

# CITY OF LOMITA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019





CITY OF LOMITA,  
CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2019

Prepared by: The Administrative Services Department

Susan Kamada, Administrative Services Director

CITY OF LOMITA  
Comprehensive Annual Financial Report  
Year Ended June 30, 2019

TABLE OF CONTENTS

|  | <u>Page</u> |
|--|-------------|
| <b>INTRODUCTORY SECTION:</b>   |             |
| Transmittal Letter   | i           |
| List of Principal Officials  | vi          |
| Organization Charts  | vii         |
| GFOA Certificate of Achievement for Excellence in Financial Reporting  | viii        |
| <b>FINANCIAL SECTION:</b>  |             |
| <b>Independent Auditors' Report</b>  | 1           |
| <b>Management's Discussion and Analysis</b><br>(Required Supplementary Information)  | 3           |
| <b>Basic Financial Statements</b>  |             |
| Government-wide Financial Statements:  |             |
| Statement of Net Position  | 12          |
| Statement of Activities  | 13          |
| Fund Financial Statements:   |             |
| Government Funds:  |             |
| Balance Sheet  | 15          |
| Reconciliation of the Balance Sheet of Governmental Funds to Statement<br>of Net Position  | 16          |
| Statement of Revenues, Expenditures and Changes in Fund Balances   | 17          |
| Reconciliation of Statement of Revenues, Expenditures and Changes<br>in Fund Balances of Governmental Funds to Statement of Activities | 18          |
| Proprietary Fund:  |             |
| Statement of Net Position  | 19          |
| Statement of Revenues, Expenses and Changes in Net Position  | 20          |
| Statement of Cash Flows  | 21          |
| Fiduciary Fund:  |             |
| Statement of Fiduciary Net Position – Trust Funds  | 22          |
| Statement of Changes in Fiduciary Net Position – Trust Funds   | 23          |
| Notes to the Financial Statements  | 24          |

CITY OF LOMITA  
Comprehensive Annual Financial Report  
Year Ended June 30, 2019

TABLE OF CONTENTS, (CONTINUED)

|   | <u>Page</u> |
|---|-------------|
| <b>FINANCIAL SECTION, (CONTINUED):</b>                                      |             |
| <b>Required Supplementary Information</b>                                   |             |
| Schedule of Proportionate Share of Net Pension Liability and Related Ratios | 57          |
| Schedule of Plan Contributions  | 59          |
| Schedule of Changes in the Net OPEB Liability and Related Ratios            | 61          |
|   |             |
| Budgetary Comparison Schedule – Major Funds:                                |             |
| General Fund  | 62          |
| Measure R Highway Special Revenue Fund                                      | 63          |
| Notes to Required Supplementary Information                                 | 64          |
|   |             |
| <b>Supplementary Schedules</b>  |             |
| Non-Major Government Funds:   |             |
| Combining Balance Sheet   | 65          |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances  | 69          |
| Non-Major Funds:  |             |
| Budgetary Comparison Schedules  | 73          |
|   |             |
| Fiduciary Funds:  |             |
| Combining Statements of Net Position  | 91          |
| Combining Statements of Changes in Net Position                             | 92          |

CITY OF LOMITA  
Comprehensive Annual Financial Report  
Year Ended June 30, 2019

TABLE OF CONTENTS, (CONTINUED)

|  | <u>Page</u> |
|--|-------------|
| <b>STATISTICAL SECTION:</b>  |             |
| Net Position by Component – Last Ten Fiscal Years  | 93          |
| Changes in Net Position – Last Ten Fiscal Years  | 95          |
| Fund Balances of Governmental Funds – Last ten Fiscal Years                              | 99          |
| Changes in Fund Balance of Governmental Funds – Last Ten Fiscal Years                    | 101         |
| Assessed Value and Estimated Actual Value of Taxable Property – Last Ten<br>Fiscal Years | 103         |
| Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years                        | 104         |
| Principal Property Owners – Current Year and Prior Year                                  | 105         |
| Property Tax Levies and Collections – Last Ten Fiscal Years                              | 106         |
| Ratio of Outstanding Debt by Type – Last Ten Fiscal Years                                | 107         |
| Legal Debt Margin Information  | 109         |
| Pledged Revenue Coverage   | 111         |
| Direct and Overlapping Debt – Current Year   | 112         |
| Top 25 Sales Tax Producers   | 113         |
| Demographic and Economic Statistics – Last Ten Calendar Years                            | 114         |
| Principle Employers – Current Year and Nine Years Ago                                    | 115         |
| Full-time and Part-time City Employees by Function – Last Ten Fiscal Years               | 116         |
| Operating Indicators by Function – Last Ten Fiscal Years                                 | 117         |
| Capital Asset Statistics by Function – Last Ten Fiscal Years                             | 118         |
| Water Sold by Type of Customer – Last Ten Fiscal Years                                   | 119         |
| Water Rates – Last Ten Fiscal Years  | 120         |
| Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years                        | 121         |

## **CITY COUNCIL**

HENRY SANCHEZ JR  
JIM GAZELEY  
MICHAEL SAVIDAN  
CINDY SEGAWA  
MARK WARONEK



## **ADMINISTRATION**

RYAN SMOOT  
CITY MANAGER

## **CITY OF LOMITA**

**December 17, 2019**

Honorable Mayor,  
Members of the City Council,  
and Citizens of Lomita

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR 2018-2019 LETTER OF TRANSMITTAL**

It is with great pleasure that we present to you the City of Lomita's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This report complies with the most recent financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement 34 and Generally Accepted Accounting Principles (GAAP). The most recent financial reporting model is intended to improve financial accountability by adding significant information not previously available in local government financial statements. The City's implementation of the most recent model enables the City Council and residents of Lomita to become more aware of the City's financial condition and the information contained in its annual financial statements.

This report was prepared by the Administrative Services Department in conformity with GAAP and has been audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed Certified Public Accountants. Our audit firm, Gruber and Associates is registered with the California State Board of Accountancy and, therefore, because of this, the City's auditors follow the same required rigor and quality control standards of all firms who are registered with the State. The report contains management's representation of the finances of the City. Consequently, responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the City. All disclosures necessary to enable an understanding of the City's financial activities have been included.

This CAFR includes the financial activity for all funds of the City. The City provides its citizens a wide range of services either directly or through contractual arrangements including public safety, planning, building, public works, water utility, engineering, parks and recreation, and general management.

In addition to the fund-by-fund financial information presented in the City's financial statements, also included are government-wide financial statements. The government-wide financial statements, required by GASB 34, include a Statement of Net Position that provides the total net equity of the City including its infrastructure assets. The Statement of Activities illustrates the cost of providing government services.

These statements have been prepared using the accrual basis of accounting versus the modified accrual method used in the fund financial statements, as required by GASB 34.

The most recent reporting model includes an emphasis on the City's major funds as shown in the Governmental Fund Statements. These most recent statements combined with other financial information are further described in a narrative section called Management's Discussion and Analysis (MD&A). The MD&A provides financial highlights and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data. The MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City.

During the year ended June 30, 2019, the City adopted Statement on Governmental Accounting Standards (GASB Statement) No. 83 *Certain Asset Retirement* and GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements. *Obligations*.

## **PROFILE OF THE GOVERNMENT**

The City of Lomita, California, was founded in 1907 and incorporated on June 30, 1964, as a General Law City under the laws of the State of California. The City of Lomita is located 26 miles south of downtown Los Angeles and is bounded by the City of Torrance on the north and west, the City of Los Angeles to the east, and the City of Rolling Hills Estates on the southwest. Southeast of Lomita is the City of Rancho Palos Verdes and unincorporated County land. The City's total land area is 1,196.8 acres, or 1.97 square miles. As of 2019, the City's population is 20,736.

The City operates under the Council-Manager form of government. The City Council is comprised of five members elected at large for staggered four-year terms of office. The last municipal election took place on November 6, 2018, with three of the five City Council seats open for election. The Mayor and Mayor Pro-Tem are selected by the Council from among its members to serve a one-year term. The City Council serves as the legislative and policy-making body of the City, enacting all laws and directing such actions as are required to provide for the general welfare of the community. As a Contract City, the City provides most of its municipal services, such as legal and public safety services, waste collection, street sweeping and others through contracts with other agencies or organizations. The City of Lomita contracts with a private firm for its legal services. It contracts with the Los Angeles County Sheriff's Department for law enforcement services. Fire protection services are provided by the Los Angeles County Fire Department. The Lomita Public Library is administered by Los Angeles County. Building and safety services are also provided by the County. There are currently six City parks in Lomita including Lomita Park.

The City Manager, appointed by the City Council, serves as the Chief Executive Officer and is responsible to the City Council for administration of all City affairs and the implementation of all policies established by the City Council. The City Attorney serves under contract to the City and is also appointed by the City Council. The Assistant City Manager is appointed by and reports to the City Manager. All other department directors are also appointed by the City Manager and reports to the City Manager.

## **LOCAL ECONOMIC CONDITIONS AND OUTLOOK**

The City of Lomita is comprised of single- and multi-family homes, condominiums and apartments with a mixture of retail, light industrial and service entities providing a tax base for the City. Property Taxes,

Sales Taxes, Motor Vehicle-in-Lieu Fees, and Transient Occupancy Taxes financed approximately 65% of all governmental activities for the fiscal year.

The City's unemployment rate was 4.3 percent, which compares favorably to 4.4 percent for Los Angeles County and is 0.1 percent higher than the State of California. The City's three largest employers are Lomita Post-Acute Care Center, Palos Verdes Health Care Center, and Thompson Building Materials, and they continue to be stable employers.

The City adopted a balanced budget for Fiscal Year 2019-2020 using a conservative approach to forecasting revenues and maintaining expenditures. The City's property tax and sales tax revenues performed better than expected primarily due to conservative forecasting and strong sales, and other revenue sources performed as projected, if not slightly better. The budget maintained public safety services and infrastructure projects at a high level of importance.

Though hopeful that the economy continues to steadily grow, the City expects long term revenues to remain relatively flat while expenditures are expected to steadily grow. Going forward, the City will remain conservative in its revenue forecasts, contain costs as possible while maintaining essential services for the community and seek long term solutions to provide sources of sustainable local revenues. We will continue to explore ways to stimulate the local economy by vigorously pursuing economic development opportunities, and continuing beautification projects throughout Lomita.

## **LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES**

A five-year Capital Improvement Program (CIP) for fiscal years 2014-2019 is currently under way. An annual update of this report is an integral part of the budget process. This is a plan for short and long-term development, improvement, maintenance, and acquisition of infrastructure assets City-wide. Current projects include facility improvements; information technology upgrades; engineering studies; major street repairs; storm water best management programs; updates of the City's Water Master Plan, water system upgrades including water main, water meter, water valves and service line replacements. Although the plan identified an ambitious set of capital needs, the City's ongoing annual funding over the period has simply not kept pace with the increasing costs of construction and the overall needs of the City's infrastructure. As such, there currently remains more than \$8,332,000 in unfunded capital needs. One time influxes of revenue will help to offset this need, but over the long term, an ongoing and sustainable source of local revenue should be identified to address the City's long term goals.

During the Fiscal Year, the Cypress Water Production Facility continued to provide blended water (a combination of local ground water from Well No. 5 and imported water from the Metropolitan Water District (MWD)); approximately 75% of the City is within the Zone serviced by the Cypress Water Production Facility. The use of groundwater reduces the City's reliance on imported water, thereby reducing water costs and allowing the City to continue to make improvements to the Water System. In May of 2019, the City identified an intrusion of benzene at Well No. 5 and immediately transitioned to provision of 100% imported water. Although fluctuations in blend ratios are anticipated over time, this transition will significantly increase the City's short term costs to provide water. The City has developed plans for a secondary Granular Activated Carbon filtration system to remove benzene and improve the aesthetic qualities of the City's groundwater, and is seeking grant funding for the construction of the upgrades. In the interim, however, the City should anticipate continued increased costs for water purchase.



The City will continue with water rate studies and capital improvements in an effort to be proactive in reducing service delivery costs and determining future revenue requirements to meet the operational needs of the water system while building and maintaining reserves for capital projects, and its debt service obligations.

## **RELEVANT FINANCIAL POLICIES**

The City's finances continue to be positively impacted by actual revenues which exceed conservative estimates, business license rates which are revised annually to reflect the changes in the consumer price index, and the updated valuation of the Infrastructure Assets which accurately reflect the true value of the City's assets.

### Internal Controls

The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or other misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be achieved. The valuation of the costs and benefits requires estimates and judgments by management.

As a recipient of Federal, State and County financial resources, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to annual evaluation by its independent auditors and periodic evaluation by management of the City.

### Budgetary Controls

In addition to internal controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Special Revenue Funds, Proprietary Funds (including Internal Service and Enterprise Funds) and Fiduciary Funds are included in the annual appropriated budget.

The budget is arranged by department, function and fund and presented to the City Council by the City Manager and Administrative Services Director. The budget is then adopted annually by the City Council prior to the beginning of the fiscal year and serves as the foundation for the City's financial planning and control. The budget is reviewed at mid-year and necessary adjustments are made to ensure that expenditures are not outpacing anticipated revenues.

The City maintains an encumbrance accounting system as an additional technique of accomplishing budgetary control. As demonstrated by the statements and schedules included in the financial section of this report, the City has enhanced its responsibility for sound financial management. The legal level of control of which expenditures cannot exceed appropriations is at the functional level. The City Council is informed of expenditures over appropriations and such amounts are informally approved as a part of the bi-monthly review of the demand warrants.

