

CITY OF  
**Los Alamitos**  
*California*



Comprehensive Annual  
Financial Report  
Fiscal Year  
Ended June 30, 2013



**CITY OF LOS ALAMITOS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**CITY OF LOS ALAMITOS**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2013**

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**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2013**

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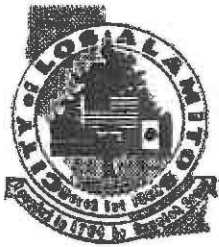
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# CITY OF LOS ALAMITOS



**Mayor:**  
Geri L. Graham-Mejia

**Mayor Pro Tem:**  
Richard D. Murphy

**Council Members:**  
Troy D. Edgar  
Dean Grose  
Warren Kusumoto

March 24, 2014,

## HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

It is my pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Los Alamitos (the City) for the fiscal year ended June 30, 2013.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the costs of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

The City's financial statements have been audited by Moss, Levy and Hartzheim, LLP, a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2013. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative, introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Los Alamitos' MD&A can be found immediately following the report of the independent auditors.

### City of Los Alamitos Profile

The City of Los Alamitos, which has a population of 11,474 and is 4.3 square miles, is located in the northwest section of Orange County.

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Los Alamitos, CA  
90720-5600

Telephone:  
(562) 431-3538

FAX (562) 493-1255

[www.cityoflosalamitos.org](http://www.cityoflosalamitos.org)

The City is strategically located in Southern California, 30 miles from downtown Los Angeles and 10 miles from Anaheim. The City is 10 miles northeast of the seaport terminal of Long Beach, and 13 miles northeast of the Port of Los Angeles. Neighboring communities include Long Beach, Seal Beach, Cypress and Garden Grove.

The City of Los Alamitos is a Charter City and was incorporated on March 1, 1960. The City has a Council-Manager form of government. The City Council is comprised of five members elected bi-annually to four-year alternating terms. The City Council annually elects a Mayor from its members. The City Council appoints the City Manager, who is responsible for the day-to-day administration and management of City business within all City departments. The City employs a staff of fifty full-time employees. The City has a contract with Mr. Cary S. Reisman for city attorney services.

The City provides many services, including police protection, construction and maintenance of streets and other infrastructure, public improvements, planning and zoning, recreational activities and cultural events, and general administrative and support services.

The annual budget serves as the foundation for the City's financial planning and control. The City Council holds public hearings and adopts an annual budget resolution for all funds. Adoption of the annual budget must occur prior to the conclusion of the prior fiscal year. The City Council may modify appropriations with majority approval. The budgets are adopted and presented on a basis consistent with generally accepted accounting principles.

Changes in budget appropriations at the fund level during the year must be approved by the City Council. The legal level of expenditures is controlled at the department level and appropriations lapse at the end of each fiscal year unless encumbered for re-appropriation by the City Council in the following fiscal year. The City Manager may, without Council approval, amend individual line items within any department, and between divisions and programs, in the personnel costs, maintenance and operations, capital outlay and capital projects portions of the budget without increasing total appropriations for any fund.

### **Economic Outlook**

The City of Los Alamitos' economic outlook for fiscal year 2013-14 is showing many signs of remaining stable. Although more than three years have passed since the technical end of the worst recession in memory, economic recovery has been slow. The City of Los Alamitos relies heavily on taxes, its primary source of revenue, comprising approximately 72% of all General Fund revenues. The majority of the tax revenues are collected from property taxes, sales taxes, and utility users' taxes. The City's sales tax revenues have remained stable, and we are expecting revenues to show a slight increase into the next fiscal year. The City's property tax revenues are expected to remain the same as FY12-13. The

City's third major tax revenue source, utility users' tax, is expected to be slightly lower, which is due to a one half percent reduction in the Telephone Users' Tax. While the City expects revenue sources to increase slightly during the upcoming fiscal year, we continue to be cautious with the City's financial resources, producing a balanced operating budget and maintaining vital services to the community.

### **Long-Term Financial Planning and Major Initiatives**

As of June 30, 2013, the City's General Fund spendable fund balance totaled \$7,855,210. Of this amount, \$2,800,000 is designated for emergency purposes to provide a source of funds in the event of an unexpected emergency and to fund extraordinary general liability and workers' compensation claims. An additional \$250,000 is assigned to expenditures pertaining to employee retirement benefits, and \$200,000 is set aside for the Los Alamitos Boulevard project.

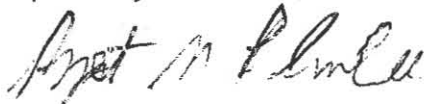
The City's Seven-Year Capital Improvement Program (CIP) concentrates on street and road-related projects, making up 50% of total capital projects. The City expects to continue work on the next phase of an extensive commercial street improvement project, as well as the completion of the construction of Coyote Creek Park.

Finally, the City of Los Alamitos prides itself on the many recreational opportunities afforded its residents. The City continues to improve its parks and recreational facilities with use of park development funds when the necessary criteria are met.

### **Acknowledgements**

The preparation and publication of this report would not have been possible without the dedication, professionalism, and teamwork of the entire staff of the Administrative Services Department. I would like to express my appreciation to all members of the department who assisted in its preparation. The City Council has continued to extend their support to the Administrative Services Department in the planning of responsible and progressive financial operations. I would like to thank the Mayor and City Council for their continued support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Bret M. Plumlee  
City Manager



## **CITY OF LOS ALAMITOS**

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### **DIRECTORY OF OFFICIALS**

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#### **CITY COUNCIL**

Gerri L. Graham-Mejia, Mayor  
Richard D. Murphy, Mayor Pro Tem  
Troy D. Edgar, Council Member  
Dean Grose, Council Member  
Warren Kusumoto, Council Member

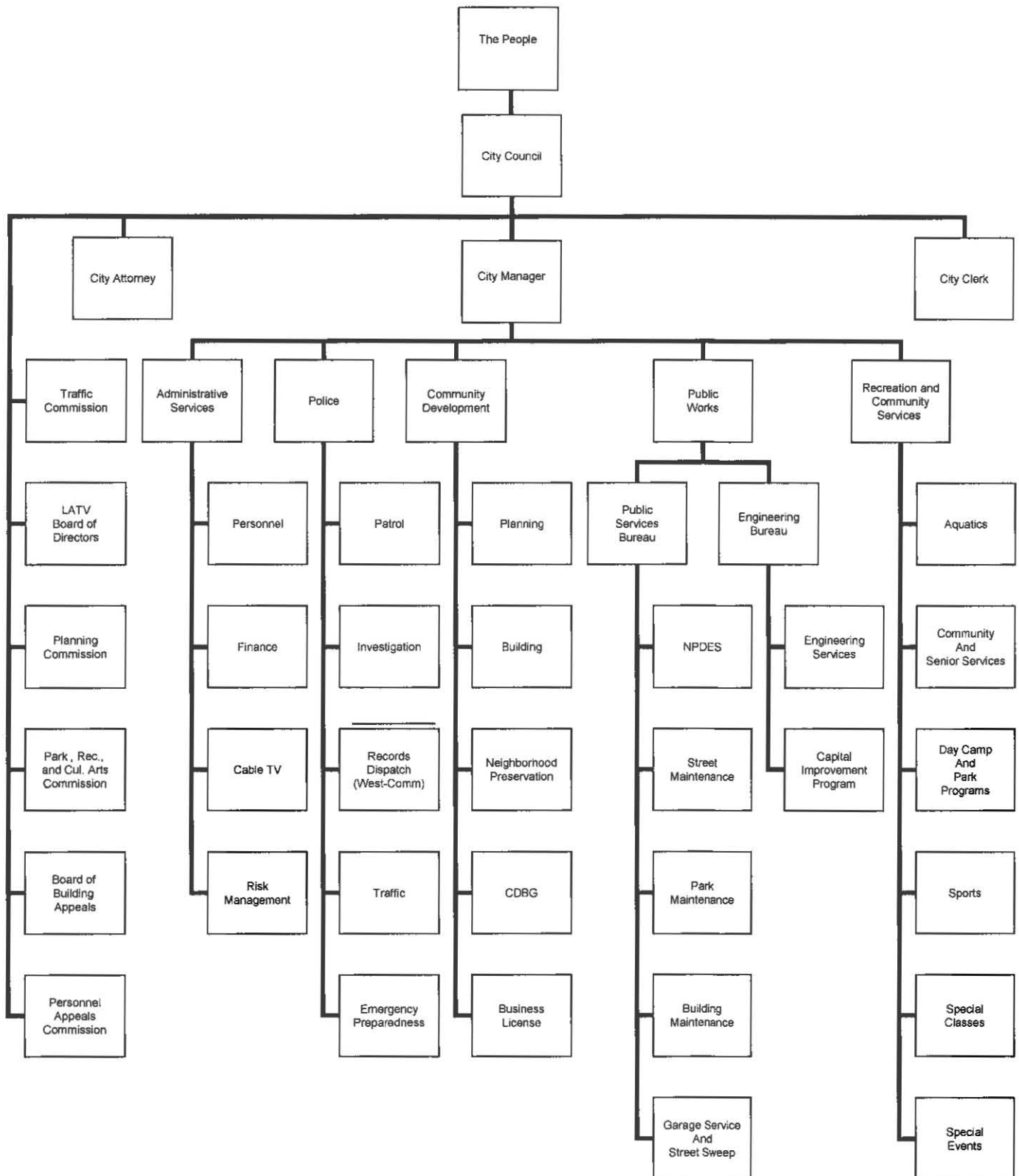
#### **APPOINTED OFFICIALS**

Bret Plumlee, City Manager  
Cary Reisman, City Attorney  
Windmera Quintanar, City Clerk

#### **EXECUTIVE MANAGEMENT**

Todd Mattern, Chief of Police  
Steven Mendoza, Director of Community Development  
David Hunt, Interim City Engineer  
Corey Lakin, Director of Recreation and Community Services  
Glenn Steinbrink, Interim Administrative Services Director/City Treasurer

# City of Los Alamitos Organizational Chart







MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS**

RONALD A. LEVY, CPA  
CRAIG A. HARTZHEIM, CPA  
HADLEY Y. HUI, CPA

**COMMERCIAL ACCOUNTING & TAX SERVICES**

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## INDEPENDENT AUDITOR'S REPORT

To the City Council of the  
City of Los Alamitos  
Los Alamitos, California

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Los Alamitos, California, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 of the notes to the basic financial statements, effective July 1, 2012, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, Statement No. 61, *The Financial Report Entity: Omnibus*, Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11, the budgetary comparison schedules on pages 54 through 55, and the schedule of funding progress for post-employment benefits other than pensions on page 56, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Los Alamitos, California's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, nonmajor funds budgetary comparison schedules, combining internal service fund financial statements, and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, nonmajor funds budgetary comparison schedules, and the combining internal service fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 account 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 information is fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim LLP  
Culver City, California  
March 24, 2014



## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Los Alamitos offers readers of the City's financial statements this narrative overview analysis of the City's financial activities for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that is provided in our letter of transmittal. The presentation of the City's financial data in this analysis and statements will differ from the City's budget, in that the analysis and statements are required to follow Governmental Accounting Standards Board Statement Number 34 and other Statements to allocate costs associated with capital related items, long-term debt transactions, accrued interest, compensated absences internal service fund activity, and depreciation to the various functions of the City; whereas the City's budget is an operational financial plan for the upcoming fiscal year.

### FINANCIAL HIGHLIGHTS

- The City's net position increased \$347,352 as a result of this year's operations.
- The program and general revenues were \$12,685,667.
- The cost of governmental activities was \$12,348,597.
- The General Fund reported a net increase in fund balance of \$108,027.
- For the General Fund, actual revenue received exceeded the final budget by \$502,262 before transfers while actual expenditures were \$228,176 less than budget before transfers.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an introduction to the City of Los Alamitos' basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

The statement of net position presents information on all of the City of Los Alamitos' assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Los Alamitos is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Los Alamitos that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant

portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Los Alamitos include general government, public safety, community development, recreation and community services, and public works.

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

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

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

The City of Los Alamitos maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Traffic Improvement Fund and the Measure M Fund, which are considered to be major funds. Data from the other fourteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Los Alamitos adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

**Proprietary funds.** Proprietary funds are used to account for activities where the City needs to show the full costs of providing the services, including depreciation. The City maintains two internal service funds.

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

**Combining statements.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes.



## Government-wide Financial Analysis

Tables 1 and 2 focus on the net position and changes in net position of the City's governmental activities.

**TABLE 1**  
**City of Los Alamitos Net Position**

|                                         | Governmental Activities |               |
|-----------------------------------------|-------------------------|---------------|
|                                         | 2013                    | 2012          |
| Current and other assets                | \$ 11,406,569           | \$ 11,981,446 |
| Capital assets                          | 16,091,850              | 16,163,504    |
| Total assets                            | 27,498,419              | 28,144,950    |
| Long-term debt outstanding              | 4,438,620               | 4,857,451     |
| Other liabilities                       | 1,056,138               | 1,631,191     |
| Total liabilities                       | 5,494,758               | 6,488,642     |
| Net position:                           |                         |               |
| Net investment in capital assets, net c | 13,137,326              | 13,142,699    |
| Restricted                              | 840,766                 | 832,549       |
| Unrestricted                            | 8,025,569               | 7,681,060     |
| Total net position                      | \$ 22,003,661           | \$ 21,656,308 |

The City's net position from governmental activities increased by \$347,352. Current and other assets and capital assets decreased by \$646,531 while long term debt and other liabilities decreased by \$993,884. The increase in assets is due to an increase in the capitalized value of various construction projects in progress. A reduction in claims against the City was a major component of the reduction in the long term debt outstanding. Other liabilities decreased due to lower accounts payable balances at the end of the fiscal year.

**Governmental Activities.** Governmental activities increased the City of Los Alamitos' net position by \$347,352. Key elements of the increase are illustrated in Table 2 below:

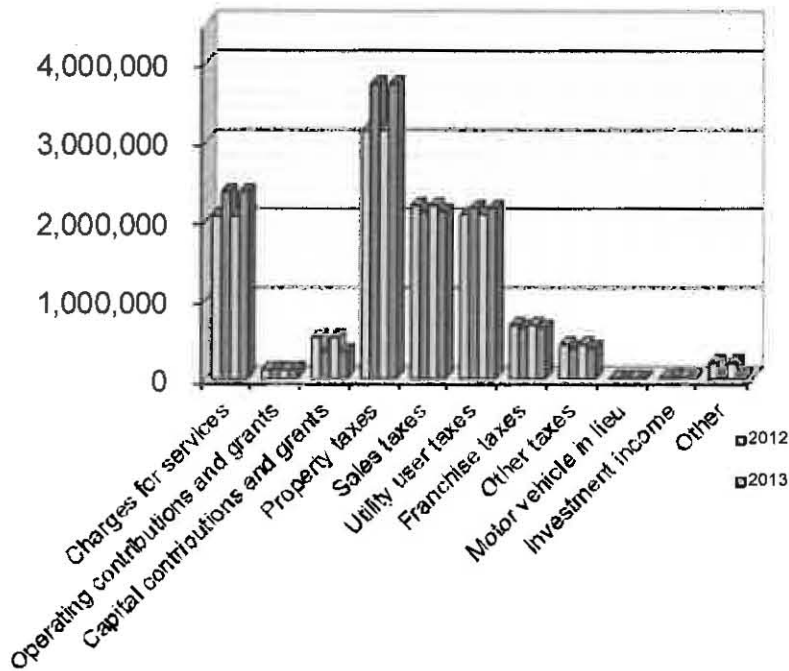
**TABLE 2**  
**City of Los Alamitos Changes in Net Position**

|                                        | Governmental Activities |               |
|----------------------------------------|-------------------------|---------------|
|                                        | 2013                    | 2012          |
| Revenues                               |                         |               |
| Program revenues:                      |                         |               |
| Charges for services                   | \$ 2,366,848            | \$ 2,060,513  |
| Operating contributions and grants     | 215,887                 | 112,339       |
| Capital contributions and grants       | 592,157                 | 523,690       |
| General revenues:                      |                         |               |
| Taxes:                                 |                         |               |
| Property taxes                         | 2,677,867               | 3,143,211     |
| User utility taxes                     | 2,160,281               | 2,082,642     |
| Sales taxes                            | 2,746,011               | 2,199,674     |
| Franchise taxes                        | 652,850                 | 682,521       |
| Business License and Permits           | 693,917                 | 617,890       |
| Other taxes                            | 474,369                 | 435,244       |
| Motor vehicle in lieu                  | 5,206                   | 6,290         |
| Investment income                      | 27,031                  | 14,625        |
| Gain on sale of property               | 37,265                  | 3,330         |
| Other                                  | 35,978                  | 207,344       |
| Total revenues                         | 12,685,667              | 12,089,313    |
| Expenditures                           |                         |               |
| General government                     | 1,377,047               | 2,375,889     |
| Public safety                          | 5,392,883               | 5,545,801     |
| Community development                  | 745,264                 | 704,944       |
| Recreation and community services      | 1,956,440               | 1,769,909     |
| Public works                           | 2,708,981               | 2,006,597     |
| Interest on long-term debt             | 167,982                 | 149,832       |
| Total expenditures                     | 12,348,597              | 12,552,972    |
| Change in net position                 | 337,070                 | (463,659)     |
| Net position, beginning                | 21,656,309              | 22,143,444    |
| Restatement of net position/adjustment | 10,282                  | (23,476)      |
| Net position, ending                   | \$ 22,003,661           | \$ 21,656,309 |

The City's total revenues from governmental activities were \$12,685,667 while the costs for all programs and services totaled \$12,348,597. The following graphs further illustrate Table 2.



### Governmental Revenues



### Governmental Expenses

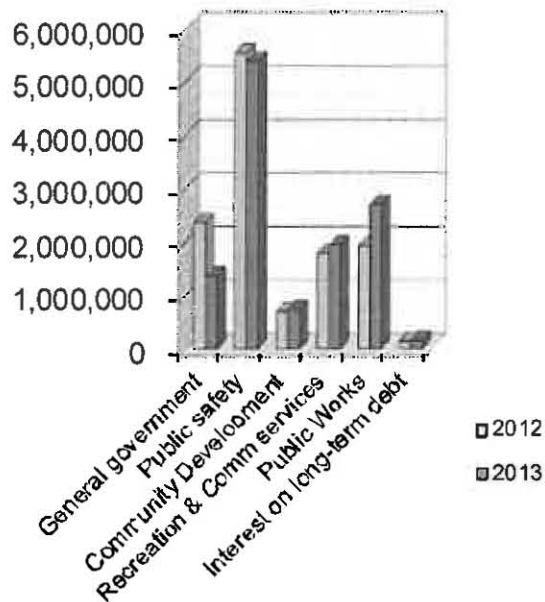


Table 3 below presents the cost of each of the City's six largest programs—general government, public safety, community development, recreation and community services, public works, and interest on long-term debt—as well as each program's *net* cost (total

cost less revenues generated by the activities). The net cost shows the unrecovered program costs for each of these functions.

**TABLE 3**  
**City of Los Alamitos Governmental Activities**

|                                   | Total Cost<br>of Services | Program<br>Revenues | Net Cost<br>of Services |
|-----------------------------------|---------------------------|---------------------|-------------------------|
|                                   | 2013                      | 2013                | 2013                    |
| General government                | \$ 1,377,047              | \$ -                | \$1,377,047             |
| Public safety                     | 5,392,883                 | 852,928             | 4,539,955               |
| Community development             | 745,264                   | 598,016             | 147,248                 |
| Recreation and community services | 1,956,440                 | 1,294,462           | 661,978                 |
| Public works                      | 2,708,981                 | 429,486             | 2,279,495               |
| Interest on long-term debt        | 167,982                   |                     | 167,982                 |
| <b>Total expenditures</b>         | <b>\$ 12,348,597</b>      | <b>\$3,174,892</b>  | <b>\$9,173,705</b>      |

The net cost of services indicates that the overall cost of government is more than the revenues generated to support it. The City is not fully recovering the cost of these services with program revenues from user fees and other contributions. See the Statement of Activities for further detail on program revenues and general revenues.

#### **FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS**

The City of Los Alamitos uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Los Alamitos' 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 Los Alamitos' financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$9,424,035 an increase of \$20,268 from the prior fiscal year's balance. Of the ending fund balance, \$7,855,210 is unrestricted fund balance in the General Fund, which is available for spending. The non-major governmental funds have a fund balance of \$902,602, while the Traffic Improvement Fund shows an assigned fund balance of \$430,553 and the Measure M Fund shows a restricted fund balance of \$229,749. The remainder of the fund balance is non-spendable, to offset loans receivable, and to indicate that it is not available for new spending. Other than restricted portions of fund balance, there are no limitations that affect the availability of fund resources for future use.

The fund balance of the City's General Fund increased \$108,027 during the fiscal year. The increase is primarily attributable to a careful spending plan and a slight growth in revenue.

The Traffic Improvement Fund showed a decrease in fund balance of \$64,583 for the fiscal year. The Measure M Fund showed a decrease in fund balance of \$44,366. Both

of these declines are attributable to planned spending of fund balance related to capital projects. Other governmental funds realized an increase in fund balance of \$21,190.

### **General Fund Budgetary Highlights**

The expenditures for the General Fund at fiscal year-end were \$228,176 less than the final budgeted expenditures. Actual revenues compared favorably to the final budget with a \$502,262 excess before transfers. Budget amendments and supplemental appropriations were made during the fiscal year which decreased revenue projections by \$44,435 and also increased appropriations in the amount of \$418,315. This increase in appropriations includes a \$300,000 allocation for assistance with improvement of the Oak Middle School gymnasium. Through a joint use agreement with the Los Alamitos Unified School District, the City will use the facility for recreational programs.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** At the end of FY 2012-13 the City had \$16.1 million invested in a broad range of capital assets, including land, buildings, infrastructure, and equipment. This amount represents a net decrease (including additions and deductions) of \$71,654, or 1/2 percent, less than the prior fiscal year.

**TABLE 4**  
**City of Los Alamitos Capital Assets Net of Depreciation**

|                            | Governmental Activities |              |
|----------------------------|-------------------------|--------------|
|                            | 2013                    | 2012         |
| Land                       | \$ 5,917,715            | \$ 5,917,715 |
| Buildings and Improvements | 1,149,116               | 1,219,443    |
| Equipment                  | 348,813                 | 403,172      |
| Vehicles                   | 347,392                 | 172,394      |
| Furniture                  | -                       | 1,642        |
| Infrastructure             | 7,951,059               | 7,510,213    |
| Construction in progress   | 377,755                 | 938,925      |
| Totals                     | \$ 16,091,850           | \$16,163,504 |

More detail on the City's capital assets can be found in Note 5 to the financial statements of this report.

**Long-term liabilities.** At the end of FY 2012-13, the City had \$4.4 million in long-term liabilities which includes an outstanding bond indebtedness of \$3 million and \$1.4 million of claims payable, compensated absences, PERS Side Fund and other post employment benefit obligations, representing an 8.6 percent decrease over prior fiscal year.

