247	\$ 1,774,669,851
3.75%	3.75%	3.75%	3.75%	3.75%
\$ 77,655,576	\$ 82,342,038	\$ 81,906,624	\$ 73,977,909	\$ 66,550,119

City of Stanton
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Increment	1993 Tax Allocation Refunding Bonds		Tax Allocation Bonds, 2005 Series A		Tax Allocation Bonds, 2005 Series B	
		Debt Service		Debt Service (1)		Debt Service (1)	
		Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2014	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2012	10,989,535	-	-	-	-	-	-
2011	10,994,664	-	-	235,000	782,740	175,000	387,532
2010	11,390,416	240,000	141,700	225,000	792,640	170,000	393,482
2009	12,365,248	230,000	154,508	215,000	802,100	160,000	399,082
2008	12,524,284	220,000	166,770	205,000	811,120	155,000	404,507
2007	11,177,700	205,000	178,351	200,000	819,920	155,000	409,933
2006	8,852,808	195,000	189,251	190,000	828,280	145,000	415,007
2005	7,380,156	185,000	199,606	-	-	-	-

The City has chosen to show only nine years of data for this schedule.

The liabilities for these outstanding bonds were transferred to the Successor Agency to the Stanton Redevelopment Agency on February 1, 2012

Source: City of Stanton Administrative Services Department, Bond Official Statements

Tax Allocation Bonds, 2010 Series A			Tax Allocation Bonds, 2011 Series A		Tax Allocation Bonds, 2011 Series B		
Debt Service (1)			Debt Service (1)		Debt Service (1)		
Principal	Interest		Principal	Interest	Principal	Interest	Coverage
\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	-
-	-		-	-	-	-	-
-	-		-	-	-	-	-
-	-		-	-	-	-	-
270,000	1,189,883		-	985,292	-	786,591	2.28
-	-		-	-	-	-	5.80
-	-		-	-	-	-	6.31
-	-		-	-	-	-	6.38
-	-		-	-	-	-	5.68
-	-		-	-	-	-	4.51
-	-		-	-	-	-	19.19

City of Stanton
Demographic and Economic Statistics
Last Ten Calendar Years

Fiscal Year	Population	Housing Units	City Annual Unemployment Rate	Total Personal Income In thousands	Per Capita Personal Income ¹	Personal Income Percent Change from Preceding Period
2015	39,219	11,328	5.3%	Not Available	Not Available	Not Available
2014	38,963	11,299	8.3%	Not Available	Not Available	Not Available
2013	38,764	11,296	10.1%	1,877,147	\$ 48,425	1.4%
2012	38,498	11,276	12.2%	1,838,010	47,743	6.3%
2011	38,186	11,283	13.8%	1,714,437	44,897	-7.9%
2010	39,799	11,236	15.3%	1,940,599	48,760	0.3%
2009	39,480	11,199	15.1%	1,919,676	48,624	-7.8%
2008	39,276	11,161	8.7%	2,070,631	52,720	0.7%
2007	38,981	11,087	6.6%	2,040,344	52,342	1.9%
2006	38,761	11,079	6.3%	1,990,726	51,359	8.3%
2005	38,812	11,071	5.9%	1,840,349	47,417	7.0%

Sources:

Population and Housing Units - California Department of Finance; 2010 U.S. Census Bureau

Unemployment Rate - State of California, Employment Development Department - Sept. Preliminary

<http://www.labormarketinfo.edd.ca.gov/>

Personal Income and Per Capital Personal Income - Regional Information System, Bureau of Economic Analysis, U.S. Department of Commerce
 Santa Ana-Anaheim-Irvine, CA Metropolitan Division (City of Stanton information is not available)

<http://www.bea.gov/regional/>

¹ - Prior to 2011, Orange County data was used

Price and Population Information - State of California, Department of Finance - 2014-2015 data

City of Stanton
Principal Employers
Current and Nine Years Prior

Employer	Number of Employees	Number of Employees
	2015	2006
Rowntree Gardens (formerly Quaker Gardens)	312	n/a
Sam's Club	200	219
USS Cal Builders	200	65
CR &R	190	255
Home Depot	144	n/a
All Metals Processing	132	n/a
Adventure City	100	100
Custom Pipe & Coupling	120	n/a
Food 4 Less	68	46
City of Stanton	53	45
Cameron Welding Supply	40	40
Primus Inc.	48	n/a
Orco Block	42	50
Acapulco Restaurants	37	n/a
Wal-Mart Neighborhood Market	90	n/a
Albertson's	n/a	173
Savon Osco Drug Stores	n/a	28

Source: City of Stanton, Administrative Services Department
 Business License and City Budget

The City does not track total employment within the City limits

n/a - not available

City of Stanton
Full-time and Part-time City Employees by Function
Last Ten Fiscal Years

Department	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
City Council	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
City Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
City Clerk	2.5	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Administrative Services	6.3	5.3	4.5	4.0	5.5	5.5	6.5	6.5	6.5	5.5
Community Development	9.0	7.5	7.5	7.5	10.5	10.5	11.5	12.5	12.5	12.5
Parks and Recreation (Full-Time)	6.0	6.5	6.5	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Public Works	7.8	7.5	7.5	6.5	9.0	10.5	10.0	9.0	9.0	9.0
Redevelopment Services	-	-	-	-	2.0	2.0	2.0	2.0	2.0	2.0
Total	35.0	33.3	32.5	31.5	41.5	43.0	44.5	44.5	44.5	43.5

NOTE:

City Attorney, Police and Fire are contracted services

Council members and part-time employees are counted as 1/2 of a full-time employee

Source: City of Stanton Budget documents

City of Stanton
Operating Indicators by Function
Last Ten Fiscal Years

Department	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
City Council										
Public Meetings held	39	31	27	28	34	50	48	47	48	25
Ordinances adopted	7	10	16	14	8	4	9	9	12	8
Resolutions adopted	47	51	33	41	61	36	35	41	51	47
City Attorney										
Ordinances prepared	7	10	11	17	30	4	9	9	12	25
Resolutions prepared	47	51	5	44	61	36	35	41	51	8
Contracts prepared	75	50	n/a	n/a	n/a	n/a	n/a	13	12	12
City Clerk										
Public Meetings held	39	36	27	28	50	50	48	47	48	25
Ordinances processed and published	7	10	16	14	4	4	9	9	12	8
Resolutions processed and published	47	51	33	41	36	36	35	41	51	47
Public Records Requests processed	301	217	189	127	76	55	45	-	-	-
Contracts Processed	75	50	204	175	216	48	-	-	-	-
City Manager										
Staff reports prepared	10	10	17	29	32	28	25	20	45	29
Letters written	35	31	63	41	54	73	40	35	65	55
Memos written	28	30	34	42	22	63	65	75	75	70
City Council meetings	39	31	26	28	34	50	48	47	27	25
Administrative Services										
Cash Receipts processed	7,572	7,001	6,356	6,858	6,894	6,760	7,127	6,521	5,000	4,698
Warrants processed	2,333	2,219	2,171	2,131	2,653	2,571	2,720	6,521	2,900	2,817
Manual warrants processed	-	-	-	-	-	-	-	-	140	182
Payroll checks processed	1,141	1,365	1,106	1,603	1,680	1,709	1,787	1,580	1,200	1,162
Journal entries processed	296	252	255	316	246	245	249	304	350	343
Audit adjustments	-	-	-	-	1	-	-	-	-	1
Business licenses processed	1,974	1,788	1,497	1,590	1,450	1,493	1,519	1,403	1,600	1,551
Parking citation refunds	12	22	23	21	38	55	53	41	35	30

City of Stanton
Operating Indicators by Function, Continued
Last Ten Fiscal Years

Department	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police Services										
Cases assigned to general crime investigators	1,421	1283	1464	1,535	n/a	n/a	n/a	n/a	2,562	2,340
Directed enforcement shifts deployed each week	3	1.5	4	4	n/a	n/a	n/a	n/a	0	11.6
Average response time in minutes to emergency life threatening calls	4:03	3:53	3:28	5:48	n/a	n/a	n/a	n/a	5:35	n/a
Shifts of traffic enforcement in high accident and residential areas per week	1	0.17	0	0	n/a	n/a	n/a	n/a	0.3	1.4
Schools receiving school programs	2	2	2	4	n/a	n/a	n/a	n/a	0	6
Fire Protection ¹										
Paramedic calls responded to	2,540	2,283	2,141	1,994	n/a	1,681	n/a	1,691	1,572	1,666
Fire calls responded to	41	38	55	52	n/a	49	n/a	50	73	66
Other calls responded to	532	558	682	628	n/a	671	n/a	677	658	636
Fire inspections made	505	485	224	231	n/a	766	n/a	552	550	834
Students receiving fire safety education programs	175	145	140	380	n/a	43	n/a	1,636	1,583	620
Adults receiving fire safety education programs	75	60	50	1,044	n/a	n/a	n/a	1,712	1,526	227
Plan checks completed	48	57	45	45	n/a	80	n/a	107	80	59

City of Stanton
Operating Indicators by Function, Continued
Last Ten Fiscal Years

Department	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Planning										
Administrative permits	5	5	6	7	3	5	10	10	4	13
Preliminary plan review	3	0	1	0	0	1	n/a	6	0	10
Entitlements	13	11	8	35	9	20	16	20	27	17
Environmental	13	16	11	29	12	16	21	24	24	17
Home Occupation permits	17	27	19	24	14	13	25	21	24	20
Land divisions	1	3	1	4	3	1	2	0	5	3
Landscape plan check	0	2	2	5	0	1	0	0	0	0
Sign permits	48	42	25	21	21	36	40	51	40	55
Plan Checks (Over-the-Counter)	74	31	38	40	10	n/a	n/a	n/a	n/a	n/a
Building										
Building plan reviews	108	148	61	38	34	42	35	58	70	86
Building permits	338	262	211	244	274	432	267	325	600	473
Electrical permits	227	173	114	90	90	142	141	182	132	170
Mechanical permits	152	102	70	68	97	110	80	95	116	86
Plumbing permits	154	126	112	90	74	119	158	142	110	149
Inspections for compliance ²	-	-	7	153	129	111	114	140	150	151
Parking Control										
Citations	6,277	6,335	6,478	6,118	6,677	8,434	8,597	8,769	10,343	10,225
Vehicles towed	255	243	137	137	105	118	274	341	286	190
Engineering										
Value of capital projects initiated	\$11M	\$0.9M	\$1.6M	\$5.7M	\$2.6M	\$6 M	\$12.2M	\$6.7M	\$4.6M	\$6.7 M
Engineering plan checks	17	15	14	12	10	10	18	20	24	18
Permits issued	95	111	106	98	94	110	160	115	70	58
Value of competitive grants obtained	\$0.1M	\$0.4M	\$0.4M	\$1.0M	\$9.1M	\$1.0 M	\$6.0M	\$2.5M	\$2.2M	\$3.4 M
Capital project administered	7	4	7	7	8	10	18	15	12	11
Public Facilities										
Service requests	232	199	205	125	100	175	300	275	525	431
Unscheduled repairs	171	60	62	115	130	85	135	110	13	11
Buildings/Grounds Maintenance										
No. of service requests	112	70	68	103	72	50	n/a	990	1,106	805
HVAC service calls	7	14	16	2	2	1	n/a	n/a	n/a	11
Parks Maintenance										
Service requests	112	65	43	20	27	44	475	432	500	1,042
Unscheduled repairs	8	10	3	62	72	38	125	125	8	5