### Annual Audit

Gruber and Associates was selected by the City to audit the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ending June 30, 2019 are free of material misstatement. As part of the City's annual audit, reviews are made to determine the adequacy of the internal control structure as well as to determine that the City has complied with applicable laws and regulations. The independent auditor concluded there was a basis for rendering an unmodified opinion and the City's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles and GASB 34 requirements. The independent auditor's report is presented as the first component of the financial section of this report

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lomita for its CAFR for the fiscal year ended June 30, 2018. This was the fifteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation and publication of this report would not have been possible without the collaborative assistance of the Department Heads and staff in all City departments. First and foremost, we want to recognize the dedicated employees of the Administrative Services Department. Their professional expertise and unwavering commitment to excellence is constantly manifested in the quality of the City's financial records and reporting. Appreciation is also expressed to the audit staff of Gruber & Associates, for their advice and assistance in the preparation of this report. Finally, we would like to thank the Mayor and members of the City Council for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Ryan Smoot  
City Manager



Susan Kamada  
Administrative Services Director

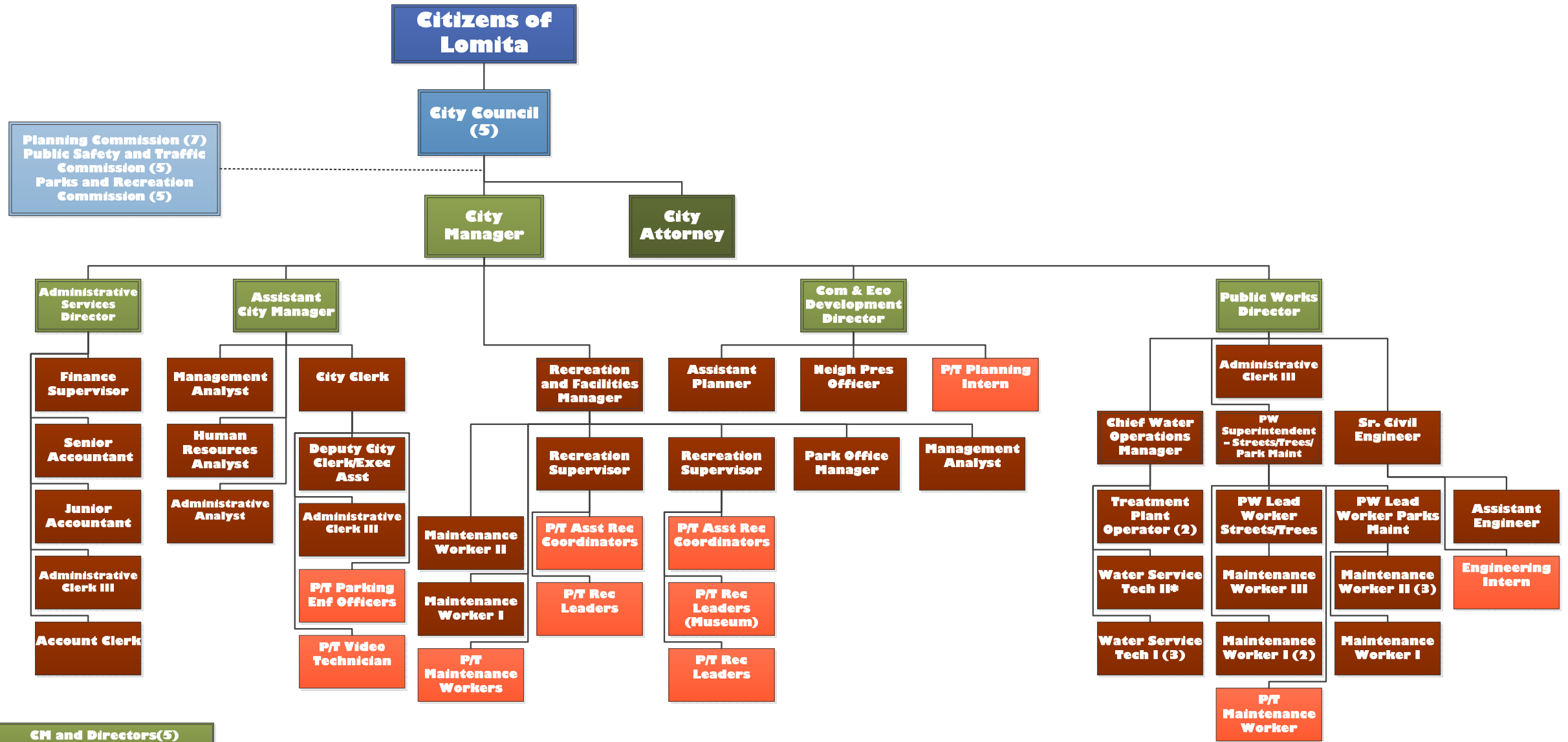
**CITY OF LOMITA  
LIST OF CITY OFFICIALS  
JUNE 30, 2019**

**ELECTED OFFICIALS**

|                |                    |
|----------------|--------------------|
| Mayor          | Henry Sanchez, Jr. |
| Mayor Pro Tem  | James Gazeley      |
| Council Member | Michael Savidan    |
| Council Member | Cindy Segawa       |
| Council Member | Mark Waronek       |

**CITY STAFF**

|                                   |                                    |
|-----------------------------------|------------------------------------|
| City Manager                      | Ryan Smoot                         |
| Assistant City Manager            | Gary Sugano                        |
| City Attorney                     | Christi Hogin, Best Best & Krieger |
| Administrative Services Director  | Susan Kamada                       |
| Recreation and Facilities Manager | Michael Sansbury                   |
| Public Works Director             | Carla Dillon                       |



|                          |
|--------------------------|
| CM and Directors(5)      |
| Full-Time Employees (40) |
| Part-Time Employees      |

\* One Treatment Plant Operator is being underfilled at Water Service Tech II





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Lomita  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrell*

Executive Director/CEO



An Independent CPA Firm

Honorable Mayor and City Council  
City of Lomita, California

### **Independent Auditors' Report**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lomita, California (City), as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lomita, California, as of June 30, 2019, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Emphasis of Matters**

As described further in Note 1 to the financial statements, during the year ended June 30, 2019, the City implemented GASB Statement Nos. 83 and 88. 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, budgetary comparison information, and schedules of proportionate share of net pension liability and related ratios, plan contributions, and changes in the net OPEB liability and related ratios on pages as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lomita's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are 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 \_\_\_\_\_, 2019 on our consideration of the City of Lomita'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 of Lomita's internal control over financial reporting and compliance.

**David L. Gruber and Associates, Inc.**

*David L. Gruber and Associates, Inc.*

Newport Beach, California  
November 30, 2019

## **CITY OF LOMITA**

### **Management's Discussion and Analysis**

The following discussion and analysis of the City of Lomita's financial statements provides an overview of the financial activities for the fiscal year ended June 30, 2019. This document should be read in conjunction with the accompanying transmittal letter which can be found on pages i-v of this report; and the basic financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the 2018-2019 fiscal year by \$39,868,329 (total net position). Of this amount, \$(2,708,604) (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The negative unrestricted net position is due primarily to the adoption of the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*.
- The City's total net position increased \$2,412,578. Net position of governmental activities increased \$1,819,809 and net position of business-type activities increased \$592,769.
- As of the close of the 2018-2019 fiscal year, the City's governmental funds reported combined fund balances of \$10,934,784, an increase of \$2,087,777 in comparison to the prior year. General Fund increased by \$555,494.
- At the end of the 2018-2019 fiscal year, the unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$6,942,540 or approximately 74% of total General Fund expenditures.

#### **USING THE ANNUAL REPORT**

The comprehensive annual financial reports are comprised of three components: 1) government-wide financial statements provide information about the activities of the City as a whole, except for its fiduciary activities, 2) fund financial statements illustrate how City services were financed, as well as, what remains for future spending; these statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds, and 3) notes to the financial statements. This report also contains other supplementary information.

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

These two statements report the City's net position and changes in the net position. Net position, the difference between assets and liabilities, may serve over time as a useful indicator of a government's financial position. The City's change in net position increased during Fiscal Year 2018-2019 despite ongoing fiscal challenges. Consideration should also be given to other non-financial factors, such as the condition of the City's infrastructure, to assess the overall health of the City.



**CITY OF LOMITA**  
**Management's Discussion and Analysis (Continued)**

The City's basic services fall into two categories: governmental and business-type activities. Governmental activities are activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services provided by the City. These activities are usually reported in enterprise funds. The City's only business-type activity is its Water utility.

The Statement of Net position and the Statement of Activities present information about governmental and business-type activities, including General Government, Public Safety, Public Works, Community Development, Cultural and Recreation and the Water Enterprise. Property Taxes, Sales Taxes, Motor Vehicle-in-Lieu Fees, Refuse Taxes, Business License Taxes, Franchise Taxes, and Transient Occupancy Taxes financed approximately 71% of all governmental activities for the fiscal year.

The government-wide financial statements can be found on pages 12-14 of this report.

**FUND FINANCIAL STATEMENTS**

The Fund Financial Statements provide specific detailed information about the most significant funds. Included are the General Fund, Measure R Highway Special Revenue Fund, and Water Enterprise Fund. Smaller specific funds are reported collectively as Other Governmental Funds. Some funds are required to be established by State law; however, the City establishes many other funds to help control and manage costs for specific purposes or to demonstrate compliance with legal requirements for using certain taxes, grants, and other monies. The City currently has three types of funds – governmental, proprietary, and fiduciary funds.

**Governmental Funds** Most of the City's basic services are reported under governmental funds. These financial statements focus on how money flows into and out of governmental funds and the balances left at fiscal year-end that are available for future appropriation. These funds are reported using the modified accrual accounting method. Under this method, revenues are recognized in the accounting period in which they become measurable and available to finance expenses of the current fiscal period while expenses are recognized in the accounting period in which the liability is incurred. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

The Governmental Fund statements provide a detailed view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs. The relationship (or difference) between governmental activities (reported in the Statement of Net position and Statement of Activities) and Governmental Funds are described in the reconciliation at the bottom of the fund financial statements.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

**Proprietary Funds** This category includes enterprise and internal service funds. The City's water operations are reflected in the Water Enterprise Fund. The cost of allocating vehicle and equipment purchases to all applicable departments citywide is represented in the Equipment Replacement and Park Equipment Replacement Fund.

The basic proprietary fund financial statements can be found on pages 19-21.

**Fiduciary Funds** This fund type reflects monies held on behalf of outside entities such as the Railroad Museum Foundation, and Tom Rico Memorial Fund. These funds do not belong to the City and are not used for city

**CITY OF LOMITA**  
**Management's Discussion and Analysis (Continued)**

government activities. Fiduciary activities are reported in separate fiduciary fund financial statements. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used exclusively for their intended purpose.

The basic fiduciary fund financial statements can be found on pages 22-23.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-56.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. This required supplementary information can be found on pages 59-61 of this report.

The combining statements in connection with nonmajor governmental funds are presented on pages 65-72. Individual fund schedules can be found on pages 73-92.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The analysis focuses on the net position and changes in net position of the City's governmental and business-type activities. At fiscal year-end, the City is able to report positive balances in all three categories of net position.

**CITY OF LOMITA NET POSITION**

|                                  | <b>Governmental Activities</b> |                     | <b>Business-type Activities</b> |                     | <b>TOTAL</b>        |                     |
|----------------------------------|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
|                                  | <b>2019</b>                    | <b>2018</b>         | <b>2019</b>                     | <b>2018</b>         | <b>2019</b>         | <b>2018</b>         |
| Current and other assets         | \$ 13,003,921                  | \$ 11,520,796       | \$ 4,246,829                    | \$ 4,635,595        | \$ 17,250,750       | \$ 16,156,391       |
| Capital assets                   | 20,579,331                     | 19,933,570          | 24,500,090                      | 23,005,533          | 45,079,421          | 42,939,103          |
| Total Assets:                    | 33,583,252                     | 31,454,366          | 28,746,919                      | 27,641,128          | 62,330,171          | 59,095,494          |
| Deferred Outflow of Resources    | 1,946,984                      | 1,946,984           | 456,122                         | 456,122             | 2,403,106           | 2,403,106           |
| Current liabilities              | 1,680,464                      | 1,983,287           | 1,320,376                       | 702,239             | 3,000,840           | 2,685,526           |
| Non-current liabilities          | 12,712,732                     | 12,867,568          | 7,842,723                       | 8,293,171           | 20,555,455          | 21,160,739          |
| Total Liabilities:               | 14,393,196                     | 14,850,855          | 9,163,099                       | 8,995,410           | 23,556,295          | 23,846,265          |
| Deferred Inflows of Resources    | 558,590                        | 171,423             | 136,102                         | 23,911              | 694,692             | 195,334             |
| Net Investment in Capital        |                                |                     |                                 |                     |                     |                     |
| Assets                           | 20,579,331                     | 19,933,570          | 17,995,090                      | 16,255,533          | 38,574,421          | 36,189,103          |
| Restricted                       | 4,002,512                      | 2,952,055           | -                               | -                   | 4,002,512           | 2,952,055           |
| Unrestricted                     | (4,384,212)                    | (4,506,553)         | 1,675,608                       | 2,822,396           | (2,708,604)         | (1,684,157)         |
| Total Net Position, as restated: | <b>\$20,197,631</b>            | <b>\$18,379,072</b> | <b>\$19,670,698</b>             | <b>\$19,077,929</b> | <b>\$39,868,329</b> | <b>\$37,457,001</b> |

**CITY OF LOMITA**  
**Management's Discussion and Analysis (Continued)**

**Net Position**

Assets exceeded liabilities by \$39,868,329 (net position).

- \$38,574,421 (97%) of net position reflects investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles, and infrastructure), net of related debt. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- \$4,002,512 (10%) of net position is subject to external restrictions on how they may be used.
- \$(2,708,604) (0%) of unrestricted net position may be used to meet the ongoing obligations to citizens and creditors which include the net OPEB and Pension obligations. The negative unrestricted net position is due primarily to the adoption of the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*.