**TABLE 5**  
**City of Los Alamitos Long-Term Liabilities**

|                                          | Governmental Activities |              |
|------------------------------------------|-------------------------|--------------|
|                                          | 2013                    | 2012         |
| 2006 Certificates of participation       | \$ 3,040,000            | \$ 3,110,000 |
| Claims payable                           | 182,611                 | 968,099      |
| Compensated absences                     | 557,231                 | 511,025      |
| PERS Side Fund                           | 269,507                 | -            |
| Other post-employment benefit obligation | 389,271                 | 268,327      |
| Total liabilities                        | \$ 4,438,620            | \$ 4,857,451 |

More detail on the City's long-term liabilities can be found in Notes 6 and 10 to the financial statements section of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The City of Los Alamitos' economic outlook for fiscal year 2013-14 is showing signs of turning a positive corner. In spite of the negative impact of one of the worst economic downturns in memory during the past several years, which resulted in significantly lower revenue streams, the outlook for the City remains relatively positive. The City's operating budget is balanced with slight revenue increases projected in the City's major revenue categories. During the budget development process this year, a comprehensive review of all revenues and expenditures was performed in an effort to continue providing program efficiencies, while maintaining the delivery of essential services to the community.

With the sluggish housing market we were very conservative with the projections for property tax revenues for fiscal year 2013-14, projecting revenues to be slightly higher. Additionally, with the economy finally on a long and arduous path to recovery, we projected the City's sales tax revenue to stabilize and produce a slight increase in the upcoming fiscal year. The City's third major tax revenue source, utility users' tax, is projected to be lower due to a half of a percent reduction in Telephone Users' Tax rate. These three revenue sources make up 66% of the City's General Fund revenues.

With departmental mission statements, goals, accomplishments, program descriptions, service objectives and work plans, the City of Los Alamitos continues to adopt a budget that not only serves as financial plan, but also a communication device, policy tool and operations guide for the City Council and citizens of Los Alamitos. It is anticipated that the City will remain in good financial condition throughout the fiscal year and beyond.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the City of Los Alamitos citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to illustrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Administrative Services Department at the City of Los Alamitos, 3191 Katella Avenue, Los Alamitos, California, 90720, (562) 431-3538.

## **GOVERNMENT – WIDE FINANCIAL STATEMENTS**





**CITY OF LOS ALAMITOS**  
**Statement of Net Position**  
**June 30, 2013**

|                                        | <b>Governmental<br/>Activities</b> |
|----------------------------------------|------------------------------------|
| <hr/>                                  |                                    |
| <b>ASSETS</b>                          |                                    |
| Pooled cash and investments            | \$ 9,510,605                       |
| Receivables:                           |                                    |
| Accounts                               | 867,137                            |
| Due from employees                     | 5,921                              |
| Accrued interest                       | 5,301                              |
| Due from other governments             | 511,019                            |
| Unamortized debt issuance costs        | 85,479                             |
| Miscellaneous:                         |                                    |
| PERS side fund asset                   | 200,922                            |
| Restricted assets:                     |                                    |
| Cash and investments with fiscal agent | 220,185                            |
| Capital assets:                        |                                    |
| Non-depreciable assets                 | 6,295,470                          |
| Depreciable assets, net                | <u>9,796,380</u>                   |
| Total Assets                           | <u>27,498,419</u>                  |
| <br>                                   |                                    |
| <b>LIABILITIES</b>                     |                                    |
| Accounts payable                       | 511,383                            |
| Accrued liabilities                    | 225,922                            |
| Interest payable                       | 46,849                             |
| Deposits payable                       | 42,698                             |
| Unearned revenue                       | 229,286                            |
| Long-term liabilities:                 |                                    |
| Due within one year                    | 450,028                            |
| Due in more than one year              | <u>3,988,592</u>                   |
| Total Liabilities                      | <u>5,494,758</u>                   |
| <br>                                   |                                    |
| <b>NET POSITION</b>                    |                                    |
| Net investment in capital assets       | 13,137,326                         |
| Restricted for:                        |                                    |
| PEG                                    | 114,874                            |
| Street and urban development projects  | 462,642                            |
| Public safety                          | 79,131                             |
| Debt service                           | 173,336                            |
| Air quality improvement                | 10,783                             |
| Unrestricted                           | <u>8,025,569</u>                   |
| Total Net Position                     | <u><u>\$ 22,003,661</u></u>        |

**CITY OF LOS ALAMITOS**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2013**

| Functions/Programs                               | Expenses             | Program Revenues        |                                          |                                        | Net (Expenses)<br>Revenues and<br>Changes in<br>Net Position |
|--------------------------------------------------|----------------------|-------------------------|------------------------------------------|----------------------------------------|--------------------------------------------------------------|
|                                                  |                      | Charges for<br>Services | Operating<br>Contributions<br>and Grants | Capital<br>Contributions<br>and Grants | Primary<br>Governmental<br>Activities                        |
| Governmental Activities:                         |                      |                         |                                          |                                        |                                                              |
| General government                               | \$ 1,377,047         | \$ -                    | \$ -                                     | \$ -                                   | \$ (1,377,047)                                               |
| Public safety                                    | 5,392,883            | 637,041                 | 215,887                                  |                                        | (4,539,955)                                                  |
| Community development                            | 745,264              | 146,129                 |                                          | 451,887                                | (147,248)                                                    |
| Recreation and community services                | 1,956,440            | 1,294,462               |                                          |                                        | (661,978)                                                    |
| Public works                                     | 2,708,981            | 289,216                 |                                          | 140,270                                | (2,279,495)                                                  |
| Interest on long-term debt                       | 167,982              |                         |                                          |                                        | (167,982)                                                    |
| Total Governmental Activities                    | <u>\$ 12,348,597</u> | <u>\$ 2,366,848</u>     | <u>\$ 215,887</u>                        | <u>\$ 592,157</u>                      | <u>(9,173,705)</u>                                           |
| General Revenues:                                |                      |                         |                                          |                                        |                                                              |
| Taxes:                                           |                      |                         |                                          |                                        |                                                              |
| Property taxes, levied for general purpose       |                      |                         |                                          |                                        | 2,677,867                                                    |
| Utility users tax                                |                      |                         |                                          |                                        | 2,160,281                                                    |
| Transient occupancy taxes                        |                      |                         |                                          |                                        | 103,710                                                      |
| Sales taxes                                      |                      |                         |                                          |                                        | 2,746,011                                                    |
| Franchise taxes                                  |                      |                         |                                          |                                        | 652,850                                                      |
| Business licenses and permits                    |                      |                         |                                          |                                        | 693,917                                                      |
| Other taxes                                      |                      |                         |                                          |                                        | 370,659                                                      |
| Motor vehicle in lieu, unrestricted              |                      |                         |                                          |                                        | 5,206                                                        |
| Investment earnings                              |                      |                         |                                          |                                        | 27,031                                                       |
| Gain on sale of property                         |                      |                         |                                          |                                        | 37,265                                                       |
| Other                                            |                      |                         |                                          |                                        | 35,978                                                       |
| Total general revenues                           |                      |                         |                                          |                                        | <u>9,510,775</u>                                             |
| Change in net position                           |                      |                         |                                          |                                        | <u>337,070</u>                                               |
| Net position - beginning of fiscal year          |                      |                         |                                          |                                        | 21,656,309                                                   |
| Prior period adjustments                         |                      |                         |                                          |                                        | <u>10,282</u>                                                |
| Net position, beginning of fiscal year, restated |                      |                         |                                          |                                        | <u>21,666,591</u>                                            |
| Net position - end of fiscal year                |                      |                         |                                          |                                        | \$ 22,003,661                                                |

**CITY OF LOS ALAMITOS**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**

|                                            | <b>General<br/>Fund</b> | <b>Traffic<br/>Improvement<br/>Fund</b> | <b>Measure M<br/>Fund</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--------------------------------------------|-------------------------|-----------------------------------------|---------------------------|-----------------------------------------|-----------------------------------------|
| <b>Assets</b>                              |                         |                                         |                           |                                         |                                         |
| Pooled cash and investments                | \$ 7,421,846            | \$ 585,574                              | \$ 212,397                | \$ 895,306                              | \$ 9,115,123                            |
| Receivables:                               |                         |                                         |                           |                                         |                                         |
| Accounts                                   | 559,367                 |                                         |                           | 307,770                                 | 867,137                                 |
| Due from employees                         | 5,921                   |                                         |                           |                                         | 5,921                                   |
| Accrued interest                           | 5,301                   |                                         |                           |                                         | 5,301                                   |
| Due from other governments                 | 417,561                 |                                         | 32,845                    | 60,613                                  | 511,019                                 |
| Due from other funds                       | 226,017                 |                                         |                           |                                         | 226,017                                 |
| Restricted assets:                         |                         |                                         |                           |                                         |                                         |
| Cash and investments with fiscal agent     |                         |                                         |                           | 220,185                                 | 220,185                                 |
| <b>Total Assets</b>                        | <b>\$ 8,636,013</b>     | <b>\$ 585,574</b>                       | <b>\$ 245,242</b>         | <b>\$ 1,483,874</b>                     | <b>\$ 10,950,703</b>                    |
| <b>Liabilities and Fund Balances</b>       |                         |                                         |                           |                                         |                                         |
| <b>Liabilities</b>                         |                         |                                         |                           |                                         |                                         |
| Accounts payable                           | \$ 458,995              | \$ 6,066                                | \$ 5,602                  | \$ 26,535                               | \$ 497,198                              |
| Accrued liabilities                        | 204,110                 |                                         | 9,891                     | 10,202                                  | 224,203                                 |
| Due to other funds                         |                         |                                         |                           | 226,017                                 | 226,017                                 |
| Unearned revenue                           | 69,079                  | 148,955                                 |                           | 318,518                                 | 536,552                                 |
| Deposits payable                           | 42,698                  |                                         |                           |                                         | 42,698                                  |
| <b>Total Liabilities</b>                   | <b>774,882</b>          | <b>155,021</b>                          | <b>15,493</b>             | <b>581,272</b>                          | <b>1,526,668</b>                        |
| <b>Fund Balances</b>                       |                         |                                         |                           |                                         |                                         |
| Nonspendable                               | 5,921                   |                                         |                           |                                         | 5,921                                   |
| Restricted                                 |                         |                                         | 229,749                   | 657,866                                 | 887,615                                 |
| Assigned                                   | 3,770,333               | 430,553                                 |                           | 467,134                                 | 4,668,020                               |
| Unassigned                                 | 4,084,877               |                                         |                           | (222,398)                               | 3,862,479                               |
| <b>Total Fund Balances</b>                 | <b>7,861,131</b>        | <b>430,553</b>                          | <b>229,749</b>            | <b>902,602</b>                          | <b>9,424,035</b>                        |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 8,636,013</b>     | <b>\$ 585,574</b>                       | <b>\$ 245,242</b>         | <b>\$ 1,483,874</b>                     | <b>\$ 10,950,703</b>                    |

**CITY OF LOS ALAMITOS**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**June 30, 2013**

---

Fund Balances - Total Governmental Funds \$ 9,424,035

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets net of depreciation have not been included as financial resources governmental fund activity. 16,091,850

Long-term liabilities applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Also, bond issuance costs are not recorded as assets under the modified accrual basis of accounting. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances at June 30, 2013 are:

|                                     |                  |             |
|-------------------------------------|------------------|-------------|
| Certificates of Participation       | \$ (3,040,000)   |             |
| Deferred charges for issuance costs | 85,479           |             |
| Claims and judgments                | (182,611)        |             |
| Compensated absences                | (557,231)        |             |
| Net OPEB obligation                 | (389,271)        |             |
| Net PERS side fund obligation       | <u>(269,507)</u> | (4,353,141) |

Accrued interest payable from the current portion of interest due on bonds payable has not been reported in the governmental funds. (46,849)

Long-term assets that are not available for current use are recorded as unearned revenue under the modified accrual basis of accounting. 307,266

Long-term asset from super-funded PERS side fund for miscellaneous employees that is not available for current use has not been reported in governmental funds. 200,922

Internal service funds are used by management to charge costs of certain activities, such as equipment management to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Position (net of capital assets and compensated absences reported above). 379,578

Net Position of Governmental Activities \$ 22,003,661

**CITY OF LOS ALAMITOS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2013**

|                                                 | <u>General<br/>Fund</u> | <u>Traffic<br/>Improvement<br/>Fund</u> | <u>Measure M<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|-------------------------------------------------|-------------------------|-----------------------------------------|---------------------------|-----------------------------------------|-----------------------------------------|
| <b>Revenues</b>                                 |                         |                                         |                           |                                         |                                         |
| Taxes                                           | \$ 8,636,170            | \$ -                                    | \$ -                      | \$ 406,171                              | \$ 9,042,341                            |
| Licenses and permits                            | 693,917                 |                                         |                           |                                         | 693,917                                 |
| Intergovernmental                               | 24,238                  |                                         | 183,285                   | 322,830                                 | 530,353                                 |
| Charges for services                            | 1,454,247               |                                         |                           | 297,766                                 | 1,752,013                               |
| Investment earnings                             | 7,513                   | 668                                     | 342                       | 816                                     | 9,339                                   |
| Fines and forfeitures                           | 614,835                 |                                         |                           |                                         | 614,835                                 |
| Miscellaneous                                   | 31,547                  |                                         |                           | 4,431                                   | 35,978                                  |
| Total Revenues                                  | <u>11,462,467</u>       | <u>668</u>                              | <u>183,627</u>            | <u>1,032,014</u>                        | <u>12,678,776</u>                       |
| <b>Expenditures</b>                             |                         |                                         |                           |                                         |                                         |
| Current:                                        |                         |                                         |                           |                                         |                                         |
| General government                              | 1,845,032               |                                         |                           | 54,796                                  | 1,899,828                               |
| Public safety                                   | 5,278,040               |                                         |                           | 2,056                                   | 5,280,096                               |
| Community development                           | 737,071                 |                                         |                           |                                         | 737,071                                 |
| Recreation and community services               | 1,888,587               |                                         |                           |                                         | 1,888,587                               |
| Public works                                    | 1,764,285               | 65,251                                  |                           | 1,917                                   | 1,831,453                               |
| Capital outlay                                  |                         |                                         | 227,993                   | 577,956                                 | 805,949                                 |
| Debt service:                                   |                         |                                         |                           |                                         |                                         |
| Principal                                       |                         |                                         |                           | 70,000                                  | 70,000                                  |
| Interest and fiscal charges                     |                         |                                         |                           | 145,524                                 | 145,524                                 |
| Total Expenditures                              | <u>11,513,015</u>       | <u>65,251</u>                           | <u>227,993</u>            | <u>852,249</u>                          | <u>12,658,508</u>                       |
| Excess of Revenues Over (Under)<br>Expenditures | <u>(50,548)</u>         | <u>(64,583)</u>                         | <u>(44,366)</u>           | <u>179,765</u>                          | <u>20,268</u>                           |
| <b>Other Financing Sources (Uses)</b>           |                         |                                         |                           |                                         |                                         |
| Transfers in                                    | 373,339                 |                                         |                           | 214,764                                 | 588,103                                 |
| Transfers out                                   | (214,764)               |                                         |                           | (373,339)                               | (588,103)                               |
| Total Other Financing Sources (Uses)            | <u>158,575</u>          |                                         |                           | <u>(158,575)</u>                        |                                         |
| Net Changes in Fund Balances                    | 108,027                 | (64,583)                                | (44,366)                  | 21,190                                  | 20,268                                  |
| Fund Balances, July 1, 2012                     | <u>7,753,104</u>        | <u>495,136</u>                          | <u>274,115</u>            | <u>881,412</u>                          | <u>9,403,767</u>                        |
| Fund Balances, June 30, 2013                    | <u>\$ 7,861,131</u>     | <u>\$ 430,553</u>                       | <u>\$ 229,749</u>         | <u>\$ 902,602</u>                       | <u>\$ 9,424,035</u>                     |

**CITY OF LOS ALAMITOS****Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2013**

---

|                                                        |    |        |
|--------------------------------------------------------|----|--------|
| Net change in fund balances - total governmental funds | \$ | 20,268 |
|--------------------------------------------------------|----|--------|

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

Governmental funds report capital outlay as an expenditure. However, in the Statement of Activities the cost of those assets is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capitalizable capital outlay less the disposition of capital assets was exceeded by depreciation in the current period:

|                      |    |                 |           |
|----------------------|----|-----------------|-----------|
| Capital expenditures | \$ | 189,044         |           |
| Depreciation expense |    | (307,747)       |           |
| Deletions            |    | <u>(41,699)</u> | (160,402) |

The issuance of long-term debt provided financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of this difference in the treatment of long-term debt and related items:

|                    |        |
|--------------------|--------|
| Principal payments | 70,000 |
|--------------------|--------|

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

|                                |                  |           |
|--------------------------------|------------------|-----------|
| Interest expense               | 1,007            |           |
| Amortization of issuance costs | (3,716)          |           |
| PERS side fund                 | (78,867)         |           |
| OPEB contribution              | <u>(120,944)</u> | (202,520) |

Payment of accrued claims is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position (net change).

|         |
|---------|
| 785,488 |
|---------|

Compensated absences expense reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds (net change).

|          |
|----------|
| (46,065) |
|----------|

Some revenues reported in the Statement of Activities are not considered to be available to finance current expenditures and therefore are not reported as revenues in the governmental funds (net change):

|                          |              |          |
|--------------------------|--------------|----------|
| Intergovernmental income | (56,955)     |          |
| Sales tax                | <u>8,891</u> | (48,064) |

Internal service funds are used by management to charge costs of certain activities such as, equipment management and self-insurance to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities (less depreciation and compensated absences reported above).

|                 |
|-----------------|
| <u>(81,635)</u> |
|-----------------|

Change in net position of governmental activities

|           |                |
|-----------|----------------|
| <u>\$</u> | <u>337,070</u> |
|-----------|----------------|

**CITY OF LOS ALAMITOS**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**

|                                  | <b><u>Governmental<br/>Activities -<br/>Internal<br/>Service Funds</u></b> |
|----------------------------------|----------------------------------------------------------------------------|
| <b>Assets</b>                    |                                                                            |
| Current Assets:                  |                                                                            |
| Cash and investments             | \$ 395,482                                                                 |
| Total Current Assets             | <u>395,482</u>                                                             |
| Noncurrent Assets:               |                                                                            |
| Capital assets, net              | <u>370,969</u>                                                             |
| Total Noncurrent Assets          | <u>370,969</u>                                                             |
| Total Assets                     | <u>766,451</u>                                                             |
| <b>Liabilities</b>               |                                                                            |
| Current Liabilities:             |                                                                            |
| Accounts payable                 | 14,185                                                                     |
| Accrued liabilities              | 1,719                                                                      |
| Compensated absences             | <u>2,972</u>                                                               |
| Total Current Liabilities        | <u>18,876</u>                                                              |
| Long-Term Liabilities:           |                                                                            |
| Compensated absences             | <u>13,091</u>                                                              |
| Total Long - Term Liabilities    | <u>13,091</u>                                                              |
| Total Liabilities                | <u>31,967</u>                                                              |
| <b>Net Position</b>              |                                                                            |
| Net investment in capital assets | 370,969                                                                    |
| Unrestricted                     | <u>363,515</u>                                                             |
| Total Net Position               | <u>\$ 734,484</u>                                                          |



**CITY OF LOS ALAMITOS**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2013**

|                                | <b>Governmental<br/>Activities -<br/>Internal<br/>Service Funds</b> |
|--------------------------------|---------------------------------------------------------------------|
| Operating Revenues:            |                                                                     |
| Charges for services           | \$ 395,165                                                          |
| Total Operating Revenues       | <u>395,165</u>                                                      |
| Operating Expenses:            |                                                                     |
| Personnel services             | 83,753                                                              |
| Supplies and materials         | 146,272                                                             |
| Outside services               | 137,785                                                             |
| Depreciation                   | <u>146,255</u>                                                      |
| Total Operating Expenses       | <u>514,065</u>                                                      |
| Operating Loss                 | <u>(118,900)</u>                                                    |
| Non-Operating Revenues:        |                                                                     |
| Gain on sale of capital assets | <u>37,265</u>                                                       |
| Total Non-Operating Revenues   | <u>37,265</u>                                                       |
| Change in Net Position         | (81,635)                                                            |
| Net Position, July 1, 2012     | <u>816,119</u>                                                      |
| Net Position, June 30, 2013    | <u><u>\$ 734,484</u></u>                                            |

**CITY OF LOS ALAMITOS**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2013**

|                                                                      | <b>Governmental<br/>Activities -<br/>Internal<br/>Service Funds</b> |
|----------------------------------------------------------------------|---------------------------------------------------------------------|
| Cash Flows from Operating Activities:                                |                                                                     |
| Cash received from user departments                                  | \$ 395,165                                                          |
| Cash paid to suppliers for goods and services                        | (325,228)                                                           |
| Cash paid to employees for services                                  | <u>(87,092)</u>                                                     |
| Net Cash Provided (Used) by Operating Activities                     | <u>(17,155)</u>                                                     |
| Cash Flows from Capital and Related Financing Activities:            |                                                                     |
| Acquisition of capital assets                                        | (235,000)                                                           |
| Proceeds from sale of capital assets                                 | <u>37,265</u>                                                       |
| Net Cash Provided by (Used) Capital and Related Financing Activities | <u>(197,735)</u>                                                    |
| Net Decrease in Cash and Cash Equivalents                            | (214,890)                                                           |
| Cash and Cash Equivalents at the Beginning of the Fiscal Year        | <u>610,372</u>                                                      |
| Cash and Cash Equivalents at the End of the Fiscal Year              | <u><u>\$ 395,482</u></u>                                            |
| Reconciliation of Operating Loss to                                  |                                                                     |
| Net Cash Used by Operating Activities:                               |                                                                     |
| Operating loss                                                       | \$ (118,900)                                                        |
| Depreciation                                                         | 146,255                                                             |
| Change in assets and liabilities:                                    |                                                                     |
| Increase (decrease) in accounts payable                              | (41,171)                                                            |
| Increase (decrease) in accrued liabilities                           | (3,480)                                                             |
| Increase (decrease) in compensated absences                          | <u>141</u>                                                          |
| Net Cash Provided (Used) by Operating Activities                     | <u><u>\$ (17,155)</u></u>                                           |



## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

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**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Reporting Entity**

The City of Los Alamitos, California (the City) was incorporated March 1, 1960. The Charter of the City of Los Alamitos was adopted by a vote of the people in September 1966, and the City enjoys all rights and privileges pertaining to such "Charter Law" cities.

The component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationship with the City. This entity is legally separate from the City. However, the City of Los Alamitos' elected officials have continuing accountability for fiscal matters of this entity.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City.

**Blended Component Units**

The Los Alamitos Public Facilities Corporation (the Corporation) was formed February 6, 2006, pursuant to the Non-Profit Corporation Law of the State of California for the purpose of assisting the City in financing the acquisition, construction and improvement for public benefit within the City limits. The Corporation is governed by a five-member board that is the City Council of the City of Los Alamitos. Separate financial statements are not prepared. There was no activity in the current fiscal year for the Corporation.

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

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

**Government-Wide Financial Statements**

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report information on all of the activities of the primary government and its component unit.

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting and Measurement Focus (Continued)**

**Government-Wide Financial Statements (Continued)**

The government-wide financial statements are presented on an 'economic resources' measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and related infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables.

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and other governmental funds aggregated. Accompanying reconciliations are presented to explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) and recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales taxes, intergovernmental revenues, and other taxes. Sales and other taxes become measurable and available when cash is received by the City and are recognized as revenue at that time. Expenditures are generally recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on long-term liabilities, and compensated absences, which are recognized as expenditures only when payment is due.