City of Stanton
Operating Indicators by Function, Continued
Last Ten Fiscal Years

Department	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Street Maintenance										
Potholes repaired	15	17	10	67	73	80	71	80	82	118
Service requests	815	799	109	325	260	237	186	302	270	244
Tonnage of asphalt placed	8	6	6	5	3	6	4	4	4	8
Storm drain inlets cleaned	183	183	183	177	147	145	142	160	145	145
Service calls for drainage issues	2	6	2	1	6	20	10	n/a	n/a	n/a
Parks and Recreation										
Senior clients served	2,425	2,800	2,400	2,500	2,450	2,400	2,300	2,300	2,200	2,200
Facility uses during year -rental	32	87	32	36	36	36	36	36	36	36
Facility uses during year non-rental	500	760	500	470	502	485	490	480	520	520
Inquiries regarding facility use	900	1000	915	900	915	815	800	800	810	700
Commission meetings	11	0	0	8	11	11	11	11	11	11
Attendees at Commission meetings	12	0	0	48	70	70	60	60	55	100
Youth Outreach Svs. Participation	2,300	3,000	2,200	3,800	2,800	2,600	2,500	2,400	2,200	1,800
After school program participation	2,100	3,119	1,500	7,500	7,500	6,000	5,600	5,600	5,400	5,200
Info & referral inquiries answered	22,100	22,500	22,000	22,000	22,000	20,000	19,000	13,000	12,500	9,400
Youth/multi-generation participation	5,100	4,500	5,000	8,500	8,300	8,200	8,200	8,000	8,000	7,700
Info inquiries received Norm Ross	20	20	25	22	20	15	12	10	20	25
Volunteers assisting Department	450	550	400	650	600	400	270	270	250	250
Tutoring participation	600	750	600	700	675	500	400	400	360	365
Teen programs	100	200	-	400	400	350	300	300	300	270
Special interest class participation	5,200	5,420	5,000	7,500	8,400	7,600	7,400	7,200	5,800	5,500
Norm Ross sports facility usage ³	1,500	7,000	8,000	8,000	8,000	8,200	8,100	8,200	7,500	7,500
Pre-school program participants	725	625	700	700	700	650	510	510	510	475
City wide special events participants	12,500	12,000	12,000	23,000	25,000	25,000	30,000	30,000	32,000	20,000
Summer Day Camp Program participi	125	180	-	-	80	80	75	-	-	-
Community foundation Meeting Atte	15	15	15	15	15	15	15	-	-	-

NOTES:

¹ Beginning in 2007-08, the OCFA began staffing Truck 46 with a second firefighter for a total of 4 personnel. This was done to meet the performance expectations during emergencies. This has had no fiscal impact to the City.

² In fiscal year 2012-13 the business license process was trimmed, removing the requirement of Investigations for Compliance

³ The Norm Ross sports facility has been closed since September 2014.

Source: City Departments & budget documents

City of Stanton
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police										
Station	1	1	1	1	1	1	1	1	1	1
Fire										
Station	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	44	44	44	44	44	44	44	44	44	44
Alleys (square feet)	326,000	326,000	326,000	326,000	326,000	326,000	326,000	326,000	326,000	326,000
Curbs and gutters (linear feet)	439,736	439,736	439,736	439,736	439,736	439,736	439,736	439,736	439,736	439,736
Sidewalks (square feet)	2,339,372	2,339,372	2,339,372	2,339,372	2,339,372	2,339,372	2,339,372	2,339,372	2,339,372	2,339,372
Streetlights	1,295	1,295	1,295	1,295	1,295	1,295	1,281	1,281	1,281	1,281
Traffic signals	15	15	15	15	20	20	20	20	20	20
Storm drain system (linear feet)	26,889	26,889	26,889	26,889	26,889	25,758	25,758	25,758	25,758	25,758
Parks and Recreation										
Parks	9	9	9	9	9	8	8	7	6	6
Community Center	3	3	3	3	3	3	2	2	2	2
Library										
Branch	1	1	1	1	1	1	1	1	1	1
Sewer										
Sewer lines (miles)	40	40	40	40	40	40	40	40	40	40

Source: City Budget Documents City Capital Asset List

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**SUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY
(A PRIVATE-PURPOSE TRUST FUND OF
THE CITY OF STANTON, CALIFORNIA)**

**WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

FOR THE YEAR ENDED JUNE 30, 2015

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

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June 30, 2015

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INDEPENDENT AUDITORS' REPORT

Oversight Board of the Successor Agency
to the Stanton Redevelopment Agency
Stanton, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Successor Agency to the Stanton Redevelopment Agency (the Successor Agency) as of and for the year ended June 30, 2015, and the related notes to the basic financial statements, which collectively comprise the Successor Agency'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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 auditors' 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 auditors consider internal control relevant to the Successor Agency'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 Successor Agency'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 opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Successor Agency as of June 30, 2015 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1a, the financial statements present only the Successor Agency and do not purport to, and do not fairly present, the financial position of the City of Stanton, California as of June 30, 2015 and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 6, the Asset Transfer Review performed by the State Controller's Office should have resulted in a transfer of land into the Successor Agency from the City of Stanton in fiscal year 2013-2014. Accordingly, net position has been restated to reflect this transfer. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, on our consideration of the Successor Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Successor Agency's internal control over financial reporting and compliance.



Irvine, California
November 30, 2015

BASIC FINANCIAL STATEMENTS

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2015

ASSETS:

CURRENT ASSETS:

Cash and investments held by City of Stanton (Note 2)	\$ 14,200,171
Interest receivable	2,227
Notes and loans receivable (Note 3)	23,072
Restricted assets:	
Cash held by fiscal agent (Note 2)	14,435,157
TOTAL CURRENT ASSETS	<u>28,660,627</u>

NONCURRENT ASSETS:

Capital assets, not being depreciated	10,192,858
TOTAL NONCURRENT ASSETS	<u>10,192,858</u>

TOTAL ASSETS	<u>38,853,485</u>
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LIABILITIES:

CURRENT LIABILITIES:

Accounts payable	1,829
Interest payable	357,984
Tax allocation bonds, current portion (Note 4)	1,850,000
TOTAL CURRENT LIABILITIES	<u>2,209,813</u>

LONG-TERM LIABILITIES:

Advance from the City of Stanton	7,189,010
Tax allocation bonds (Note 4)	71,865,683
TOTAL LONG-TERM LIABILITIES	<u>79,054,693</u>

TOTAL LIABILITIES	<u>81,264,506</u>
-------------------	-------------------

NET POSITION:

Net investment in capital assets	10,192,858
Net deficit held in trust	<u>(52,603,879)</u>
TOTAL NET POSITION	<u>\$ (42,411,021)</u>

See accompanying notes to basic financial statements.

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the year ended June 30, 2015

ADDITIONS:

Taxes	\$ 7,200,326
Investment income	56,364
TOTAL ADDITIONS	<u>7,256,690</u>

DEDUCTIONS:

Urban development	240,673
Contractual services	33,545
Interest and fiscal charges	4,576,341
TOTAL DEDUCTIONS	<u>4,850,559</u>

CHANGE IN NET POSITION	2,406,131
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NET POSITION - JULY 1, 2014, AS RESTATED (NOTE 6)	<u>(44,817,152)</u>
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NET POSITION - JUNE 30, 2015	<u><u>\$ (42,411,021)</u></u>
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See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES:

a. Reporting Entity:

The Stanton Redevelopment Agency (the “Former RDA” or the “Successor Agency”) was established pursuant to the State of California Health and Safety Code, Section 33000 entitled “Community Redevelopment Law”. The primary purpose of the Former RDA was to prepare and carry out plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City. On December 29, 2011, the California Supreme Court upheld Assembly Bill 1x 26 that provided for the dissolution of all redevelopment agencies in the State of California as of February 1, 2012, at which time the City of Stanton took over as the Successor Agency.

The assets and liabilities of the Former RDA were transferred to the Successor Agency on February 1, 2012 as a result of the dissolution of the Former RDA. The Successor Agency acts in a fiduciary capacity to wind down the affairs of the Former RDA which includes disposing of the assets and liabilities and is reported as a private purpose trust fund. (See Note 5 for additional information).

The financial statements present only the Successor Agency and do not purport to, and do not fairly present, the financial position of the City of Stanton, California as of June 30, 2015 and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

b. Basis of Presentation:

Fiduciary Fund:

Private-Purpose Trust Fund - This fund is used to account for the assets, liabilities, additions and deductions made on behalf of the Former RDA.

c. Measurement Focus and Basis of Accounting:

Measurement Focus:

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

The financial statements are presented using the economic resources measurement focus. Under the economic measurement focus, all (both current and long-term) economic resources are reported in the financial statements.

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

c. Measurement Focus and Basis of Accounting (Continued):

Basis of Accounting:

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements.

The financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Successor Agency gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

d. New Accounting Pronouncements:

Current Year Standards:

GASB 68 - *“Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27”*, required to be implemented in the current fiscal year did not impact the Successor Agency.

GASB 69 - *“Government Combinations and Disposals of Government Operations”*, required to be implemented in the current fiscal year did not impact the Successor Agency.

GASB 71 - *“Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68”*, required to be implemented in the current fiscal year did not impact the Successor Agency.

Pending Accounting Standards:

GASB has issued the following statements which may impact the Successor Agency’s financial reporting requirements in the future:

- GASB 72 - *“Fair Value Measurement and Application”*, effective for periods beginning after June 15, 2015.

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

d. New Accounting Pronouncements (Continued):

Pending Accounting Standards (Continued):

- GASB 73 - “*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*”, effective for periods beginning after June 15, 2015 - except for those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for periods beginning after June 15, 2016.
- GASB 74 - “*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*”, effective for periods beginning after June 15, 2016.
- GASB 75 - “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*”, effective for periods beginning after June 15, 2017.
- GASB 76 - “*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*”, effective for periods beginning after June 15, 2015.

e. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. The Successor Agency does not have deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Successor Agency does not have deferred inflows of resources.

f. Investments:

Investments are stated at fair value (quoted market price or best available estimate thereof).