The City's overall net position increased \$2,412,578 from the prior year. The reasons for this overall increase are discussed in the below sections for governmental activities and business-type activities:

**Governmental Activities.** The net position for governmental activities increased \$1,819,809 during the 2018-2019 fiscal year for an ending balance of \$20,197,631. Revenues for the governmental activities increased \$1,822,999 or approximately 15% primarily as a result of an increase from new development and building permits, and an increase in sales tax. Expenses decreased by \$323,722 or approximately 3% primarily as a result of salary savings from vacant positions and capital expenditures. Additional information can be found in the statement of activities (Primary Government, pages 13-14).

**CITY OF LOMITA**  
**Management's Discussion and Analysis (Continued)**

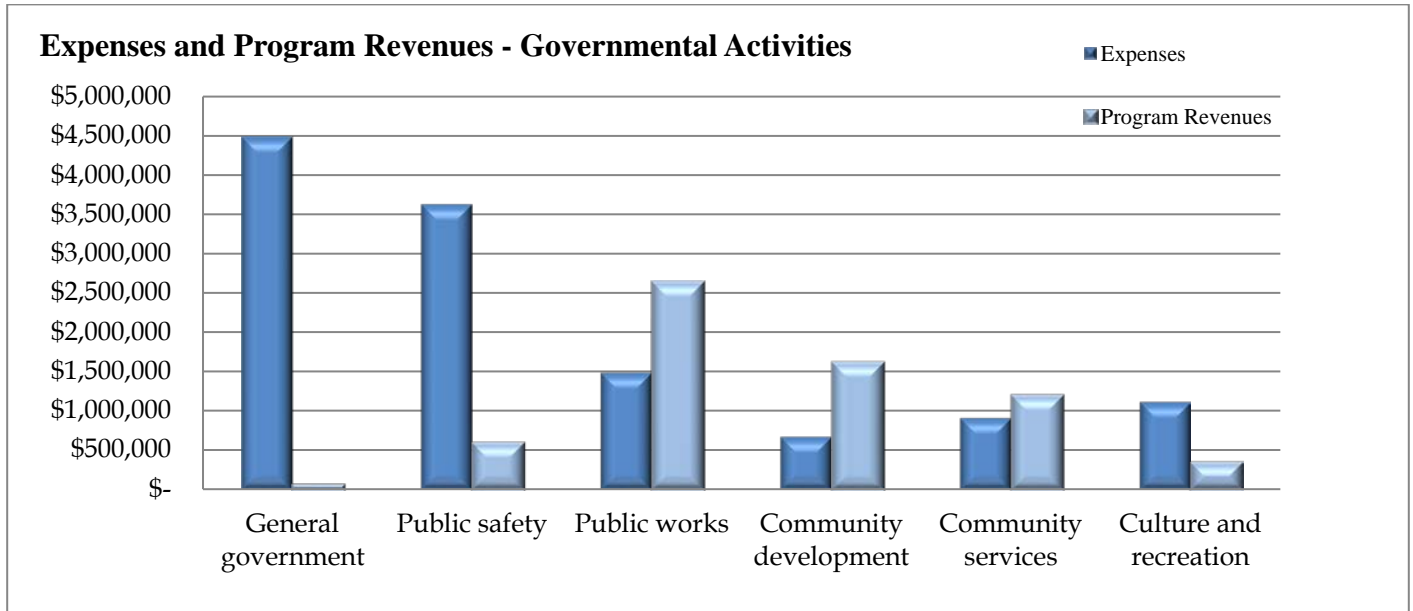
**CITY OF LOMITA'S CHANGES IN NET POSITION**

|  | <b>Governmental Activities</b> |                      | <b>Business -type Activities</b> |                      | <b>TOTAL</b>         |                      |
|--|--------------------------------|----------------------|----------------------------------|----------------------|----------------------|----------------------|
|  | <b>2019</b>                    | <b>2018</b>          | <b>2019</b>                      | <b>2018</b>          | <b>2019</b>          | <b>2018</b>          |
| <b>Revenues:</b>   |                                |                      |                                  |                      |                      |                      |
| <b>Program Revenues:</b>   |                                |                      |                                  |                      |                      |                      |
| Charges for services   | \$ 3,007,570                   | \$ 2,393,776         | \$ 5,629,363                     | \$ 5,330,322         | \$ 8,636,933         | \$ 7,724,098         |
| Operating grants and contributions   | 2,910,425                      | 2,221,458            | -                                | -                    | 2,910,425            | 2,221,458            |
| Capital grants and contributions   | 516,581                        | 713,374              | -                                | -                    | 516,581              | 713,374              |
| <b>General Revenues:</b>   |                                |                      |                                  |                      |                      |                      |
| Property taxes   | 1,639,059                      | 1,657,387            | -                                | -                    | 1,639,059            | 1,657,387            |
| Sales and other taxes  | 3,520,103                      | 3,224,005            | -                                | -                    | 3,520,103            | 3,224,005            |
| Investment income and miscellaneous  | 2,573,896                      | 2,134,635            | 989,375                          | 994,254              | 3,563,271            | 3,128,889            |
| Total Revenues:  | 14,167,634                     | 12,344,635           | 6,618,738                        | 6,324,576            | 20,786,372           | 18,669,211           |
| <b>Expenses:</b>   |                                |                      |                                  |                      |                      |                      |
| General government   | 4,488,587                      | 4,078,593            | -                                | -                    | 4,488,587            | 4,078,593            |
| Public safety  | 3,633,645                      | 3,549,113            | -                                | -                    | 3,633,645            | 3,549,113            |
| Public works   | 1,496,818                      | 1,850,296            | -                                | -                    | 1,496,818            | 1,850,296            |
| Community development  | 683,449                        | 878,350              | -                                | -                    | 683,449              | 878,350              |
| Community services   | 920,398                        | 926,762              | -                                | -                    | 920,398              | 926,762              |
| Cultural and recreation  | 1,124,928                      | 1,388,433            | -                                | -                    | 1,124,928            | 1,388,433            |
| Water Enterprise operations  | -                              | -                    | 6,025,969                        | 5,816,026            | 6,025,969            | 5,816,026            |
| Total Expenses:  | 12,347,825                     | 12,671,547           | 6,025,969                        | 5,816,026            | 18,373,794           | 18,487,573           |
| Increase (decrease) in Net Position<br>before other revenues and transfers | 1,819,809                      | (326,912)            | 592,769                          | 508,550              | 2,412,578            | 181,638              |
| Net position - beginning of year   | 18,379,072                     | 18,705,984           | 19,077,929                       | 18,569,379           | 37,457,001           | 37,275,363           |
| Prior year adjustments (note 13)   | (1,250)                        | -                    | -                                | -                    | (1,250)              | -                    |
| Net position - beginning of year, as restated                              | 18,377,822                     | 18,705,984           | 19,077,929                       | 18,569,379           | 37,455,751           | 37,275,363           |
| Net position - end of year   | <b>\$ 20,197,631</b>           | <b>\$ 18,379,072</b> | <b>\$ 19,670,698</b>             | <b>\$ 19,077,929</b> | <b>\$ 39,868,329</b> | <b>\$ 37,457,001</b> |

**Business-type Activities.** The net position increased \$592,769 during the 2018-2019 fiscal year for an ending balance of \$19,670,698. The Water Enterprise business charges for water services to offset its operation expenses. Total revenues increased \$294,162 or approximately 5% from the prior year. In comparison to the prior fiscal year, the charges for services increased by \$299,041 or 6% due, in part, to a new water rate structure; this went into effect July 1, 2018. Related business-type activity expenses increased during the fiscal year by \$209,943 or 4% compared to the previous fiscal year.



**CITY OF LOMITA**  
**Management's Discussion and Analysis (Continued)**



**FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

**Governmental Funds.** On June 30, 2019, the City's governmental funds reported combined fund balances of \$10,934,784, an increase of \$2,087,777 in comparison with the prior year. \$970,154 or approximately 9% of this amount constitutes an unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is: 1) not in spendable form \$27,460; 2) restricted for particular purposes \$1,382,246; 3) committed for particular purposes \$1,863,247; or 4) assigned for particular purposes \$6,691,677.

The general fund is the chief operating fund of the City. At the end of the 2018-2019 fiscal year, the unassigned fund balance of the general fund was \$980,422, while the total fund balance increased by \$555,494 to \$6,942,540. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 10% of total general fund expenditures, while total fund balance represents approximately 74% of that same amount.

The Measure R Highway Special Revenue Fund, a major fund, reported a fund balance (deficit) of \$(10,268) which was due to intergovernmental revenues of \$159,688 not being available (i.e. not collected within 60 days) after fiscal year end to reimburse the \$641,311 that was spent primarily on capital outlay during the year.

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

Unrestricted net position of the Water Enterprise at the end of the fiscal year was \$1,675,608. The total increase in net position was \$592,769.

**CITY OF LOMITA**  
**Management's Discussion and Analysis (Continued)**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The revised budget estimated a decrease in General Fund net change in fund balance of \$648,475; however, the actual change in fund balance was an increase of \$555,494 to arrive at a total ending General Fund Balance of \$6,942,540. The overall difference in the original and final amended budgeted expenditures for the General Fund was a decrease of \$47,500 or 0.5%. The final amended budgeted revenues increased from the original budgeted revenues by \$167,790 mainly due to increases in taxes and assessments and licenses and permits.

**Revenues:** In the General Fund, actual revenues were more than the amount budgeted by \$1,033,167 or 11%. Licenses and permits revenues had a significant increase over budget by \$669,232 or 65%, due to unexpected increases in building improvement activities than estimated.

**Expenditures:** In the General Fund, actual expenditures were less than budgeted by \$455,896 or 5%. Actual revenues over actual departmental expenditures for the General Fund were \$1,064,165, not including transfers out.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The assets include a broad range of capital resources including land, buildings, equipment, furniture, vehicles, etc. Also included are public domain (infrastructure) capital assets consisting of certain improvements such as roads, streets, sidewalks, buildings, storm drains and the water main system. At the end of fiscal year 2018-2019, the City's net capital assets total \$45,079,422 in a broad range of resources as listed below:

**CITY OF LOMITA'S CAPITAL ASSETS**  
**(Net of depreciation)**

|                                       | <b>Governmental Activities</b> |                      | <b>Business-Type Activities</b> |                      | <b>Total</b>         |                      |
|---------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
|                                       | <b>2019</b>                    | <b>2018</b>          | <b>2019</b>                     | <b>2018</b>          | <b>2019</b>          | <b>2018</b>          |
| Non-depreciable assets:               |                                |                      |                                 |                      |                      |                      |
| Land                                  | \$ 4,993,906                   | \$ 4,993,906         | \$ 70,675                       | \$ 70,675            | \$ 5,064,581         | \$ 5,064,581         |
| Street trees                          | 1,650,378                      | 1,650,378            | -                               | -                    | 1,650,378            | 1,650,378            |
| Construction in progress              | 539,027                        | 772,025              | 2,238,414                       | 46,952               | 2,777,441            | 818,977              |
| Total non-depreciable assets          | 7,183,311                      | 7,416,309            | 2,309,089                       | 117,627              | 9,492,400            | 7,533,936            |
| Capital assets, being depreciated:    |                                |                      |                                 |                      |                      |                      |
| Buildings/structures and improvements | 1,346,433                      | 1,436,913            | -                               | -                    | 1,346,433            | 1,436,913            |
| Equipment and furniture               | 371,620                        | 358,577              | 111,570                         | 100,912              | 483,190              | 459,489              |
| Vehicles                              | 73,085                         | 82,750               | 27,209                          | 31,253               | 100,294              | 114,003              |
| Infrastructure                        | 11,604,882                     | 10,639,021           | 22,052,223                      | 22,755,741           | 33,657,105           | 33,394,762           |
| Total depreciable assets (net)        | 13,396,020                     | 12,517,261           | 22,191,002                      | 22,887,906           | 35,587,022           | 35,405,167           |
| Total capital assets                  | <b>\$ 20,579,331</b>           | <b>\$ 19,933,570</b> | <b>\$ 24,500,091</b>            | <b>\$ 23,005,533</b> | <b>\$ 45,079,422</b> | <b>\$ 42,939,103</b> |

Major capital asset events, during the 2018-2019 fiscal year, included the following:

- Completed construction of 250<sup>th</sup> Street Water Main Replacement
- Began construction of Walnut Street Water Main Replacement and Street Improvement
- Completed construction of 253<sup>rd</sup> Place Water Main Replacement
- Completed installation of new water meters at Harbor Hills

**CITY OF LOMITA**  
**Management's Discussion and Analysis (Continued)**

Additional information on City's capital assets can be found in Note 5 on pages 41-43 of this report.

**Long-term Debt**

The City currently has several long-term obligations. The City issued a bond for the first time in its history in fiscal year 2008-09 for the construction of the new Cypress Street Reservoir, and other potential capital improvements to the City's aged water system. During fiscal year 2015-2016, the City refinanced the water revenue bonds to take advantage of lower interest rates. Other long-term liabilities include net pension liability, compensated absences, and other post-employment benefits (OPEB).