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting and Measurement Focus (Continued)**

**Governmental Fund Financial Statements (Continued)**

Unearned revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34. The City reports the following major governmental funds:

The General Fund is used to account for all of the general operations and other financial transactions of the City, which are not accounted for by another fund.

The Traffic Improvement Capital Projects Fund is used to account for monies received and expended from various services to fund street and highway improvements, including maintenance.

The Measure M Special Revenue Fund is used to account for monies received and expended from the Orange County Transportation Authority (OCTA) “local turnback” to fund street and highway improvements, including the Residential Street Improvement Program.

Additionally, the City reports the following fund types:

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for debt service or capital projects) that are restricted by law or administrative action or committed to expenditures for specified purposes.

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned for the payment of, long-term debt principal, interest, and related costs for the 2006 Certificates of Participation (Laurel Park Acquisition).

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities, other than those financed by Internal Service Funds.

The Internal Service Funds are used to account for interdepartmental operations where it is the stated intent that costs of providing services to the departments of the City on a continuing basis be financed or recovered primarily by charges to the user departments. The City’s two internal service funds are used to account for Technology Replacement and Garage.

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows. The City’s only proprietary funds are its two internal service funds. The Garage Internal Service Fund accounts for the

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting and Measurement Focus (Continued)**

**Proprietary Fund Financial Statements (Continued)**

acquisition, maintenance, repair, and replacement of all City vehicles and mechanical equipment. The Technology Replacement Internal Service Fund accounts for the costs of ongoing technology upgrades and replacements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations for the fund. All other expenses are reported as non-operating expenses.

In accordance with GASB No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, in both the government-wide and proprietary fund financial statements, the City applies all applicable GASB pronouncements (including all National Council on Governmental Accounting (NCGA) Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the committee on Accounting Procedure.

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

**C. Assets, Liabilities, and Net Position or Equity**

**Deposits and Investments**

The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value. The City’s policy is generally to hold investments until maturity or until market values equal or exceed cost.

**Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.



Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Property Taxes**

Under California law, property taxes are assessed and collected by the counties at 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 cities based on complex formulas.

The County of Orange collects property taxes for the City. Tax liens attach annually on the first day of January preceding the fiscal year for which the taxes are levied. Taxes are levied on July 1, and cover the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on March 1 each year and are delinquent, if unpaid on August 31.

**Functional Classifications**

Expenditures of the Governmental Funds are classified by function. Functional classifications are defined as follows:

General Government includes legislative activities, which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities that provide management or support services across more than one functional area.

Public Safety includes those activities that involve the protection of people and property.

Community Development includes those activities such as planning, code enforcement, and building and safety inspections.

Recreation and Community Services includes those activities that involve the community cultural and leisure activities.

Public Works includes those activities that involve the maintenance and improvement of City streets, roads, and park development and maintenance.

Capital Outlay includes purchases of property, plant and equipment which are expensed in the governmental funds because governmental funds use the current financial resources measurement focus.

Interest and Fiscal Charges includes current payments for interest on the City's long-term debt.

**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

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**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Net Position or Equity (Continued)**

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years, except for infrastructure assets which have a capitalization threshold of \$20,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

As permitted under GASB Statement No. 34 for small governmental entities, the City has elected to report infrastructure assets prospectively beginning July 1, 2003.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed on the government-wide and proprietary fund financial statements. No interest was capitalized during the fiscal year ended June 30, 2013.

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

|                |              |
|----------------|--------------|
| Equipment      | 5 - 10 years |
| Vehicles       | 3 - 7 years  |
| Furniture      | 7 years      |
| Buildings      | 50 years     |
| Improvements   | 5 - 20 years |
| Infrastructure | 50 years     |

**Claims and Judgments**

The City records a liability for claims, judgments, and litigation when it is probable that an asset has been impaired or a liability has been incurred prior to fiscal year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated.

The City is exposed to various risks of losses related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City currently reports all of its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred, but not reported.

**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

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Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

It is the City's policy to liquidate claims and judgments existing at June 30, with future resources. Accordingly, the liabilities are recorded in the Statement of Net Position. These noncurrent amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand.

**Cash and Cash Equivalents**

A substantial portion of the City's investments is in short-term, highly liquid investments with original maturities of three months or less. For purposes of the Statement of Cash Flows, all cash and investments held by the internal service funds are considered to be short-term and, accordingly, are classified as cash and cash equivalents.

**Fund Equity**

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – that portion of a fund balance that includes amounts that cannot be spent because they are either not in a spendable form, such as prepaid items, inventories, or loans receivable.
- *Restricted fund balance* – that portion of a fund balance that reflects constraints placed on the use of resources (other than non-spendable items) that are either (a) externally imposed by creditors (such as through debt covenants, grantors, contributors, or laws or regulations of other governments); or (b) imposed by law through constitutional provisions or enabling legislation. Examples of restricted fund balances include Gas Tax, Asset Seizure, and Measure M funds.
- *Committed fund balance* – that portion of a fund balance that included amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, and remain binding unless removed in the same manner.
  - a) The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as a resolution.
  - b) These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.
  - c) City Council Action to commit fund balance needs to occur within the fiscal reporting periods; however the amount can be determined subsequently.

**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

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Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Fund Equity (Continued)**

- *Assigned fund balance* – amounts that are constrained by the City's intent to be used for specific purposes, but are neither Restricted nor Committed, should be reported as Assigned fund balance. This policy hereby delegated the authority to assign amounts to be used for specific purposes to the City Manager for the purpose of reporting these amounts in the City's annual financial statements. Examples of Assigned fund balance are funds intended for Capital Improvement Projects and Equipment Replacement, encumbrances, donations received for specific projects as well as the City's emergency reserve.
- *Unassigned fund balance* – these are residual positive net resources in excess of what can properly be classified in one of the other four categories and do not have any specific spending limitations. The General Fund is the only fund that should report this category of fund balance.

**Fund Balance Policy**

The accounting policies of the City consider restricted fund balance to have been spent first when an expenditure is incurred for the purpose for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

D. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 60 - *Accounting and Financial Reporting for Service Concession Arrangements*

For the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to improve financial reporting by addressing issues related to Service Concession Arrangements. This Statement improves consistency in reporting and enhances the comparability of the accounting and financial reporting of Service Concession Arrangements among state and local governments. Implementation of GASB Statement No. 60 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2013.

City of Los Alamitos  
Notes to the Basic Financial Statements  
June 30, 2013

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Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. New Accounting Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 61 - *The Financial Reporting Entity: Omnibus*

For the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. This statement is effective for periods beginning after June 15, 2012. The objective of this Statement is to improve financial reporting for component units. The Statement modifies certain requirements for inclusion of component units in the financial reporting entity and clarifies the reporting of equity interests in legally separate organizations. Implementation of GASB Statement No. 61 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*

For the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November, 30 1989. This Statement specifically identifies and consolidates the accounting and financial reporting provisions that apply to state and local governments. Implementation of the GASB Statement No. 62 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 63 - *No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

For the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to establish guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. This Statement sets forth framework that specifies where deferred outflows of resources and deferred inflows of resources, as well as assets and liabilities, should be displayed. This Statement also specifies how net position, no longer referred to as net assets, should be displayed. Implementation of the Statement and the impact of the City's financial statements are explained in Note 15 A.

**Note 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The annual budget is adopted by the City Council and provides for the general operation of the City. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. This "appropriated budget" covers substantially all City expenditures. Actual expenditures may not exceed budgeted appropriations at the department level. The City's fund structure includes the following departments: City Council, City Manager/City Clerk, Administrative Services, City Attorney, Public Safety, Community Development, Recreation and Community Services, and Public Works. The City Manager is authorized to transfer budgeted amounts between the accounts of any department. Budgets are controlled at the department level. Budget figures used in the financial statements are the final adjusted amounts, including any amendments to the budget during the fiscal year.
3. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Fund types during the fiscal year. Unexpended appropriations of the governmental funds automatically lapse at the end of the fiscal year. Encumbrances at year-end are recorded as a reserve of fund balance and then reappropriated the following fiscal year.
4. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America (USGAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. No budgetary comparisons are presented for the proprietary funds, as the City is not legally required to adopt a budget for this type of fund.
5. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2013, based on calculations by City management, proceeds of taxes did not exceed appropriations.

**B. Deficit Fund Balances in Individual Funds**

The Proposition 1B Special Revenue Fund and Rivers and Mountains Conservancy Capital Projects Fund have deficit fund balances of \$15,418 and \$206,980, respectively as a result of projects being completed and the related revenue will be received during the fiscal year ending June 30, 2014.



**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

**Note 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**C. Excess of Expenditures over Appropriations by Department in Individual Funds:**

| <u>Fund</u>                       | <u>Expenditures</u> | <u>Appropriations</u> | <u>Excess</u> |
|-----------------------------------|---------------------|-----------------------|---------------|
| Major Fund:                       |                     |                       |               |
| General Fund:                     |                     |                       |               |
| City attorney                     | \$ 179,950          | \$ 155,000            | \$ 24,950     |
| Recreation and Community Services | 1,888,587           | 1,858,071             | 30,516        |
| Public works                      | 1,764,285           | 1,761,246             | 3,039         |
| Other Governmental Funds:         |                     |                       |               |
| Los Alamitos Television:          |                     |                       |               |
| General Government                | 54,796              | 36,700                | 18,096        |
| Debt Service:                     |                     |                       |               |
| Interest and fiscal charges       | 215,524             | 214,764               | 760           |
| Park Development:                 |                     |                       |               |
| Capital outlay                    | 7,824               | 5,514                 | 2,310         |

**Note 3 CASH AND INVESTMENTS**

**Cash and Investments**

The following is a summary of cash and investments at June 30, 2013:

|                                                   | <u>Governmental<br/>Activities</u> |
|---------------------------------------------------|------------------------------------|
| Pooled cash and investments                       | \$ 9,510,605                       |
| Restricted cash and investments with fiscal agent | <u>220,185</u>                     |
| Total cash and investments                        | <u><u>\$ 9,730,790</u></u>         |

Cash and investments at June 30, 2013 consisted of the following:

|                            |                            |
|----------------------------|----------------------------|
| Cash on hand               | \$ 3,000                   |
| Demand deposits            | 523,909                    |
| Investments                | <u>9,203,881</u>           |
| Total cash and investments | <u><u>\$ 9,730,790</u></u> |

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on monthly cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

**Note 3 CASH AND INVESTMENTS (CONTINUED)**

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

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of bond indentures of the City, rather than the general provisions of the California Government Code or the City's investment policy.

| Authorized Investment Type           | Maximum Maturity | Maximum Percentage of Portfolio* | Maximum Investment in One Issuer |
|--------------------------------------|------------------|----------------------------------|----------------------------------|
| United States (U.S.) Treasury Issues | 5 years          | 25%                              | None                             |
| U.S. Government Agency Securities    | 5 years          | 25%                              | None                             |
| Certificates of Deposit              | 5 years          | 30%                              | 50%                              |
| Bankers Acceptance                   | 180 days         | 40%                              | 30%                              |
| Commercial Paper                     | 180 days         | 30%                              | 10%                              |
| Medium Term Corporate Notes          | 5 years          | 30%                              | 50%                              |
| Negotiable Certificates of Deposit   | 5 years          | 30%                              | 50%                              |
| Money Market Mutual Funds            | None             | 20%                              | None                             |
| Passbook Savings/Money Market        | 5 years          | None                             | 50%                              |
| Local Agency Investment Fund (LAIF)  | None             | None                             | \$50 million                     |

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

**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.

| Authorized Investment Type          | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|-------------------------------------|------------------|---------------------------------|----------------------------------|
| U.S. Treasury Obligations           | None             | None                            | None                             |
| U.S. Agency Securities              | None             | None                            | None                             |
| Banker's Acceptances                | 360 days         | None                            | None                             |
| Commercial Paper                    | 270 days         | None                            | None                             |
| Money Market Mutual Funds           | None             | None                            | None                             |
| Investment Agreements               | None             | None                            | None                             |
| Local Agency Bonds                  | None             | None                            | None                             |
| Medium Term Notes                   | None             | None                            | None                             |
| Negotiable Certificate of Deposits  | None             | None                            | None                             |
| Local Agency Investment Fund (LAIF) | None             | None                            | None                             |



**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

**Note 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:

| Investment Type                     | Remaining<br>Maturity<br>(in Months)<br>12 Months<br>or Less |
|-------------------------------------|--------------------------------------------------------------|
| Local Agency Investment Fund (LAIF) | \$ 8,983,696                                                 |
| Investment held by Bond Trustee:    |                                                              |
| Money Market Mutual Funds           | 220,185                                                      |
|                                     | <u>\$ 9,203,881</u>                                          |

**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 Standards and Poor, as of fiscal year end for each investment type:

| Investment Type                   | Total as of<br>June 30, 2013 | Minimum<br>Legal<br>Rating | Unrated             | AAA               |
|-----------------------------------|------------------------------|----------------------------|---------------------|-------------------|
| LAIF                              | \$ 8,983,696                 | N/A                        | \$ 8,983,696        | \$ -              |
| Investments Held by Bond Trustee: |                              |                            |                     |                   |
| Money Market<br>Mutual Funds      | 220,185                      | N/A                        |                     | 220,185           |
| Totals                            | <u>\$ 9,203,881</u>          |                            | <u>\$ 8,983,696</u> | <u>\$ 220,185</u> |

N/A - Not Applicable

Note 3 CASH AND INVESTMENTS (CONTINUED)

**Concentration of Credit Risk**

As of June 30, 2013, the City has not invested more than 5% of its total investments in any one issuer. Investments in external investment pools are excluded from this requirement.

**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 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. The City's investment policy does not contain any additional provisions that would limit the exposure to custodial credit risk for deposits. However the policy does stipulate that mortgage collateral cannot be used to secure deposits, and that the use of a third party bank trust department is to act as the City's safekeeping agent for investments. At June 30, 2013, City deposits (bank balances) were insured by the Federal Depository Insurance Corporation or 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 Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

**Note 4 INTERFUND TRANSACTIONS**

**Receivables/Payables**

The following sets forth amounts due to/from funds. These amounts represent when one fund reflects a deficit in its pooled cash account, generated from expenditures paid before revenue is received.

| <u>Fund</u>                   | <u>Receivable<br/>(Due From)</u> | <u>Payable<br/>(Due To)</u> |
|-------------------------------|----------------------------------|-----------------------------|
| Major Fund:                   |                                  |                             |
| General                       | \$ 226,017                       | \$ -                        |
| Other Governmental Funds:     |                                  |                             |
| Public Safety Sales Taxes     |                                  | 6,999                       |
| Proposition 1B                |                                  | 15,418                      |
| Rivers & Mountain Conservancy |                                  |                             |
| Capital Projects              |                                  | 203,600                     |
| Total                         | <u>\$ 226,017</u>                | <u>\$ 226,017</u>           |

**Transfers**

Transfers to and from funds for the fiscal year ended June 30, 2013 is as follows:

| <u>Transfers To</u>      | <u>Transfers From</u>    | <u>Amount</u>     |
|--------------------------|--------------------------|-------------------|
| General Fund             | Other Governmental Funds | \$ 373,339        |
| Other Governmental Funds | General Fund             | 214,764           |
|                          |                          | <u>\$ 588,103</u> |

**Receivables/Payables**

Transfers to the General Fund from the Other Governmental Funds (the Gas Tax, Supplemental Law Enforcement Services, Office of Traffic and Safety, and Public Safety Sales Tax Special Revenue Funds) were made to fund street maintenance, partially offset the cost of Police services, and to partially offset the cost of the Police Department motor officer program and other expenditures pertaining to traffic safety programs.

Transfers to the Other Governmental Funds (the Debt Service Fund) from the General Fund were made to make principal and interest payments of debt issued for the Laurel Park purchase.

**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

**Note 5 CAPITAL ASSETS**

A summary of changes in the Governmental Activities capital assets for the fiscal year ended June 30, 2013 is as follows:

| <b>Governmental Activities:</b>                 | <b>Balance<br/>June 30, 2012</b> | <b>Additions</b>   | <b>Deletions</b>   | <b>Transfers</b> | <b>Balance<br/>June 30, 2013</b> |
|-------------------------------------------------|----------------------------------|--------------------|--------------------|------------------|----------------------------------|
| Capital assets not being depreciated:           |                                  |                    |                    |                  |                                  |
| Land                                            | \$ 5,917,715                     | \$ -               | \$ -               | \$ -             | \$ 5,917,715                     |
| Construction in progress                        | 938,925                          | 63,223             | (41,696)           | (582,697)        | 377,755                          |
| Total                                           | <u>6,856,640</u>                 | <u>63,223</u>      | <u>(41,696)</u>    | <u>(582,697)</u> | <u>6,295,470</u>                 |
| Depreciable capital assets:                     |                                  |                    |                    |                  |                                  |
| Equipment                                       | 1,944,757                        | 44,936             | (14,115)           |                  | 1,975,578                        |
| Vehicles                                        | 1,085,229                        | 278,482            | (300,567)          |                  | 1,063,144                        |
| Furniture                                       | 46,980                           |                    |                    |                  | 46,980                           |
| Buildings                                       | 1,932,883                        |                    |                    |                  | 1,932,883                        |
| Improvements                                    | 366,268                          |                    |                    |                  | 366,268                          |
| Infrastructure                                  | 8,325,788                        | 37,403             |                    | 582,697          | 8,945,888                        |
| Total                                           | <u>13,701,905</u>                | <u>360,821</u>     | <u>(314,682)</u>   | <u>582,697</u>   | <u>14,330,741</u>                |
| Less: accumulated depreciation for:             |                                  |                    |                    |                  |                                  |
| Equipment                                       | (1,541,585)                      | (99,295)           | 14,115             |                  | (1,626,765)                      |
| Vehicles                                        | (912,835)                        | (103,484)          | 300,567            |                  | (715,752)                        |
| Furniture                                       | (45,338)                         | (1,642)            |                    |                  | (46,980)                         |
| Buildings                                       | (1,017,247)                      | (39,484)           |                    |                  | (1,056,731)                      |
| Improvements                                    | (62,461)                         | (30,843)           |                    |                  | (93,304)                         |
| Infrastructure                                  | (815,575)                        | (179,254)          |                    |                  | (994,829)                        |
|                                                 | <u>(4,395,041)</u>               | <u>(454,002)</u>   | <u>314,682</u>     |                  | <u>(4,534,361)</u>               |
| Total capital assets,<br>being depreciated, net | <u>9,306,864</u>                 | <u>(93,181)</u>    |                    | <u>582,697</u>   | <u>9,796,380</u>                 |
| Governmental activities<br>capital assets, net  | <u>\$ 16,163,504</u>             | <u>\$ (29,958)</u> | <u>\$ (41,696)</u> | <u>\$ -</u>      | <u>\$ 16,091,850</u>             |

Depreciation expense was charged to governmental and proprietary activities as follows:

|                                   | <b>General</b>    | <b>Internal<br/>Service</b> | <b>Total</b>      |
|-----------------------------------|-------------------|-----------------------------|-------------------|
| General Government                | \$ 37,189         | \$ 32,052                   | \$ 69,241         |
| Public Safety                     | 40,173            | 88,012                      | 128,185           |
| Recreation and Community Services | 48,283            | 6,350                       | 54,633            |
| Public Works                      | 182,102           | 19,841                      | 201,943           |
|                                   | <u>\$ 307,747</u> | <u>\$ 146,255</u>           | <u>\$ 454,002</u> |

**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

**Note 6 LONG-TERM LIABILITIES**

The following is a summary of changes in Governmental Activities long-term debt for the fiscal year ended June 30, 2013:

|                                             | Balance,<br>June 30, 2012 | Prior Period<br>Adjustment | Additions         | Deletions             | Balance,<br>June 30, 2013 | Due in<br>One Year |
|---------------------------------------------|---------------------------|----------------------------|-------------------|-----------------------|---------------------------|--------------------|
| 2006 Certificates<br>of participation       | \$ 3,110,000              | \$ -                       | \$ -              | \$ (70,000)           | \$ 3,040,000              | \$ 70,000          |
| Claims payable                              | 968,099                   |                            |                   | (785,488)             | 182,611                   | 182,611            |
| Compensated absences                        | 511,025                   |                            | 283,781           | (237,575)             | 557,231                   | 169,988            |
| PERS side fund                              |                           | 276,405                    |                   | (6,898)               | 269,507                   | 27,429             |
| Other post-employment<br>benefit obligation | 268,327                   |                            | 243,447           | (122,503)             | 389,271                   |                    |
| <b>Total</b>                                | <b>\$ 4,857,451</b>       | <b>\$ 276,405</b>          | <b>\$ 527,228</b> | <b>\$ (1,222,464)</b> | <b>\$ 4,438,620</b>       | <b>\$ 450,028</b>  |

**A. 2006 Certificates of Participation**

On May 9, 2006, the City issued \$3,365,000 Certificates of Participation Series 2006. Interest on the bonds is payable semiannually on September 1 and March 1, commencing March 1, 2007, at rates which range from 4.375% to 4.85%. Principal payments began September 1, 2007, and continue on September 1 of each year through September 1, 2036. The proceeds from these bonds were utilized for the acquisition of Laurel Park.

The outstanding balance as of June 30, 2013 is \$3,040,000.

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

| Fiscal year<br>Ended<br>June 30, | Principal           | Interest            | Total               |
|----------------------------------|---------------------|---------------------|---------------------|
| 2014                             | \$ 70,000           | \$ 140,951          | \$ 210,951          |
| 2015                             | 75,000              | 137,779             | 212,779             |
| 2016                             | 75,000              | 134,498             | 209,498             |
| 2017                             | 80,000              | 131,108             | 211,108             |
| 2018                             | 85,000              | 127,498             | 212,498             |
| 2019-2023                        | 480,000             | 576,827             | 1,056,827           |
| 2024-2028                        | 615,000             | 451,670             | 1,066,670           |
| 2029-2033                        | 780,000             | 286,683             | 1,066,683           |
| 2034-2038                        | 780,000             | 78,087              | 858,087             |
| <b>Totals</b>                    | <b>\$ 3,040,000</b> | <b>\$ 2,065,101</b> | <b>\$ 5,105,101</b> |

**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
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**Note 6 LONG-TERM LIABILITIES (CONTINUED)**

**B. Claims Payable**

Estimated claims payable from general liability and workers' compensation claims as determined by outside claims administrators as of June 30, 2013, were as follows:

|                              |                   |
|------------------------------|-------------------|
| General liability claims     | \$ 182,611        |
| Workers' compensation claims | <u>-</u>          |
|                              | <u>\$ 182,611</u> |

See Note 12 for additional information on claims payable.

**C. Compensated Absences**

Employee leave benefits are payable to employees upon termination. The City's policies relating to the payment of these benefits are discussed in Note 1. The liability for compensated absences has been typically liquidated by using the General Fund.

**Note 7 DEFINED CONTRIBUTION PLAN**

The City provides pension benefits for all of its part time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered as part of the City's 457 plan. Federal legislation requires contributions of at least 7.5% of the employees' salary. For the fiscal years ended June 30, 2013, 2012 and 2011, the City and employees contributed \$23,743, \$23,745, and \$24,526, respectively, to the plan. City Council has the authority to establish and amend the provisions of this plan.

**Note 8 RETIREMENT PLANS**

**Plan Description**

The City of Los Alamitos participates in the Miscellaneous 2.7% at 55 Risk Pool and Safety 3% at 50 Risk Pool of the California Public Employees' Retirement System (PERS). These plans are both cost-sharing, multiple-employer defined benefit pension plan administered by PERS. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of the PERS' annual financial report may be obtained from the PERS Executive Office .400 P Street, Sacramento, California 95814.