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

g. Property Tax Calendar:

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

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

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the agencies based on complex formulas prescribed by state statutes. The Successor Agency will be allocated its share of property taxes based on its need to pay for enforceable obligations as defined in AB 1x26 as modified by AB 1484.

h. Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. CASH AND INVESTMENTS:

Cash and Investments:

The Successor Agency's cash and investments are presented on the accompanying statement of net position as follows:

Cash and investments held by City of Stanton	\$ 14,200,171
Restricted cash held by fiscal agent	<u>14,435,157</u>
Total Cash and Investments	<u>\$ 28,635,328</u>

At June 30, 2015, cash and investments consisted of deposits and investments as follows:

Deposits	\$ 14,200,171
Cash with fiscal agent	<u>14,435,157</u>
Total Cash and Investments	<u>\$ 28,635,328</u>

Equity in Cash and Investments Pool of the City of Stanton:

A portion of the Successor Agency's cash and investments are maintained in an investment pool managed by the City of Stanton. The Successor Agency is a voluntary participant in that pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City of Stanton. The Successor Agency has not adopted an investment policy separate from that of the City of Stanton. The fair value of the Successor Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Successor Agency's pro-rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis.

At June 30, 2015 the City was holding \$14,200,171 in cash and investments on deposit for the Successor Agency which is reflected in the City's Basic Financial Statements. The monies on deposit with the City of Stanton are not categorized.

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

2. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by Debt Agreements:

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City of Stanton's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	None	None	None
United States Government Sponsored Agency Securities	None	None	None
Banker's Acceptances	270 days	None	None
Commercial Paper	180 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None
Interest-bearing Deposit Accounts	N/A	None	None

N/A - Not Applicable

At June 30, 2015, substantially all cash with fiscal agent of \$14,435,157 was held in interest-bearing deposit accounts.

Disclosures Relating to Interest Rate Risk:

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 of Stanton manages its exposure to interest rate 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.

At June 30, 2015, the Successor Agency held cash with fiscal agent in interest-bearing deposit accounts in the amount of \$14,435,157 under the bond indentures that was available on demand.

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. CASH AND INVESTMENTS (CONTINUED):

Disclosures Relating to Interest Rate Risk (Continued):

Information about the Successor Agency's exposure to interest rate risk as a result of its equity in the cash and investment pool of the City of Stanton in the amount of \$14,200,171 is provided by disclosures in the notes to the basic financial statements of the City of Stanton that shows the distribution of the City's investments by maturity.

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. The minimum ratings required by (where applicable) the California Government Code and the City of Stanton's Investment Policy and the actual ratings as of year-end for the investment in the City of Stanton is provided by disclosures in the notes to the basic financial statements of the City of Stanton. Restricted cash held in interest-bearing deposit accounts is held in a trust and is not rated.

Concentration of Credit Risk:

Investments in any one issuer (other than U.S. Treasury securities, mutual funds and investment pools) that represent 5% or more of total investments for the entire entity (or for each separate major fund or for other governmental funds in the aggregate) are disclosed in the notes to the basic financial statements of the City of Stanton.

Custodial Credit Risk:

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

2. CASH AND INVESTMENTS (CONTINUED):

Custodial Credit Risk (Continued):

The California Government Code and the City of Stanton's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Successor Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Any deposits in excess of depository insurance limits at year end are collateralized by securities held at the depository financial institutions' trust department with the exception of cash held by fiscal agent. The cash with fiscal agent balance as of June 30, 2015 was neither insured by the Federal Deposit Insurance Corporation (FDIC) nor collateralized as required under California Law.

3. NOTES AND LOANS RECEIVABLE:

In April 2005, the Agency entered into a loan agreement with the Boys and Girls Club of Stanton to develop a new Teen Center. Under the terms of the agreement, the Agency loaned \$180,000 to the Boys and Girls Club. Annual payments of interest and principal shall be forgiven at the end of each 12 month period that the Boys and Girls Club of Stanton continues operations. The note commenced on June 16, 2005 and bears interest at 6% per year. The total amount outstanding including accrued interest at June 30, 2015 was \$23,072.

4. LONG-TERM LIABILITIES:

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

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015	Due Within One Year	Due in More Than One Year
Bonds Payable:						
Tax allocation bonds, (TAB)						
2005 Series A	\$ 14,730,000	\$ -	\$ (270,000)	\$ 14,460,000	\$ 280,000	\$ 14,180,000
TAB, 2005 Series B	8,675,000	-	(195,000)	8,480,000	200,000	8,280,000
Less: Issuance discounts	(151,552)	-	7,217	(144,335)	-	(144,335)
TAB, 2010 Series A	24,425,000	-	(315,000)	24,110,000	875,000	23,235,000
Add: Bond premium	3,268	-	(126)	3,142	-	3,142
TAB, 2011 Series A	15,330,000	-	(235,000)	15,095,000	245,000	14,850,000
TAB, 2011 Series B	12,480,000	-	-	12,480,000	250,000	12,230,000
Less: Issuance discounts	(798,849)	-	30,725	(768,124)	-	(768,124)
Total Bonds Payable	<u>\$ 74,692,867</u>	<u>\$ -</u>	<u>\$ (977,184)</u>	<u>\$ 73,715,683</u>	<u>\$ 1,850,000</u>	<u>\$ 71,865,683</u>

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

4. LONG-TERM LIABILITIES (CONTINUED):

Tax Allocation Bonds, 2005 Series A:

On July 1, 2005, the Agency issued Tax Allocation Bonds, 2005 Series A, in the amount of \$16,500,000. The purpose of the Bonds was to finance redevelopment activities of the Agency within, or of benefit to, the Agency's Stanton Consolidated Redevelopment Project, fund a portion of the reserve fund for the Bonds, and provide for the costs of issuing Series A Bonds.

The Bonds bear interest rates between 4.40% to 5.20% due June 1 and December 1 of each year and mature December 1, 2035. The Bonds maturing on or after December 1, 2016, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2015, as a whole or in part at a redemption price equal to the principal amount of Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The Bonds are subject to mandatory sinking account redemption in amounts ranging from \$190,000 to \$1,070,000 as outlined in the official statements.

Tax revenues are pledged for the payment of principal and interest on the Bonds until the Bonds and any Parity Debt have been paid, or until monies have been set-aside irrevocably for that purpose. A reserve account has been established to be held by the Trustee to further secure the timely payment of principal and interest on the Bonds. The amount required to be maintained by the trustee for the Bonds is \$1,261,450. At June 30, 2015, this reserve was fully funded with a balance of \$1,264,031.

The outstanding balance of the Bonds was \$14,460,000 at June 30, 2015.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 280,000	\$ 732,360	\$ 1,012,360
2017	305,000	718,575	1,023,575
2018	315,000	703,075	1,018,075
2019	565,000	681,075	1,246,075
2020	590,000	652,200	1,242,200
2021 - 2025	3,160,000	2,788,250	5,948,250
2026 - 2030	3,570,000	1,957,935	5,527,935
2031 - 2035	4,605,000	900,770	5,505,770
2036	<u>1,070,000</u>	<u>27,820</u>	<u>1,097,820</u>
Totals	<u>\$ 14,460,000</u>	<u>\$ 9,162,060</u>	<u>\$ 23,622,060</u>

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

4. LONG-TERM LIABILITIES (CONTINUED):

Taxable Tax Allocation Bonds, 2005 Series B:

On July 1 2005, the Agency issued Tax Allocation Bonds, 2005 Series B, in the amount of \$10,000,000. The purpose of the Bonds was to finance redevelopment activities of the Agency within or of benefit to the Agency's Stanton Consolidated Redevelopment Project, fund the remaining portion of the reserve fund for the Bonds, and provide for the costs of issuing the Series B Bonds.

The Bonds bear interest rates between 3.50% to 4.25% due June 1 and December 1 of each year and mature December 1, 2035. The Bonds maturing on or after December 1, 2016, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2015, as a whole or in part at a redemption price equal to the principal amount of Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The Bonds are subject to mandatory sinking account redemption in amounts ranging from \$430,000 to \$580,000 as outlined in the official statements.

The Tax Revenues are pledged for the payment of principal and interest on the Bonds until the Bonds and any Parity Debt have been paid, or until monies have been set-aside irrevocably for that purpose. A reserve account has been established to be held by the Trustee to further secure the timely payment of principal and interest on the Bonds. The amount required to be maintained by the trustee for the Bonds is \$698,766. At June 30, 2015, this reserve was fully funded with a balance of \$701,903.

The outstanding balance of the Bonds was \$8,480,000 at June 30, 2015.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 200,000	\$ 358,208	\$ 558,208
2017	215,000	350,630	565,630
2018	220,000	342,473	562,473
2019	355,000	331,370	686,370
2020	370,000	317,048	687,048
2021 - 2025	1,925,000	1,342,543	3,267,543
2026 - 2030	2,065,000	929,538	2,994,538
2031 - 2035	2,550,000	426,066	2,976,066
2036	<u>580,000</u>	<u>13,048</u>	<u>593,048</u>
Totals	<u>\$ 8,480,000</u>	<u>\$ 4,410,924</u>	<u>\$ 12,890,924</u>

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

4. LONG-TERM LIABILITIES (CONTINUED):

Tax Allocation Bonds, 2010 Series A:

On October 28, 2010, the Agency issued Tax Allocation Bonds, 2010 Series A, in the amount of \$25,280,000. The purpose of the Bonds was to refinance certain outstanding obligations of the Agency, finance public facilities, capitalize a portion of interest with respect to the Bonds, satisfy the reserve requirement of the Bonds, and provide for the costs of issuing the Bonds.

The Bonds bear interest rates between 2.00% to 5.00% due June 1 and December 1 of each year and mature December 1, 2040. The Bonds maturing on or after December 1, 2021, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2020, as a whole or in part at a redemption price equal to the principal amount of Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The Bonds are subject to mandatory sinking account redemption in amounts ranging from \$565,000 to \$2,095,000 as outlined in the official statements.

Tax revenues are pledged for the payment of principal and interest on the Bonds until the Bonds and any Parity Debt have been paid, or until monies have been set-aside irrevocably for that purpose. A reserve account has been established to be held by the Trustee to further secure the timely payment of principal and interest on the Bonds. The amount required to be maintained by the trustee for the Bonds is \$1,561,680. At June 30, 2015, this reserve was fully funded with a balance of \$1,561,914.

The outstanding balance of the Bonds was \$24,110,000 at June 30, 2015.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 875,000	\$ 1,053,444	\$ 1,928,444
2017	880,000	1,027,119	1,907,119
2018	915,000	995,619	1,910,619
2019	410,000	969,119	1,379,119
2020	425,000	952,419	1,377,419
2021 - 2025	2,820,000	4,481,069	7,301,069
2026 - 2030	4,190,000	3,757,350	7,947,350
2031 - 2035	3,390,000	2,904,081	6,294,081
2036 - 2040	8,110,000	1,676,216	9,786,216
2041	<u>2,095,000</u>	<u>52,375</u>	<u>2,147,375</u>
Totals	<u>\$ 24,110,000</u>	<u>\$ 17,868,811</u>	<u>\$ 41,978,811</u>

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

4. LONG-TERM LIABILITIES (CONTINUED):

Taxable Housing Tax Allocation Bonds, 2011 Series A:

On March 1, 2011, the Agency issued Tax Allocation Bonds, 2011 Series A, in the amount of \$15,330,000. The purpose of the Bonds was to finance low-and moderate-income housing activities of the Agency, satisfy the reserve requirement for the Bonds, and provide for the costs of issuing the Bonds.