**CITY OF LOMITA'S OUTSTANDING DEBT**

|                                    | <b>Governmental Activities</b> |                     | <b>Business-type Activities</b> |                    | <b>Total</b>        |                     |
|------------------------------------|--------------------------------|---------------------|---------------------------------|--------------------|---------------------|---------------------|
|                                    | <b>2019</b>                    | <b>2018</b>         | <b>2019</b>                     | <b>2018</b>        | <b>2019</b>         | <b>2018</b>         |
| Net pension liability              | \$ 6,515,866                   | \$ 7,299,211        | \$ 1,587,610                    | \$ 1,709,992       | \$ 8,103,476        | \$ 9,009,203        |
| OPEB, as restated                  | 5,886,124                      | 5,314,261           | -                               | -                  | 5,886,124           | 5,314,261           |
| Compensated absences               | 388,427                        | 317,620             | 140,836                         | 97,724             | 529,263             | 415,344             |
| COP Bonds payable, net of discount | -                              | -                   | 6,505,000                       | 6,750,000          | 6,505,000           | 6,750,000           |
|                                    | <b>\$12,790,417</b>            | <b>\$12,931,092</b> | <b>\$8,233,446</b>              | <b>\$8,557,716</b> | <b>\$21,023,863</b> | <b>\$21,488,808</b> |

State statutes limit the amount of general obligation debt a governmental entity may issue to 3.75 percent of the average full valuation. The current debt limitation for the City is \$89,485,003, which is significantly in excess of the City's outstanding general obligation debt.

Additional information can be found in the notes section of this report (Note 6- Long-Term Debt. pages 43-44).

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

The following economic factors currently affect the City and were considered when developing the 2019-2020 fiscal year budget:

- The City's current unemployment rate of 4.3 percent is 0.1 percent higher than the State's unemployment rate of 4.2 percent. Yet, it is a decrease of 0.3 percent from the City's prior year unemployment rate of 4.6 percent and 1.1 percent decrease from ten years ago, 2009.
- The City Council adopted the fiscal year 2019-2020 Annual Operating & Capital Improvement Budget in June 2019.
- Property taxes are being reassessed by LA County and are projecting an increase of approximately 5%.

**CITY OF LOMITA**  
**Management's Discussion and Analysis (Continued)**

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Department, 24300 Narbonne Avenue, Lomita, California 90717 or call (310) 325-7110.



## BASIC FINANCIAL STATEMENTS

## GOVERNMENT WIDE FINANCIAL STATEMENTS

**CITY OF LOMITA**  
**Statement of Net Position**  
**June 30, 2019**

|   | Primary Government         |                             |                   |
|---|----------------------------|-----------------------------|-------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total             |
| <b>ASSETS</b>   |                            |                             |                   |
| Current assets:   |                            |                             |                   |
| Cash and investments (note 2)                             | \$ 11,151,340              | 2,791,683                   | 13,943,023        |
| Receivable:   |                            |                             |                   |
| Accounts  | 330,412                    | 1,427,076                   | 1,757,488         |
| Taxes   | 140                        | 19,426                      | 19,566            |
| Interest  | 19,640                     | -                           | 19,640            |
| Due from other governmental entities                      | 1,474,929                  | -                           | 1,474,929         |
| Inventories   | 22,444                     | 8,644                       | 31,088            |
| Prepaid items   | 5,016                      | -                           | 5,016             |
| Total current assets                                      | <u>13,003,921</u>          | <u>4,246,829</u>            | <u>17,250,750</u> |
| Noncurrent assets:  |                            |                             |                   |
| Capital assets (note 5):                                  |                            |                             |                   |
| Non-depreciable   | 7,183,311                  | 2,309,089                   | 9,492,400         |
| Depreciable, net  | 13,396,020                 | 22,191,001                  | 35,587,021        |
| Total capital assets                                      | <u>20,579,331</u>          | <u>24,500,090</u>           | <u>45,079,421</u> |
| Total noncurrent assets                                   | <u>20,579,331</u>          | <u>24,500,090</u>           | <u>45,079,421</u> |
| <b>Total assets</b>                                       | <u>33,583,252</u>          | <u>28,746,919</u>           | <u>62,330,171</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                     |                            |                             |                   |
| Pensions (note 7)   | 1,377,106                  | 335,536                     | 1,712,642         |
| OPEB (note 8)   | 189,059                    | -                           | 189,059           |
| <b>Total deferred outflows of resources</b>               | <u>1,566,165</u>           | <u>335,536</u>              | <u>1,901,701</u>  |
| <b>LIABILITIES</b>  |                            |                             |                   |
| Current liabilities:                                      |                            |                             |                   |
| Accounts payable  | 1,192,951                  | 839,855                     | 2,032,806         |
| Accrued salaries and benefits                             | 199,555                    | 183,736                     | 383,291           |
| Interest payable  | -                          | 17,618                      | 17,618            |
| Deposits payable  | 210,273                    | 1,000                       | 211,273           |
| Bonds payable - due within one year (note 6)              | -                          | 250,000                     | 250,000           |
| Compensated absences - due within one year (note 6)       | 77,685                     | 28,167                      | 105,852           |
| Total current liabilities                                 | <u>1,680,464</u>           | <u>1,320,376</u>            | <u>3,000,840</u>  |
| Noncurrent liabilities:                                   |                            |                             |                   |
| Bonds payable - due in more than one year, net (note 6)   | -                          | 6,255,000                   | 6,255,000         |
| Pension Liability (notes 6 and 7)                         | 6,515,866                  | 1,587,610                   | 8,103,476         |
| OPEB (notes 6 and 8)                                      | 5,886,124                  | -                           | 5,886,124         |
| Compensated absences - due in more than one year (note 6) | 310,742                    | 112,669                     | 423,411           |
| Total noncurrent liabilities                              | <u>12,712,732</u>          | <u>7,955,279</u>            | <u>20,668,011</u> |
| <b>Total liabilities</b>                                  | <u>14,393,196</u>          | <u>9,275,655</u>            | <u>23,668,851</u> |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                      |                            |                             |                   |
| Pensions (note 7)   | 558,590                    | 136,102                     | 694,692           |
| <b>Total deferred inflows of resources</b>                | <u>558,590</u>             | <u>136,102</u>              | <u>694,692</u>    |
| <b>NET POSITION</b>                                       |                            |                             |                   |
| Net investment in capital assets                          | 20,579,331                 | 17,995,090                  | 38,574,421        |
| Restricted for:   |                            |                             |                   |
| Community development and services                        | 703,431                    | -                           | 703,431           |
| Public safety   | 6,016                      | -                           | 6,016             |
| Public works  | 3,016,816                  | -                           | 3,016,816         |
| Cultural and recreation                                   | 276,249                    | -                           | 276,249           |
| Total restricted  | <u>4,002,512</u>           | <u>-</u>                    | <u>4,002,512</u>  |
| Unrestricted  | (4,384,212)                | 1,675,608                   | (2,708,604)       |
| <b>Total net position</b>                                 | <u>\$ 20,197,631</u>       | <u>19,670,698</u>           | <u>39,868,329</u> |

See accompanying notes to the basic financial statements.

**CITY OF LOMITA**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

| Functions/Programs  | Expenses      | Program Revenues     |                                    |                                  |                       |
|---|---------------|----------------------|------------------------------------|----------------------------------|-----------------------|
|   |               | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total Program Revenue |
| Primary Government:                                       |               |                      |                                    |                                  |                       |
| Governmental activities:                                  |               |                      |                                    |                                  |                       |
| General government  | \$ 4,488,587  | 60,000               | -                                  | -                                | 60,000                |
| Public safety   | 3,633,645     | 441,691              | 148,904                            | -                                | 590,595               |
| Public works  | 1,496,818     | 228,755              | 2,049,590                          | 358,330                          | 2,636,675             |
| Community development                                     | 683,449       | 1,612,396            | -                                  | -                                | 1,612,396             |
| Community services  | 920,398       | 324,675              | 711,931                            | 158,251                          | 1,194,857             |
| Cultural and recreation                                   | 1,124,928     | 340,053              | -                                  | -                                | 340,053               |
| Total governmental activities                             | 12,347,825    | 3,007,570            | 2,910,425                          | 516,581                          | 6,434,576             |
| Business-type activities:                                 |               |                      |                                    |                                  |                       |
| Water   | 6,025,969     | 5,629,363            | -                                  | -                                | 5,629,363             |
| Total business-type activities                            | 6,025,969     | 5,629,363            | -                                  | -                                | 5,629,363             |
| Total primary government                                  | \$ 18,373,794 | 8,636,933            | 2,910,425                          | 516,581                          | 12,063,939            |
| General revenues:   |               |                      |                                    |                                  |                       |
| Taxes:  |               |                      |                                    |                                  |                       |
| Property taxes, net                                       |               |                      |                                    |                                  |                       |
| Sales taxes   |               |                      |                                    |                                  |                       |
| Business license tax                                      |               |                      |                                    |                                  |                       |
| Franchise taxes   |               |                      |                                    |                                  |                       |
| Refuse taxes  |               |                      |                                    |                                  |                       |
| Transient occupancy taxes                                 |               |                      |                                    |                                  |                       |
| Other taxes   |               |                      |                                    |                                  |                       |
| Total taxes   |               |                      |                                    |                                  |                       |
| Motor vehicle in-lieu, unrestricted                       |               |                      |                                    |                                  |                       |
| Investment income   |               |                      |                                    |                                  |                       |
| Other revenues  |               |                      |                                    |                                  |                       |
| Total general revenues and transfers                      |               |                      |                                    |                                  |                       |
| Change in net position                                    |               |                      |                                    |                                  |                       |
| Net position - beginning of year<br>as restated (note 13) |               |                      |                                    |                                  |                       |
| Net position - end of year                                |               |                      |                                    |                                  |                       |

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government

| <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>       |
|------------------------------------|-------------------------------------|--------------------|
| (4,428,587)                        | -                                   | (4,428,587)        |
| (3,043,050)                        | -                                   | (3,043,050)        |
| 1,139,857                          | -                                   | 1,139,857          |
| 928,947                            | -                                   | 928,947            |
| 274,459                            | -                                   | 274,459            |
| <u>(784,875)</u>                   | <u>-</u>                            | <u>(784,875)</u>   |
| <u>(5,913,249)</u>                 | <u>-</u>                            | <u>(5,913,249)</u> |
| <u>-</u>                           | <u>(396,606)</u>                    | <u>(396,606)</u>   |
| <u>-</u>                           | <u>(396,606)</u>                    | <u>(396,606)</u>   |
| <u>(5,913,249)</u>                 | <u>(396,606)</u>                    | <u>(6,309,855)</u> |
| 1,639,059                          | -                                   | 1,639,059          |
| 2,011,963                          | -                                   | 2,011,963          |
| 652,617                            | -                                   | 652,617            |
| 347,479                            | -                                   | 347,479            |
| 267,502                            | -                                   | 267,502            |
| 185,632                            | -                                   | 185,632            |
| <u>54,910</u>                      | <u>-</u>                            | <u>54,910</u>      |
| 5,159,162                          | -                                   | 5,159,162          |
| 2,263,193                          | -                                   | 2,263,193          |
| 167,410                            | 78,302                              | 245,712            |
| <u>143,293</u>                     | <u>911,073</u>                      | <u>1,054,366</u>   |
| <u>7,733,058</u>                   | <u>989,375</u>                      | <u>8,722,433</u>   |
| 1,819,809                          | 592,769                             | 2,412,578          |
| <u>18,377,822</u>                  | <u>19,077,929</u>                   | <u>37,455,751</u>  |
| <u>\$ 20,197,631</u>               | <u>19,670,698</u>                   | <u>39,868,329</u>  |

## FUND FINANCIAL STATEMENTS

*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*

## GOVERNMENTAL FUND FINANCIAL STATEMENTS

*General Fund - This is the primary operating fund of the City. It accounts for all activities of the general government, except those required to be accounted for in another fund.*

*Measure R Highway Fund – Used to account for street improvement projects on a cost reimbursement basis.*



# CITY OF LOMITA

## Balance Sheet

### Governmental Funds

**June 30, 2019**

|  | General<br>Fund     | Special Revenue Fund<br>Measure R<br>Highway | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|--|--------------------------------|--------------------------------|
| <b>ASSETS</b>  |                     |  |                                |                                |
| Cash and investments (note 2)                                    | \$ 6,444,090        | -  | 4,240,892                      | 10,684,982                     |
| Receivables:   |                     |  |                                |                                |
| Accounts   | 305,370             | -  | 25,042                         | 330,412                        |
| Taxes  | -                   | -  | 140                            | 140                            |
| Interest   | 19,640              | -  | -                              | 19,640                         |
| Due from other governments                                       | 1,143,214           | 191,559                                      | 140,156                        | 1,474,929                      |
| Due from other funds (note 3)                                    | 158,403             | -  | -                              | 158,403                        |
| Inventory  | 22,444              | -  | -                              | 22,444                         |
| Prepaid items  | -                   | -  | 5,016                          | 5,016                          |
| <b>Total assets</b>  | <u>\$ 8,093,161</u> | <u>191,559</u>                               | <u>4,411,246</u>               | <u>12,695,966</u>              |
| <b>LIABILITIES</b>   |                     |  |                                |                                |
| Accounts payable   | \$ 839,451          | 64,452                                       | 289,048                        | 1,192,951                      |
| Accrued liabilities  | 123,152             | -  | 76,403                         | 199,555                        |
| Deposits payable   | 188,018             | -  | 22,255                         | 210,273                        |
| Due to other funds (note 3)                                      | -                   | 137,375                                      | 21,028                         | 158,403                        |
| <b>Total liabilities</b>   | <u>1,150,621</u>    | <u>201,827</u>                               | <u>408,734</u>                 | <u>1,761,182</u>               |
| <b>FUND BALANCES</b>   |                     |  |                                |                                |
| Nonspendable   | 22,444              | -  | 5,016                          | 27,460                         |
| Restricted   | -                   | -  | 1,382,246                      | 1,382,246                      |
| Committed  | 85,744              | -  | 1,777,503                      | 1,863,247                      |
| Assigned   | 5,853,930           | -  | 837,747                        | 6,691,677                      |
| Unassigned   | 980,422             | (10,268)                                     | -                              | 970,154                        |
| <b>Total fund balances</b>                                       | <u>6,942,540</u>    | <u>(10,268)</u>                              | <u>4,002,512</u>               | <u>10,934,784</u>              |
| <b>Total liabilities, deferred inflows<br/>and fund balances</b> | <u>\$ 8,093,161</u> | <u>191,559</u>                               | <u>4,411,246</u>               | <u>12,695,966</u>              |

See accompanying notes to the basic financial statements.