**Funding Policy**

The City makes all of the contributions required of City employees on their behalf and for their account. The employee portion of the rates is set by statute and therefore remains unchanged from year to year. The rates are:

| <u>Category</u>             | <u>Member Rates as a<br/>Percentage of Wages</u> |
|-----------------------------|--------------------------------------------------|
| Local miscellaneous members | 8%                                               |
| Local safety members        | 9%                                               |

**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

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**Note 8 RETIREMENT PLANS (CONTINUED)**

**Funding Policy (Continued)**

Additionally, the City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year 2012-2013 was 10.373% for local miscellaneous members and 25.843% for local safety members. The contribution requirements of the plan members are established by State statute and the employer contribution rates were established and may be amended by CalPERS. Since the City had less than 100 active members in each plan as of June 30, 2004, the City is required to participate in a risk pool. Mandated pooling became effective for the City during the 2005-2006 fiscal year. The City's contributions to CalPERS for the past three years, which were equal to the required contribution each year, were as follows:

| <u>Fiscal Year</u><br><u>Ended June 30,</u> | <u>Local Miscellaneous</u> | <u>Local Safety</u> |
|---------------------------------------------|----------------------------|---------------------|
| 2013                                        | \$ 204,935                 | \$ 628,941          |
| 2012                                        | 209,656                    | 529,707             |
| 2011                                        | 147,683                    | 422,105             |

**Note 9 PUBLIC EMPLOYEES RETIREMENT SYSTEM SIDE FUND**

During the 2004-2005 fiscal year, the City was required to participate in the Public Employees Retirement System (PERS) risk pool. As a result, a side fund was created to account for the difference between the funded status of the pool and the funded status of the City's plan, in addition to the existing unfunded liability. The net outstanding liability at June 30, 2013 was \$68,585 which included miscellaneous plan asset totaling \$200,922, and safety plan liability totaling (\$269,507).

**Note 10 OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN**

**Plan Description**

In addition to providing pension benefits, the City provides certain health care benefits for retired employees in accordance with a City Council resolution. Substantially all of the City's employees become eligible for those benefits if they reach normal retirement age while working for the City. Those and similar benefits for active employees are provided through PERS whose premiums are based on the benefits paid during the year.

Retiree health care coverage is segregated into two tiers as follows:

Tier 1 - Employees Hired Before August 1, 1994 (1):

- Employees age 50 or over with 10 years of PERS service receive up to \$300 per month.

Tier 2 - General and Management Employees Hired On or After August 1, 1994 (1)

- General and Management Employees with over 15 years of PERS service shall be eligible to receive 100% of the monthly benefit applicable towards the employee and one dependent provided that employee plus one dependent coverage was in effect upon the date of retirement.



**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
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**Note 10 OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

**Plan Description (Continued)**

- Police Employees with 10 years of PERS service shall be eligible to receive 50% of the monthly benefit applicable towards the employee and one dependent provided that employee plus one dependent coverage was in effect upon the date of retirement. The percentage increases by 5% per year to 100% at 20 years of service.

(1) Applies to police employees hired after January 1, 1995

**Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the City Council, and/or the employee associations. The City is currently funding this OPEB obligation based on a pay-as-you-go basis. During the fiscal year ended June 30, 2013, the City paid \$122,503 in health care costs for its retirees and their covered dependents.

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual OPEB cost (expense) is calculated based on the ARC, an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a period not to exceed thirty years.

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

|                                                |            |
|------------------------------------------------|------------|
| Annual required contribution                   | \$ 243,447 |
| Interest on net OPEB obligation                |            |
| Adjustment to annual required contribution     |            |
| Annual OPEB cost (expense)                     | 243,447    |
| Actual contributions made                      | (122,503)  |
| Change in net OPEB obligation                  | 120,944    |
| Net OPEB Obligation - beginning of fiscal year | 268,327    |
| Net OPEB Obligation - end of fiscal year       | \$ 389,271 |

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

| Fiscal Year End | Annual OPEB Cost | Actual Contribution | Percentage of Annual OPEB Cost Contributed | Unfunded AAL (UAAL) | Net OPEB Obligation |
|-----------------|------------------|---------------------|--------------------------------------------|---------------------|---------------------|
| 6/30/11         | \$223,775        | \$ 130,529          | 58.33%                                     | \$ 2,695,891        | \$176,314           |
| 6/30/12         | 217,798          | 125,785             | 57.75%                                     | 2,695,891           | 268,327             |
| 6/30/13         | 243,447          | 122,503             | 50.32%                                     | 2,724,394           | 389,271             |



**Note 10 OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

**Funded Status and Funding Progress (Continued)**

As of December 1, 2012, the initial actuarial valuation, the plan was zero percent funded. The actuarial accrued liability for benefits was \$2,724,394, and the actuarial value of assets was zero, resulting in an unfunded accrued actuarial liability (UAAL) of \$2,724,394. The covered payroll (annual payroll of active employees covered by the plan) was \$4,400,809 and the ratio of the UAAL to the covered payroll was 61.91%.

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.

**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, consistent with the long-term perspective of the calculations. In the December 2012 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included an investment return/discount rate of 5.0% per annum, projected salary increases of 3.0% per annum, a general inflation rate of 3.0% per annum, and a medical trend rate of 4.0%. A level percentage of payroll method was used to allocate amortization cost by year. A closed amortization period of 30 years was used.

**Note 11 JOINT VENTURES**

**Orange County Fire Authority**

In January 1995, the City of Los Alamitos entered into a joint powers agreement with 17 other cities within the County of Orange to create the Orange County Fire Authority. The purpose of the 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 effective date of formation was March 1, 1995. The Authority's governing board consists of one representative from each city and two from the County.

**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
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Note 11 JOINT VENTURES (CONTINUED)

**Orange County Fire Authority (Continued)**

The operations of the Authority are funded with structural fire fees collected by the County through the property tax roll for the unincorporated area and on behalf of all member cities except for five cities. The County pays all structural fire fees it collects to the Authority. The five cities for which the County does not collect structural fire fees are considered "cash contract cities" and, accordingly, make cash contributions based on the Authority's annual budget.

Upon dissolution of the Authority, all surplus money and property of the Authority will be conveyed or distributed to each member in proportion to all funds provided to the Authority by that member or by the County on behalf of that member during its membership. The City has a financial interest in the Authority; however, it does not have an equity interest. Also, the City does not have an ongoing financial responsibility. Financial statements of the Authority may be obtained from its office at Post Office Box 57115, Irvine, CA 92619.

**Joint Forces Training Base Swimming Facilities**

In November 1998, the City assumed the rights and responsibilities for the renovation, maintenance and operation of the swimming facilities at the Joint Forces Training Base (JFTB) in Los Alamitos under a sublicense and operating agreement with the Military Department of the State of California and the U.S. Water Polo Federation. The term of the agreement is 20 years, however, the agreement is cancellable at any time upon 12 months written notice.

In September 1999, the City entered into a facilities improvement agreement with the Los Alamitos Aquatics Foundation (the Foundation) to administer the renovation of the JFTB swimming facilities. The Foundation is a nonprofit organization that was formed to facilitate, promote and conduct aquatic activities and to maintain and improve the JFTB swimming facilities. The Foundation is not a component unit of the City.

As of June 30, 2013, \$854,361 of improvements to the JFTB swimming facilities had been made. These improvements are not included as capital assets because of the cancellable nature of the sublicense and operating agreements and because the City does not retain title to these improvements.

Financial information for this arrangement may be obtained from the City of Los Alamitos.

**West Communications Financing Authority**

The West Communications Financing Authority was established December 23, 1996, pursuant to a Joint Exercise of Powers Agreement by the Cities of Los Alamitos, Seal Beach and Cypress for the purpose of operating a public safety communications center.

The Board of Directors is comprised of three elected officials, one designated by each participating City. Each Director has one vote over budgeting and financial matters. The Authority is a public entity separate from the Cities, and is not included in the financial statement of those entities.

Each City pays a contractual fee to the Authority which consists of personnel costs, capital expenditures and reserves to fund accrued employee leave and equipment purchases. The contractual fee remains stable from year to year. In 2012-2013, the City of Los Alamitos paid \$498,846 to the Authority. Financial information for the Authority may be obtained from the City of Cypress.

**Note 11 JOINT VENTURES (CONTINUED)**

**Integrated Law and Justice Agency for Orange County**

In May 2006, the City of Los Alamitos entered into a joint powers agreement with 22 other agencies within the County of Orange to create the Integrated Law and Justice Agency for Orange County. The purpose of the Agency is to facilitate the integration and sharing of criminal justice information for the benefit of the lands and inhabitants within their respective boundaries. The Agency's governing board consists of six Municipal Police Chiefs, each elected for a three-year term by the Orange County Chiefs & Sheriff's Association. The operations of the Agency are funded by grant awards and annual budget appropriations from each member agency.

Upon dissolution of the Agency, all surplus money and property of the Agency will be conveyed or distributed to each member in proportion to all funds provided to the Agency by that member. The City has a financial interest in the Authority; however, it does not have an equity interest. Also, the City has an ongoing financial responsibility to the Agency for approximately \$3,000 per year.

Financial information for this arrangement may be obtained from the City of Los Alamitos.

**Note 12 LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION**

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

**Self-Insurance Programs of the Insurance Authority**

**General Liability Insurance**

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

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

**Note 12 LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION (CONTINUED)**

**Self-Insurance Programs of the Insurance Authority (Continued)**

**General Liability Insurance (Continued)**

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

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

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

**Workers' Compensation**

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

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

**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

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**Note 12 LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION (CONTINUED)**

**Purchased Insurance**

Property Insurance

The City of Los Alamitos participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Los Alamitos property is currently insured according to a schedule of covered property submitted by the City of Los Alamitos to the Authority. City of Los Alamitos property currently has all-risk property insurance protection in the amount of \$12,136,166. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City of Los Alamitos purchases crime insurance coverage in the amount of \$3,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

Special Event Tenant User Liability Insurance

The City of Los Alamitos further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Los Alamitos according to a schedule. The City of Los Alamitos then pays for the insurance. The insurance is arranged by the Authority.

**Adequacy of Protection**

During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from in 2012-2013.

The aforementioned information is not included in the accompanying financial statements. Complete financial statements for the Insurance Authority may be obtained at their administrative office located at 8081 Moody Street, La Palma, California 90623.

All self-insurance activity is reported in the City's General Fund. At June 30, 2013, \$182,611 has been accrued for general liability and workers' compensation claims. This amount represents estimates of amounts to be paid for reported and incurred, but not reported, claims based upon past experience, modified for current trends and information.



**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

**Note 12 LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION (CONTINUED)**

**Self-Insurance**

The ultimate amount of losses incurred through June 30, 2013, is dependent on future developments based upon information from the City Attorney, the City's claims administrators and others involved with the administration of the insurance programs. City management believes the accrual is adequate to cover such losses.

|                                                                               | <u>Workers'</u><br><u>Compensation</u> | <u>General</u><br><u>Liability</u> | <u>Total</u>      |
|-------------------------------------------------------------------------------|----------------------------------------|------------------------------------|-------------------|
| Liability as of June 30, 2010                                                 | \$ 977,131                             | \$ 143,769                         | \$ 1,120,900      |
| Claims and changes in estimates during<br>the fiscal year ended June 30, 2011 | (830,467)                              | 462,307                            | (368,160)         |
| Claims payments during the fiscal year<br>ended June 30, 2011                 | <u>(50,897)</u>                        | <u>                    </u>        | <u>(50,897)</u>   |
| Liability as of June 30, 2011                                                 | 95,767                                 | 606,076                            | 701,843           |
| Claims and changes in estimates during<br>the fiscal year ended June 30, 2012 | 138,892                                | 206,887                            | 345,779           |
| Claims payments during the fiscal year<br>ended June 30, 2012                 | <u>(32,111)</u>                        | <u>(47,412)</u>                    | <u>(79,523)</u>   |
| Liability balance as of June 30, 2012                                         | 202,548                                | 765,551                            | 968,099           |
| Claims and changes in estimates during<br>the fiscal year ended June 30, 2013 | (202,548)                              | (582,940)                          | (785,488)         |
| Claims payments during the fiscal year<br>ended June 30, 2013                 | <u>(202,548)</u>                       | <u>(582,940)</u>                   | <u>(785,488)</u>  |
| Liability balance as of June 30, 2013                                         | <u>\$ -</u>                            | <u>\$ 182,611</u>                  | <u>\$ 182,611</u> |

**Note 13 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 24, 2014, the date the financial statements were available to be issued. No events requiring recognition or disclosure in the financial statements were identified.

**Note 14 CONTINGENT LIABILITIES**

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is no pending litigation that is likely to have a material adverse effect on the financial position of the City.

The City has received various state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

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Note 15 FUND EQUITY

A. Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position.

Net Position is divided into three captions under GASB Statement No. 34. These captions apply only to Net Position as determined at the Government-wide level, and are described below:

*Net investment in capital assets* describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these capital assets.

*Restricted* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

*Unrestricted* describes the portion of Net Position which is not restricted as to use.

Restricted net position is net position that is subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulation of other governments or (2) imposed by law through constitutional provisions or enabling legislation. There was no net position at June 30, 2013 that was restricted by enabling legislation.

B. Fund Balances

GASB Statement No. 54 requires governmental funds to report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, committed, assigned, and unassigned fund balance. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations. Assigned fund balances include amounts that are constrained by the City's intent to be used for specific purposes. The City does not have any committed fund balances at June 30, 2013.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

**Note 15 FUND EQUITY (CONTINUED)**

**B. Fund Balance (Continued)**

Fund balances are presented in the following categories: nonspendable, restricted, assigned, and unassigned. A detailed schedule of fund balances at June 30, 2013 is as follows:

|                                                 | General<br>Fund     | Traffic<br>Improvement<br>Fund | Measure M<br>Fund | Other<br>Governmental<br>Funds | Total               |
|-------------------------------------------------|---------------------|--------------------------------|-------------------|--------------------------------|---------------------|
| <b>Nonspendable:</b>                            |                     |                                |                   |                                |                     |
| Employee Loans                                  | \$ 5,921            | \$ -                           | \$ -              | \$ -                           | \$ 5,921            |
| Total                                           | <u>5,921</u>        | <u>-</u>                       | <u>-</u>          | <u>-</u>                       | <u>5,921</u>        |
| <b>Restricted:</b>                              |                     |                                |                   |                                |                     |
| PEG Fees                                        |                     |                                |                   | 114,874                        | 114,874             |
| Measure M / Streets                             |                     |                                | 229,749           |                                | 229,749             |
| Gas Tax / Streets                               |                     |                                |                   | 232,893                        | 232,893             |
| Traffic / Safety                                |                     |                                |                   | 3,065                          | 3,065               |
| Asset Seizure / Safety                          |                     |                                |                   | 67,586                         | 67,586              |
| Prop 172 / Safety                               |                     |                                |                   | 8,480                          | 8,480               |
| Air Quality                                     |                     |                                |                   | 10,783                         | 10,783              |
| Debt Service                                    |                     |                                |                   | 220,185                        | 220,185             |
| Total                                           | <u>-</u>            | <u>-</u>                       | <u>229,749</u>    | <u>657,866</u>                 | <u>887,615</u>      |
| <b>Assigned for :</b>                           |                     |                                |                   |                                |                     |
| Debt Service                                    |                     |                                |                   | 39,143                         | 39,143              |
| Park Development                                |                     |                                |                   | 284,977                        | 284,977             |
| Emergencies                                     | 2,300,000           |                                |                   |                                | 2,300,000           |
| Workers' Comp/Liability                         | 500,000             |                                |                   |                                | 500,000             |
| OPEB                                            | 250,000             |                                |                   |                                | 250,000             |
| Building Improvement<br>Project                 | 200,000             |                                |                   | 96,061                         | 296,061             |
| Business and Residential<br>Improvement Program | 162,000             |                                |                   |                                | 162,000             |
| Community Spending<br>Priorities Program        | 358,333             |                                |                   |                                | 358,333             |
| Residential Streets / Alleys                    |                     |                                |                   | 46,953                         | 46,953              |
| Traffic Improvement                             |                     | 430,553                        |                   |                                | 430,553             |
| Total                                           | <u>3,770,333</u>    | <u>430,553</u>                 | <u>-</u>          | <u>467,134</u>                 | <u>4,668,020</u>    |
| Unassigned                                      | 4,084,877           |                                |                   | (222,398)                      | 3,862,479           |
| <b>Total Fund Balances</b>                      | <u>\$ 7,861,131</u> | <u>\$ 430,553</u>              | <u>\$ 229,749</u> | <u>\$ 902,602</u>              | <u>\$ 9,424,035</u> |



**City of Los Alamitos**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

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**Note 16 PRIOR PERIOD ADJUSTMENTS**

Prior period adjustment of \$286,687 and (\$276,405) made to the Government-wide statements were due to an understatement of the PERS Side Fund asset and PERS Side Fund obligation, respectively.

**Note 17 OPERATING LEASES**

The City is obligated to make monthly lease payments of \$616 for office equipment (Konica Minolta) for a period of five years until July 2015.

The City is obligated to make monthly lease payments of \$560 for office equipment (Ricoh) for a period of five years until December 2013. The City also agreed to pay \$489 for maintenance of the equipment on a quarterly basis.

The City is obligated to make monthly lease payments of \$245 for office equipment (Konica Minolta) for a period of five years until June 2017.

The following is a schedule by year of future minimum rental payments required under these operating leases as of June 30, 2013:

| <u>Fiscal Year</u><br><u>Ending</u><br><u>June 30,</u> | <u>Amount</u>    |
|--------------------------------------------------------|------------------|
| 2014                                                   | \$ 13,783        |
| 2015                                                   | 10,326           |
| 2016                                                   | 2,940            |
| 2017                                                   | 2,940            |
|                                                        | <u>\$ 29,989</u> |

## **REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF LOS ALAMITOS**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

|                                             | <b>Budgeted Amounts</b> |                     |                     | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---------------------------------------------|-------------------------|---------------------|---------------------|-------------------------------------------------------------------|
|                                             | <b>Original</b>         | <b>Final</b>        | <b>Actual</b>       |                                                                   |
| <b>Revenues:</b>                            |                         |                     |                     |                                                                   |
| Taxes                                       | \$ 8,336,500            | \$ 8,403,800        | \$ 8,636,170        | \$ 232,370                                                        |
| Licenses and permits                        | 768,020                 | 641,020             | 693,917             | 52,897                                                            |
| Intergovernmental                           | 21,000                  | 21,000              | 24,238              | 3,238                                                             |
| Charges for services                        | 1,314,520               | 1,329,785           | 1,454,247           | 124,462                                                           |
| Investment earnings                         | 20,000                  | 10,000              | 7,513               | (2,487)                                                           |
| Fines and forfeitures                       | 464,000                 | 474,000             | 614,835             | 140,835                                                           |
| Miscellaneous                               | 80,600                  | 80,600              | 31,547              | (49,053)                                                          |
| <b>Total Revenues</b>                       | <b>11,004,640</b>       | <b>10,960,205</b>   | <b>11,462,467</b>   | <b>502,262</b>                                                    |
| <b>Expenditures:</b>                        |                         |                     |                     |                                                                   |
| General government                          |                         |                     |                     |                                                                   |
| City council                                | 67,915                  | 67,915              | 61,961              | 5,954                                                             |
| City manager/City clerk                     | 562,749                 | 562,749             | 509,557             | 53,192                                                            |
| Administrative services                     | 496,150                 | 496,150             | 456,656             | 39,494                                                            |
| City attorney                               | 155,000                 | 155,000             | 179,950             | (24,950)                                                          |
| Non-departmental                            | 678,775                 | 678,775             | 636,908             | 41,867                                                            |
| <b>Total General Government</b>             | <b>1,960,589</b>        | <b>1,960,589</b>    | <b>1,845,032</b>    | <b>115,557</b>                                                    |
| <b>Public safety</b>                        | <b>5,396,045</b>        | <b>5,398,345</b>    | <b>5,278,040</b>    | <b>120,305</b>                                                    |
| <b>Community development</b>                | <b>663,940</b>          | <b>762,940</b>      | <b>737,071</b>      | <b>25,869</b>                                                     |
| <b>Recreation and community services</b>    | <b>1,542,806</b>        | <b>1,858,071</b>    | <b>1,888,587</b>    | <b>(30,516)</b>                                                   |
| <b>Public works</b>                         | <b>1,759,496</b>        | <b>1,761,246</b>    | <b>1,764,285</b>    | <b>(3,039)</b>                                                    |
| <b>Total Expenditures</b>                   | <b>11,322,876</b>       | <b>11,741,191</b>   | <b>11,513,015</b>   | <b>228,176</b>                                                    |
| <b>Excess of Revenues Over (Under)</b>      |                         |                     |                     |                                                                   |
| Expenditures                                | (318,236)               | (780,986)           | (50,548)            | 730,438                                                           |
| <b>Other Financing Sources (Uses)</b>       |                         |                     |                     |                                                                   |
| Transfers in                                | 371,000                 | 371,000             | 373,339             | 2,339                                                             |
| Transfers out                               | (214,764)               | (214,764)           | (214,764)           |                                                                   |
| <b>Total Other Financing Sources (Uses)</b> | <b>156,236</b>          | <b>156,236</b>      | <b>158,575</b>      | <b>2,339</b>                                                      |
| <b>Net Change in Fund Balance</b>           | <b>(162,000)</b>        | <b>(624,750)</b>    | <b>108,027</b>      | <b>732,777</b>                                                    |
| <b>Fund Balance, July 1, 2012</b>           | <b>7,753,104</b>        | <b>7,753,104</b>    | <b>7,753,104</b>    |                                                                   |
| <b>Fund Balance, June 30, 2013</b>          | <b>\$ 7,591,104</b>     | <b>\$ 7,128,354</b> | <b>\$ 7,861,131</b> | <b>\$ 732,777</b>                                                 |

**CITY OF LOS ALAMITOS**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**Measure M Special Revenue Fund**

**For the Fiscal Year Ended June 30, 2013**

|                             | <b>Budgeted Amounts</b> |              | <b>Actual</b> | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|-----------------------------|-------------------------|--------------|---------------|-------------------------------------------------------------------|
|                             | <b>Original</b>         | <b>Final</b> |               |                                                                   |
| <b>Revenues</b>             |                         |              |               |                                                                   |
| Intergovernmental           | \$ 184,053              | \$ 184,053   | \$ 183,285    | \$ (768)                                                          |
| Investment earnings         | 1,000                   | 1,000        | 342           | (658)                                                             |
| Total Revenues              | 520,053                 | 185,053      | 183,627       | (1,426)                                                           |
| <b>Expenditures</b>         |                         |              |               |                                                                   |
| Capital outlay              | 696,000                 | 696,000      | 227,993       | 468,007                                                           |
| Total Expenditures          | 696,000                 | 696,000      | 227,993       | 468,007                                                           |
| Net Change in Fund Balance  | (175,947)               | (510,947)    | (44,366)      | 466,581                                                           |
| Fund Balance, July 1, 2012  | 283,924                 | 274,115      | 274,115       |                                                                   |
| Fund Balance, June 30, 2013 | \$ (69,023)             | \$ (236,832) | \$ 229,749    | \$ 466,581                                                        |