The Bonds bear interest rates between 4.85% to 9.00% due June 1 and December 1 of each year and mature December 1, 2040. The Bonds maturing on or after December 1, 2022, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2021, as a whole or in part at a redemption price equal to the principal amount of Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The Bonds are subject to mandatory sinking account redemption in amounts ranging from \$385,000 to \$1,065,000 as outlined in the official statements.

Housing tax revenues are pledged for the payment of principal and interest on the Bonds until the Bonds and any Parity Debt have been paid, or until monies have been set-aside irrevocably for that purpose. A reserve account has been established to be held by the Trustee to further secure the timely payment of principal and interest on the Bonds. The amount required to be maintained by the trustee for the Bonds is \$1,474,364. At June 30, 2015, this reserve was fully funded with a balance of \$1,474,585.

The outstanding balance of the Bonds was \$15,095,000 at June 30, 2015.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 245,000	\$ 1,295,587	\$ 1,540,587
2017	260,000	1,281,050	1,541,050
2018	275,000	1,264,312	1,539,312
2019	295,000	1,245,418	1,540,418
2020	315,000	1,224,438	1,539,438
2021 - 2025	1,955,000	5,708,569	7,663,569
2026 - 2030	2,945,000	4,668,638	7,613,638
2031 - 2035	4,525,000	3,013,875	7,538,875
2036 - 2040	3,450,000	1,192,950	4,642,950
2041	<u>830,000</u>	<u>37,350</u>	<u>867,350</u>
Totals	<u>\$ 15,095,000</u>	<u>\$ 20,932,187</u>	<u>\$ 36,027,187</u>

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

4. LONG-TERM LIABILITIES (CONTINUED):

Taxable Tax Allocation Bonds, 2011 Series B:

On March 1, 2011, the Agency issued Tax Allocation Bonds, 2011 Series B, in the amount of \$12,480,000. The purpose of the Bonds was to finance redevelopment activities of the Agency within, or of benefit to, the Agency's Stanton Consolidated Redevelopment Project Area, repay the outstanding loan from the City, together with accrued interest thereon, satisfy the reserve requirement for the Bonds, and provide for the costs of issuing the Bonds.

The Bonds bear interest rates between 5.50% to 9.00% due June 1 and December 1 of each year and mature December 1, 2030. The Bonds maturing on or after December 1, 2022, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2021, as a whole or in part at a redemption price equal to the principal amount of Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The Bonds are subject to mandatory sinking account redemption in amounts ranging from \$535,000 to \$1,400,000 as outlined in the official statements.

Tax revenues are pledged for the payment of principal and interest on the Bonds until the Bonds and any Parity Debt have been paid, or until monies have been set-aside irrevocably for that purpose. A reserve account has been established to be held by the Trustee to further secure the timely payment of principal and interest on the Bonds. The amount required to be maintained by the trustee for the Bonds is \$1,348,929. At June 30, 2015, this reserve was fully funded with a balance of \$1,349,131.

The outstanding balance of the Bonds was \$12,480,000 at June 30, 2015.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 250,000	\$ 1,041,912	\$ 1,291,912
2017	310,000	1,025,738	1,335,738
2018	330,000	1,005,712	1,335,712
2019	535,000	974,925	1,509,925
2020	575,000	933,300	1,508,300
2021 - 2025	3,620,000	3,883,997	7,503,997
2026 - 2030	5,460,000	1,940,034	7,400,034
2031	<u>1,400,000</u>	<u>63,000</u>	<u>1,463,000</u>
Totals	<u>\$ 12,480,000</u>	<u>\$ 10,868,618</u>	<u>\$ 23,348,618</u>

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

4. LONG-TERM LIABILITIES (CONTINUED):

Issuance Discount:

The following is a summary of bond issuance discount at June 30, 2015:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
2005 Tax Allocation Bonds	\$ (151,552)	\$ -	\$ 7,217	\$ (144,335)
2011 Tax Allocation Bonds	(798,849)	-	30,725	(768,124)
Total	<u>\$ (950,401)</u>	<u>\$ -</u>	<u>\$ 37,942</u>	<u>\$ (912,459)</u>

Amortization expense for the year ended June 30, 2015 was \$37,942.

Issuance Premium:

The following is a summary of bond issuance premium at June 30, 2015:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
2010 Tax Allocation Bonds	<u>\$ 3,268</u>	<u>\$ -</u>	<u>\$ (126)</u>	<u>\$ 3,142</u>

Amortization expense for the year ended June 30, 2015 was \$126.

Advances:

The City of Stanton advanced a total of \$8,586,029 to the Successor Agency to the Stanton Redevelopment Agency. A loan of \$4,500,000 was made for purposes of carrying out activities of the Former Redevelopment Project Area. Another loan of \$4,086,029 was made for the purposes of paying the SERAF payment required by the State. The interest portion of the advance was calculated using the LAIF rate effective for the corresponding years through June 30, 2013. The City does not charge interest on the advance after June 30, 2013. Total accrued interest on the advance totals \$63,322 as of June 30, 2015. The outstanding balance as of June 30, 2015 was \$7,189,010.

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

5. COMMITMENTS AND CONTINGENCIES:

Recent Changes in Legislation Affecting California Redevelopment Agencies:

On June 29, 2011, Assembly Bills 1x 26 (the “Dissolution Act”) and 1x 27 were enacted as part of the fiscal year 2011-12 state budget package.

On June 27, 2012, as part of the fiscal year 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing the Dissolution Act.

Under the Dissolution Act, each California redevelopment agency (each a “Dissolved RDA”) was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. A Successor Agency was created for each Dissolved RDA which is the sponsoring community of the Dissolved RDA unless it elected not to serve as the Successor Agency. On January 10, 2012, the City elected to serve as the Successor Agency of the Stanton Redevelopment Agency.

The Dissolution Act also created oversight boards which monitor the activities of the successor agencies. The roles of the successor agencies and oversight boards is to administer the wind down of each Dissolved RDA which includes making payments due on enforceable obligations, disposing of the assets (other than housing assets) and remitting the unencumbered balances of the Dissolved RDAs to the County Auditor-Controller for distribution to the affected taxing entities.

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. If the sponsoring community does not elect to become the Successor Housing Agency and assume the Dissolved RDA’s housing functions, such housing functions and all related housing assets will be transferred to the local housing authority in the jurisdiction. AB 1484 modified and provided some clarifications on the treatment of housing assets under the Dissolution Act. The Housing Authority elected on January 10, 2012 to serve as the Housing Successor Agency.

After the date of dissolution, the housing assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in the Housing Authority special revenue fund in the financial statements of the City. All other assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

5. COMMITMENTS AND CONTINGENCIES (CONTINUED):

Recent Changes in Legislation Affecting California Redevelopment Agencies (Continued):

The Dissolution Act and AB 1484 also establish roles for the County Auditor-Controller, the California Department of Finance (the "DOF") and the California State Controller's office in the dissolution process and the satisfaction of enforceable obligations of the Dissolved RDAs.

The County Auditor-Controller is charged with establishing a Redevelopment Property Tax Trust Fund (the "RPTTF") for each Successor Agency and depositing into the RPTTF for each six-month period the amount of property taxes that would have been redevelopment property tax increment had the Dissolved RDA not been dissolved. The deposit in the RPTTF fund is to be used to pay to the Successor Agency the amounts due on the Successor Agency's enforceable obligations for the upcoming six-month period.

The Successor Agency is required to prepare a recognized obligation payment schedule (the "ROPS") approved by the oversight board setting forth the amounts due for each enforceable obligation during each six month period. The ROPS is submitted to the DOF for approval. The County Auditor-Controller will make payments to the Successor Agency from the RPTTF fund based on the ROPS amount approved by the DOF. The ROPS is prepared in advance for the enforceable obligations due over the next six months.

The process of making RPTTF deposits to be used to pay enforceable obligations of the Dissolved RDA will continue until all enforceable obligations have been paid in full and all non-housing assets of the Dissolved RDA have been liquidated.

6. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS:

Restatement of the Successor Agency to the Stanton Redevelopment Agency Private-Purpose Trust Fund's net position as of July 1, 2014, is as follows:

Net position at July 1, 2014, as originally reported	\$ (51,269,857)
Transfer of land from the City to the Successor Agency as required by the SCO Asset Transfer Review	<u>6,452,705</u>
Net position at July 1, 2014, as restated	<u>\$ (44,817,152)</u>

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

7. SUBSEQUENT EVENTS:

In preparing these financial statements, the Successor Agency has evaluated events and transactions for potential recognition or disclosure through November 30, 2015, the date the financial statements were available to be issued.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Oversight Board of the Successor Agency
to the Stanton Redevelopment Agency
Stanton, California

We have audited, in accordance with the 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, the financial statements of the Successor Agency to the Stanton Redevelopment Agency (the Successor Agency) as of and for the year ended June 30, 2015, and the related notes to the basic financial statements, which collectively comprise the Successor Agency's basic financial statements, and have issued our report thereon dated November 30, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Successor Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Successor Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Successor Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Successor Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Successor Agency's financial statements are free from material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Successor Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Successor Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

White Nelson Dickel Evans LLP

Irvine, California
November 30, 2015

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and
Members of the City Council
of the City of Stanton
Stanton, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City of Stanton, California (the City), as of and for the year ended June 30, 2015, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 30, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described below, that we consider to be a significant deficiency.

Internal Control over Financial Reporting (Continued)

Year-End Closing Procedures over Accounts Payable

Auditors' Comment and Recommendation

During our search for unrecorded liabilities, we noted that some invoices related to construction projects were not accrued as of year-end in accounts payable. An important part of the year-end closing process is ensuring the completeness of payables. We recommend the City review the process for determining invoices to accrue as of year-end and determine if modifications are necessary.

Management's Response

The City agrees with the recommendation and has reviewed the accrual process and made modifications.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described below.

Compliance with Senate Bill 341

Auditors' Comment and Recommendation

Senate Bill 341 (SB 341) requires all successor housing entities, starting with the fiscal year ended 2014, to comply with annual report requirements within six months after the end of each fiscal year. The annual report must be posted to the City's website and contain all of the required items as described in health and safety code section 34176.1 beginning with subsection (f). We noted the annual report for the successor housing entity posted to the City's website for fiscal year 2013-2014 did not contain all of the required items noted in health and safety code section 34176.1. We recommend the City implement policies and procedures to ensure reporting of all required elements for SB 341.