**CITY OF LOMITA**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2019**

|                                     |               |
|-------------------------------------|---------------|
| Fund balances of governmental funds | \$ 10,934,784 |
|-------------------------------------|---------------|

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the governmental funds balance sheet. Excluding the internal service funds capital assets which are reported below, capital assets were adjusted as follows:

|                            |              |
|----------------------------|--------------|
| - Capital assets           | 36,340,807   |
| - Accumulated depreciation | (15,902,469) |

|  |         |
|--|---------|
| Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds were included in governmental activities in the government-wide statement of net position. | 607,351 |
|--|---------|

|   |           |
|---|-----------|
| Deferred outflows related to contributions made after the actuarial measurement date for the net pension liability. | 1,377,106 |
|---|-----------|

|  |           |
|--|-----------|
| Deferred inflows related to unrecognized actuarial gains and losses for the net pension liability. | (558,590) |
|--|-----------|

|  |             |
|--|-------------|
| Proportionate share of net pension liability has not been included in governmental fund activity | (6,515,866) |
|--|-------------|

|   |                    |
|---|--------------------|
| Long-term liabilities (including compensated absences and OPEB liability) were not due and payable in the current period. Therefore, they were not reported in the governmental funds balance sheet. This amount excludes long-term liabilities reported in Internal Service funds. | <u>(6,085,492)</u> |
|---|--------------------|

|   |                      |
|---|----------------------|
| Net position of governmental activities | <u>\$ 20,197,631</u> |
|---|----------------------|

See accompanying notes to the basic financial statements.

# CITY OF LOMITA

## Statement of Revenues, Expenditures, and Changes in Fund Balances

### Governmental Funds

**For the Year Ended June 30, 2019**

|  | General<br>Fund     | Special Revenue Fund<br>Measure R<br>Highway | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|--|--------------------------------|--------------------------------|
| Revenues:  |                     |  |                                |                                |
| Taxes and assessments  | \$ 5,159,162        | -  | 418,935                        | 5,578,097                      |
| Intergovernmental  | 2,513,162           | 1,136,630                                    | 2,158,486                      | 5,808,278                      |
| Licenses and permits   | 1,696,282           | -  | 72,645                         | 1,768,927                      |
| Charges for services   | -                   | -  | 26,937                         | 26,937                         |
| Fines and forfeitures  | 463,291             | -  | -                              | 463,291                        |
| Investment income  | 162,983             | -  | 84,584                         | 247,567                        |
| Rental income  | 245,197             | -  | 281,975                        | 527,172                        |
| Other revenue  | 166,205             | -  | 67,578                         | 233,783                        |
| Total revenues   | <u>10,406,282</u>   | <u>1,136,630</u>                             | <u>3,111,140</u>               | <u>14,654,052</u>              |
| Expenditures:  |                     |  |                                |                                |
| Current:   |                     |  |                                |                                |
| General government   | 3,803,130           | -  | -                              | 3,803,130                      |
| Community development  | 656,309             | -  | -                              | 656,309                        |
| Community services   | -                   | -  | 901,046                        | 901,046                        |
| Public works   | 246,649             | -  | 811,867                        | 1,058,516                      |
| Public safety  | 3,632,226           | -  | -                              | 3,632,226                      |
| Culture and recreation   | 1,000,203           | -  | 109,151                        | 1,109,354                      |
| Capital outlay   | 3,600               | 641,311                                      | 560,783                        | 1,205,694                      |
| Total expenditures   | <u>9,342,117</u>    | <u>641,311</u>                               | <u>2,382,847</u>               | <u>12,366,275</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures         | <u>1,064,165</u>    | <u>495,319</u>                               | <u>728,293</u>                 | <u>2,287,777</u>               |
| Other financing sources (uses):                                      |                     |  |                                |                                |
| Transfers in (note 4)  | 14,836              | -  | 323,507                        | 338,343                        |
| Transfers out (note 4)   | (523,507)           | -  | (14,836)                       | (538,343)                      |
| Total other financing sources (uses)                                 | <u>(508,671)</u>    | <u>-</u>                                     | <u>308,671</u>                 | <u>(200,000)</u>               |
| Net change in fund balances  | 555,494             | 495,319                                      | 1,036,964                      | 2,087,777                      |
| Fund balances (deficit), beginning of year,<br>as restated (note 13) | <u>6,387,046</u>    | <u>(505,587)</u>                             | <u>2,965,548</u>               | <u>8,847,007</u>               |
| Fund balances (deficit), end of year                                 | <u>\$ 6,942,540</u> | <u>(10,268)</u>                              | <u>4,002,512</u>               | <u>10,934,784</u>              |

See accompanying notes to the basic financial statements.

**CITY OF LOMITA**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance to the Governmental-Wide Statement of Activities**  
**For the Year Ended June 30, 2019**

|  |              |
|--|--------------|
| Changes in fund balances of governmental funds | \$ 2,087,777 |
|--|--------------|

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

Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current year, net of disposals and internal service fund activity.

|                      |           |
|----------------------|-----------|
| Capital outlay       | 1,104,553 |
| Depreciation expense | (447,476) |

|  |          |
|--|----------|
| To record as an expense the net change in compensated absences in the statement of activities. | (70,807) |
|--|----------|

|  |           |
|--|-----------|
| To record as an expense the net change in other post employment benefits liability in the statement of activities. | (313,445) |
|--|-----------|

|   |           |
|---|-----------|
| Pension obligation 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. | (243,059) |
|---|-----------|

|   |           |
|---|-----------|
| Revenues in the government-wide statement of activities that did not provide current financial resources were not reported as revenues in the governmental funds. | (490,844) |
|---|-----------|

|   |                |
|---|----------------|
| Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue (expense) of the internal service funds are reported with governmental activities. | <u>193,110</u> |
|---|----------------|

|   |                            |
|---|----------------------------|
| Change in net position of governmental activities | <u><u>\$ 1,819,809</u></u> |
|---|----------------------------|

See accompanying notes to financial statements.

## PROPRIETARY FUND FINANCIAL STATEMENTS

*Water Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs of providing water utility services to the general public on a continuing basis be financed or recovered primarily through user charges.*

*Internal Service Funds - This fund is used to account for the City's cost of maintenance replacing the City's capital assets. City departments are the primary users of these services and are charged a fee on a cost reimbursement basis.*

**CITY OF LOMITA**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**June 30, 2019**

|   | Business-Type<br>Activities<br>Water Enterprise<br>Fund | Governmental<br>Activities<br>Internal<br>Service Fund |
|---|---|--|
| <b>ASSETS</b>   |   |  |
| Current assets:   |   |  |
| Cash and investments (note 2)                             | \$ 2,791,683  | 466,358  |
| Receivables:  |   |  |
| Accounts  | 1,427,076   | -  |
| Taxes   | 19,426  | -  |
| Inventories   | 8,644   | -  |
| Total current assets                                      | <u>4,246,829</u>  | <u>466,358</u>   |
| Noncurrent assets:  |   |  |
| Capital assets (note 5):                                  |   |  |
| Land  | 70,675  | -  |
| Construction in progress                                  | 2,238,414   | -  |
| Equipment   | 411,508   | -  |
| Vehicles  | -   | 213,226  |
| Infrastructure  | 30,377,906  | -  |
| Less accumulated depreciation                             | <u>(8,598,413)</u>                                      | <u>(72,233)</u>  |
| Total capital assets, net                                 | <u>24,500,090</u>                                       | <u>140,993</u>   |
| Total noncurrent assets                                   | <u>24,500,090</u>                                       | <u>140,993</u>   |
| Total assets  | <u>28,746,919</u>                                       | <u>607,351</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                     |   |  |
| Pensions  | <u>335,536</u>  | <u>-</u>   |
| Total deferred outflows of resources                      | <u>335,536</u>  | <u>-</u>   |
| <b>LIABILITIES</b>  |   |  |
| Current liabilities:                                      |   |  |
| Accounts payable  | 839,855   | -  |
| Accrued liabilities                                       | 183,736   | -  |
| Interest payable  | 17,618  | -  |
| Deposits payable  | 1,000   | -  |
| Bonds payable - due within one year (note 6)              | 250,000   | -  |
| Compensated absences - due within one year (note 6)       | <u>28,167</u>   | <u>-</u>   |
| Total current liabilities                                 | <u>1,320,376</u>  | <u>-</u>   |
| Noncurrent liabilities:                                   |   |  |
| Bonds payable - due in more than one year (note 6)        | 6,255,000   | -  |
| Pension Liability (notes 6 and 7)                         | 1,587,610   | -  |
| Compensated absences - due in more than one year (note 6) | <u>112,669</u>  | <u>-</u>   |
| Total noncurrent liabilities                              | <u>7,955,279</u>  | <u>-</u>   |
| Total liabilities   | <u>9,275,655</u>  | <u>-</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                      |   |  |
| Pensions  | <u>136,102</u>  | <u>-</u>   |
| <b>NET POSITION</b>                                       |   |  |
| Net investment in capital assets                          | 17,995,090  | 140,993  |
| Unrestricted  | <u>1,675,608</u>  | <u>466,358</u>   |
| Total net position  | <u>\$ 19,670,698</u>                                    | <u>607,351</u>   |

See accompanying notes to the basic financial statements.

# CITY OF LOMITA

## Statement of Revenues, Expenses, and Changes in Fund Net Position

### Proprietary Funds

For the year ended June 30, 2019

|   | Business-Type<br>Activities | Governmental<br>Activities |
|---|-----------------------------|----------------------------|
|   | Water Enterprise<br>Fund    | Internal<br>Service Fund   |
| <b>Operating revenues:</b>              |                             |                            |
| Charges for services                    | \$ 5,629,363                | -                          |
| Other revenues                          | 911,073                     | -                          |
| Total operating revenues                | <u>6,540,436</u>            | <u>-</u>                   |
| Operating expenses:                     |                             |                            |
| Cost of water purchased                 | 2,139,030                   | -                          |
| Salaries, wages and benefits            | 1,731,730                   | -                          |
| Materials and supplies                  | 444,212                     | -                          |
| Contractual services                    | 349,235                     | -                          |
| Repairs and maintenance                 | 263,341                     | -                          |
| Rents and leases                        | 136,167                     | -                          |
| Amortization                            | 11,552                      | -                          |
| Depreciation                            | 725,889                     | 11,316                     |
| Total operating expenses                | <u>5,801,156</u>            | <u>11,316</u>              |
| Operating income (loss)                 | <u>739,280</u>              | <u>(11,316)</u>            |
| Non-operating revenues (expenses):      |                             |                            |
| Investment income                       | 78,302                      | 4,426                      |
| Interest expense and fees               | (224,813)                   | -                          |
| Total non-operating revenues (expenses) | <u>(146,511)</u>            | <u>4,426</u>               |
| Income (loss) before transfers          | 592,769                     | (6,890)                    |
| Transfers in (note 4)                   | <u>-</u>                    | <u>200,000</u>             |
| Change in net position                  | 592,769                     | 193,110                    |
| Net position, beginning of year         | <u>19,077,929</u>           | <u>414,241</u>             |
| Net position, end of year               | <u>\$ 19,670,698</u>        | <u>607,351</u>             |

See accompanying notes to the basic financial statements.



**CITY OF LOMITA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2019**

|  | Business-Type<br>Activities<br>Water Enterprise<br>Fund | Governmental<br>Activities<br>Internal<br>Service Fund |
|--|---|--|
| Cash flows from operating activities:  |   |  |
| Cash received from customers and other governments   | \$ 6,587,987  | -  |
| Cash paid to suppliers for goods or services   | (2,870,301)   | -  |
| Cash paid to employees for services  | (1,435,319)   | -  |
| Net cash provided (used by) operating activities   | <u>2,282,367</u>  | <u>-</u>   |
| Cash flows from capital and related financing activities:  |   |  |
| Purchase, acquisition and construction of capital assets   | (2,220,446)   | -  |
| Principal paid on capital debt   | (245,000)   | -  |
| Interest paid on capital-related debt  | (237,028)   | -  |
| Net cash provided (used by) capital and related financing activities                                     | <u>(2,702,474)</u>                                      | <u>-</u>   |
| Cash flows from investing activities:  |   |  |
| Investment income  | 78,302  | 4,426  |
| Net cash provided (used by) investing activities   | <u>78,302</u>   | <u>4,426</u>   |
| Cash flows from non-capital activities - cash received   |   |  |
| (paid) from/to other funds   | -   | 200,000  |
| Net increase (decrease) in cash and cash equivalents   | (341,805)   | 204,426  |
| Cash and equivalents, beginning of year  | 3,133,488   | 261,932  |
| Cash and equivalents, end of year  | <u>\$ 2,791,683</u>                                     | <u>466,358</u>   |
| Reconciliation of operating income to net cash provided<br>by operating activities:                      |   |  |
| Operating income (loss)  | \$ 739,280  | (11,316)   |
| Adjustments to reconcile operating income (loss)<br>to net cash provided (used) by operating activities: |   |  |
| Depreciation   | 725,889   | 11,316   |
| Amortization   | 11,552  | -  |
| Changes in operating assets and liabilities:   |   |  |
| (Increase) decrease in accounts receivable   | 13,924  | -  |
| (Increase) decrease in taxes receivable  | 33,627  | -  |
| (Increase) decrease in inventories   | (590)   | -  |
| Increase (decrease) in accounts payable  | 462,274   | -  |
| Increase (decrease) in accrued liabilities   | 142,904   | -  |
| Increase (decrease) in compensated absences  | 43,112  | -  |
| Increase (decrease) in net pension liability, net of<br>deferred inflows and outflows                    | <u>110,395</u>  | <u>-</u>   |
| Total adjustments  | <u>1,543,087</u>  | <u>11,316</u>  |
| Net cash provided (used) by operating activities   | <u>\$ 2,282,367</u>                                     | <u>-</u>   |

See accompanying notes to the basic financial statements.