**CITY OF LOS ALAMITOS**

**Schedule of Funding Progress**

For the Fiscal Year Ended June 30, 2013

**OTHER POST-EMPLOYMENT BENEFITS PLAN**

| <u>Actuarial<br/>Valuation<br/>Date</u> | <u>Actuarial<br/>Value of<br/>Assets<br/>(a)</u> | <u>Entry Age<br/>Normal<br/>Accrued<br/>Liability<br/>(b)</u> | <u>Unfunded<br/>Actuarial<br/>Accrued<br/>Liability<br/>(b) - (a)</u> | <u>Funded<br/>Ratio<br/>AVA<br/>(a) / (b)</u> | <u>Covered<br/>Payroll<br/>(c)</u> | <u>Unfunded<br/>(Overfunded)<br/>% of Covered<br/>Payroll<br/>((a - b) / c)</u> |
|-----------------------------------------|--------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------|------------------------------------|---------------------------------------------------------------------------------|
| 12/1/2012                               | \$ -                                             | \$2,724,394                                                   | \$2,724,394                                                           | 0%                                            | \$4,400,809                        | 61.91%                                                                          |





## **OTHER SUPPLEMENTARY INFORMATION**



**CITY OF LOS ALAMITOS**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Traffic Improvement Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2013**

|                             | <u>Final<br/>Budget</u>  | <u>Actual</u>            | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|-----------------------------|--------------------------|--------------------------|-------------------------------------------------------------------|
| Revenues                    |                          |                          |                                                                   |
| Investment earnings         | <u>\$ 1,500</u>          | <u>\$ 668</u>            | <u>\$ (832)</u>                                                   |
| Total Revenues              | <u>1,500</u>             | <u>668</u>               | <u>(832)</u>                                                      |
| Expenditures                |                          |                          |                                                                   |
| Capital outlay              | <u>149,070</u>           | <u>65,251</u>            | <u>83,819</u>                                                     |
| Total Expenditures          | <u>149,070</u>           | <u>65,251</u>            | <u>83,819</u>                                                     |
| Net Change in Fund Balance  | (147,570)                | (64,583)                 | 82,987                                                            |
| Fund Balance, July 1, 2012  | <u>495,136</u>           | <u>495,136</u>           |                                                                   |
| Fund Balance, June 30, 2013 | <u><u>\$ 347,566</u></u> | <u><u>\$ 430,553</u></u> | <u><u>\$ 82,987</u></u>                                           |

**CITY OF LOS ALAMITOS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

|                                         | <b>Special Revenue Funds</b> |                  |                                    |
|-----------------------------------------|------------------------------|------------------|------------------------------------|
|                                         | <b>Gas<br/>Tax</b>           | <b>CDBG</b>      | <b>Los Alamitos<br/>Television</b> |
| <b>Assets</b>                           |                              |                  |                                    |
| Cash and investments                    | \$ 211,608                   | \$ 11,529        | \$ 113,428                         |
| Receivables:                            |                              |                  |                                    |
| Accounts                                |                              |                  | 4,670                              |
| Due from other governments              | 26,066                       |                  |                                    |
| Restricted assets:                      |                              |                  |                                    |
| Cash and investments with fiscal agents |                              |                  |                                    |
| Total Assets                            | <u>\$ 237,674</u>            | <u>\$ 11,529</u> | <u>\$ 118,098</u>                  |
| <b>Liabilities and Fund Balances</b>    |                              |                  |                                    |
| <b>Liabilities:</b>                     |                              |                  |                                    |
| Accounts payable                        | \$ 2,486                     | \$ 3,622         | \$ 3,224                           |
| Accrued liabilities                     | 2,295                        | 7,907            |                                    |
| Due to other funds                      |                              |                  |                                    |
| Unearned revenue                        |                              |                  |                                    |
| Total Liabilities                       | <u>4,781</u>                 | <u>11,529</u>    | <u>3,224</u>                       |
| <b>Fund Balances:</b>                   |                              |                  |                                    |
| Restricted                              | 232,893                      |                  | 114,874                            |
| Assigned                                |                              |                  |                                    |
| Unassigned                              |                              |                  |                                    |
| Total Fund Balances (Deficits)          | <u>232,893</u>               | <u></u>          | <u>114,874</u>                     |
| Total Liabilities and Fund Balances     | <u>\$ 237,674</u>            | <u>\$ 11,529</u> | <u>\$ 118,098</u>                  |

**Special Revenue Funds (Continued)**

| <b>Office of<br/>Traffic and<br/>Safety</b> | <b>Asset<br/>Seizure</b> | <b>Public<br/>Safety<br/>Sales<br/>Taxes</b> | <b>State<br/>Law<br/>Enforcement<br/>Service</b> | <b>Air<br/>Quality</b> | <b>Proposition<br/>1B</b> | <b>Total<br/>Special<br/>Revenue<br/>Funds</b> |
|---------------------------------------------|--------------------------|----------------------------------------------|--------------------------------------------------|------------------------|---------------------------|------------------------------------------------|
| \$ 3,065                                    | \$ 67,586                | \$ -                                         | \$ -                                             | \$ 7,133               | \$ -                      | \$ 414,349                                     |
|                                             |                          | 15,479                                       |                                                  | 3,650                  | 15,418                    | 4,670<br>60,613                                |
| <u>\$ 3,065</u>                             | <u>\$ 67,586</u>         | <u>\$ 15,479</u>                             | <u>\$ -</u>                                      | <u>\$ 10,783</u>       | <u>\$ 15,418</u>          | <u>\$ 479,632</u>                              |
| \$ -                                        | \$ -                     | \$ -                                         | \$ -                                             | \$ -                   | \$ -                      | \$ 9,332                                       |
|                                             |                          | 6,999                                        |                                                  |                        | 15,418                    | 10,202                                         |
|                                             |                          |                                              |                                                  |                        | 15,418                    | 22,417                                         |
|                                             |                          | <u>6,999</u>                                 |                                                  |                        |                           | <u>15,418</u>                                  |
|                                             |                          |                                              |                                                  |                        | 30,836                    | 57,369                                         |
| 3,065                                       | 67,586                   | 8,480                                        |                                                  | 10,783                 |                           | 437,681                                        |
|                                             |                          |                                              |                                                  |                        | (15,418)                  | (15,418)                                       |
| <u>3,065</u>                                | <u>67,586</u>            | <u>8,480</u>                                 |                                                  | <u>10,783</u>          | <u>(15,418)</u>           | <u>422,263</u>                                 |
| <u>\$ 3,065</u>                             | <u>\$ 67,586</u>         | <u>\$ 15,479</u>                             | <u>\$ -</u>                                      | <u>\$ 10,783</u>       | <u>\$ 15,418</u>          | <u>\$ 479,632</u>                              |

(Continued)

**CITY OF LOS ALAMITOS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**  
**(Continued)**

|                                         | <u>Capital Projects Funds</u>    |                             |                                                   |
|-----------------------------------------|----------------------------------|-----------------------------|---------------------------------------------------|
|                                         | <u>Debt<br/>Service<br/>Fund</u> | <u>Park<br/>Development</u> | <u>Rivers &amp;<br/>Mountains<br/>Conservancy</u> |
| <b>Assets</b>                           |                                  |                             |                                                   |
| Cash and investments                    | \$ 39,143                        | \$ 286,314                  | \$ -                                              |
| Receivables:                            |                                  |                             |                                                   |
| Accounts                                |                                  |                             | 303,100                                           |
| Due from other governments              |                                  |                             |                                                   |
| Restricted assets:                      |                                  |                             |                                                   |
| Cash and investments with fiscal agents | 220,185                          |                             |                                                   |
| Total Assets                            | <u>\$ 259,328</u>                | <u>\$ 286,314</u>           | <u>\$ 303,100</u>                                 |
| <b>Liabilities and Fund Balances</b>    |                                  |                             |                                                   |
| <b>Liabilities:</b>                     |                                  |                             |                                                   |
| Accounts payable                        | \$ -                             | \$ 1,337                    | \$ 3,380                                          |
| Accrued liabilities                     |                                  |                             |                                                   |
| Due to other funds                      |                                  |                             | 203,600                                           |
| Unearned revenue                        |                                  |                             | 303,100                                           |
| Total Liabilities                       |                                  | <u>1,337</u>                | <u>510,080</u>                                    |
| <b>Fund Balances:</b>                   |                                  |                             |                                                   |
| Restricted                              | 220,185                          |                             |                                                   |
| Assigned                                | 39,143                           | 284,977                     |                                                   |
| Unassigned                              |                                  |                             | (206,980)                                         |
| Total Fund Balances (Deficits)          | <u>259,328</u>                   | <u>284,977</u>              | <u>(206,980)</u>                                  |
| Total Liabilities and Fund Balances     | <u>\$ 259,328</u>                | <u>\$ 286,314</u>           | <u>\$ 303,100</u>                                 |

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**Capital Projects Funds (Continued)**

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| <b>Building<br/>Improvement</b> | <b>Residential<br/>Streets/Alleys</b> | <b>Total<br/>Capital<br/>Projects<br/>Funds</b> | <b>Total</b>        |
|---------------------------------|---------------------------------------|-------------------------------------------------|---------------------|
| \$ 108,547                      | \$ 46,953                             | \$ 441,814                                      | \$ 895,306          |
|                                 |                                       | 303,100                                         | 307,770             |
|                                 |                                       |                                                 | 60,613              |
|                                 |                                       |                                                 | 220,185             |
| <u>\$ 108,547</u>               | <u>\$ 46,953</u>                      | <u>\$ 744,914</u>                               | <u>\$ 1,483,874</u> |
| \$ 12,486                       | \$ -                                  | \$ 17,203                                       | \$ 26,535           |
|                                 |                                       |                                                 | 10,202              |
|                                 |                                       | 203,600                                         | 226,017             |
|                                 |                                       | 303,100                                         | 318,518             |
| <u>12,486</u>                   |                                       | <u>523,903</u>                                  | <u>581,272</u>      |
| 96,061                          | 46,953                                | 427,991                                         | 657,866             |
|                                 |                                       | (206,980)                                       | 467,134             |
|                                 |                                       |                                                 | (222,398)           |
| <u>96,061</u>                   | <u>46,953</u>                         | <u>221,011</u>                                  | <u>902,602</u>      |
| <u>\$ 108,547</u>               | <u>\$ 46,953</u>                      | <u>\$ 744,914</u>                               | <u>\$ 1,483,874</u> |

**CITY OF LOS ALAMITOS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2013**

|                                                   | <b>Special Revenue Funds</b> |                 |                                    |
|---------------------------------------------------|------------------------------|-----------------|------------------------------------|
|                                                   | <b>Gas<br/>Tax</b>           | <b>CDBG</b>     | <b>Los Alamitos<br/>Television</b> |
| Revenues:                                         |                              |                 |                                    |
| Taxes                                             | \$ 283,796                   | \$ -            | \$ 32,092                          |
| Intergovernmental                                 |                              | 202,318         |                                    |
| Charges for services                              |                              |                 |                                    |
| Investment earnings                               | 290                          |                 | 139                                |
| Miscellaneous                                     |                              |                 | 50                                 |
|                                                   |                              |                 |                                    |
| Total Revenues                                    | <u>284,086</u>               | <u>202,318</u>  | <u>32,281</u>                      |
| Expenditures:                                     |                              |                 |                                    |
| Current:                                          |                              |                 |                                    |
| General government                                |                              |                 | 54,796                             |
| Public safety                                     |                              |                 |                                    |
| Public works                                      |                              |                 |                                    |
| Capital outlay                                    | 158,117                      | 136,460         |                                    |
| Debt service:                                     |                              |                 |                                    |
| Principal                                         |                              |                 |                                    |
| Interest and fiscal charges                       |                              |                 |                                    |
|                                                   |                              |                 |                                    |
| Total Expenditures                                | <u>158,117</u>               | <u>136,460</u>  | <u>54,796</u>                      |
| Excess (Deficit) of Revenues over<br>Expenditures | <u>125,969</u>               | <u>65,858</u>   | <u>(22,515)</u>                    |
| Other Financing Sources (Uses)                    |                              |                 |                                    |
| Transfers in                                      |                              |                 |                                    |
| Transfers out                                     | <u>(177,000)</u>             |                 |                                    |
|                                                   |                              |                 |                                    |
| Total Other Financing Sources (Uses)              | <u>(177,000)</u>             |                 |                                    |
| Net Change in Fund Balances                       | (51,031)                     | 65,858          | (22,515)                           |
| Fund Balances (Deficits), July 1, 2012            | <u>283,924</u>               | <u>(65,858)</u> | <u>137,389</u>                     |
| Fund Balances (Deficits), June 30, 2013           | <u>\$ 232,893</u>            | <u>\$ -</u>     | <u>\$ 114,874</u>                  |



**Special Revenue Funds (Continued)**

| <b>Office of<br/>Traffic and<br/>Safety</b> | <b>Asset<br/>Seizure</b> | <b>Public<br/>Safety<br/>Sales<br/>Taxes</b> | <b>State<br/>Law<br/>Enforcement<br/>Service</b> | <b>Air<br/>Quality</b>   | <b>Proposition<br/>1B</b> | <b>Total<br/>Special<br/>Revenue<br/>Funds</b> |
|---------------------------------------------|--------------------------|----------------------------------------------|--------------------------------------------------|--------------------------|---------------------------|------------------------------------------------|
| \$ -<br>6,571<br>8,550                      | \$ -<br><br>76           | \$ 90,283                                    | \$ -<br>100,000                                  | \$ -<br>13,941<br><br>79 | \$ -                      | \$ 406,171<br>322,830<br>8,550<br>584<br>50    |
| 15,121                                      | 76                       | 90,283                                       | 100,000                                          | 14,020                   |                           | 738,185                                        |
| 2,056                                       |                          |                                              |                                                  |                          |                           | 54,796<br>2,056                                |
|                                             | 4,009                    |                                              |                                                  | 84,663                   | 15,418                    | 398,667                                        |
| 2,056                                       | 4,009                    |                                              |                                                  | 84,663                   | 15,418                    | 455,519                                        |
| 13,065                                      | (3,933)                  | 90,283                                       | 100,000                                          | (70,643)                 | (15,418)                  | 282,666                                        |
| (10,000)                                    |                          | (86,339)                                     | (100,000)                                        |                          |                           | (373,339)                                      |
| (10,000)                                    |                          | (86,339)                                     | (100,000)                                        |                          |                           | (373,339)                                      |
| 3,065                                       | (3,933)                  | 3,944                                        |                                                  | (70,643)                 | (15,418)                  | (90,673)                                       |
|                                             | 71,519                   | 4,536                                        |                                                  | 81,426                   |                           | 512,936                                        |
| \$ 3,065                                    | \$ 67,586                | \$ 8,480                                     | \$ -                                             | \$ 10,783                | \$ (15,418)               | \$ 422,263<br>(Continued)                      |

City of Los Alamitos  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2013  
(Continued)

|                                                   | <u>Capital Projects Funds</u>    |                             |                                                   |
|---------------------------------------------------|----------------------------------|-----------------------------|---------------------------------------------------|
|                                                   | <u>Debt<br/>Service<br/>Fund</u> | <u>Park<br/>Development</u> | <u>Rivers &amp;<br/>Mountains<br/>Conservancy</u> |
| Revenues:                                         |                                  |                             |                                                   |
| Taxes                                             | \$ -                             | \$ -                        | \$ -                                              |
| Intergovernmental                                 |                                  |                             |                                                   |
| Charges for services                              |                                  | 289,216                     |                                                   |
| Investment earnings                               |                                  | 38                          |                                                   |
| Miscellaneous                                     |                                  |                             |                                                   |
|                                                   |                                  |                             |                                                   |
| Total Revenues                                    |                                  | 289,254                     |                                                   |
| Expenditures:                                     |                                  |                             |                                                   |
| Current:                                          |                                  |                             |                                                   |
| General government                                |                                  |                             |                                                   |
| Public safety                                     |                                  |                             |                                                   |
| Public works                                      |                                  | 1,917                       |                                                   |
| Capital outlay                                    |                                  | 7,824                       | 126,650                                           |
| Debt service:                                     |                                  |                             |                                                   |
| Principal                                         | 70,000                           |                             |                                                   |
| Interest and fiscal charges                       | 145,524                          |                             |                                                   |
|                                                   |                                  |                             |                                                   |
| Total Expenditures                                | 215,524                          | 9,741                       | 126,650                                           |
| Excess (Deficit) of Revenues over<br>Expenditures | (215,524)                        | 279,513                     | (126,650)                                         |
| Other Financing Sources (Uses)                    |                                  |                             |                                                   |
| Transfers in                                      | 214,764                          |                             |                                                   |
| Transfers out                                     |                                  |                             |                                                   |
|                                                   |                                  |                             |                                                   |
| Total Other Financing Sources (Uses)              | 214,764                          |                             |                                                   |
| Net Change in Fund Balances                       | (760)                            | 279,513                     | (126,650)                                         |
| Fund Balances (Deficits), July 1, 2012            | 260,088                          | 5,464                       | (80,330)                                          |
| Fund Balances (Deficits), June 30, 2013           | \$ 259,328                       | \$ 284,977                  | \$ (206,980)                                      |

**Capital Projects Funds (Continued)**

| <b>Building<br/>Improvement</b> | <b>Residential<br/>Streets / Alleys</b> | <b>Total<br/>Capital<br/>Projects<br/>Funds</b> | <b>Total</b>      |
|---------------------------------|-----------------------------------------|-------------------------------------------------|-------------------|
| \$ -                            | \$ -                                    | \$ -                                            | \$ 406,171        |
|                                 |                                         |                                                 | 322,830           |
|                                 |                                         | 289,216                                         | 297,766           |
| 140                             | 54                                      | 232                                             | 816               |
| <u>4,381</u>                    |                                         | <u>4,381</u>                                    | <u>4,431</u>      |
| 4,521                           | 54                                      | 293,829                                         | 1,032,014         |
|                                 |                                         |                                                 | 54,796            |
|                                 |                                         |                                                 | 2,056             |
|                                 |                                         | 1,917                                           | 1,917             |
| 44,815                          |                                         | 179,289                                         | 577,956           |
|                                 |                                         |                                                 | 70,000            |
|                                 |                                         |                                                 | <u>145,524</u>    |
| <u>44,815</u>                   |                                         | <u>181,206</u>                                  | <u>852,249</u>    |
| (40,294)                        | 54                                      | 112,623                                         | 179,765           |
|                                 |                                         |                                                 | 214,764           |
|                                 |                                         |                                                 | <u>(373,339)</u>  |
|                                 |                                         |                                                 | <u>(158,575)</u>  |
| (40,294)                        | 54                                      | 112,623                                         | 21,190            |
| <u>136,355</u>                  | <u>46,899</u>                           | <u>108,388</u>                                  | <u>881,412</u>    |
| <u>\$ 96,061</u>                | <u>\$ 46,953</u>                        | <u>\$ 221,011</u>                               | <u>\$ 902,602</u> |

**CITY OF LOS ALAMITOS**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Gas Tax Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**

|                                                   | <b>Final<br/>Budget</b> | <b>Actual</b>     | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---------------------------------------------------|-------------------------|-------------------|-------------------------------------------------------------------|
| Revenues                                          |                         |                   |                                                                   |
| Taxes                                             | \$ 325,073              | \$ 283,796        | \$ (41,277)                                                       |
| Investment earnings                               | 200                     | 290               | 90                                                                |
| Total Revenues                                    | <u>325,273</u>          | <u>284,086</u>    | <u>(41,187)</u>                                                   |
| Expenditures                                      |                         |                   |                                                                   |
| Capital outlay                                    | <u>223,304</u>          | <u>158,117</u>    | <u>65,187</u>                                                     |
| Total Expenditures                                | <u>223,304</u>          | <u>158,117</u>    | <u>65,187</u>                                                     |
| Excess (Deficit) of Revenues over<br>Expenditures | <u>101,969</u>          | <u>125,969</u>    | <u>24,000</u>                                                     |
| Other Financing Sources (Uses)                    |                         |                   |                                                                   |
| Transfers out                                     | <u>(177,000)</u>        | <u>(177,000)</u>  |                                                                   |
| Total Other Financing Sources (Uses)              | <u>(177,000)</u>        | <u>(177,000)</u>  |                                                                   |
| Net Change in Fund Balance                        | (75,031)                | (51,031)          | 24,000                                                            |
| Fund Balance, July 1, 2012                        | <u>283,924</u>          | <u>283,924</u>    |                                                                   |
| Fund Balance, June 30, 2013                       | <u>\$ 208,893</u>       | <u>\$ 232,893</u> | <u>\$ 24,000</u>                                                  |

**CITY OF LOS ALAMITOS**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**CDBG Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**

|                                       | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|-------------------|-------------------------------------------------------------------|
| Revenues                              |                         |                   |                                                                   |
| Intergovernmental                     | <u>\$ 154,325</u>       | <u>\$ 202,318</u> | <u>\$ 47,993</u>                                                  |
| Total Revenues                        | <u>154,325</u>          | <u>202,318</u>    | <u>47,993</u>                                                     |
| Expenditures                          |                         |                   |                                                                   |
| Capital outlay                        | <u>154,325</u>          | <u>136,460</u>    | <u>17,865</u>                                                     |
| Total Expenditures                    | <u>154,325</u>          | <u>136,460</u>    | <u>17,865</u>                                                     |
| Net Change in Fund Balance            |                         | 65,858            | 65,858                                                            |
| Fund Balance (Deficit), July 1, 2012  | <u>(65,858)</u>         | <u>(65,858)</u>   | <u></u>                                                           |
| Fund Balance (Deficit), June 30, 2013 | <u>\$ (65,858)</u>      | <u>\$ -</u>       | <u>\$ 65,858</u>                                                  |

**CITY OF LOS ALAMITOS****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Los Alamitos Television Special Revenue Fund  
For the Fiscal Year Ended June 30, 2013**

|                             | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|-----------------------------|-------------------------|---------------|-------------------------------------------------------------------|
| Revenues                    |                         |               |                                                                   |
| Charges for services        | \$ 6,500                | \$ -          | \$ (6,500)                                                        |
| Taxes                       | 30,000                  | 32,092        | 2,092                                                             |
| Investment earnings         | 200                     | 139           | (61)                                                              |
| Miscellaneous               |                         | 50            | 50                                                                |
| Total Revenues              | 36,700                  | 32,281        | (4,419)                                                           |
| Expenditures                |                         |               |                                                                   |
| Current:                    |                         |               |                                                                   |
| General government          | 36,700                  | 54,796        | (18,096)                                                          |
| Total Expenditures          | 36,700                  | 54,796        | (18,096)                                                          |
| Net Change in Fund Balance  |                         | (22,515)      | (22,515)                                                          |
| Fund Balance, July 1, 2012  | 137,389                 | 137,389       |                                                                   |
| Fund Balance, June 30, 2013 | \$ 137,389              | \$ 114,874    | \$ (22,515)                                                       |