Management's Response

The City agrees with the recommendation and will ensure all required items are included in the annual report posted to the City's website.

City's Response to the Findings

The City's responses to the findings identified in our audit are described above. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

White Nelson Diehl Evans LLP

Irvine, California
November 30, 2015

To the Honorable Mayor and
Members of the City Council
of the City of Stanton
Stanton, California

We have audited the financial statements of the governmental activities, business-type activity, each major fund, and aggregate remaining fund information of the City of Stanton (the City) for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 5, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Stanton are described in Note 1 to the financial statements. As discussed in Notes 1E and 17 to the financial statements, the City has recorded the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the cost-sharing defined benefit pension plans due to the adoption of Governmental Accounting Standards Board's (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*". The adoption of these standards required retrospective application resulting in an \$8,549,339 and \$143,128 reduction of previously reported net position of the governmental activities and business-type activity, respectively. No other accounting policies were adopted and the application of other existing policies was not changed during the year ended June 30, 2015. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

The most sensitive estimates affecting the City's financial statements were as follows:

- a. Management's estimate of the fair market value of investments is based on market values provided by outside sources.
- b. Management's estimate of the value of capital assets (infrastructure assets) is based on industry standards.
- c. The estimated useful lives of capital assets for depreciation purposes are based on industry standards.
- d. The annual required contributions, pension expense, net pension liability and corresponding deferred outflows of resources and deferred inflows of resources for the City's public defined benefit plans with CalPERS are based on actuarial valuations provided by CalPERS.
- e. The annual required contribution and actuarial accrued liability for the City's Other Post-Employment Benefit Plan is based on certain actuarial assumptions and methods prepared by an outside consultant.
- f. Management's estimate of the claims payable liabilities related to general liability and worker's compensation claims are based on estimates by the claims administrators.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were reported in Note 11 regarding the CalPERS defined benefit plans, Note 12 regarding the City's other post-employment benefit plan, and Note 17 regarding the restatement of prior year financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. As a result of our audit related testwork, we proposed no corrections to the financial statements that, in our judgment, had a significant effect on the City's financial reporting process.

Significant Audit Findings (Continued)

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 30, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of contributions - defined benefit pension plans, the schedule of funding progress - other post-employment benefit plan, and budgetary comparison schedules for the General Fund, Housing Authority Special Revenue Fund, Stanton Central Park Grant Special Revenue Fund, Measure M Special Revenue Fund, and Community Development Special Revenue Fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Matters (Continued)

We were engaged to report on the combining and individual non-major fund financial statements and schedules (supplementary information), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance.

Restriction on Use

This information is intended solely for the information and use of City Council and management of the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

White Nelson Dick Evans LLP

Irvine, California
November 30, 2015

CITY OF STANTON, CALIFORNIA

APPROPRIATIONS LIMIT WORKSHEET NO. 6

**WITH INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT WORKSHEET**

FOR THE YEAR ENDED JUNE 30, 2015

INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES APPLIED
TO APPROPRIATIONS LIMIT WORKSHEET

To the Honorable Mayor and
Members of the City Council
of the City of Stanton
Stanton, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet No. 6 of the City of Stanton, California for the year ended June 30, 2015. These procedures, which were agreed to by the City of Stanton, California and the League of California Cities (as presented in the League publication entitled "Article XIII-B Appropriations Limit Uniform Guidelines") were performed solely to assist the City of Stanton, California in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The City of Stanton's management is responsible for the Appropriations Limit Worksheet No. 6.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed Worksheet No. 6 for the year ended June 30, 2015, and compared the limit and annual adjustment factors included in that worksheet to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheet to those that were selected by a recorded vote of the City Council.

No exceptions were noted as a result of our performing this procedure.

2. For the accompanying Appropriations Limit Worksheet No. 6, we added last year's limit to the total adjustments, and compared the resulting amount to this year's limit. We also recalculated the adjustment factor and the adjustment for inflation and population, and compared the results to the amounts on Worksheet No. 6.

No exceptions were noted as a result of our performing this procedure.

3. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet No. 6 to the prior year appropriations limit adopted by the City Council for the prior year.

No exceptions were noted as a result of our performing this procedure.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit Worksheet No. 6. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled "Article XIII-B Appropriations Limit Uniform Guidelines".

This report is intended solely for the information and use of the City Council and management of the City of Stanton, California and is not intended to be, and should not be, used by anyone other than these specified parties.

White Nelson Dick Evans LLP

Irvine, California
November 30, 2015

CITY OF STANTON

APPROPRIATIONS LIMIT WORKSHEET NO. 6

For the year ended June 30, 2015

Appropriations limit for fiscal year ended June 30, 2014 (see Note 2) \$ 46,601,786

Adjustment factors for the fiscal year ended June 30, 2015 (see Note 2):

Inflation Factor (Note 3)	Population Factor (Note 4)	Combined Factor	
1.00870000	1.00930000	1.01808091	x 0.01808091
Adjustment for inflation and population			842,603
Other adjustments (Note 5)			<u>-</u>
Total adjustments			<u>842,603</u>
Appropriations limit for fiscal year ended June 30, 2015			<u>\$ 47,444,389</u>

See accompanying Notes to Appropriations Limit Worksheet No. 6

CITY OF STANTON

NOTES TO APPROPRIATIONS LIMIT WORKSHEET NO. 6

For the year ended June 30, 2015

1. PURPOSE OF LIMITED PROCEDURES REVIEW:

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII B, the annual calculation of the appropriations limit is subject to a limited procedures review in connection with the annual audit.

2. METHOD OF CALCULATION:

Under Section 10.5 of Article XIII B, for fiscal years beginning on or after July 1, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed at Notes 3 and 4 below.

3. INFLATION FACTORS:

A California governmental agency may adjust its appropriations limit by either the annual percentage change in the 4th quarter per capita personal income (which percentages are supplied by the State Department of Finance), or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the City of Stanton (the City) for fiscal year 2014-2015 represents the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction.

4. POPULATION FACTORS:

A California governmental agency may adjust its appropriations limit by either the annual percentage change of the jurisdiction's own population, or the annual percentage change in population in the County where the jurisdiction is located. The factor adopted by the City for fiscal year 2014-2015 represents the annual percentage change in population for the County in which City is located.

5. OTHER ADJUSTMENTS:

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The City had no such adjustments for the year ended June 30, 2015.

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: December 8, 2015

SUBJECT: EXTENSION OF CONTRACT FOR TOWING SERVICES

REPORT IN BRIEF:

On November 26, 2013, the City Council approved towing contracts for four tow companies located in the City. The contracts were for a 24-month period ending December 1, 2015 and allowed for two one-year extensions. The City Council is being requested to approve contract amendments to allow for the first of these one-year extensions for the three companies still in operation.

RECOMMENDED ACTION:

1. Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.
2. City Council approve the First Amendment to the Non-Exclusive Towing Services Agreement and award a 1-year contract extension to Southland Towing/Action Towing, Russell's Towing and Golden Touch Auto Body and Towing; and
3. Authorize the City Manager to enter into a contract with selected towing firms.

BACKGROUND:

The City's Neighborhood Services (Code Enforcement and Parking Control) Division currently tows vehicles in the City for a variety of reasons. These include, but are not limited to vehicles that are: damaged, disabled, obstructing traffic flow, blocking driveways or portions thereof, blocking fire-hydrants, have five or more unpaid parking tickets, expired registration, parked in excess of 72 hours, or parked in disabled spaces.

On November 26, 2013, the City Council approved towing agreements with four in-City companies to provide towing services. These companies included: Southland Towing/Action Towing, Russell's Towing, Golden Touch Auto Body and Towing and ExperTow. The term of the original contracts was from December 1, 2013 to December 1, 2015, with the option of two one-year extensions.

ANALYSIS/JUSTIFICATION:

The City of Stanton Neighborhood Services Division tows approximately 244 vehicles a year. Continued contractual agreements with selected towing firms would ensure that this important public service will continue in an expeditious and efficient manner.

In order to select qualified firms to complete nonconsensual tows for the Neighborhood Services Division, in 2013 the City released a Request for Proposals (RFP) to the four towing companies located in the City: Southland Towing/Action Towing, ExperTow, Russell's Towing and Golden Touch Auto Body and Towing. Based on the proposals received and interviews with each of the four towing companies, the City Council ultimately approved contracts with each of the four firms. The original contracts were for a two year period and allowed for two extensions of up to a year each. The term of the original contracts ended on December 1, 2015. If approved, the First Amendment to the agreements would extend the contracts to December 1, 2016. Of the four firms, three are still operational and in good standing. ExperTow is no longer in business and as such, a contract amendment has not been prepared.

FISCAL IMPACT:

The City receives \$90 per each towed vehicle which offsets the costs associated with Code Enforcement/Parking Control Staff's time.

ENVIRONMENTAL IMPACT:

In accordance with the requirements of the CEQA, this project has been determined to be exempt under Section 15061(b)(3).

LEGAL REVIEW:

The City Attorney's office has reviewed the contracts amendments and staff report.

PUBLIC NOTIFICATION:

Notifications were performed through normal agenda process.

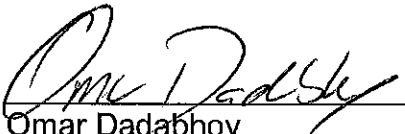
STRATEGIC PLAN OBJECTIVE ADDRESSED:

5 - Provide a high quality of life.

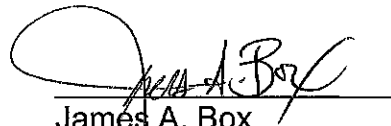
Prepared By:

Concurred By:

Approved By:


Omar Dadabhoy
Community and Economic
Development Director

Matthew E. Richardson
City Attorney


James A. Box
City Manager

Attachment:

- A. First Amendment to Non-Exclusive Towing Services Agreement with Southland Towing/Action Towing, Russell's Towing, and Golden Touch Auto Body and Towing

CITY OF STANTON

**FIRST AMENDMENT TO
NON-EXCLUSIVE TOWING SERVICES AGREEMENT**

1. PARTIES AND DATE.

This First Amendment to the Non-Exclusive Towing Services Agreement ("First Amendment") is entered into on the 8th day of December, 2015, by and between the City of Stanton, a municipal corporation, organized under the laws of the State of California, with its principal place of business at 7800 Katella Avenue, Stanton, CA 90680 ("City") and Southland Towing/Action Towing, a partnership, with its principal place of business at 7600 Industrial Way, Stanton, CA 90680. City and Southland Towing/Action Towing are sometimes individually referred to herein as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Agreement. The Parties entered into that certain towing services agreement, dated November 26, 2013 ("Agreement").