## FIDUCIARY FUND FINANCIAL STATEMENTS

*Trust Funds - Trust funds are used to report a trust arrangement. All resources of these funds including any earnings on invested resources, must be used for specific purposes as set forth in the trust agreement. The City's trust funds are for a railroad foundation and donations for a memorial.*

**CITY OF LOMITA**  
**Statement of Fiduciary Net Position**  
**Trust Funds**  
**June 30, 2019**

|                               | <u>Trust<br/>Funds</u>  |
|-------------------------------|-------------------------|
| <b>ASSETS</b>                 |                         |
| Cash and investments (note 2) | \$ 27,598               |
| Receivables:                  |                         |
| Accounts                      | 1,568                   |
| Interest                      | <u>-</u>                |
| Total assets                  | <u>\$ 29,166</u>        |
| <b>LIABILITIES</b>            |                         |
| Current liabilities:          |                         |
| Accounts payable              | \$ 1,720                |
| Accrued liabilities           | <u>364</u>              |
| Total Liabilities             | <u>2,084</u>            |
| <b>NET POSITION</b>           |                         |
| Restricted for foundation     | 20,597                  |
| Restricted for memorial       | <u>6,485</u>            |
| Total net position            | <u><u>\$ 27,082</u></u> |

See accompanying notes to the basic financial statements.

**CITY OF LOMITA**  
**Statement of Changes in Fiduciary Net Position**  
**Trust Funds**  
**For the year ended June 30, 2019**

|                                 | <u>Trust<br/>Funds</u>  |
|---------------------------------|-------------------------|
| Additions:                      |                         |
| Investment income               | \$ 1,778                |
| Other income                    | <u>13,352</u>           |
| Total additions                 | <u>15,130</u>           |
| Deductions:                     |                         |
| Miscellaneous                   | <u>162,393</u>          |
| Total deductions                | <u>162,393</u>          |
| Change in net position          | (147,263)               |
| Net position, beginning of year | <u>174,345</u>          |
| Net position, end of year       | <u><u>\$ 27,082</u></u> |

See accompanying notes to the basic financial statements.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

Year ended June 30, 2019

(1) Reporting Entity and Summary of Significant Accounting Policies

(a) Summary of Significant Accounting Policies

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Financial Reporting Entity

The City of Lomita was incorporated June 30, 1964, under the general laws of the State of California. The City operates under a Council-Administrator form of government and provides the following services: public safety (police and fire through the County of Los Angeles), community services, engineering services, planning services, public works, general administrative services, and capital improvements.

This report includes governmental activities and business-type activities of the City of Lomita (the “primary government”), as well as, the Lomita Railroad Foundation, Inc. (Foundation), the Lomita Manor Housing Authority (the Authority), and the Lomita Public Financing Authority (PFA). The Foundation, the Authority, and the PFA all meet the definition of a component unit, and are presented on a “blended” basis as if they were part of the primary government. The PFA is not currently active. Although they are legally separate entities, the City Council serves as their governing board. The City may impose its will on the Foundation and the Authority, including the ability to appoint, hire, reassign or dismiss management. There is also a financial benefit/burden relationship between the City and the other entities.

The Lomita Railroad Museum Foundation, Inc. was formed September 17, 1990, as a non-profit organization under the laws of the State of California. The corporation was formed to assist in maintaining, enhancing, and promoting the Lomita Railroad Museum. Separate financial statements are not prepared for the Foundation.

The Lomita Manor Housing Authority was formed in 1985 as a non-profit organization to administer the local U.S. Department of Housing and Urban Development (HUD) conventional housing program. The City of Lomita contracts with an outside management company to administer this program. Separate financial statements are not prepared for the Authority.

The PFA was established to simplify the issuance of tax-exempt bonds that are issued by the City for the purpose of making lower-cost financing available for certain projects that provide a public benefit, contribute to social and economic growth, and improve the overall quality of life in the City.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(1) Reporting Entity and Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Financial reporting is based upon all GASB pronouncements, including the GASB Codification of Accounting and Financial Reporting Guidelines.

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with GASB Statement No. 33 government-wide activity requirements.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting Entity and Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus, (Continued)

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements

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

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about the major fund individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days.



CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting Entity and Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus, (Continued)

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu fees, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the *measurable* and *available* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate; however, that they should not be considered “available spendable resources” since they do not represent net current assets.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(1) Reporting Entity and Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus, (Continued)

Revenues, expenditures, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement Nos. 33 and 65 which require that local governments defer grant revenue that is not received within the City's adopted policy of 60 days after the fiscal year ends to meet the "available" criteria of revenue recognition. Therefore recognition of governmental fund type revenue represented by non-current receivables are deferred inflow until they become current receivables. Non-current portions of other long-term receivables are offset by fund balance reserve accounts.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Proprietary and Fiduciary Funds

The City's enterprise and internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, the proprietary fund is presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(1) Reporting Entity and Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus, (Continued)

Proprietary and Fiduciary Funds, (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are treated as non-operating expenses. Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as an expenditure. Private-purpose trust funds are used to report a trust arrangement. All resources of these funds, including any earnings on invested resources, must be used for specific purposes.

(c) Fund Classifications

The City reports the following major funds:

**General Fund** – This is the primary operating fund of the City. It accounts for all activities of the general government, except those required to be accounted for in another fund.

**Measure R Highway Special Revenue Fund** – Used to account for street improvement projects on a cost reimbursement basis.

**Water Enterprise Fund** – This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs of providing water utility services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City's fund structure also includes the following fund types:

**Internal Service Fund** – Internal service fund is used to account for the City's cost of maintaining and replacing the City's capital assets. City departments are the primary users of these services and are charged a fee on a cost reimbursement basis.

**Fiduciary Funds** – Fiduciary funds are used to report a trust arrangement for the Railroad Foundation and Tom Rico Memorial. All resources of these funds, including any earnings on invested resources, must be used for specific purposes as set forth in trust agreement.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting City and Summary of Significant Accounting Policies, (Continued)

(d) Fund Balances and Spending Policy

In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

Nonspendable – Items that cannot be spent because they are not in a spendable form, such as prepaids and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributions, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, the City Council is considered the highest authority for the City and approves such commitments through council resolutions and/ or similar documents. These committed amounts cannot be used for any other purposes unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources that are neither restricted or committed. Assignment of resources can be done by the highest level of decision making (City Council Resolution) or by a committee or official designated for that purpose. The City Council has authorized the Director of Finance for the purpose to assign fund balance for specific departmental projects.

Unassigned – The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(1) Reporting City and Summary of Significant Accounting Policies, (Continued)

(e) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value. These investments are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* reports interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments. The City's practice is to hold investments until maturity.

As of July 1, 2015, the City adopted Governmental Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurements and Application*. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes, applying fair value to investments, and disclosures related to all fair value measurements. The City categorized the fair value measurements for its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by the outside fiscal agent under provisions of the loan payable agreement. Interest income earned on pooled cash and investments is allocated quarterly to the funds based on average monthly cash and investment balances. Interest income with cash with fiscal agent is credited directly to the related fund.

(f) Statement of Cash Flows

For purposes of the statement of cash flows the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. In addition, cash invested in the City's cash management pool is considered to be cash equivalents.

(g) Capital Assets

Capital assets (including additions to infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Donated capital assets, works of art and similar items, and capital assets received in service concession arrangements are valued at acquisition value at the date of donation. Generally, capital asset purchases in excess of \$5,000 (including infrastructure) are capitalized if they have an expected useful life of one year or more. Capital assets include additions to public domain (infrastructure) general capital assets consisting of certain improvements including roads and streets, curbs, gutters and sidewalks, street lights, signs and signals, park equipment and storm drains. The City chose to value its infrastructure in its entirety (e.g.,

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(1) Reporting City and Summary of Significant Accounting Policies, (Continued)

(g) Capital Assets, (Continued)

prior to 1980). Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government – wide financial statements and in the fund financial statements of the enterprise fund. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The ranges of lives used for depreciation purposes for each capital asset class are as follows:

|                                     |              |
|-------------------------------------|--------------|
| Buildings and improvements          | 50 years     |
| Furniture, equipment and vehicles   | 3-25 years   |
| Infrastructure - Sewer lines        | 25-50 years  |
| Infrastructure – Storm drain system | 20-100 years |
| Infrastructure - Roadways           | 30-100 years |
| Infrastructure – Waterlines         | 25-50 years  |
| Infrastructure - Other              | 20-60 years  |

(h) Inventories and Prepaids

Inventories of water meters and fittings are recorded in the Water Department Enterprise Fund. Inventories in the General Fund consist of street signs. Inventories are stated at cost using the average cost method. Payments made to vendors for services that will benefit periods beyond June 30, 2019 are recorded as prepaids. The City uses the consumption method when reporting prepaid items.

(i) Property Taxes

Property taxes attach as an enforceable lien on property as of the date the tax is levied. Taxes are levied annually in August, and are payable annually in two installments in November and March. The County bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied to the extent that they result in current receivables in accordance with GASB Code Section P70.

The County is permitted by State Law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the assessed value at no more than two percent per year. The City receives a share of this basic levy.

(j) Compensated Absences

The City accounts for compensated absences in accordance with GASB Statement No. 16. In governmental funds, compensated absences are recorded as expenditures in the year paid, as it is the City's policy to liquidate any unpaid vacation or sick leave at June 30 from future resources rather than currently available expendable resources. Accordingly, the entire unpaid liability for the governmental funds is recorded in the government-wide financial statements as these amounts will be liquidated from future resources.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting City and Summary of Significant Accounting Policies, (Continued)

(k) Deferred Outflows/ Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. Deferred outflows relating to the net pension obligation reported in the government-wide statement of net position. These outflows are the results of contributions made after the measurement period, which are expensed in the following year, and of adjustment due to difference in proportions and the difference between actual contributions made and the proportionate share of the risk pool's total contributions. These amounts are deferred and amortized over the expected average remaining service life time. Deferred outflows relating to the reacquisition loss on refunding bonds reported in the government-wide statement of net position and statement of fund position for proprietary funds. These outflows are the results of difference between the reacquisition price and the net carrying amount of the refunded bonds, which are recognized as a component of interest expense over the remaining life of the bonds.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category which are deferred inflows relating to the net pension obligation reported in the government-wide statement of net position. These inflows are the result of the net difference between projected and actual earnings on pension plan investments. This amount is deferred and amortized straight-line over a five-year period.

(l) Long-Term Debt and Interest Payable

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are immediately expensed in the Government-Wide Financial Statements in addition to the Proprietary and Fiduciary Fund Statements in accordance with GASBs No. 65 and 86. In the Fund Financial Statements, with the exception of advances from other funds, long-term liabilities are not presented. Consequently, long term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.



CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(1) Reporting City and Summary of Significant Accounting Policies, (Continued)

(l) Long-Term Debt and Interest Payable, (Continued)

In the Government-Wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred for governmental activities and business-type activities. In the Fund Financial Statements, only propriety fund types recognize the interest payable when the liability is incurred.

(m) Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

In the Government-Wide Financial Statements, net position are classified in the following categories: *Net Investment in Capital Assets* consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position are restricted by external creditors, grantors, contributors, laws or regulations of other governments. Unrestricted Net position is all net position that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net position.”

(n) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

(o) Pensions

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

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(1) Reporting City and Summary of Significant Accounting Policies, (Continued)

(p) New Accounting Pronouncements

The City adopted Statement on Governmental Accounting Standards (GASB Statement) Nos. 83, *Certain Asset Retirement Obligations* and 88, *Certain Disclosures Related to Debt*.

(2) Cash and Investments

Cash and investments at June 30, 2019 are reported as follows in the financial statements:

|                                      |                     |
|--------------------------------------|---------------------|
| Statement of net position:           |                     |
| Cash and investments                 | \$13,943,023        |
| Statement of fiduciary net position: |                     |
| Cash and investments                 | <u>27,598</u>       |
|                                      | <u>\$13,970,621</u> |

Cash and investments at June 30, 2019 consisted of the following:

|                                     |                     |
|-------------------------------------|---------------------|
| Petty cash                          | \$ 1,710            |
| Demand deposits held by City        | 5,697,094           |
| Investments:                        |                     |
| Negotiable certificates of deposits | 3,696,633           |
| US Government Bonds                 | 1,250,298           |
| Corporate Bonds                     | 250,983             |
| Local Agency Investment Fund        | <u>3,073,903</u>    |
| Total cash and investments          | <u>\$13,970,621</u> |

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(2) 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 and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk.

| <u>Investment Types</u><br><u>Authorized by State Law</u>                   | <u>Authorized</u><br><u>By Investment</u><br><u>Policy</u> | <u>*Maximum</u><br><u>Maturity</u> | <u>*Maximum</u><br><u>Percentage</u><br><u>Of Portfolio</u> | <u>*Maximum</u><br><u>Investment</u><br><u>in One Issuer</u> |
|---|--|------------------------------------|---|--|
| Local Agency Bonds  | No   | 5 years                            | None  | None   |
| U.S. Treasury Bills   | Yes  | None                               | 60%   | None   |
| U.S. Treasury Notes   | Yes  | 5 years                            | 40%   | None   |
| U.S. Agency Securities  | Yes  | 5 years                            | 20%   | None   |
| Banker's Acceptances  | Yes  | 180 days                           | 10%   | None   |
| Commercial Paper  | Yes  | 180 days                           | 10%   | 10%  |
| Negotiable Certificates of Deposit  | Yes  | 5 years                            | 30%   | None   |
| Repurchase Agreements   | No   | 1 year                             | None  | None   |
| Passbook savings demand deposits  | Yes  | 5 years                            | None  | None   |
| Reverse Repurchase Agreements   | No   | 92 days                            | 20% of base value   | None   |
| Medium-Term Notes   | Yes  | 5 years                            | 30%   | None   |
| Mutual Funds that invest only in State of California authorized investments | Yes  | 5 years                            | 20% combined  | None   |
| SEC registered Money Market Mutual Funds                                    | Yes  | 5 years                            |   | None   |
| Local Agency Investment Fund (LAIF)   | Yes  | 5 years                            | \$40,000,000  | None   |

\* Based on state law requirements or investment policy requirements, whichever is more restrictive.