**CITY OF LOS ALAMITOS****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Office of Traffic and Safety Special Revenue Fund****For the Fiscal Year Ended June 30, 2013**

|                                                   | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------------------|-------------------------|---------------|-------------------------------------------------------------------|
| Revenues                                          |                         |               |                                                                   |
| Intergovernmental                                 | \$ 8,500                | \$ 6,571      | \$ (1,929)                                                        |
| Charges for services                              | 10,000                  | 8,550         | (1,450)                                                           |
| Total Revenues                                    | 18,500                  | 15,121        | (3,379)                                                           |
| Expenditures                                      |                         |               |                                                                   |
| Current:                                          |                         |               |                                                                   |
| Public safety                                     | 8,500                   | 2,056         | 6,444                                                             |
| Total Expenditures                                | 8,500                   | 2,056         | 6,444                                                             |
| Excess (Deficit) of Revenues over<br>Expenditures | 10,000                  | 13,065        | 3,065                                                             |
| Other Financing Sources (Uses)                    |                         |               |                                                                   |
| Transfers out                                     | (10,000)                | (10,000)      |                                                                   |
| Total Other Financing Sources (Uses)              | (10,000)                | (10,000)      |                                                                   |
| Net Change in Fund Balance                        |                         | 3,065         | 3,065                                                             |
| Fund Balance, July 1, 2012                        |                         |               |                                                                   |
| Fund Balance, June 30, 2013                       | \$ -                    | \$ 3,065      | \$ 3,065                                                          |

**CITY OF LOS ALAMITOS****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Asset Seizure Special Revenue Fund****For the Fiscal Year Ended June 30, 2013**

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|                             | <b>Final<br/>Budget</b>        | <b>Actual</b>                  | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|-----------------------------|--------------------------------|--------------------------------|-------------------------------------------------------------------|
| Revenues                    |                                |                                |                                                                   |
| Investment earnings         | <u>\$         150</u>          | <u>\$          76</u>          | <u>\$         (74)</u>                                            |
| Total Revenues              | <u>          150</u>           | <u>          76</u>            | <u>         (74)</u>                                              |
| Expenditures                |                                |                                |                                                                   |
| Capital outlay              | <u>        46,200</u>          | <u>        4,009</u>           | <u>        42,191</u>                                             |
| Total Expenditures          | <u>        46,200</u>          | <u>        4,009</u>           | <u>        42,191</u>                                             |
| Net Change in Fund Balance  | <u>      (46,050)</u>          | <u>      (3,933)</u>           | <u>        42,117</u>                                             |
| Fund Balance, July 1, 2012  | <u>        71,519</u>          | <u>        71,519</u>          | <u>                  </u>                                         |
| Fund Balance, June 30, 2013 | <u><u>      \$  25,469</u></u> | <u><u>      \$  67,586</u></u> | <u><u>      \$  42,117</u></u>                                    |



**CITY OF LOS ALAMITOS****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Public Safety Sales Tax Special Revenue Fund****For the Fiscal Year Ended June 30, 2013**

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|                                      | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--------------------------------------|-------------------------|------------------|-------------------------------------------------------------------|
| Revenues                             |                         |                  |                                                                   |
| Taxes                                | <u>\$ 84,000</u>        | <u>\$ 90,283</u> | <u>\$ 6,283</u>                                                   |
| Total Revenues                       | <u>84,000</u>           | <u>90,283</u>    | <u>6,283</u>                                                      |
| Other Financing Sources (Uses)       |                         |                  |                                                                   |
| Transfers out                        | <u>(84,000)</u>         | <u>(86,339)</u>  | <u>(2,339)</u>                                                    |
| Total Other Financing Sources (Uses) | <u>(84,000)</u>         | <u>(86,339)</u>  | <u>(2,339)</u>                                                    |
| Net Change in Fund Balance           |                         | 3,944            | 3,944                                                             |
| Fund Balance, July 1, 2012           | <u>4,536</u>            | <u>4,536</u>     |                                                                   |
| Fund Balance, June 30, 2013          | <u>\$ 4,536</u>         | <u>\$ 8,480</u>  | <u>\$ 3,944</u>                                                   |

**CITY OF LOS ALAMITOS****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
State Law Enforcement Service Special Revenue Fund  
For the Fiscal Year Ended June 30, 2013**

|                                      | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--------------------------------------|-------------------------|---------------|-------------------------------------------------------------------|
| Revenues                             |                         |               |                                                                   |
| Intergovernmental                    | \$ 100,000              | \$ 100,000    | \$ -                                                              |
| Total Revenues                       | 100,000                 | 100,000       |                                                                   |
| Other Financing Sources (Uses)       |                         |               |                                                                   |
| Transfers out                        | (100,000)               | (100,000)     |                                                                   |
| Total Other Financing Sources (Uses) | (100,000)               | (100,000)     |                                                                   |
| Net Change in Fund Balance           |                         |               |                                                                   |
| Fund Balance, July 1, 2012           |                         |               |                                                                   |
| Fund Balance, June 30, 2013          | \$ -                    | \$ -          | \$ -                                                              |

**CITY OF LOS ALAMITOS**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Air Quality Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**

|                             | <b>Final<br/>Budget</b> | <b>Actual</b>    | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|-----------------------------|-------------------------|------------------|-------------------------------------------------------------------|
| Revenues                    |                         |                  |                                                                   |
| Intergovernmental           | \$ 14,000               | \$ 13,941        | \$ (59)                                                           |
| Investment earnings         | 100                     | 79               | (21)                                                              |
| Total Revenues              | <u>14,100</u>           | <u>14,020</u>    | <u>(80)</u>                                                       |
| Expenditures                |                         |                  |                                                                   |
| Capital outlay              | <u>86,000</u>           | <u>84,663</u>    | <u>1,337</u>                                                      |
| Total Expenditures          | <u>86,000</u>           | <u>84,663</u>    | <u>1,337</u>                                                      |
| Net Change in Fund Balance  | (71,900)                | (70,643)         | 1,257                                                             |
| Fund Balance, July 1, 2012  | <u>81,426</u>           | <u>81,426</u>    |                                                                   |
| Fund Balance, June 30, 2013 | <u>\$ 9,526</u>         | <u>\$ 10,783</u> | <u>\$ 1,257</u>                                                   |

**CITY OF LOS ALAMITOS**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Proposition 1B Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**

|                                       | <b>Final<br/>Budget</b> | <b>Actual</b>      | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---------------------------------------|-------------------------|--------------------|-------------------------------------------------------------------|
| Revenues                              |                         |                    |                                                                   |
| Intergovernmental                     | \$ 318,000              | \$ -               | \$ (318,000)                                                      |
| Total Revenues                        | <u>318,000</u>          |                    | <u>(318,000)</u>                                                  |
| Expenditures                          |                         |                    |                                                                   |
| Capital outlay                        | <u>318,000</u>          | <u>15,418</u>      | <u>302,582</u>                                                    |
| Total Expenditures                    | <u>318,000</u>          | <u>15,418</u>      | <u>302,582</u>                                                    |
| Net Change in Fund Balance            |                         | (15,418)           | (15,418)                                                          |
| Fund Balance (Deficit), July 1, 2012  |                         |                    |                                                                   |
| Fund Balance (Deficit), June 30, 2013 | <u>\$ -</u>             | <u>\$ (15,418)</u> | <u>\$ (15,418)</u>                                                |

**CITY OF LOS ALAMITOS**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2013**

|                                                   | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------------------|-------------------------|-------------------|-------------------------------------------------------------------|
| Expenditures                                      |                         |                   |                                                                   |
| Debt service:                                     |                         |                   |                                                                   |
| Principal                                         | \$ 70,000               | \$ 70,000         | \$ -                                                              |
| Interest and fiscal charges                       | <u>144,764</u>          | <u>145,524</u>    | <u>(760)</u>                                                      |
| Total Expenditures                                | <u>214,764</u>          | <u>215,524</u>    | <u>(760)</u>                                                      |
| Excess (Deficit) of Revenues over<br>Expenditures | <u>(214,764)</u>        | <u>(215,524)</u>  | <u>(760)</u>                                                      |
| Other Financing Sources (Uses)                    |                         |                   |                                                                   |
| Transfers in                                      | <u>214,764</u>          | <u>214,764</u>    |                                                                   |
| Total Other Financing Sources (Uses)              | <u>214,764</u>          | <u>214,764</u>    |                                                                   |
| Net Change in Fund Balance                        |                         | (760)             | (760)                                                             |
| Fund Balance, July 1, 2012                        | <u>260,088</u>          | <u>260,088</u>    |                                                                   |
| Fund Balance, June 30, 2013                       | <u>\$ 260,088</u>       | <u>\$ 259,328</u> | <u>\$ (760)</u>                                                   |

**CITY OF LOS ALAMITOS****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Park Development Capital Projects Fund  
For the Fiscal Year Ended June 30, 2013**

|                             | <b>Final<br/>Budget</b> | <b>Actual</b>     | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|-----------------------------|-------------------------|-------------------|-------------------------------------------------------------------|
| Revenues                    |                         |                   |                                                                   |
| Charges for services        | \$ -                    | \$ 289,216        | \$ 289,216                                                        |
| Investment earnings         | 50                      | 38                | (12)                                                              |
| Total Revenues              | 50                      | 289,254           | 289,204                                                           |
| Expenditures                |                         |                   |                                                                   |
| Current:                    |                         |                   |                                                                   |
| Public works                | 3,310                   | 1,917             | 1,393                                                             |
| Capital outlay              | 5,514                   | 7,824             | (2,310)                                                           |
| Total Expenditures          | 8,824                   | 9,741             | (917)                                                             |
| Net Change in Fund Balance  | (8,774)                 | 279,513           | 288,287                                                           |
| Fund Balance, July 1, 2012  | 5,464                   | 5,464             |                                                                   |
| Fund Balance, June 30, 2013 | <u>\$ (3,310)</u>       | <u>\$ 284,977</u> | <u>\$ 288,287</u>                                                 |

**CITY OF LOS ALAMITOS****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Rivers and Mountain Conservancy Capital Projects Fund  
For the Fiscal Year Ended June 30, 2013**

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|                                       | <b>Final<br/>Budget</b> | <b>Actual</b>       | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---------------------------------------|-------------------------|---------------------|-------------------------------------------------------------------|
| Revenues                              |                         |                     |                                                                   |
| Intergovernmental                     | <u>\$ 1,359,669</u>     | <u>\$ -</u>         | <u>\$ (1,359,669)</u>                                             |
| Total Revenues                        | <u>1,359,669</u>        |                     | <u>(1,359,669)</u>                                                |
| Expenditures                          |                         |                     |                                                                   |
| Capital outlay                        | <u>1,359,669</u>        | <u>126,650</u>      | <u>1,233,019</u>                                                  |
| Total Expenditures                    | <u>1,359,669</u>        | <u>126,650</u>      | <u>1,233,019</u>                                                  |
| Net Change in Fund Balance            |                         | (126,650)           | (126,650)                                                         |
| Fund Balance (Deficit), July 1, 2012  | <u>(80,330)</u>         | <u>(80,330)</u>     |                                                                   |
| Fund Balance (Deficit), June 30, 2013 | <u>\$ (80,330)</u>      | <u>\$ (206,980)</u> | <u>\$ (126,650)</u>                                               |

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**CITY OF LOS ALAMITOS****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Building Improvement Capital Projects Fund****For the Fiscal Year Ended June 30, 2013**

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|                             | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|-----------------------------|-------------------------|---------------|-------------------------------------------------------------------|
| Revenues                    |                         |               |                                                                   |
| Investment earnings         | \$ 4,580                | \$ 140        | \$ (4,440)                                                        |
| Miscellaneous               |                         | 4,381         | 4,381                                                             |
| Total Revenues              | 4,580                   | 4,521         | (59)                                                              |
| Expenditures                |                         |               |                                                                   |
| Capital outlay              | 139,486                 | 44,815        | 94,671                                                            |
| Total Expenditures          | 139,486                 | 44,815        | 94,671                                                            |
| Net Change in Fund Balance  | (134,906)               | (40,294)      | 94,612                                                            |
| Fund Balance, July 1, 2012  | 136,355                 | 136,355       |                                                                   |
| Fund Balance, June 30, 2013 | \$ 1,449                | \$ 96,061     | \$ 94,612                                                         |

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**CITY OF LOS ALAMITOS****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Residential Streets/Alleys Capital Projects Fund  
For the Fiscal Year Ended June 30, 2013**

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|                             | <b>Final</b>                   | <b>Actual</b>                  | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|-----------------------------|--------------------------------|--------------------------------|-------------------------------------------------------------------|
| Revenues                    |                                |                                |                                                                   |
| Investment earnings         | <u>\$          200</u>         | <u>\$          54</u>          | <u>\$        (146)</u>                                            |
| Total Revenues              | <u>          200</u>           | <u>          54</u>            | <u>        (146)</u>                                              |
| Net Change in Fund Balance  | 200                            | 54                             | (146)                                                             |
| Fund Balance, July 1, 2012  | <u>        46,899</u>          | <u>        46,899</u>          | <u>                  </u>                                         |
| Fund Balance, June 30, 2013 | <u><u>\$        47,099</u></u> | <u><u>\$        46,953</u></u> | <u><u>\$        (146)</u></u>                                     |

**CITY OF LOS ALAMITOS**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2013**

|                                  | <u>Garage</u>     | <u>Technology<br/>Replacement</u> | <u>Total</u>      |
|----------------------------------|-------------------|-----------------------------------|-------------------|
| <b>Assets</b>                    |                   |                                   |                   |
| Current Assets:                  |                   |                                   |                   |
| Cash and investments             | \$ 174,568        | \$ 220,914                        | \$ 395,482        |
| Total Current Assets             | <u>174,568</u>    | <u>220,914</u>                    | <u>395,482</u>    |
| Noncurrent Assets:               |                   |                                   |                   |
| Capital assets, net              | <u>310,174</u>    | <u>60,795</u>                     | <u>370,969</u>    |
| Total Noncurrent Assets          | <u>310,174</u>    | <u>60,795</u>                     | <u>370,969</u>    |
| Total Assets                     | <u>484,742</u>    | <u>281,709</u>                    | <u>766,451</u>    |
| <b>Liabilities</b>               |                   |                                   |                   |
| Current Liabilities:             |                   |                                   |                   |
| Accounts payable                 | 13,592            | 593                               | 14,185            |
| Accrued liabilities              | 1,719             |                                   | 1,719             |
| Compensated absences             | 2,972             |                                   | 2,972             |
| Long-term Liabilities:           |                   |                                   |                   |
| Compensated absences             | <u>13,091</u>     |                                   | <u>13,091</u>     |
| Total Liabilities                | <u>31,374</u>     | <u>593</u>                        | <u>31,967</u>     |
| <b>Net Position</b>              |                   |                                   |                   |
| Net investment in capital assets | 310,174           | 60,795                            | 370,969           |
| Unrestricted                     | <u>143,194</u>    | <u>220,321</u>                    | <u>363,515</u>    |
| Total Net Position               | <u>\$ 453,368</u> | <u>\$ 281,116</u>                 | <u>\$ 734,484</u> |

**CITY OF LOS ALAMITOS**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2013**

|                                         | <u>Garage</u>     | <u>Technology<br/>Replacement</u> | <u>Total</u>      |
|-----------------------------------------|-------------------|-----------------------------------|-------------------|
| Operating Revenues:                     |                   |                                   |                   |
| Charges for services                    | <u>\$ 250,080</u> | <u>\$ 145,085</u>                 | <u>\$ 395,165</u> |
| Total Operating Revenues                | <u>250,080</u>    | <u>145,085</u>                    | <u>395,165</u>    |
| Operating Expenses:                     |                   |                                   |                   |
| Personnel services                      | 83,753            |                                   | 83,753            |
| Supplies and parts                      | 127,494           | 18,778                            | 146,272           |
| Outside services                        | 27,624            | 110,161                           | 137,785           |
| Depreciation                            | <u>114,203</u>    | <u>32,052</u>                     | <u>146,255</u>    |
| Total Operating Expenses                | <u>353,074</u>    | <u>160,991</u>                    | <u>514,065</u>    |
| Operating Loss                          | <u>(102,994)</u>  | <u>(15,906)</u>                   | <u>(118,900)</u>  |
| Non-Operating Revenues (Expenses):      |                   |                                   |                   |
| Gain on sale of capital assets          | <u>37,265</u>     |                                   | <u>37,265</u>     |
| Total Non-Operating Revenues (Expenses) | <u>37,265</u>     |                                   | <u>37,265</u>     |
| Change in Net Position                  | (65,729)          | (15,906)                          | (81,635)          |
| Net Position, July 1, 2012              | <u>519,097</u>    | <u>297,022</u>                    | <u>816,119</u>    |
| Net Position, June 30, 2013             | <u>\$ 453,368</u> | <u>\$ 281,116</u>                 | <u>\$ 734,484</u> |

**CITY OF LOS ALAMITOS**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2013**

|                                                                                                   | <b>Garage</b> | <b>Technology<br/>Replacement</b> | <b>Total</b> |
|---------------------------------------------------------------------------------------------------|---------------|-----------------------------------|--------------|
| Cash Flows from Operating Activities:                                                             |               |                                   |              |
| Cash received from user departments                                                               | \$ 250,080    | \$ 145,085                        | \$ 395,165   |
| Cash paid to suppliers for goods and services                                                     | (194,305)     | (130,923)                         | (325,228)    |
| Cash paid to employees for services                                                               | (87,092)      |                                   | (87,092)     |
| Net Cash Provided (Used) by Operating Activities                                                  | (31,317)      | 14,162                            | (17,155)     |
| Cash Flows from Capital and Related Financing Activities:                                         |               |                                   |              |
| Acquisition of capital assets                                                                     | (218,646)     | (16,354)                          | (235,000)    |
| Proceeds from sale of capital assets                                                              | 37,265        |                                   | 37,265       |
| Net Cash Provided (Used) by Capital<br>and Related Financing Activities                           | (181,381)     | (16,354)                          | (197,735)    |
| Net Decrease in Cash and Cash Equivalents                                                         | (212,698)     | (2,192)                           | (214,890)    |
| Cash and Cash Equivalents at the Beginning of the Fiscal Year                                     | 387,266       | 223,106                           | 610,372      |
| Cash and Cash Equivalents at the End of the Fiscal Year                                           | \$ 174,568    | \$ 220,914                        | \$ 395,482   |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by<br>Operating Activities: |               |                                   |              |
| Operating loss                                                                                    | \$ (102,994)  | \$ (15,906)                       | \$ (118,900) |
| Add back depreciation expense                                                                     | 114,203       | 32,052                            | 146,255      |
| Change in assets and liabilities:                                                                 |               |                                   |              |
| Increase (decrease) in accounts payable                                                           | (39,187)      | (1,984)                           | (41,171)     |
| Increase (decrease) in accrued liabilities                                                        | (3,480)       |                                   | (3,480)      |
| Increase (decrease) in compensated absences                                                       | 141           |                                   | 141          |
| Net Cash Provided (Used) by Operating Activities                                                  | \$ (31,317)   | \$ 14,162                         | \$ (17,155)  |

## **STATISTICAL SECTION**



## DESCRIPTION OF STATISTICAL SECTION CONTENTS

JUNE 30, 2013

This part of the City of Los Alamitos's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

### Contents:

|                                                                                                                                                                                                                                                   | <u>PAGE</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <u>Financial Trends</u> : these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.                                                                     | 93          |
| <u>Revenue Capacity</u> : these schedules contain trend information to help the reader access the City's most significant local revenue source, the property tax.                                                                                 | 107         |
| <u>Debt Capacity</u> : these schedules presents information to help the reader access the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.                           | 113         |
| <u>Demographic and Economic Information</u> : these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.                                    | 119         |
| <u>Operating Information</u> : these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 123         |





## **FINANCIAL TRENDS**

CITY OF LOS ALAMITOS  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

|                                            | Fiscal Year      |                  |                  |                  |
|--------------------------------------------|------------------|------------------|------------------|------------------|
|                                            | 2004             | 2005             | 2006             | 2007             |
| Governmental activities                    |                  |                  |                  |                  |
| Net investment in capital assets           | \$ 3,752         | \$ 6,845         | \$ 9,289         | \$ 8,962         |
| Restricted                                 | 2,189            | 1,886            | 2,006            | 2,449            |
| Unrestricted                               | 8,765            | 9,025            | 7,356            | 8,029            |
| Total governmental activities net position | <u>\$ 14,706</u> | <u>\$ 17,756</u> | <u>\$ 18,651</u> | <u>\$ 19,440</u> |

Source: City of Los Alamitos, Finance Department

| Fiscal Year      |                  |                  |                  |                  |                  |
|------------------|------------------|------------------|------------------|------------------|------------------|
| 2008             | 2009             | 2010             | 2011             | 2012             | 2013             |
| \$ 9,396         | \$ 11,415        | \$ 12,370        | \$ 12,659        | \$ 13,143        | \$ 13,137        |
| 2,309            | 2,093            | 1,533            | 1,500            | 832              | 841              |
| 7,553            | 7,146            | 7,144            | 7,984            | 7,681            | 8,026            |
| <u>\$ 19,258</u> | <u>\$ 20,654</u> | <u>\$ 21,047</u> | <u>\$ 22,143</u> | <u>\$ 21,656</u> | <u>\$ 22,004</u> |

CITY OF LOS ALAMITOS  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

|                                                           | Fiscal Year   |                 |               |                 |
|-----------------------------------------------------------|---------------|-----------------|---------------|-----------------|
|                                                           | 2004          | 2005            | 2006          | 2007            |
| <b>Expenses</b>                                           |               |                 |               |                 |
| Governmental activities:                                  |               |                 |               |                 |
| General government                                        | \$ 1,863      | \$ 2,201        | \$ 2,303      | \$ 2,523        |
| Public safety                                             | 4,006         | 4,087           | 4,410         | 4,449           |
| Urban development                                         | 1,704         | 298             | 881           | 743             |
| Culture and recreation                                    | 1,887         | 1,878           | 2,197         | 1,902           |
| Highways and streets                                      | 130           | 1,507           | 1,599         | 1,445           |
| Interest on long-term debt                                | -             | -               | -             | 125             |
| Total governmental activities expenses                    | <u>9,590</u>  | <u>9,971</u>    | <u>11,390</u> | <u>11,187</u>   |
| <b>Program Revenues</b>                                   |               |                 |               |                 |
| Governmental activities:                                  |               |                 |               |                 |
| Charges for services                                      |               |                 |               |                 |
| General government                                        | 36            | 12              | 17            | 10              |
| Public safety                                             | 236           | 192             | 482           | 659             |
| Urban development                                         | 75            | 56              | 74            | 54              |
| Culture and recreation                                    | 827           | 818             | 998           | 762             |
| Operating grants                                          | 732           | 1,541           | 740           | 638             |
| Capital grants and contributions                          | 323           | 965             | 554           | 30              |
| Total governmental activities program revenues            | <u>2,229</u>  | <u>3,584</u>    | <u>2,865</u>  | <u>2,153</u>    |
| <b>Net (expense)/revenue</b>                              |               |                 |               |                 |
| Governmental activities                                   | (7,361)       | (6,387)         | (8,525)       | (9,034)         |
| <b>General Revenues and Other Changes in Net Position</b> |               |                 |               |                 |
| Governmental activities:                                  |               |                 |               |                 |
| Taxes                                                     |               |                 |               |                 |
| Property                                                  | 1,244         | 1,372           | 2,301         | 2,354           |
| Utility users tax                                         | 1,626         | 1,636           | 1,969         | 2,165           |
| Transient occupancy                                       | 67            | 72              | 73            | 93              |
| Sales                                                     | 2,610         | 3,144           | 2,907         | 3,098           |
| Franchise                                                 | 519           | 539             | 566           | 602             |
| Business License taxes and permits                        | 591           | 533             | 652           | 475             |
| Other                                                     | 86            | 87              | 104           | 129             |
|                                                           | <u>6,743</u>  | <u>7,383</u>    | <u>8,572</u>  | <u>8,916</u>    |
| Motor vehicle in lieu                                     | 548           | 760             | 78            | 70              |
| Use of money and property                                 | 167           | 219             | 382           | 452             |
| Gain on Sale of property                                  | -             | -               | -             | -               |
| Other                                                     | 793           | 559             | 388           | 621             |
| Total governmental activities                             | <u>8,251</u>  | <u>8,921</u>    | <u>9,420</u>  | <u>10,059</u>   |
| <b>Changes in Net Position</b>                            |               |                 |               |                 |
| Governmental activities                                   | <u>\$ 890</u> | <u>\$ 2,534</u> | <u>\$ 895</u> | <u>\$ 1,025</u> |