2.2 First Amendment. The Parties now desire to amend the Agreement in order to renew the term of the Agreement.

3. TERMS.

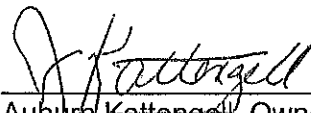
3.1 Term. Pursuant to Section 3 of the Agreement, the Parties hereby extend the original term of the Agreement for an additional, one year term, or from December 1, 2015 to December 1, 2016, which term shall be subject to all provisions in the Agreement and this First Amendment.

3.2 Remaining Provisions of Agreement. Except as otherwise specifically set forth in this First Amendment, the remaining provisions of the Agreement shall remain in full force and effect.

CITY OF STANTON

By: _____
James A. Box, City Manager

Southland Towing/Action Towing

By:  _____
Joanne Kattengell, Owner
JOANNE KATTENGELL, OWNER

ATTEST:

By: _____
Patricia A. Vazquez, City Clerk

By: _____

APPROVED AS TO FORM:

By: _____
Best Best & Krieger LLP
City Attorney

By: _____

CITY OF STANTON

**FIRST AMENDMENT TO
NON-EXCLUSIVE TOWING SERVICES AGREEMENT**

1. PARTIES AND DATE.

This First Amendment to the Non-Exclusive Towing Services Agreement ("First Amendment") is entered into on the 8th day of December, 2015, by and between the City of Stanton, a municipal corporation, organized under the laws of the State of California, with its principal place of business at 7800 Katella Avenue, Stanton, CA 90680 ("City") and Russell's Towing, a sole proprietorship, with its principal place of business at 8210 Monroe Avenue, Stanton, CA 90680. City and Russell's Towing are sometimes individually referred to herein as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Agreement. The Parties entered into that certain towing services agreement, dated November 26, 2013 ("Agreement").

2.2 First Amendment. The Parties now desire to amend the Agreement in order to renew the term of the Agreement.

3. TERMS.

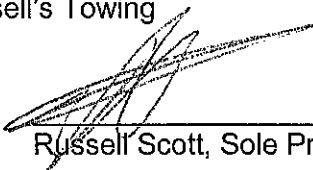
3.1 Term. Pursuant to Section 3 of the Agreement, the Parties hereby extend the original term of the Agreement for an additional, one year term, or from December 1, 2015 to December 1, 2016, which term shall be subject to all provisions in the Agreement and this First Amendment.

3.2 Remaining Provisions of Agreement. Except as otherwise specifically set forth in this First Amendment, the remaining provisions of the Agreement shall remain in full force and effect.

CITY OF STANTON

Russell's Towing

By: _____
James A. Box, City Manager

By:  _____
Russell Scott, Sole Proprietor

ATTEST:

By: _____
Patricia A. Vazquez, City Clerk

By: _____

APPROVED AS TO FORM:

By: _____
Best Best & Krieger LLP
City Attorney

By: _____

CITY OF STANTON

**FIRST AMENDMENT TO
NON-EXCLUSIVE TOWING SERVICES AGREEMENT**

1. PARTIES AND DATE.

This First Amendment to the Non-Exclusive Towing Services Agreement ("First Amendment") is entered into on the 8th day of December, 2015, by and between the City of Stanton, a municipal corporation, organized under the laws of the State of California, with its principal place of business at 7800 Katella Avenue, Stanton, CA 90680 ("City") and Golden Touch Auto Body and Towing, a corporation, with its principal place of business at 8151 Katella Avenue, Stanton, CA 90680. City and Golden Touch Auto Body and Towing are sometimes individually referred to herein as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Agreement. The Parties entered into that certain towing services agreement, dated November 26, 2013 ("Agreement").

2.2 First Amendment. The Parties now desire to amend the Agreement in order to renew the term of the Agreement.

3. TERMS.

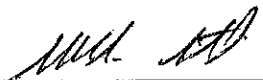
3.1 Term. Pursuant to Section 3 of the Agreement, the Parties hereby extend the original term of the Agreement for an additional, one year term, or from December 1, 2015 to December 1, 2016, which term shall be subject to all provisions in the Agreement and this First Amendment.

3.2 Remaining Provisions of Agreement. Except as otherwise specifically set forth in this First Amendment, the remaining provisions of the Agreement shall remain in full force and effect.

CITY OF STANTON

Golden Touch Auto Body and Towing

By: _____
James A. Box, City Manager

By: _____
Mehdi Motadi, Owner

ATTEST:

By: _____
Patricia A. Vazquez, City Clerk

By: _____

APPROVED AS TO FORM:

By: _____
Best Best & Krieger LLP
City Attorney

By: _____

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: December 8, 2015

**SUBJECT: ESTABLISHMENT OF A FEE FOR THE PROCESSING OF DONATION
COLLECTION BOX PERMIT APPLICATIONS**

REPORT IN BRIEF:

On November 24, 2015, the City Council gave second reading of Ordinance No. 1042, to adopt new land use regulations for donation collection boxes. As part of the new regulations, a permit application must be filed with the Community Development Director for the proposed location and operation of collection boxes. This resolution would establish a fee to recover the costs associated with the permit processing for this new application.

RECOMMENDED ACTION:

1. Conduct a public hearing;
2. Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(4) – The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
3. That the City Council adopt Resolution No. 2015-43 establishing a permit fee for processing of donation collection box permit applications.

BACKGROUND:

On November 24, 2015, the City Council gave second reading of Ordinance No. 1042, which replaced the City's existing ban on donation collection boxes with a set of regulations that allows the boxes to be placed in certain locations in the City. As part of Ordinance No. 1042, prior to the placement of any collection boxes, an application must be submitted to the Community Development Director to ensure compliance with the City's newly adopted regulations. Resolution No. 2015-43 would establish the fee for said application.

ANALYSIS/JUSTIFICATION:

Section 20.435.050, as added per Ordinance No. 1042, establishes the requirements of application submittal, review, and processing for donation collection boxes and the

requirement that the applicant pay a fee, per City Council resolution. As part of the application processing, a number of items must be submitted to the Community Development Director, such as proof that the property owner has consented to the boxes' placement on the property and information on the donation box (e.g., dimensions, elevations, and signage details).

In developing the fee, Staff anticipates that there will be 3 hours of staff time needed to process the application by one of the City's Associate Planners, 0.75 hours of staff time from an Administrative Clerk and 1 hour from the Community Development Director in making a final determination. Based on Staff's fully burdened rates for these positions and the estimated time to process the applications, a fee of \$360 is proposed, as detailed below:

Staff Position	Time Required	Cost Basis	Total Cost
Associate Planner	3 hours	\$65.54/hour	\$196.62
Administrative Clerk	.75 hours	\$48.27/hour	\$36.20
Community Dev. Director	1 hour	\$126.48/hour	\$126.48
Total			\$359.30 Rounded to \$360

FISCAL IMPACT:

The proposed fee would cover, but not exceed, the estimated reasonable cost of providing the service for which the fee is charged. The fee would be established as a cost recovery mechanism.

ENVIRONMENTAL IMPACT:

In accordance with the requirements of the CEQA, this project has been determined to be exempt under Section 15378(b)(4).


PUBLIC NOTIFICATION:

Public notice for this item was posted in a newspaper of local circulation twice within a fourteen-day period prior to the meeting, posted in three public places, and made available through the regular agenda process. Per Government Code section 66016, the public notice noted that at least 10 days before the Council meeting, the City made publicly available the data indicating the proposed fee amount that would be paid for by donation collection box applicants.

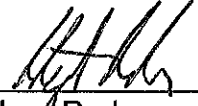
STRATEGIC PLAN OBJECTIVE ADDRESSED:

4 – Ensure Fiscal Stability and Efficiency in Governance.

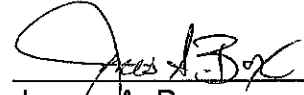
Prepared By:


Omar Dadabhoy
Community and Economic
Development Director

Reviewed By:


Stephen Parker
Administrative Services
Director

Approved By:


James A. Box
City Manager

Attachment

A. Resolution No. 2015-43

RESOLUTION NO. 2015-43

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ADOPTING A FEE FOR THE PROCESSING OF DONATION COLLECTION BOX PERMIT APPLICATIONS IN THE CITY

WHEREAS, in May of 2003, the City Council of the City of Stanton adopted Ordinance No. 1016, which prohibited the placement, operation, maintenance, ownership and control of donation collection boxes in the City; and

WHEREAS, the City Council of the City of Stanton has taken steps to amend the Stanton Municipal Code based on the Sixth Circuit Court of Appeal's ruling in *Planet Aid v. City of St. Johns* (2015) 782 F.3d 318, which found that donation collection boxes are protected under the First Amendment of the U.S. Constitution; and

WHEREAS, on November 24, 2015, the City Council gave second reading to Ordinance No. 1042, which will repeal the existing prohibition on donation collection boxes as part of Ordinance No. 1016, and will provide regulations that allow for the placement of the boxes in the City pursuant to an approved application submitted to and processed by the Community Development Director; and

WHEREAS, the City Council desires to recover all staff and related costs associated with the impacts of processing the donation collection box applications, in accordance with the City's cost recovery formula; and

WHEREAS, the City has determined that the time needed to process the applications includes 3 hours of time from a Planning Associate at \$65.54/hour, 0.75 hours of time from an Administrative Clerk at 48.27/hour, and 1 hour of time from the Community Development Director at \$126.48/hour; and

WHEREAS, the City has determined that the figure of \$360.00 represents the costs borne by the City in processing each donation collection box application based on the time and hourly rate of each staff member involved, and that the \$360.00 amount should be recovered through the establishment of a permit fee for each application; and

WHEREAS, pursuant to Government Code section 66016, the public notice noted that at least 10 days before this Council meeting, the City made publicly available the data indicating the proposed fee amount that would be paid for by donation collection box applicants; and

WHEREAS, it is the intention of the City Council that the permit fee set forth herein shall cover, but not exceed, the estimated reasonable cost of providing the service for which the fee is charged.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The City Council finds that this Resolution is not subject to the California Environmental Quality Act ("CEQA") pursuant to Section 15378(b)(4) as the project relates to the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Section 3. The permit fee for donation collection box applications in the City shall be \$360.00 per application, and the City is authorized to collect from each applicant the permit fee set forth herein.

Section 4. The \$360.00 permit fee shall be exclusive of, and in addition to other previously established fees charged by the City or other agencies.

Section 5. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council declares that the City Council would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. The documents and materials associated with this Resolution that constitute the record of proceedings on which these findings are based are located at Stanton City Hall, 7800 Katella Avenue, Stanton, California 90680. The Community and Economic Development Director is the custodian of the record of proceedings.

Section 7. Within five (5) working days after the passage and adoption of this Resolution, the City Council hereby authorizes and directs staff to prepare, execute and file with the Orange County Clerk a Notice of Exemption for the proposed project.

Section 8. This Resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED this 8th day of December, 2015.