# CITY OF LOMITA

## NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

### (2) 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 to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

| <u>Investment Type</u>             |                     | <u>1 Year<br/>Or less</u> | <u>Remaining Maturity (in Years)</u> |                         |                         |
|------------------------------------|---------------------|---------------------------|--------------------------------------|-------------------------|-------------------------|
|                                    |                     |                           | <u>1 to 2<br/>Years</u>              | <u>2 to 3<br/>Years</u> | <u>3 to 5<br/>Years</u> |
| Negotiable Certificates of Deposit | \$ 3,696,633        | 188,562                   | 552,375                              | 1,599,750               | 1,355,946               |
| US Government Bonds                | 1,250,298           | -                         | -                                    | -                       | 1,250,298               |
| Corporate Bonds                    | 250,983             | -                         | -                                    | 250,983                 | -                       |
| LAIF                               | <u>3,073,903</u>    | <u>3,073,903</u>          | <u>-</u>                             | <u>-</u>                | <u>-</u>                |
| Total                              | <u>\$ 8,271,817</u> | <u>3,262,465</u>          | <u>552,375</u>                       | <u>1,580,733</u>        | <u>2,606,244</u>        |

#### Fair Value Classifications

Fair value measurements are categorized based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical asset assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments categorized as Level 2 are valued using the valuation multiple approach which uses prices in observed transactions (i.e. comparable market prices) at the end of the fiscal year.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments, (Continued)

Investments' fair value measurements are as follows as of June 30, 2019:

| <u>Investment Type</u>             | <u>Fair Value</u>  | <u>Level 1</u> | <u>Level 2</u>   | <u>Level 3</u> |
|------------------------------------|--------------------|----------------|------------------|----------------|
| Negotiable Certificates of Deposit | \$3,696,633        | -              | 3,696,633        | -              |
| US Government Bonds                | 1,250,298          | -              | 1,250,298        | -              |
| Corporate Bonds                    | <u>250,983</u>     | <u>-</u>       | <u>250,983</u>   | <u>-</u>       |
| Subtotal                           | <u>5,197,914</u>   | <u>-</u>       | <u>5,197,914</u> | <u>-</u>       |
| LAIF                               | <u>3,073,903</u>   |                |                  |                |
| Total Leveled Investments          | <u>\$8,271,817</u> |                |                  |                |

Investments in LAIF are uncategorized as deposit and withdrawals are made on the basis of \$1 and not fair value.

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 as of year end for each investment type.

| <u>Investment Type</u>             |                    | <u>Minimum<br/>Legal<br/>Rating</u> | <u>Ratings as of Year End</u> |                |                                       |                      |
|------------------------------------|--------------------|-------------------------------------|-------------------------------|----------------|---------------------------------------|----------------------|
|                                    |                    |                                     | <u>AAA</u>                    | <u>AA1</u>     | <u>Exempt<br/>From<br/>Disclosure</u> | <u>Not<br/>Rated</u> |
| Negotiable Certificates of Deposit | \$3,696,633        | N/A                                 | -                             | -              | 3,696,633                             | -                    |
| US Government Bonds                | 1,250,298          | N/A                                 | 1,250,298                     | -              | -                                     | -                    |
| Corporate Bonds                    | 250,983            | N/A                                 | -                             | 250,983        | -                                     | -                    |
| LAIF                               | <u>3,073,903</u>   | N/A                                 | <u>-</u>                      | <u>-</u>       | <u>-</u>                              | <u>3,073,903</u>     |
| Total                              | <u>\$8,271,817</u> |                                     | <u>1,252,298</u>              | <u>250,983</u> | <u>3,696,633</u>                      | <u>3,073,903</u>     |

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The city had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments, (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2019, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City has not agreed to such a waiver.

Investments in State Investment Pool

The City is a participant in LAIF which 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 LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(3) Interfund Balances

Interfund balances at June 30, 2019 consisted of the following:

|                              | <u>Due To Other Funds:</u>   |                                    |                  |
|------------------------------|------------------------------|------------------------------------|------------------|
|                              | Measure R<br>Highway<br>Fund | Non-major<br>Governmental<br>Funds | Total            |
| <u>Due From Other Funds:</u> |                              |                                    |                  |
| General Fund                 | <u>\$137,375</u>             | <u>21,028</u>                      | <u>\$158,403</u> |

The interfund balances were to eliminate negative cash balances in non-major special revenue funds.

(4) Interfund Transfers

Interfund transfers at June 30, 2019 consisted of the following:

|                              | General<br>Fund  | Non-major<br>Governmental<br>Funds | <u>Transfers In:</u>        |                |
|------------------------------|------------------|------------------------------------|-----------------------------|----------------|
|                              |                  |                                    | Internal<br>Service<br>Fund | Total          |
| <u>Transfers Out:</u>        |                  |                                    |                             |                |
| General Fund                 | \$ -             | 323,507                            | 200,000                     | 523,507        |
| Non-major Governmental Funds | <u>14,836</u>    | <u>-</u>                           | <u>-</u>                    | <u>14,836</u>  |
| Total                        | <u>\$ 14,836</u> | <u>323,507</u>                     | <u>200,000</u>              | <u>538,343</u> |

The most significant interfund transfer was from the General Fund to the Gas Tax fund in the amount of \$192,952. The transfers were made to fund various capital related projects in the City.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(5) Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

Governmental Activities:

| <u>Description</u>                       | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|------------------|------------------|---------------------------|
| Non-depreciable:                         |                              |                  |                  |                           |
| Land                                     | \$ 4,993,906                 | -                | -                | 4,993,906                 |
| Construction in process                  | 772,025                      | 539,028          | 772,026          | 539,027                   |
| Street trees                             | <u>1,650,378</u>             | <u>-</u>         | <u>-</u>         | <u>1,650,378</u>          |
| Total non-depreciable                    | <u>7,416,309</u>             | <u>539,028</u>   | <u>772,026</u>   | <u>7,183,311</u>          |
| Depreciable:                             |                              |                  |                  |                           |
| Buildings                                | 4,523,989                    | -                | -                | 4,523,989                 |
| Equipment and furniture                  | 925,326                      | 54,404           | 11,206           | 968,524                   |
| Vehicles                                 | 413,938                      | -                | 27,315           | 386,623                   |
| Infrastructure                           | <u>22,078,249</u>            | <u>1,413,337</u> | <u>-</u>         | <u>23,491,586</u>         |
| Total depreciable<br>capital assets      | <u>27,941,502</u>            | <u>1,467,741</u> | <u>38,521</u>    | <u>29,370,722</u>         |
| Less accumulated depreciation for:       |                              |                  |                  |                           |
| Buildings                                | 3,087,076                    | 90,480           | -                | 3,177,556                 |
| Equipment and furniture                  | 566,749                      | 41,361           | 11,206           | 596,904                   |
| Vehicles                                 | 331,188                      | 9,665            | 27,315           | 313,538                   |
| Infrastructure                           | <u>11,439,228</u>            | <u>447,476</u>   | <u>-</u>         | <u>11,886,704</u>         |
| Total accumulated<br>depreciation        | <u>15,424,241</u>            | <u>588,982</u>   | <u>38,521</u>    | <u>15,974,702</u>         |
| Total depreciable<br>capital assets, net | <u>12,517,261</u>            | <u>878,759</u>   | <u>-</u>         | <u>13,396,020</u>         |
| Total capital assets, net                | <u>\$19,933,570</u>          | <u>1,417,787</u> | <u>772,026</u>   | <u>20,579,331</u>         |



CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(5) Capital Assets, (Continued)

Business-type Activities:

| <u>Description</u>                    | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|---------------------------------------|------------------------------|------------------|------------------|---------------------------|
| Non-depreciable:                      |                              |                  |                  |                           |
| Land                                  | \$ 70,675                    | -                | -                | 70,675                    |
| Construction in process               | <u>46,952</u>                | <u>2,191,462</u> | <u>-</u>         | <u>2,238,414</u>          |
| Total non-depreciable                 | <u>117,627</u>               | <u>2,191,462</u> | <u>-</u>         | <u>2,309,089</u>          |
| Depreciable:                          |                              |                  |                  |                           |
| Equipment and furniture               | 285,119                      | 23,648           | 10,529           | 298,238                   |
| Vehicles                              | 118,567                      | -                | 5,297            | 113,270                   |
| Infrastructure                        | <u>30,372,570</u>            | <u>16,888</u>    | <u>11,552</u>    | <u>30,377,906</u>         |
| Total depreciable capital assets      | <u>30,776,256</u>            | <u>40,536</u>    | <u>27,378</u>    | <u>30,789,414</u>         |
| Less accumulated depreciation for:    |                              |                  |                  |                           |
| Equipment and furniture               | 184,207                      | 12,990           | 10,529           | 186,668                   |
| Vehicles                              | 87,314                       | 4,044            | 5,297            | 86,061                    |
| Infrastructure                        | <u>7,616,829</u>             | <u>708,855</u>   | <u>-</u>         | <u>8,325,684</u>          |
| Total accumulated depreciation        | <u>7,888,350</u>             | <u>725,889</u>   | <u>15,826</u>    | <u>8,598,413</u>          |
| Total depreciable capital assets, net | <u>22,887,906</u>            | <u>(685,353)</u> | <u>11,552</u>    | <u>22,191,001</u>         |
| Total capital assets, net             | <u>\$23,005,533</u>          | <u>1,506,109</u> | <u>11,552</u>    | <u>24,500,090</u>         |

|  | <u>Expenditures<br/>Spent-to-date</u> | <u>Remaining<br/>Commitment</u> |
|--|---------------------------------------|---------------------------------|
| Construction commitments:                            |                                       |                                 |
| Governmental activities- street projects:            |                                       |                                 |
| PCH/Walnut St & Western Ave/ PV Drive North          | \$ 1,489,690                          | \$ 16,310                       |
| Walnut/PCH to 253 <sup>rd</sup> PL                   | 77,019                                | 411,981                         |
| 250 <sup>th</sup> St/Pennsylvania to Eshelman        | 455,019                               | -                               |
| Business-type activities-water capital improvements: |                                       |                                 |
| PCH Water Main Replacement                           | 57,204                                | 497,796                         |
| Harbor Hills Direct Marketing                        | 84,406                                | 100,000                         |
| 253 <sup>rd</sup> Pl Water Main Replacement          | 414,256                               | 35,744                          |
| Walnut-PCH to 253 <sup>rd</sup>                      | 501,953                               | 4,047                           |
| 250 <sup>th</sup> St-Pennsylvania to Eshlman         | 1,243,799                             | -                               |

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(5) Capital Assets, (Continued)

Depreciation expense was charged in the following functions in the Statement of Activities:

|                       | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> |
|-----------------------|------------------------------------|-------------------------------------|
| General Government    | \$ 92,659                          | -                                   |
| Community Development | 20,182                             | -                                   |
| Community Services    | 17,410                             | -                                   |
| Public Works          | 458,731                            | -                                   |
| Water                 | <u>-</u>                           | <u>725,888</u>                      |
| Total                 | <u>\$588,982</u>                   | <u>725,888</u>                      |

(6) Long-term Liabilities

Long-term liability activity for the year ended June 30, 2019 was as follows:

|                                | <u>Beginning<br/>Balance<br/>As Restated</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending<br/>Balance</u> | <u>Amounts<br/>Due within<br/>One Year</u> |
|--------------------------------|--|------------------|------------------|---------------------------|--|
| Governmental Activities:       |  |                  |                  |                           |  |
| Net pension liability (3)      | \$ 7,299,211                                 | 371,747          | 1,155,092        | 6,515,866                 | -  |
| OPEB                           | 5,314,261                                    | 685,380          | 113,517          | 5,886,124                 | -  |
| Compensated absences (1)       | <u>317,620</u>                               | <u>293,847</u>   | <u>223,040</u>   | <u>388,427</u>            | <u>77,685</u>                              |
| Total governmental activities  | <u>\$12,931,092</u>                          | <u>1,350,974</u> | <u>1,491,649</u> | <u>12,790,417</u>         | <u>77,685</u>                              |
| Business-type Activities:      |  |                  |                  |                           |  |
| Bonds payable:                 |  |                  |                  |                           |  |
| Water Revenue Refunding        |  |                  |                  |                           |  |
| Bonds, series 2016             | \$ 6,750,000                                 | -                | 245,000          | 6,505,000                 | 250,000                                    |
| Net pension liability (4)      | 1,709,992                                    | 159,060          | 281,442          | 1,587,610                 | -  |
| Compensated absences (2)       | <u>97,724</u>                                | <u>137,794</u>   | <u>94,682</u>    | <u>140,836</u>            | <u>28,167</u>                              |
| Total business-type activities | <u>8,557,716</u>                             | <u>296,854</u>   | <u>621,124</u>   | <u>8,233,446</u>          | <u>278,167</u>                             |
| Total                          | <u>\$21,488,808</u>                          | <u>1,647,828</u> | <u>2,112,773</u> | <u>21,023,863</u>         | <u>355,852</u>                             |

- (1) Compensated absences for government activities have typically been liquidated by the General Fund.
- (2) Compensated absences for business-type activities have typically been liquidated by the Water Fund.
- (3) Pension liabilities for government activities have typically been liquidated by the General Fund.
- (4) Pension liabilities for business-type activities have typically been liquidated by the Water Fund.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(6) Long-term Liabilities, (Continued)

2016 Water Revenue Refunding Bonds:

On May 1, 2016, the City along with the issued the 2016 Water Revenue Refunding Bonds in the amount of \$7,200,000. The purpose of the bonds was to refinance prior debt issued for capital improvements to the City's water system. Principal payments are due in annual installments ranging from \$215,000 to \$450,000, commencing December 1, 2016 through June 1, 2038. The bonds accrue interest at a rate of 3.25%. Interest on the bonds is payable semiannually on June 1 and December 1, commencing on December 1, 2016. The bonds are payable solely from the net revenues of the water system of the city. Principal and interest paid for the current year, and net revenues were \$464,375 and \$1,543,471, respectively. At June 30, 2019, the ratio of the debt service payments due to the net revenues during fiscal year 2019 was .30 (30%). Upon default by the City as defined in the bonds' installment purchase agreement, the Authority will declare the unpaid principal and accrued interest due and payable immediately.