Source: City of Los Alamitos, Finance Department

| Fiscal Year     |                 |               |                 |                 |               |
|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| 2008            | 2009            | 2010          | 2011            | 2012            | 2013          |
| \$ 3,178        | \$ 2,704        | \$ 2,224      | \$ 1,659        | \$ 2,376        | \$ 1,377      |
| 4,922           | 5,095           | 5,068         | 4,912           | 5,545           | 5,393         |
| 700             | 578             | 578           | 527             | 705             | 745           |
| 2,162           | 2,114           | 1,583         | 1,568           | 1,770           | 1,957         |
| 1,592           | 1,616           | 1,922         | 1,905           | 2,007           | 2,709         |
| 209             | 155             | 156           | 153             | 150             | 168           |
| <u>12,763</u>   | <u>12,262</u>   | <u>11,531</u> | <u>10,724</u>   | <u>12,553</u>   | <u>12,349</u> |
| 33              | 88              | 117           | 43              | 3               | 2             |
| 770             | 663             | 618           | 641             | 511             | 637           |
| 52              | 75              | 73            | 150             | 280             | 435           |
| 1,015           | 1,100           | 1,180         | 1,230           | 1,266           | 1,295         |
| 921             | 1,315           | 388           | 533             | 112             | 216           |
| 191             | 1,123           | 708           | 890             | 524             | 592           |
| <u>2,982</u>    | <u>4,364</u>    | <u>3,084</u>  | <u>3,487</u>    | <u>2,696</u>    | <u>3,175</u>  |
| (9,781)         | (7,898)         | (8,447)       | (7,237)         | (9,857)         | (9,174)       |
| 2,484           | 2,545           | 2,654         | 2,529           | 3,143           | 2,678         |
| 2,178           | 2,232           | 2,178         | 2,132           | 2,083           | 2,160         |
| 101             | 78              | 70            | 80              | 88              | 104           |
| 2,912           | 2,514           | 2,349         | 2,148           | 2,200           | 2,746         |
| 595             | 603             | 584           | 595             | 683             | 653           |
| 606             | 788             | 574           | 471             | 618             | 694           |
| 63              | 55              | 65            | 85              | 347             | 371           |
| <u>8,939</u>    | <u>8,815</u>    | <u>8,474</u>  | <u>8,040</u>    | <u>9,162</u>    | <u>9,406</u>  |
| 54              | 41              | 36            | 62              | 6               | 5             |
| 277             | 142             | 39            | 27              | 15              | 27            |
| 9               | 6               | 5             | 140             | 3               | 37            |
| 389             | 289             | 287           | 89              | 207             | 36            |
| <u>9,668</u>    | <u>9,293</u>    | <u>8,841</u>  | <u>8,358</u>    | <u>9,393</u>    | <u>9,511</u>  |
| <u>\$ (113)</u> | <u>\$ 1,395</u> | <u>\$ 394</u> | <u>\$ 1,121</u> | <u>\$ (464)</u> | <u>\$ 337</u> |

CITY OF LOS ALAMITOS  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

|                                           | Fiscal Year      |                  |                 |                  |
|-------------------------------------------|------------------|------------------|-----------------|------------------|
|                                           | 2004             | 2005             | 2006            | 2007             |
| <b>General Fund</b>                       |                  |                  |                 |                  |
| Nonspendable                              |                  |                  |                 |                  |
| Restricted                                |                  |                  |                 |                  |
| Assigned                                  |                  |                  |                 |                  |
| Unassigned                                |                  |                  |                 |                  |
| Reserved                                  | \$ 76            | \$ 16            | \$ 170          | \$ 6             |
| Unreserved, designated                    |                  |                  |                 |                  |
| Unreserved, undesignated                  | 7,858            | 7,982            | 6,148           | 6,776            |
| <b>Total General Fund</b>                 | <u>7,934</u>     | <u>7,998</u>     | <u>6,318</u>    | <u>6,782</u>     |
| <b>All Other Governmental Funds</b>       |                  |                  |                 |                  |
| Nonspendable                              |                  |                  |                 |                  |
| Restricted                                |                  |                  |                 |                  |
| Assigned                                  |                  |                  |                 |                  |
| Unassigned                                |                  |                  |                 |                  |
| Reserved                                  | -                | -                | -               | -                |
| Unreserved, designated reported in:       |                  |                  |                 |                  |
| Special revenue funds                     | -                | -                | -               | -                |
| Unreserved, reported in:                  |                  |                  |                 |                  |
| Special revenue funds                     | 2,185            | 1,925            | 1,752           | 2,078            |
| Debt service funds                        | -                | -                | 254             | 256              |
| Capital projects funds                    | 880              | 836              | 925             | 902              |
| <b>Total All Other Governmental Funds</b> | <u>3,065</u>     | <u>2,761</u>     | <u>2,931</u>    | <u>3,236</u>     |
| <b>Total All Governmental Funds</b>       | <u>\$ 10,999</u> | <u>\$ 10,759</u> | <u>\$ 9,249</u> | <u>\$ 10,018</u> |

\*Note: The City adopted GASB 54 starting in fiscal year 2011 which changed how fund balance is presented in the CAFR

Source: City of Los Alamitos, Finance Department

| Fiscal Year     |                 |                 |                 |                 |                 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2008            | 2009            | 2010            | 2011            | 2012            | 2013            |
|                 |                 |                 | \$ 4            | \$ 7            | \$ 6            |
|                 |                 |                 | -               | -               | -               |
|                 |                 |                 | 3,250           | 3,250           | 3,770           |
|                 |                 |                 | 4,161           | 4,496           | 4,085           |
| \$ 25           | \$ 25           | \$ 5            |                 |                 |                 |
| 2,800           | 2,800           | 2,800           |                 |                 |                 |
| 3,078           | 3,305           | 3,418           |                 |                 |                 |
| <u>5,903</u>    | <u>6,130</u>    | <u>6,223</u>    | <u>7,415</u>    | <u>7,753</u>    | <u>7,861</u>    |
|                 |                 |                 | -               | -               | -               |
|                 |                 |                 | 1,550           | 1,073           | 888             |
|                 |                 |                 | 1,201           | 724             | 898             |
|                 |                 |                 | (167)           | (146)           | (223)           |
|                 | 274             | 261             |                 |                 |                 |
| 219             | 215             | 216             |                 |                 |                 |
| 2,098           | 1,211           | 1,120           |                 |                 |                 |
| 262             | -               | -               |                 |                 |                 |
| 1,040           | 1,067           | 1,008           |                 |                 |                 |
| <u>3,619</u>    | <u>2,767</u>    | <u>2,605</u>    | <u>2,584</u>    | <u>1,651</u>    | <u>1,563</u>    |
| <u>\$ 9,522</u> | <u>\$ 8,897</u> | <u>\$ 8,828</u> | <u>\$ 9,999</u> | <u>\$ 9,404</u> | <u>\$ 9,424</u> |

CITY OF LOS ALAMITOS  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

|                                                         | Fiscal Year     |                 |                   |               |
|---------------------------------------------------------|-----------------|-----------------|-------------------|---------------|
|                                                         | 2004            | 2005            | 2006              | 2007          |
| <b>Revenues</b>                                         |                 |                 |                   |               |
| Taxes                                                   | \$ 6,179        | \$ 6,629        | \$ 8,004          | \$ 8,228      |
| Licenses and permits                                    | 591             | 533             | 653               | 475           |
| Intergovernmental                                       | 1,933           | 3,596           | 1,752             | 1,165         |
| Charges for services                                    | 928             | 901             | 1,095             | 843           |
| Investment earnings                                     | 156             | 203             | 351               | 413           |
| Fines and forfeitures                                   | 219             | 167             | 463               | 634           |
| Other                                                   | 463             | 251             | 115               | 231           |
| Total Revenues                                          | <u>10,469</u>   | <u>12,280</u>   | <u>12,433</u>     | <u>11,989</u> |
| <b>Expenditures</b>                                     |                 |                 |                   |               |
| General government                                      | 1,928           | 2,094           | 2,827             | 2,604         |
| Public safety                                           | 3,909           | 4,045           | 4,448             | 4,511         |
| Community development                                   | 1,814           | 582             | 735               | 607           |
| Recreation and community services                       | 1,007           | 3,845           | 2,291             | 2,258         |
| Public works                                            | 1,854           | 1,842           | 6,689             | 1,398         |
| Capital outlay                                          | 151             | 90              | 207               | -             |
| Debt service                                            | -               | -               | 111               | 121           |
| Total Expenditures                                      | <u>10,663</u>   | <u>12,498</u>   | <u>17,308</u>     | <u>11,499</u> |
| Excess of revenues over/(under) expenditures            | <u>(194)</u>    | <u>(218)</u>    | <u>(4,875)</u>    | <u>490</u>    |
| <b>Other Financing Sources (Uses)</b>                   |                 |                 |                   |               |
| Transfers in                                            | 1,665           | 3,143           | 3,603             | 969           |
| Transfers out                                           | (1,685)         | (3,165)         | (3,603)           | (969)         |
| Residual equity transfers                               | -               | -               | -                 | -             |
| Long term debt issued                                   | -               | -               | 3,365             | -             |
| Total other financing sources                           | <u>(20)</u>     | <u>(22)</u>     | <u>3,365</u>      | <u>-</u>      |
| Net change in fund balances                             | <u>\$ (214)</u> | <u>\$ (240)</u> | <u>\$ (1,510)</u> | <u>\$ 490</u> |
| Debt service as a percentage of noncapital expenditures | 0.0%            | 0.0%            | 0.649%            | 1.052%        |

Source: City of Los Alamitos, Finance Department



| Fiscal Year     |                 |                |                 |                 |               |
|-----------------|-----------------|----------------|-----------------|-----------------|---------------|
| 2008            | 2009            | 2010           | 2011            | 2012            | 2013          |
| \$ 8,725        | \$ 8,387        | \$ 7,915       | \$ 8,027        | \$ 8,087        | \$ 9,042      |
| 606             | 806             | 604            | 629             | 1,247           | 694           |
| 949             | 1,671           | 1,542          | 1,047           | 475             | 531           |
| 1,105           | 1,248           | 1,256          | 1,379           | 1,320           | 1,752         |
| 369             | 198             | 39             | 27              | 15              | 9             |
| 751             | 651             | 622            | 602             | 450             | 615           |
| 299             | 60              | 189            | 245             | 197             | 36            |
| <u>12,804</u>   | <u>13,021</u>   | <u>12,167</u>  | <u>11,956</u>   | <u>11,791</u>   | <u>12,679</u> |
| 2,739           | 2,219           | 2,132          | 1,892           | 2,106           | 1,900         |
| 4,798           | 4,993           | 4,923          | 4,748           | 4,913           | 5,280         |
| 694             | 574             | 562            | 526             | 623             | 737           |
| 2,118           | 2,073           | 1,517          | 1,527           | 1,570           | 1,889         |
| 1,461           | 1,483           | 1,717          | 1,654           | 1,779           | 1,831         |
| 556             | 2,165           | 1,260          | 523             | 1,183           | 806           |
| 172             | 210             | 213            | 210             | 212             | 216           |
| <u>12,538</u>   | <u>13,717</u>   | <u>12,324</u>  | <u>11,080</u>   | <u>12,386</u>   | <u>12,659</u> |
| <u>266</u>      | <u>(696)</u>    | <u>(157)</u>   | <u>876</u>      | <u>(595)</u>    | <u>20</u>     |
| 731             | 816             | 635            | 960             | 715             | 588           |
| (1,425)         | (745)           | (546)          | (621)           | (715)           | (588)         |
| -               | -               | -              | -               | -               | -             |
| -               | -               | -              | -               | -               | -             |
| <u>(694)</u>    | <u>71</u>       | <u>89</u>      | <u>339</u>      | <u>-</u>        | <u>-</u>      |
| <u>\$ (428)</u> | <u>\$ (625)</u> | <u>\$ (68)</u> | <u>\$ 1,215</u> | <u>\$ (595)</u> | <u>\$ 20</u>  |
| 1.435%          | 1.818%          | 1.925%         | 1.989%          | 1.892%          | 1.822%        |

CITY OF LOS ALAMITOS

Last Ten Fiscal Years  
(amounts expressed in thousands)

| <u>Category</u> | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007</u>  | <u>2008</u>  | <u>2009</u>  | <u>2010</u>  | <u>2011</u>  |
|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Residential     | 611,278      | 667,365      | 758,585      | 804,318      | 865,371      | 898,176      | 897,118      | 925,857      |
| Commercial      | 202,622      | 214,721      | 224,025      | 240,837      | 262,971      | 284,259      | 289,009      | 283,221      |
| Industrial      | 168,831      | 179,150      | 183,303      | 190,378      | 205,802      | 243,442      | 248,721      | 246,247      |
| Institutional   | 4,509        | 4,265        | 57           | 59           | 60           | 61           | 62           | -            |
| Miscellaneous   | 15,761       | 17,720       | 24,817       | 27,387       | 28,802       | 627          | 1,753        | 1,749        |
| Recreational    | 124          | 127          | 129          | 132          | -            | -            | -            | -            |
| Vacant land     | 2,499        | 1,840        | 2,370        | 1,894        | 839          | 859          | 876          | -            |
| SBE Nonunitary  | 458          | 463          | 462          | 462          | 459          | 222          | 222          | 222          |
| Cross Reference | -            | -            | -            | -            | -            | 3,106        | 3,285        | 3,477        |
| Unsecured       | 116,643      | 135,966      | 159,280      | 151,067      | 156,734      | 149,735      | 148,625      | 155,295      |
| Exempt          | -            | -            | -            | -            | -            | -            | -            | -            |
| Unknown         | 3,054        | (537)        | -            | (2)          | -            | -            | -            | -            |
| Totals          | \$ 1,125,779 | \$ 1,221,080 | \$ 1,353,028 | \$ 1,416,532 | \$ 1,521,038 | \$ 1,580,487 | \$ 1,589,671 | \$ 1,616,068 |
| Direct rate     | 0.10067%     | 0.10066%     | 0.10066%     | 0.10065%     | 0.10064%     | 0.10072%     | 0.10067%     | 0.10066%     |

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

Source: HdL Coren and Cone, Orange County Assessor Tax Rate Table

| <u>2012</u> | <u>2013</u> |
|-------------|-------------|
| 935,865     | 957,266     |
| 278,086     | 288,363     |
| 247,130     | 252,384     |
| -           | -           |
| 1,762       | 1,797       |
| -           | -           |
| -           | -           |
| 222         | 222         |
| 3,367       | 4,327       |
| 138,185     | 134,342     |
| -           | -           |
| -           | -           |
| \$1,604,617 | \$1,638,701 |
| 0.10066%    | 0.10067%    |



CITY OF LOS ALAMITOS  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(amounts expressed in thousands)

| Fiscal Year<br>Ended<br>June 30, | Secured   | Unsecured | Less:<br>Exemptions (1) | Taxable<br>Assessed<br>Value (2) |
|----------------------------------|-----------|-----------|-------------------------|----------------------------------|
| 2004                             | 1,005,396 | 120,383   |                         | 1,125,779                        |
| 2005                             | 1,085,188 | 135,892   |                         | 1,221,080                        |
| 2006                             | 1,193,748 | 159,280   |                         | 1,353,028                        |
| 2007                             | 1,265,004 | 151,528   |                         | 1,416,532                        |
| 2008                             | 1,363,845 | 157,193   |                         | 1,521,038                        |
| 2009                             | 1,430,961 | 149,526   |                         | 1,580,487                        |
| 2010                             | 1,441,254 | 148,417   |                         | 1,589,671                        |
| 2011                             | 1,460,981 | 155,087   |                         | 1,616,068                        |
| 2012                             | 1,466,640 | 137,977   |                         | 1,604,617                        |
| 2013                             | 1,504,137 | 133,912   |                         | 1,638,049                        |

(1) Exemptions are netted against the individual property categories.

(2) Total includes Nonunitary Taxable Assessed Values.

Note:

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

Source: HdL Coren and Cone, Orange County Assessor Combined Tax Rolls



## **REVENUE CAPACITY**

CITY OF LOS ALAMITOS  
Direct and Overlapping Property Tax Rates  
(Rate per \$100 of assessed value)  
Last Ten Fiscal Years

|                                               | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007</u>  | <u>2008</u>  | <u>2009</u>  | <u>2010</u>  |
|-----------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| City Direct Rate                              | 0.116        | 0.116        | 0.116        | 0.116        | 0.117        | 0.117        | 0.117        |
| Overlapping Rates:                            |              |              |              |              |              |              |              |
| Los Alamitos City General Fund                | 0.100        | 0.100        | 0.100        | 0.100        | 0.100        | 0.100        | 0.101        |
| Los Alamitos City Lighting Reorganization     | 0.016        | 0.016        | 0.016        | 0.016        | 0.016        | 0.016        | 0.016        |
| Educational Revenue Augmentation Fund         | 0.145        | 0.145        | 0.145        | 0.145        | 0.145        | 0.144        | 0.144        |
| Los Alamitos Unified General Fund             | 0.412        | 0.412        | 0.412        | 0.412        | 0.412        | 0.412        | 0.412        |
| North Orange co. Community College District   | 0.059        | 0.059        | 0.059        | 0.059        | 0.059        | 0.059        | 0.059        |
| Orange County Department of Education         | 0.031        | 0.031        | 0.031        | 0.031        | 0.031        | 0.031        | 0.031        |
| Orange County Fire Department                 | 0.095        | 0.095        | 0.095        | 0.095        | 0.095        | 0.095        | 0.095        |
| Orange County Flood Control District General  | 0.017        | 0.017        | 0.017        | 0.017        | 0.017        | 0.017        | 0.017        |
| Orange County General Fund                    | 0.052        | 0.052        | 0.052        | 0.052        | 0.052        | 0.052        | 0.052        |
| Orange County Harbors Beaches & Parks Csa     | 0.013        | 0.013        | 0.013        | 0.013        | 0.013        | 0.013        | 0.013        |
| Orange County Library District General Fund   | 0.014        | 0.014        | 0.014        | 0.014        | 0.014        | 0.014        | 0.014        |
| Orange County Sanitation District 3 Operating | 0.027        | 0.027        | 0.027        | 0.027        | 0.027        | 0.027        | 0.027        |
| Orange County Transportation Authority        | 0.002        | 0.002        | 0.002        | 0.002        | 0.002        | 0.002        | 0.002        |
| Orange County Vector Control                  | 0.001        | 0.001        | 0.001        | 0.001        | 0.001        | 0.001        | 0.001        |
| Orange County Water District                  | 0.006        | 0.006        | 0.006        | 0.006        | 0.006        | 0.006        | 0.006        |
| Orange County Water District reserve          | 0.001        | 0.001        | 0.001        | 0.001        | 0.000        | 0.001        | 0.000        |
| Rossmoor/Los Alamitos Sewer District          | 0.009        | 0.009        | 0.009        | 0.009        | 0.010        | 0.010        | 0.010        |
| Total Prop 13 Rate                            | <u>1.000</u> | <u>1.000</u> | <u>1.000</u> | <u>1.000</u> | <u>1.000</u> | <u>1.000</u> | <u>1.000</u> |
| Anaheim High School District                  | 0.024        | 0.028        | 0.024        | 0.024        | 0.025        | 0.024        | 0.026        |
| Cypress Elementary                            | 0.000        | 0.000        | 0.000        | 0.000        | 0.000        | 0.000        | 0.022        |
| Garden Grove Unified School District          | 0.000        | 0.000        | 0.000        | 0.000        | 0.000        | 0.000        | 0.000        |
| Los Alamitos Sfid                             | 0.000        | 0.000        | 0.000        | 0.000        | 0.000        | 0.000        | 0.020        |
| Metropolitan Water District                   | 0.006        | 0.006        | 0.005        | 0.005        | 0.005        | 0.004        | 0.004        |
| N. Orange County Community College            | 0.016        | 0.014        | 0.017        | 0.014        | 0.015        | 0.015        | 0.018        |
| Total Voter Approved tax Rate                 | <u>0.046</u> | <u>0.048</u> | <u>0.046</u> | <u>0.043</u> | <u>0.045</u> | <u>0.043</u> | <u>0.089</u> |
| Total Tax Rate                                | <u>1.045</u> | <u>1.047</u> | <u>1.046</u> | <u>1.042</u> | <u>1.020</u> | <u>1.043</u> | <u>1.089</u> |

Source: HdL Coren and Cone, Orange County Assessor 2003/2004 - 2012/2013 Tax Rate Table



| <u>2011</u>  | <u>2012</u>  | <u>2013</u>  |
|--------------|--------------|--------------|
| 0.117        | 0.117        | 0.117        |
| 0.101        | 0.101        | 0.101        |
| 0.016        | 0.016        | 0.016        |
| 0.144        | 0.144        | 0.144        |
| 0.412        | 0.412        | 0.412        |
| 0.059        | 0.059        | 0.059        |
| 0.031        | 0.031        | 0.031        |
| 0.095        | 0.095        | 0.095        |
| 0.017        | 0.017        | 0.017        |
| 0.052        | 0.052        | 0.052        |
| 0.013        | 0.013        | 0.013        |
| 0.014        | 0.014        | 0.014        |
| 0.027        | 0.027        | 0.027        |
| 0.002        | 0.002        | 0.002        |
| 0.001        | 0.001        | 0.001        |
| 0.006        | 0.006        | 0.006        |
| 0.000        | 0.000        | 0.000        |
| 0.010        | 0.010        | 0.010        |
| <u>1.000</u> | <u>1.000</u> | <u>1.000</u> |
| 0.027        | 0.027        | 0.029        |
| 0.026        | 0.015        | 0.025        |
| 0.033        | 0.025        | 0.031        |
| 0.033        | 0.036        | 0.042        |
| 0.004        | 0.004        | 0.004        |
| 0.017        | 0.017        | 0.019        |
| <u>0.141</u> | <u>0.124</u> | <u>0.150</u> |
| <u>1.141</u> | <u>1.124</u> | <u>1.150</u> |