A.A. ETHANS, MAYOR

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, CITY ATTORNEY

RESOLUTION NO. 2015-43

Page 2 of 3

ATTEST:

I, PATRICIA A. VAZQUEZ, City Clerk of the City of Stanton, California DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2015-43 has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the Stanton City Council, held on December 8, 2015, and that the same was adopted, signed and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA A. VAZQUEZ, CITY CLERK

ORDINANCE NO. 1043

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, AMENDING SECTIONS 20.315.010 'PURPOSE', 20.315.020 'APPLICABILITY', 20.315.050 'IRRIGATION PLANS AND WATER CONSERVATION STANDARDS', AND 20.315.080 'DEFINITIONS' OF CHAPTER 20.315 OF THE STANTON MUNICIPAL CODE REGARDING THE ADOPTION OF A WATER EFFICIENT LANDSCAPE ORDINANCE

WHEREAS, Governor Jerry Brown's Drought Executive Order No. B-29-15 mandates all local jurisdictions shall adopt a local water conservation ordinance at least as efficient in conserving water as the State model standards established by the Department of Water Resources; and,

WHEREAS, the waters of the State are of limited supply and are subject to ever increasing demands; and,

WHEREAS, the continuation of California's economic prosperity is dependent on the availability of adequate supplies of water for future uses; and,

WHEREAS, it is the policy of the State to promote the conservation and efficient use of water and to prevent the waste of this valuable resource; and,

WHEREAS, landscapes are essential to the quality of life in California by providing areas for active and passive recreation and as an enhancement to the environment by cleaning air and water, preventing erosion, offering fire protection, and replacing ecosystems lost to development; and,

WHEREAS, landscape design, installation, maintenance, and management can and should be water efficient; and,

WHEREAS, Article X, Section 2 of the California Constitution specifies that the right to use water is limited to the amount reasonably required for the beneficial use to be served, and the right does not and shall not extend to waste or unreasonable method of use of water; and,

WHEREAS, Current local design practices in new landscapes strive to achieve the intent of the State Model Water Efficient Landscape Ordinance water use goals; and,

WHEREAS, landscape plan submittal and review has been a long standing practice in the City of Stanton; and,

WHEREAS, the average rainfall in Orange County is approximately 12 inches per year; and,

WHEREAS, Chapter 20.315 of the Stanton Zoning Code (Title 20 of the Stanton Municipal Code) establishes the provisions for landscape and irrigation standards for all zones; and,

WHEREAS, it is the intent of the City Council to promote the reduction of, and efficient use of water in the city; and,

WHEREAS, the City's Water Efficient Landscape Ordinance has been drafted to meet the new requirements established in Governor Brown's Drought Executive Order (B-29-15) and at least as effective as the Sate Model; and,

WHEREAS, on November 18, 2015, the Planning Commission of the City of Stanton conducted a duly noticed public hearing and, at the conclusion thereof adopted Resolution No. 2377 thereby recommending that the City Council adopt this Ordinance and a Resolution adopting guidelines for the implementation of this Ordinance; and,

WHEREAS, on November 24, 2015, the City Council of the City of Stanton conducted a duly noticed public hearing regarding the Amendment; and,

WHEREAS, this Ordinance promotes water conservation efforts by requiring the installation of new landscape with an area of 500 square feet to be designed to not exceed the maximum applied water allowances; and,

WHEREAS, this Ordinance: (1) is consistent with, and furthers the goals of, the General Plan of the City of Stanton, the requirements of the State Planning and Zoning Laws (California Government Code §§ 65000 *et seq.*), and the Stanton Zoning Ordinance; (2) is in the interests of the general community welfare; and (3) is consistent with good zoning and planning practices; and,

WHEREAS, this Ordinance was reviewed in accordance with the requirements of the California Environmental Quality Act ("CEQA"), Public Resources Code section 21000 *et seq.*, the State CEQA Guidelines, 14 California Code of Regulations section 15000 *et seq.*, and the City Council has exercised its independent judgment and finds that the Ordinance is exempt from CEQA; and,

WHEREAS, all legal prerequisites prior to the adoption of this Ordinance have occurred,

THE CITY COUNCIL OF THE CITY OF STANTON DOES ORDAIN AS FOLLOWS:

SECTION 1: The City Council finds that all the facts, findings, and conclusions set forth above in this Ordinance are true and correct and incorporated herein by this reference.

SECTION 2: The City Council hereby determines that this Ordinance is exempt from environmental review under the California Environmental Quality Act (Pub. Resources Code, §§ 21000 et seq.) ("CEQA") and the State CEQA Guidelines (Cal. Code Regs., tit. 14, §§ 15000 et seq.). Pursuant to State CEQA Guidelines section 15061(b)(1), the Ordinance is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Here, it can be seen with certainty that the Ordinance, which will improve water savings and promote efficient landscapes in new developments and retrofitted landscapes, will not have a significant effect on the environment.

The Ordinance is also exempt pursuant to State CEQA Guidelines sections 15307 (the Class 7 exemption) and 15308 (the Class 8 exemption). The Class 7 and Class 8 exemptions apply to actions taken to assure the maintenance, restoration, enhancement, or protection of a natural resource or the environment, where the regulatory process involves procedures for protection of the environment. This Ordinance will result in the enhancement and protection of water resources in the City. The City Council further determines that none of the exceptions to the exemptions found in State CEQA Guidelines section 15000.2 apply.

Each of the above exemptions provides a fully independent ground upon which the Ordinance is exempt from further CEQA review.

SECTION 3: Section 20.315.010 of the Stanton Municipal Code is hereby amended in its entirety to read as follows:

"20.315.010 Purpose

This Chapter establishes requirements and standards for landscaping and irrigation to:

- A. Enhance the appearance of development projects; reduce heat and glare; control soil erosion; conserve water; screen potentially incompatible land uses; preserve the integrity of neighborhoods; improve air and water quality; and protect pedestrian and vehicular traffic and safety.
- B. Promote the benefits of consistent landscape ordinances with neighboring local and regional agencies;
- C. Promote the values and benefits of landscapes while recognizing the need to invest water and other resources as efficiently as possible;
- D. Establish a structure for planning, designing, installing, maintaining, and managing water efficient landscapes in new

construction and rehabilitated projects by encouraging the use of a watershed approach that requires cross-sector collaboration of industry, government, and property owners to achieve the many benefits possible;

E. Establish provisions for water management practices and water waste prevention for existing landscapes;

F. Use water efficiently without waste by setting a Maximum Applied Water Allowance as an upper limit for water use and reduce water use to the lowest practical amount; and

G. Encourage the use of economic incentives that promote the efficient use of water, such as implementing a budget-based tiered-rate structure, providing rebate incentives and offering educational programs.”

SECTION 4: Section 20.315.020 of the Stanton Municipal Code is hereby amended in its entirety to read as follows:

“20.315.020 Applicability

A. Landscaping required.

1. After December 1, 2015, and consistent with Executive Order No. B-29-15, this Chapter shall apply to all of the following landscape projects:

- (a) New development projects with an aggregate landscape area equal to or greater than 500 square feet requiring a building or landscape permit, plan check or design review;
- (b) Rehabilitated landscape projects with an aggregate landscape area equal to or greater than 2,500 square feet requiring a building or landscape permit, plan check, or design review;
- (c) Existing landscapes when alterations or expansions to existing nonresidential development or residential projects are proposed, to the greatest extent feasible, as determined by the Director. The approval of a discretionary application for alterations or expansions to an existing nonresidential development or residential projects may include conditions of approval requiring compliance with the requirements of this Chapter. This Chapter does not apply to changes of use

or interior tenant improvements that do not require discretionary approval; and

- (d) Cemeteries. Recognizing the special landscape management needs of cemeteries, new and rehabilitated cemeteries are limited to the provisions for new construction or rehabilitated landscapes of the *Guidelines*, including landscape and irrigation maintenance schedule and irrigation audit, irrigation survey and irrigation water use analysis. Existing cemeteries are limited to the provisions for existing landscapes of the *Guidelines*, including irrigation audit, irrigation survey and irrigation water use analysis.

2. Any project with an aggregate landscape area of 2,500 square feet or less may comply with the performance requirements of this Chapter or conform to the prescriptive measures contained in Appendix A of the *Guidelines*.

3. For projects using treated or untreated graywater or rainwater captured on site, any lot or parcel within the project that has less than 2500 sq. ft. of landscape and meets the lot or parcel's landscape water requirement (Estimated Total Water Use) entirely with treated or untreated graywater or through stored rainwater captured on site is subject only to Appendix A section 5 of the *Guidelines*.

4. This Chapter does not apply to:

- (a) Registered local, state or federal historical sites;
- (b) Ecological restoration projects that do not require a permanent irrigation system;
- (c) Mined-land reclamation projects that do not require a permanent irrigation system; or
- (d) Existing plant collections, as part of botanical gardens and arboretums open to the public.
- (e) Single-family residential land uses with landscaped areas of less than 5,000 square feet that are not developer-installed are exempt from this Chapter, except that regulations contained in Section 20.315.040.1 (Plant materials - Artificial turf) shall apply.

B. Irrigation required. See Section 20.315.050 (Irrigation Plans and Water Conservation Standards)."

SECTION 5: Section 20.315.050 of the Stanton Municipal Code is hereby amended in its entirety to read as follows:

“Chapter 20.315.050 Irrigation Plans and Water Conservation Standards

This Section establishes water-efficient landscape standards that are at least as effective as the State Model Water-Efficient Landscape Ordinance (MWELO) as required by Executive Order No. B-29-15.

A. Applicability.

1. New construction projects with an aggregate landscape area equal to or greater than 500 square feet, requiring a building or landscape permit, plan check or design review;
2. Rehabilitated landscape projects with an aggregate landscaped area equal to or greater than 2,500 square feet, requiring a building or landscape permit, plan check or design review;
3. New or rehabilitated landscape projects with an aggregate landscape area of 2,500 square feet or less may comply with the performance requirements of this ordinance or conform to the prescriptive measures contained in Appendix A of the *Guidelines*;
4. New or rehabilitated projects using treated or untreated greywater or rainwater capture on site, any lot or parcels within the project that has less than 2,500 square feet of landscape area and meets the lot or parcel's landscape water requirement (Estimated Total Water Use) entirely with the treated or untreated greywater or though stored rainwater capture on site is subject only to Appendix A of the *Guidelines*.
5. Section 20.315.050.C.2 of this chapter shall apply to:
 - a. All landscaped areas, whether installed prior to or after January, 1 2010; and
 - b. All landscaped areas installed after the adoption of this ordinance.

B. Implementation Procedures.

1. Prior to installation, a *Landscape Documentation Package* shall be submitted to the City for review and approval of all *landscape projects* subject to the provisions of this Water Efficient Landscape Ordinance. Any *Landscape Documentation Package* submitted to the City shall comply with the provisions of the *Guidelines*.