CITY OF LOS ALAMITOS  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
(amounts expressed in thousands)

|                                     | 2013                         |                                                          | 2004                         |                                                          |
|-------------------------------------|------------------------------|----------------------------------------------------------|------------------------------|----------------------------------------------------------|
|                                     | Taxable<br>Assessed<br>Value | Percent of<br>Total City<br>Taxable<br>Assessed<br>Value | Taxable<br>Assessed<br>Value | Percent of<br>Total City<br>Taxable<br>Assessed<br>Value |
| Los Alamitos Medical Center         | \$ 67,539                    | 4.121%                                                   | \$ 45,530                    | 4.056%                                                   |
| Los Alamitos Corporation Center JV  | 54,495                       | 3.325%                                                   |                              |                                                          |
| Henrietta C. Lee Trust              |                              |                                                          | 46,618                       | 4.153%                                                   |
| Trend Offset Printing Inc.          | 40,574                       | 2.476%                                                   | 36,965                       | 3.293%                                                   |
| Don Wilson Staples LLC              | 30,194                       | 1.843%                                                   |                              |                                                          |
| JCB Inc.                            | 16,963                       | 1.035%                                                   | 14,592                       | 1.300%                                                   |
| Davenport KCC Partners LLC          | 14,059                       | 0.858%                                                   |                              |                                                          |
| Ganahl Lumber Company               | 15,148                       | 0.924%                                                   |                              |                                                          |
| Bayport Los Alamitos Associates LP  | 12,355                       | 0.754%                                                   |                              |                                                          |
| William and Rorhman Ross            | -                            | 0.000%                                                   | 8,185                        | 0.729%                                                   |
| Arrowhead Products Corporation      | 11,088                       | 0.677%                                                   | 10,733                       | 0.956%                                                   |
| Calwest Industrial                  |                              |                                                          | 8,578                        | 0.764%                                                   |
| GTE Directories Service Corporation |                              |                                                          | 8,007                        | 0.713%                                                   |
| Susa Partnership                    |                              |                                                          | 8,189                        | 0.730%                                                   |
| Los Alamitos LLC                    | 10,797                       |                                                          |                              |                                                          |
| Apartment Unlimited                 |                              |                                                          | 7,783                        | 0.693%                                                   |
| Top Ten Totals                      | <u>\$ 273,212</u>            | <u>16.014%</u>                                           | <u>\$ 195,180</u>            | <u>17.389%</u>                                           |
| City Totals                         | <u>\$ 1,638,701</u>          |                                                          | <u>\$ 1,122,457</u>          |                                                          |

Source: HdL Coren and Cone, Orange County Assessor 2003/04 and 2012/13 Tax Rolls

CITY OF LOS ALAMITOS  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(amounts expressed in thousands)

| Fiscal<br>Year<br>Ended<br>June 30, | Taxes Levied<br>for the<br>Fiscal Year | Collected within the<br>Fiscal Year of Levy |                    | Collections<br>for Prior<br>Years (1) | Total Collections to Date |                    |
|-------------------------------------|----------------------------------------|---------------------------------------------|--------------------|---------------------------------------|---------------------------|--------------------|
|                                     |                                        | Amount                                      | Percent<br>of Levy |                                       | Amount                    | Percent<br>of Levy |
| 2004                                | 1,239,628                              | 1,221,864                                   | 98.567%            | 20,478                                | 1,242,342                 | 100.219%           |
| 2005                                | 1,380,625                              | 1,356,979                                   | 98.287%            | 4,428                                 | 1,361,407                 | 98.608%            |
| 2006                                | 1,493,570                              | 1,460,442                                   | 97.782%            | 17,572                                | 1,478,014                 | 98.958%            |
| 2007                                | 1,555,871                              | 1,501,044                                   | 96.476%            | 22,569                                | 1,523,613                 | 97.927%            |
| 2008                                | 1,647,608                              | 1,583,142                                   | 96.087%            | 32,579                                | 1,615,721                 | 98.065%            |
| 2009                                | 1,680,414                              | 1,619,026                                   | 96.347%            | (3,594)                               | 1,615,432                 | 96.133%            |
| 2010                                | 1,677,973                              | 1,358,634                                   | 80.969%            | 56,169                                | 1,414,803                 | 84.316%            |
| 2011                                | 1,706,675                              | 1,656,579                                   | 97.065%            | 37,679                                | 1,694,258                 | 99.272%            |
| 2012                                | 1,863,810                              | 1,776,861                                   | 95.335%            | 36,779                                | 1,813,640                 | 97.308%            |
| 2013                                | 2,013,958                              | 1,962,651                                   | 97.452%            | 24,090                                | 1,986,741                 | 98.649%            |

(1) Total amount of delinquent taxes collected in each fiscal year; information regarding levy year to which delinquent tax collections pertain is not provided by the Orange County Auditor- Controller.

Source: Orange County Auditor- Controller



## **DEBT CAPACITY**



CITY OF LOS ALAMITOS  
Ratio of Outstanding Debt by Type  
Last Nine Fiscal Years  
(amounts expressed in thousands, except per capita)

| Fiscal<br>Year | Governmental<br>Activities<br>Certificates<br>of<br>Participation | Total<br>Primary<br>Government | Percent of<br>Personal<br>Income | Per<br>Capita |
|----------------|-------------------------------------------------------------------|--------------------------------|----------------------------------|---------------|
| 2005           | \$ 0                                                              | \$ 0                           | 0.000%                           | \$ 0.00       |
| 2006           | \$ 3,365                                                          | \$ 3,365                       | 8.626%                           | \$ 280.32     |
| 2007           | \$ 3,365                                                          | \$ 3,365                       | 8.036%                           | \$ 277.05     |
| 2008           | \$ 3,350                                                          | \$ 3,350                       | 7.806%                           | \$ 286.59     |
| 2009           | \$ 3,295                                                          | \$ 3,295                       | 7.783%                           | \$ 269.71     |
| 2010           | \$ 3,235                                                          | \$ 3,235                       | 7.539%                           | \$ 272.90     |
| 2011           | \$ 3,175                                                          | \$ 3,175                       | 7.092%                           | \$ 276.71     |
| 2012           | \$ 3,110                                                          | \$ 3,110                       | N/A                              | \$ 269.10     |
| 2013           | \$ 3,055                                                          | \$ 3,055                       | N/A                              | \$ 262.77     |

Source: City of Los Alamitos, Finance Department

CITY OF LOS ALAMITOS  
Direct and Overlapping Governmental Activity Debt  
As of June 30, 2013  
(amounts expressed in thousands)

2012-2013 Taxable Assessed Valuation: \$ 1,638,193

|                                                                     | Total<br>Debt<br>6/30/2013 | Percent<br>Applicable<br>to City (1) | City's<br>Share<br>of Debt<br>6/30/2013 |
|---------------------------------------------------------------------|----------------------------|--------------------------------------|-----------------------------------------|
| <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>                         |                            |                                      |                                         |
| Metropolitan Water District                                         | \$ 165,085                 | 0.078%                               | 129                                     |
| North Orange County Joint Community College District                | 213,394                    | 1.652%                               | 3,525                                   |
| Los Alamitos Unified District School Facilities Improvement Dist #1 | 68,521                     | 22.128%                              | 15,162                                  |
| Anaheim Union High School District                                  | 105,184                    | 0.080%                               | 84                                      |
| Garden Grove School District                                        | 127,000                    | 0.012%                               | 15                                      |
| Cypress School District                                             | 40,518                     | 0.528%                               | 214                                     |
| TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT                           |                            |                                      | \$ 19,130                               |
| <u>OVERLAPPING GENERAL FUND DEBT:</u>                               |                            |                                      |                                         |
| Orange County General Fund Obligations                              | \$ 190,546                 | 0.383%                               | \$ 730                                  |
| Orange County Pension obligations                                   | 306,287                    | 0.383%                               | 1,173                                   |
| Orange County Board of Education Certificates of Participation      | 15,770                     | 0.383%                               | 60                                      |
| Municipal Water District of Orange County Water Facilities Corp     | 10,035                     | 0.459%                               | 46                                      |
| Los Alamitos Unified School District Certificates of Participation  | 47,037                     | 20.181%                              | 9,493                                   |
| Anaheim Union High School District Certificates of Participation    | 36,848                     | 0.080%                               | 29                                      |
| Cypress School District Certificates of Participation               | 7,365                      | 0.528%                               | 39                                      |
| North Orange County Regional Occupational Program Certificates      | 10,920                     | 1.696%                               | 185                                     |
| City of Los Alamitos Certificates of Participation                  | 3,040                      | 100.000%                             | 3,040                                   |
| TOTAL GROSS OVERLAPPING GENERAL FUND DEBT                           |                            |                                      | \$ 14,795                               |
| Less: MWDOC Water Facilities Corporation (100% self-supporting)     |                            |                                      | 46                                      |
| TOTAL NET OVERLAPPING GENERAL FUND DEBT                             |                            |                                      | \$ 14,749                               |
| GROSS COMBINED TOTAL DEBT (2)                                       |                            |                                      | \$ 33,925 (2)                           |
| NET COMBINED TOTAL DEBT                                             |                            |                                      | \$ 33,879                               |

- (1) Percentage of overlapping agency's assessed valuation located within the boundaries of the City.  
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to Assessed Valuation:

|                                       |       |
|---------------------------------------|-------|
| Combined Direct Debt (3,040,000)..... | 0.19% |
| Gross Combined Total Debt.....        | 2.07% |
| Net Combined Total Debt.....          | 2.07% |

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/12                      \$0

Source -California Municipal Statistics, Inc.



CITY OF LOS ALAMITOS  
Legal Debt Margin Information  
Last Ten Fiscal Years

Legal Debt Margin Calculation for the Current Year

|                                    |                       |
|------------------------------------|-----------------------|
| Assessed value                     | \$ 1,638,700,752      |
| Debt limit (15% of assessed value) | 245,805,113           |
| Debt applicable to limit           | 0                     |
| Legal debt margin - Current Year   | <u>\$ 245,805,113</u> |

| Fiscal Year | Debt Limit  | Debt Applicable to Limit | Legal Debt Margin | Debt as Percentage of Limit |
|-------------|-------------|--------------------------|-------------------|-----------------------------|
| 2004        | 168,368,518 | 0                        | 168,368,518       | 0%                          |
| 2005        | 183,198,572 | 0                        | 183,198,572       | 0%                          |
| 2006        | 200,048,352 | 0                        | 200,048,352       | 0%                          |
| 2007        | 212,479,850 | 0                        | 212,479,850       | 0%                          |
| 2008        | 228,155,675 | 0                        | 228,155,675       | 0%                          |
| 2009        | 237,073,010 | 0                        | 237,073,010       | 0%                          |
| 2010        | 238,450,720 | 0                        | 238,450,720       | 0%                          |
| 2011        | 242,410,136 | 0                        | 242,410,136       | 0%                          |
| 2012        | 240,628,038 | 0                        | 240,628,038       | 0%                          |
| 2013        | 245,805,113 | 0                        | 245,805,113       | 0%                          |

Source: City of Los Alamitos, Finance Department



## **DEMOGRAPHIC AND ECONOMIC INFORMATION**



CITY OF LOS ALAMITOS  
Demographic and Economic Statistics  
Last Ten Years

| Los Angeles-Long Beach-Santa Ana Area |                    |            |                                      |                                  |                      |
|---------------------------------------|--------------------|------------|--------------------------------------|----------------------------------|----------------------|
| Year                                  | City<br>Population | Population | Personal<br>Income<br>(in thousands) | Per Capita<br>Personal<br>Income | Unemployment<br>Rate |
| 2004                                  | 11,933             | 12,901,515 | 453,032,702                          | 35,115                           | 6.30%                |
| 2005                                  | 12,003             | 12,933,839 | 475,262,940                          | 36,746                           | 5.00%                |
| 2006                                  | 12,004             | 12,950,129 | 505,197,000                          | 39,011                           | 4.40%                |
| 2007                                  | 12,146             | 12,875,587 | 539,163,000                          | 41,875                           | 4.70%                |
| 2008                                  | 11,689             | 12,872,808 | 552,449,876                          | 42,916                           | 6.60%                |
| 2009                                  | 12,217             | 12,774,577 | 540,833,173                          | 42,337                           | 10.80%               |
| 2010                                  | 11,854             | 12,843,942 | 551,157,206                          | 42,912                           | 11.60%               |
| 2011                                  | 11,474             | 12,945,140 | 579,531,692                          | 44,768                           | 10.50%               |
| 2012                                  | 11,557             | N/A        | N/A                                  | N/A                              | 9.40%                |
| 2013                                  | 11,626             | N/A        | N/A                                  | N/A                              | 9.20%                |

N/A - Information is not yet available

Sources: Unemployment Rate: Bureau of Labor Statistics  
Personal Income: Bureau of Economic Analysis  
Area Population: Bureau of Economic Analysis  
Per Capita Income: Bureau of Economic Analysis  
City Population: State Department of Finance

CITY OF LOS ALAMITOS  
Principal Employers  
Current Year and Nine Years Ago

| Employer                         | 2012-13      |      |                                           | 2003-2004* |      |                                           |
|----------------------------------|--------------|------|-------------------------------------------|------------|------|-------------------------------------------|
|                                  | Employees    | Rank | Percentage<br>of Total City<br>Employment | Employees  | Rank | Percentage<br>of Total City<br>Employment |
| Los Alamitos Medical Center, Inc | 1,100        | 1    | 12.35%                                    |            |      |                                           |
| Arrowhead Products               | 650          | 2    | 7.30%                                     |            |      |                                           |
| Trend Offset Printing Services   | 581          | 3    | 6.52%                                     |            |      |                                           |
| Katella Deli                     | 179          | 4    | 2.01%                                     |            |      |                                           |
| MDA Information Systems          | 149          | 5    | 1.67%                                     |            |      |                                           |
| Alamitos West Health Care Center | 137          | 6    | 1.54%                                     |            |      |                                           |
| Alliance Space Systems           | 135          | 7    | 1.52%                                     |            |      |                                           |
| Evergreen Pharmaceuticals        | 132          | 8    | 1.48%                                     |            |      |                                           |
| Bearing Inspection, Inc.         | 113          | 9    | 1.27%                                     |            |      |                                           |
| Ganahl Lumber                    | 102          | 10   | 1.15%                                     |            |      |                                           |
|                                  | <u>3,278</u> |      | <u>36.80%</u>                             | <u>0</u>   |      | <u>0.00%</u>                              |

\* Information not available

Source: Los Alamitos Community Development Department

## **OPERATING INFORMATION**

CITY OF LOS ALAMITOS  
Full-Time Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years

| <u>Function/Program</u>         | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government              |             |             |             |             |             |             |             |
| City Council                    | 5           | 5           | 5           | 5           | 5           | 5           | 5           |
| Administration                  | 7           | 8           | 9           | 9           | 11          | 10          | 9           |
| Community Development           |             |             |             |             |             |             |             |
| Administration                  | 2           | 2           | 2           | 2           | 2           | 2           | 2           |
| Planning                        | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Code Enforcement                | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Police                          |             |             |             |             |             |             |             |
| Administration                  | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Patrol                          | 21          | 21          | 21          | 21          | 20          | 21          | 18          |
| Investigation                   | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| Records                         | 2           | 2           | 2           | 2           | 2           | 2           | 2           |
| Crossing Guards                 | 2           | 2           | 3           | 3           | 4           | 3           | 2           |
| Other PD Support                | 4           | 4           | 4           | 4           | 2           | 4           | 2           |
| Public Works                    |             |             |             |             |             |             |             |
| Admin/Engineering               | 1           | 1           | 2           | 3           | 3           | 3           | 2           |
| Maintenance                     | 12          | 13          | 13          | 13          | 11          | 11          | 11          |
| Mechanic                        | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Recreation & Community Services |             |             |             |             |             |             |             |
| Administration                  | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Recreation/Cultural             | 12          | 13          | 13          | 13          | 17          | 15          | 13          |
| Aquatics                        | 5           | 5           | 7           | 7           | 7           | 7           | 6           |

Source: City of Los Alamitos, Finance Department



| <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------|-------------|-------------|
|-------------|-------------|-------------|

|   |   |   |
|---|---|---|
| 5 | 5 | 5 |
| 8 | 8 | 8 |

|   |   |   |
|---|---|---|
| 2 | 2 | 1 |
| 1 | 1 | 1 |
| 1 | 1 | 1 |

|    |    |    |
|----|----|----|
| 4  | 4  | 4  |
| 19 | 19 | 19 |
| 3  | 3  | 3  |
| 2  | 2  | 2  |
| 2  | 2  | 3  |
| 2  | 2  | 2  |

|    |    |    |
|----|----|----|
| 1  | 1  | 1  |
| 10 | 10 | 10 |
| 1  | 1  | 1  |

|    |    |   |
|----|----|---|
| 4  | 4  | 5 |
| 12 | 11 | 9 |
| 6  | 6  | 5 |

CITY OF LOS ALAMITOS  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

| <u>Function/Program</u>                | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|----------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Community Development                  |             |             |             |             |             |             |
| Number of:                             |             |             |             |             |             |             |
| Business licenses                      | 30          | 19          | 89          | 144         | 261         | 1,559       |
| Plan checks                            | 85          | 74          | 59          | 91          | 60          | 76          |
| NPDES inspections                      | NA          | NA          | 304         | 208         | 129         | 96          |
| Code violations                        | 30          | 141         | 489         | 911         | 520         | 432         |
| Police                                 |             |             |             |             |             |             |
| Number of:                             |             |             |             |             |             |             |
| Part 1 crimes                          | 390         | 501         | 431         | 447         | 396         | 375         |
| Parking violations                     | 2,977       | 2,998       | 3,780       | 3,094       | 1,882       | 2,751       |
| Traffic (moving) violations            | 3,010       | 1,742       | 2,040       | 2,554       | 2,903       | 1,997       |
| Incident & crime reports               | 1,785       | 2,103       | 2,091       | 2,045       | 1,713       | 1,538       |
| Public Works                           |             |             |             |             |             |             |
| Square yd of street resurfacing/repair | NA          | NA          | -           | -           | 100,963     | 55,455      |
| Miles of street sweeping               | NA          | NA          | 26          | 40          | 33          | 33          |
| Number of:                             |             |             |             |             |             |             |
| Street signal maintained               | NA          | NA          | 20          | 20          | 24          | 24          |
| Trees pruned per year                  | NA          | NA          | 327         | 600         | 151         | 350         |
| Square feet graffiti removal           | NA          | NA          | 100         | 1,300       | 140         | 2,000       |
| Recreation & Community Services        |             |             |             |             |             |             |
| Number of enrollees:                   |             |             |             |             |             |             |
| Aquatics                               | 94,100      | 97,948      | 122,145     | 125,331     | 123,180     | 200,000     |
| Community Services/Seniors             | 20,340      | 20,980      | 20,450      | 14,771      | 11,440      | 10,150      |
| Day Camp                               | 810         | 840         | 1,080       | 1,062       | 3,245       | 2,400       |
| Park Program                           | 6,440       | 4,369       | 4,513       | 4,328       | 3,521       | 1,400       |
| Sports                                 | 6,779       | 7,871       | 10,058      | 1,439       | 5,700       | 4,000       |
| Classes                                | 4,204       | 4,092       | 4,314       | 2,630       | 11,464      | 6,200       |
| Special Events                         | 40,381      | 44,668      | 41,573      | 24,300      | 32,900      | 33,000      |

NA - Not Available.

Source: City of Los Alamitos, Finance Department

| <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------|-------------|-------------|-------------|
|-------------|-------------|-------------|-------------|

|       |       |       |       |
|-------|-------|-------|-------|
| 1,511 | 1,921 | 2,048 | 1,964 |
| 74    | 105   | 119   | 141   |
| 53    | 240   | 152   | 126   |
| 442   | 402   | 352   | 97    |

|       |       |       |       |
|-------|-------|-------|-------|
| 326   | 347   | 356   | 433   |
| 2,382 | 2,389 | 1,893 | 1,532 |
| 1,848 | 1,810 | 1,877 | 2,177 |
| 1,380 | 1,320 | 1,356 | 1,361 |

|        |       |        |        |
|--------|-------|--------|--------|
| 64,600 | 2,500 | 11,600 | 38,800 |
| 33     | 33    | 33     | 33     |

|       |       |       |       |
|-------|-------|-------|-------|
| 24    | 24    | 24    | 24    |
| 200   | 500   | 1,230 | 632   |
| 1,800 | 1,700 | 1,625 | 1,650 |

|         |         |         |         |
|---------|---------|---------|---------|
| 210,000 | 215,000 | 225,000 | 230,000 |
| 10,000  | 9,500   | 9,700   | 9,800   |
| 2,400   | 2,500   | 2,500   | 2,600   |
| 1,000   | 1,100   | 1,250   | 1,400   |
| 4,200   | 5,800   | 8,800   | 8,000   |
| 6,500   | 6,600   | 6,400   | 6,400   |
| 35,000  | 36,000  | 37,900  | 40,000  |

CITY OF LOS ALAMITOS  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

| <u>Function/Program</u>         | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Community Development           |             |             |             |             |             |
| Code enforcement vehicles       | 3           | 3           | 1           | 1           | 1           |
| Police                          |             |             |             |             |             |
| Stations                        | 1           | 1           | 1           | 1           | 1           |
| Patrol Vehicles                 | 8           | 7           | 7           | 9           | 9           |
| Other Vehicles                  | 14          | 14          | 13          | 10          | 10          |
| Public Works                    |             |             |             |             |             |
| Streets (Miles)                 | 32.9        | 32.9        | 32.9        | 32.9        | 32.9        |
| Street lights                   | 907         | 910         | 910         | 910         | 910         |
| Traffic signals                 | 22          | 23          | 23          | 23          | 24          |
| Public works vehicles           | 13          | 13          | 14          | 14          | 14          |
| Recreation & Community Services |             |             |             |             |             |
| Youth centers                   | 1           | 1           | 1           | 1           | 1           |
| Community centers               | 1           | 1           | 1           | 1           | 1           |
| Parks                           | 8           | 8           | 9           | 9           | 9           |
| Community service vehicles      | 2           | 2           | 2           | 2           | 2           |

Source: City of Los Alamitos, Public Works Department

| <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------|-------------|-------------|-------------|-------------|
|-------------|-------------|-------------|-------------|-------------|

|   |   |   |   |   |
|---|---|---|---|---|
| 1 | 1 | 1 | 1 | 1 |
|---|---|---|---|---|

|   |   |   |   |   |
|---|---|---|---|---|
| 1 | 1 | 1 | 1 | 1 |
|---|---|---|---|---|

|   |   |   |   |   |
|---|---|---|---|---|
| 9 | 8 | 8 | 7 | 7 |
|---|---|---|---|---|

|    |   |   |   |   |
|----|---|---|---|---|
| 11 | 9 | 9 | 8 | 8 |
|----|---|---|---|---|

|      |      |      |      |      |
|------|------|------|------|------|
| 32.9 | 32.9 | 32.9 | 32.9 | 32.9 |
|------|------|------|------|------|

|     |     |     |     |     |
|-----|-----|-----|-----|-----|
| 910 | 910 | 910 | 910 | 910 |
|-----|-----|-----|-----|-----|

|    |    |    |    |    |
|----|----|----|----|----|
| 24 | 24 | 24 | 24 | 24 |
|----|----|----|----|----|

|    |    |    |    |    |
|----|----|----|----|----|
| 15 | 12 | 12 | 13 | 13 |
|----|----|----|----|----|

|   |   |   |   |   |
|---|---|---|---|---|
| 1 | 1 | 1 | 1 | 1 |
|---|---|---|---|---|

|   |   |   |   |   |
|---|---|---|---|---|
| 1 | 1 | 1 | 1 | 1 |
|---|---|---|---|---|

|   |   |   |   |   |
|---|---|---|---|---|
| 9 | 9 | 9 | 9 | 9 |
|---|---|---|---|---|

|   |   |   |   |   |
|---|---|---|---|---|
| 2 | 2 | 2 | 2 | 2 |
|---|---|---|---|---|