2. The *Landscape Documentation Package* shall include a certification by a professional appropriately licensed in the State of California stating that the landscape design and water use calculations have been prepared by or under the supervision of the licensed professional and are certified to be in compliance with the provisions of this Water Efficient Landscape Ordinance and the *Guidelines*.

a. Landscape and irrigation plans shall be submitted to the City for review and approval with appropriate water use calculations.

b. Water use calculations shall be consistent with calculations contained in the *Guidelines* and shall be provided to the local water purveyor, as appropriate, under procedures determined by the City.

3. Verification of compliance of the landscape installation with the approved plans shall be obtained through a Certification of Completion in conjunction with a Certificate of Use and Occupancy or Permit Final process, as provided in the *Guidelines*.

C. Landscape Water Use Standards.

1. For applicable landscape installation or rehabilitation projects subject to Section 20.315.050(A) of this Chapter, the *Estimated Applied Water Use* allowed for the *landscaped area* shall not exceed the *MAWA* calculated using an *ET adjustment factor* of 0.55 for residential areas and 0.45 for non-residential areas, exclusive of Special Landscape Areas. The ETAF for a landscape project is based on the plant factors and irrigation methods selected. The Maximum Applied Water Allowance is calculated based on the maximum ETAF allowed (0.55 for residential areas and 0.45 for non-residential areas) and expressed as annual gallons required. The Estimated Applied Water Use is calculated based on the plants used and irrigation method selected for the landscape design.

2. Irrigation of all *landscaped areas* shall be conducted in a manner conforming to the rules and requirements, and shall be subject to penalties and incentives for water conservation and water waste prevention as determined and implemented by the *local water purveyor* or as mutually agreed by *local water purveyor* and the local agency.

3. Irrigation systems for projects one acre or more in area shall use reclaimed water whenever reclaimed water is available to the site. Reclaimed water systems shall be subject to appropriate health standards. Recirculating water shall be used for any decorative water features."

SECTION 6: Section 20.315.080 of the Stanton Municipal Code is hereby amended in its entirety to read as follows:

"Aggregate landscape areas" pertains to the areas undergoing development as one project or for production home neighborhoods or other situations where multiple parcels are undergoing development as one project, but will eventually be individually owned.

"Applied water" means the portion of water supplied by the irrigation system to the landscape.

"Budget-based tiered-rate structure" means tiered or block rates for irrigation accounts charged by the retail water agency in which the block definition for each customer is derived from lot size or irrigated area and the evapotranspiration requirements of landscaping.

"Community Aesthetics Evaluation" – While not subject to a permit, plan check or design review, the Community Aesthetics Evaluation may be performed to ensure the aesthetic standards of the community and irrigation efficiency intent is maintained.

"Ecological restoration project" means a project where the site is intentionally altered to establish a defined, indigenous, historic ecosystem.

"Estimated Applied Water Use" means the average annual total amount of water estimated to be necessary to keep plants in a healthy state, calculated as provided in the *Guidelines*. It is based on the *reference evapotranspiration* rate, the size of the landscape area, *plant water use factors*, and the *relative irrigation efficiency* of the irrigation system.

"ET adjustment factor" or *"ETAF"* is equal to the *plant factor* divided by the *irrigation efficiency factor* for a *landscape project*, as described in the *Guidelines*. The *ETAF* is calculated in the context of local *reference evapotranspiration*, using site-specific *plant factors* and *irrigation efficiency factors* that influence the amount of water that needs to be applied to the specific *landscaped area*.

ETAF means a factor of 0.55 for residential areas and 0.45 for non-residential areas, that, when applied to reference evapotranspiration, adjusts for *plant factors* and *irrigation efficiency*, two major influences upon the amount of water that needs to be applied to the landscape. -The *ETAF* for new and existing (non-rehabilitated) *special landscape areas* shall not exceed 1.0. The *ETAF* for existing non-rehabilitated landscapes is 0.8.

"Guidelines" refers to the Guidelines for Implementation of the Water Efficient Landscape Ordinance, as adopted by the City Council by resolution (as it may be amended from time to time), which describes procedures, calculations, and requirements for *landscape projects* subject to this Water Efficient Landscape Ordinance.

"Hardscapes" means any durable material or feature (*pervious* and *non-pervious*) installed in or around a *landscaped area*, such as pavements or walls. Pools and

other *water features* are considered part of the *landscaped area* and not considered *hardscapes* for purposes of this Water Efficient Landscape Ordinance.

"Irrigation efficiency" means the measurement of the amount of water beneficially used divided by the amount of water applied. *Irrigation efficiency* is derived from measurements and estimates of irrigation system characteristics and management practices. The *irrigation efficiency* for purposes of this Water Efficient Landscape Ordinance are 0.75 for overhead spray devices and 0.81 for drip systems.

"Landscaped area" means all the planting areas, *turf* areas, and *water features* in a landscape design plan subject to the *Maximum Applied Water Allowance* and *Estimated Applied Water Use* calculations. The *landscaped area* does not include footprints of buildings or structures, sidewalks, driveways, parking lots, decks, patios, gravel or stone walks, other *pervious* or *non-pervious hardscapes*, and other non-irrigated areas designated for non-development (e.g., open spaces and existing native vegetation).

"Landscape contractor" means a person licensed by the State of California to construct, maintain, repair, install, or subcontract the development of landscape systems.

"Landscape Documentation Package" means the documents required to be provided to the City for review and approval of landscape design projects, as described in the *Guidelines*.

"Landscape project" means total area of landscape in a project, as provided in the definition of *"landscaped area,"* meeting the requirements under Section 1.1 of the *Guidelines*.

"Local agency" means a city or county, including a charter city or charter county, that is authorized to implement, administer, and/or enforce any of the provisions of the Water Efficient Landscape Ordinance. The *local agency* may be responsible for the enforcement or delegation of enforcement of this Water Efficient Landscape Ordinance including, but not limited to, design review, plan check, issuance of *permits*, and inspection of a *landscape project*.

"Local water purveyor" means any entity, including a public agency, city, county, or private water company that provides retail water service.

"Maximum Applied Water Allowance" or *"MAWA"* means the upper limit of annual *applied water* for the *established landscaped area* as specified in Section 2.2 of the *Guidelines*. It is based upon the area's *reference evapotranspiration*, the *ET Adjustment Factor*, and the size of the *landscaped area*. The *Estimated Applied Water Use* shall not exceed the *Maximum Applied Water Allowance*. $MAWA = (ET_o) (0.62) [(ETAF \times LA) + ((1-ETAF) \times SLA)]$

"Mined-land reclamation projects" means any surface mining operation with a reclamation plan approved in accordance with the Surface Mining and Reclamation Act of 1975.

"New construction" means, for the purposes of this Water Efficient Landscape Ordinance, a new building with a landscape or other new landscape such as a park, playground, or greenbelt without an associated building.

"Non-pervious" means any surface or natural material that does not allow for the passage of water through the material and into the underlying soil.

"Pervious" means any surface or material that allows the passage of water through the material and into the underlying soil.

"Permit" means an authorizing document issued by local agencies for *new construction or rehabilitated landscape*.

"Plant factor" or *"plant water use factor"* is a factor, when multiplied by *ET_o*, that estimates the amount of water needed by plants. For purposes of this Water Efficient Landscape Ordinance, the *plant factor* range for very low water use plants is 0 to 0.1; the *plant factor* range for low water use plants is 0.1 to 0.3; the *plant factor* range for moderate water use plants is 0.4 to 0.6; and the *plant factor* range for high water use plants is 0.7 to 1.0. *Plant factors* cited in this Water Efficient Landscape Ordinance are derived from the publication "Water Use Classification of Landscape Species." Plant factors may also be obtained from horticultural researchers from academic institutions or professional associations as approved by the California Department of Water Resources (DWR).

"Recycled water" or *"reclaimed water"* means treated or recycled waste water of a quality suitable for non-potable uses such as landscape irrigation and *water features*. This water is not intended for human consumption.

"Reference evapotranspiration" or *"ET_o"* means a standard measurement of environmental parameters which affect the water use of plants. *ET_o* is given expressed in inches per day, month, or year as represented in Appendix D of the *Guidelines*, and is an estimate of the evapotranspiration of a large field of four-to seven-inch tall, cool-season grass that is well watered. *Reference evapotranspiration* is used as the basis of determining the *Maximum Applied Water Allowances*.

"Rehabilitated landscape" means any re-landscaping project that meets the applicability criteria of Section 20.315.050.A where the modified landscape area is equal to or greater than 2,500 square feet.

"Smart irrigation controller" means an automatic irrigation controllers utilizing either evapotranspiration or soil moisture sensor data with non-volatile memory shall be required for irrigation scheduling in all irrigation systems, recommending U.S. EPA WaterSense labeled devices as applicable.

"Special landscape area" means an area of the landscape dedicated solely to edible plants such as orchards and vegetable gardens, areas irrigated with *recycled water*, *water features* using *recycled water*, and recreational areas.

"Turf" means a ground cover surface of mowed grass. Annual bluegrass, Kentucky bluegrass, Perennial ryegrass, Red fescue, and Tall fescue are cool-season grasses. Bermudagrass, Kikuyugrass, Seashore Paspalum, St. Augustinegrass, Zoysiagrass, and Buffalo grass are warm-season grasses.

"Valve" means a device used to control the flow of water in an irrigation system.

"Water feature" means a design element where open water performs an aesthetic or recreational function. *Water features* include ponds, lakes, waterfalls, fountains, artificial streams, spas, and swimming pools (where water is artificially supplied). The surface area of *water features* is included in the high water use *hydrozone* of the *landscaped area*. Constructed wetlands used for on-site wastewater treatment or stormwater best management practices that are not irrigated and used solely for water treatment or stormwater retention are not *water features* and, therefore, are not subject to the water budget calculation.

SECTION 7: Delegation. The City may delegate to, or enter into a contract with, a *local agency* to implement, administer, and/or enforce any of the provisions of the Water Efficient Landscape Ordinance on behalf of the City.

SECTION 8: Severability. If any section subsection subdivision sentence clause phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subdivision, sentence, clause, phrase, or portion thereof irrespective of the fact that anyone or more sections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional

SECTION 9: The City Clerk shall certify to the adoption of this Ordinance and cause same to be posted in the three (3) designated posting places within the City of Stanton within fifteen (15) days after its passage.

PASSED, APPROVED, AND ADOPTED, this 8th day of December, 2015.

ALEXANDER A. ETHANS, MAYOR

ATTEST:

PATRICIA A. VAZQUEZ, CITY CLERK

APPROVED AS TO FORM

MATTHEW E. RICHARDSON, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF _____)

I, PATRICIA A. VAZQUEZ, City Clerk of the City of Stanton, do hereby certify that foregoing Ordinance No. 1043 was duly and regularly adopted by the City Council of the City of Stanton at a regular meeting thereof on the 8th day of December, 2015 and that the same was passed and adopted by the following vote, to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

CITY CLERK, CITY OF STANTON