The bond agreement for the Water Revenue Refunding Bonds requires the city to pledge its annual net revenues (defined as total revenues (including interest and gains) for the fiscal year less operation and maintenance costs (excluding depreciation and amortization)) in an amount equal to at least 125% of the annual debt service requirement for each fiscal year through final maturity of the bonds on June 1, 2038 or early retirement of the bonds, which ever first occurs. The amount of annual net revenues equaled 268% of the annual debt service requirement in fiscal year 2019. The amount of the bonds outstanding at June 30, 2019 was \$6,505,000.

| <u>Fiscal Year</u> | <u>Principal</u>   | <u>Interest</u>  | <u>Total</u>     |
|--------------------|--------------------|------------------|------------------|
| 2020               | \$ 250,000         | 211,413          | 461,413          |
| 2021               | 260,000            | 203,288          | 463,288          |
| 2022               | 270,000            | 194,838          | 464,838          |
| 2023               | 280,000            | 186,063          | 466,063          |
| 2024               | 285,000            | 176,962          | 461,962          |
| 2025-2029          | 1,580,000          | 739,374          | 2,319,374        |
| 2030-2034          | 1,860,000          | 464,587          | 2,324,587        |
| 2035-2038          | <u>1,720,000</u>   | <u>141,862</u>   | <u>1,861,862</u> |
| Total              | <u>\$6,505,000</u> | <u>2,318,387</u> | <u>8,823,387</u> |

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(7) Defined Benefit Pension Plans

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

*Benefits Provided:* CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. These PEPRA members in pooled plans are reflected in the new Miscellaneous and Safety risk pools created by the CalPERS Board in response to the passage of PEPRA, beginning with the June 30, 2013, risk-pool valuations.

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

|                                      | Miscellaneous                 |  |                                 |
|--------------------------------------|-------------------------------|--|---------------------------------|
|                                      | Prior to<br>February 28, 2012 | February 28, 2012 to<br>January 31, 2013 | On or after<br>January 31, 2013 |
| Hire Date                            |                               |  |                                 |
| Benefit formula                      | 2.5% @ 55                     | 2% @ 60                                  | 2% @ 62                         |
| Benefit vesting schedule             | 5 years service               | 5 years service                          | 5 years service                 |
| Benefit payments                     | monthly for life              | monthly for life                         | monthly for life                |
| Retirement age                       | 50-55                         | 50-63                                    | 52 - 67                         |
| Monthly benefits, as a % of          |                               |  |                                 |
| compensation                         | 2.0% to 2.5%                  | 1.092% to 2.418%                         | 1.0% to 2.5%                    |
| Required employee contribution rates | 8.00%                         | 7.00%                                    | 6.25%                           |
| Required employer contribution rates | 23.73%                        | 8.005%                                   | 6.24%                           |

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(7) Defined Benefit Pension Plans, (Continued)

*Contributions:* Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City of Lomita is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan were \$757,649 for the year ended June 30, 2019.

*Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions* - As of June 30, 2019, the City of Lomita reported net pension liabilities for its proportionate shares of the net pension liability of \$8,103,476.

The City's net pension liability for the Miscellaneous Plan is measured as the proportionate share of the net pension liability of the collective cost-sharing plan. The City's net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Miscellaneous Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the

Miscellaneous Plan as of the June 30, 2017 and 2018 measurement dates was as follows:

|                              |                    |
|------------------------------|--------------------|
| Proportion – June 30, 2017   | 0.228541%          |
| Proportion – June 30, 2018   | <u>0.215020%</u>   |
| Change – Increase/(Decrease) | <u>(0.013521)%</u> |

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(7) Defined Benefit Pension Plans, (Continued)

For the year ended June 30, 2019, the City of Lomita recognized pension expense of \$1,111,103. At June 30, 2019, the City of Lomita reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Pension contributions subsequent to measurement date                      | \$ 757,649                                |  |
| Difference between expected and actual experience                         | 205,113                                   |  |
| Changes in proportions  |   |  |
| Difference between actual and projected contributions                     | 12,408                                    | \$(694,692)                              |
| Changes in assumptions  | 697,410                                   |  |
| Net differences between projected and actual earnings on plan investments | <u>40,062</u>                             |  |
| Total   | <u>\$1,712,642</u>                        | <u>\$(694,692)</u>                       |

\$757,649 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ended<br/>June 30</u> |            |
|-------------------------------|------------|
| 2020                          | \$ 569,350 |
| 2021                          | 218,591    |
| 2022                          | (454,756)  |
| 2023                          | (72,884)   |

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Defined Benefit Pension Plans, (Continued)

*Actuarial Assumptions* – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

|                           | <u>Miscellaneous</u>               |
|---------------------------|------------------------------------|
| Valuation Date            | June 30, 2017                      |
| Measurement Date          | June 30, 2018                      |
| Actuarial Cost Method     | Entry-Age Normal<br>Cost Method    |
| Actuarial Assumptions:    |                                    |
| Discount Rate             | 7.15%                              |
| Inflation                 | 2.75%                              |
| Payroll Growth            | 3.0%                               |
| Projected Salary Increase | Varies by Entry Age<br>and Service |
| Investment Rate of Return | 7.375% (1)                         |
| Mortality                 | (2)                                |

(1) Net of pension plan investment expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale AA.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

*Discount Rate* – The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In determining the long-term expected 7.15 percent rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees' Retirement Fund, CalPERS indicated that a 19 year horizon was ideal in determining the level equivalent discount rate assumption. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(7) Defined Benefit Pension Plans, (Continued)

term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for the Plan. These geometric rates of return are net of administrative expenses and are summarized in the following table:

| Asset Class         | New<br>Strategic<br>Allocation |
|---------------------|--------------------------------|
| Global Equity       | 51.0%                          |
| Global Fixed Income | 20.0%                          |
| Real Assets         | 12.0%                          |
| Private Equity      | 10.0%                          |
| Inflation Sensitive | 6.0%                           |
| Liquidity           | 1.0%                           |
| Other               | 0.0%                           |
| Total               | <u>100%</u>                    |

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* – The following presents the City's proportionate share of the net pension liability, calculated using the discount rate of 7.15 percent, as well as what the City's proportionate share of net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15 percent), or 1-percentage point higher (8.15 percent), than the current rate:

|                       | <u>Miscellaneous</u> |
|-----------------------|----------------------|
| 1% Decrease           | 6.15%                |
| Net Pension Liability | \$12,045,818         |
| Current Discount Rate | 7.15%                |
| Net Pension Liability | \$8,103,476          |
| 1% Increase           | 8.15%                |
| Net Pension Liability | \$4,849,137          |



CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(8) Other Post Employment Benefits (OPEB)

*Plan Description* - In addition to the pension benefits described above, the City provides retiree health insurance benefits. The City contracts with the Public Employee's Retirement System to provide benefits to retirees under the Employees' Hospital and Medical Care Act. Employees who retire from the City may elect to continue their medical insurance through the available PERS plans. When retirees reach 65, they must enroll on Medicare and then may select a Medicare supplemental plan through the PERS insurance plans. This is a defined benefit plan with the City paying the minimum allowed contribution and the employees paying the balance of the selected plan premium. Changes to the plan require a resolution approved by the City Council and submitted to PERS.

*Employee Covered* - As of June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

|  |           |
|--|-----------|
| Active employees   | 41        |
| Inactive employees or beneficiaries currently receiving benefits | 22        |
| Inactive employees entitled to, but not yet receiving benefits   | -         |
| Total  | <u>63</u> |

*Contributions* - Currently, the City funds retiree healthcare benefits on a pay-as-you-go basis. The City recognizes expenditure for its share of the annual premiums as these benefits become due. For fiscal year 2018-2019, the City paid \$120,887 for benefits of 22 retired employees.

*Net OPEB Liability* - The City of Lomita net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OEPB liability was determined by an actuarial valuation date June 30, 2018 that was rolled forward to determine the June 30, 2019 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

|                           |            |
|---------------------------|------------|
| Discount Rate             | 3.15%      |
| Projected Salary Increase | 3.0%       |
| General Inflation         | 2.75%      |
| Mortality                 | Varies (1) |

- (1) The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(8) Other Post Employment Benefits (OPEB), (Continued)

*Discount Rate* – The discount rate used to measure the OPEB liability was 3.15 percent, which was based on the published change in return for the applicable municipal bond index.

The Changes in the net OPEB liability for the plan are as follows:

|  | <b>Increase (Decrease)</b>                  |  |  |
|--|---|--|--|
|  | <b>Total<br/>OPEB<br/>Liability<br/>(a)</b> | <b>Plan<br/>Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net OPEB<br/>Liability/<br/>(Asset)<br/>(c)=(a)-(b)</b> |
| Balance at Fiscal Year Ending 6/30/18                    |   |  |  |
| <i>Measurement Date 6/30/17</i>                          | \$5,314,261                                 | \$ -   | \$5,314,261  |
| Changes During the Period:                               |   |  |  |
| Service Cost   | 181,090                                     | -  | 181,090  |
| Interest Cost  | 190,222                                     | -  | 190,222  |
| Expected Investment Income                               | -   | -  | -  |
| Employer Contributions                                   | -   | 120,887  | (120,887)  |
| Changes of Benefit Terms                                 | -   | -  | -  |
| Benefit Payments   | (120,887)                                   | (120,887)  | -  |
| Assumption Changes                                       | 321,438                                     | -  | 321,438  |
| Plan Experience  | -   | -  | -  |
| Investment Experience                                    | -   | -  | -  |
| Recognized Deferred Resources                            | -   | -  | -  |
| Employer Contributions Subsequent<br>to Measurement Date | -   | -  | -  |
| Net Changes in Fiscal Year 2018-19                       | 571,863                                     | -  | 571,863  |
| Balance at Fiscal Year Ending 6/30/19                    |   |  |  |
| <i>Measurement Date 6/30/18</i>                          | \$5,886,124                                 | \$ -   | \$5,886,124  |

*Sensitivity of the Proportionate Share of the OPEB Liability to Changes in the Discount Rate* – The following presents the City of Lomita's' OPEB liability, calculated using the discount rate, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|                       |             |
|-----------------------|-------------|
| 1% Decrease           | 2.15%       |
| OPEB Liability        | \$6,962,366 |
| Current Discount Rate | 3.15%       |
| OPEB Liability        | \$5,886,124 |
| 1% Increase           | 4.15%       |
| OPEB Liability        | \$5,031,011 |

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(8) Other Post Employment Benefits (OPEB), (Continued)

*Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trends* – The following presents the net OPEB liability of the City of Lomita if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for the measurement period June 30, 2019:

|                       |             |
|-----------------------|-------------|
| 1% Decrease           | 5%          |
| OPEB Liability        | \$4,901,291 |
| Current Discount Rate | 6%          |
| OPEB Liability        | \$5,886,124 |
| 1% Increase           | 7%          |
| OPEB Liability        | \$7,159,783 |

*OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB* – For the fiscal year ended June 30, 2019, the City of Lomita recognized OPEB expense of \$434,332. As of the fiscal year ended June 30, 2019, the City of Lomita reported deferred outflows and inflows of resources related to OPEB from the following sources:

|                       | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|-----------------------|-----------------------------------|----------------------------------|
| Change in assumptions | \$ 189,059                        | -                                |
| Total                 | \$ 189,059                        | -                                |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended<br>June 30 |                   |
|-----------------------|-------------------|
| 2020                  | \$ 63,020         |
| 2021                  | 63,020            |
| 2022                  | 63,019            |
|                       | <u>\$ 189,059</u> |

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(9) Risk Management

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement: The City of Lomita is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 116 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.

B. Primary Self-Insurance Programs of the Authority: Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary selfinsurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program: Claims are pooled separately between police and general government 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 from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers. The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

Primary Workers' Compensation Program: Claims are pooled separately between public safety (police and fire) and general government 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 from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers. For 2018-19 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(9) Risk Management, (Continued)

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.

C. Property Insurance: The City of Lomita participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Lomita property is currently insured according to a schedule of covered property submitted by the City of Lomita to the Authority. City of Lomita property currently has all-risk property insurance protection in the amount of \$38,458,011. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

D. Adequacy of Protection: During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2018-19.

(10) Commitments and Contingencies

A. *Lawsuits in the Normal Course of Business*

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

B. *Federal and State Grant Programs*

The City participates in several federal and state grant programs. These programs have been audited by the City's independent auditors in accordance with the provisions of the federal Single Audit Act, as amended and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(11) Classification of Fund Balances

The City follows the provisions of GASB Statement No. 54, "Fund Balance and Governmental Fund Type Definitions. GASB 54 established fund balance classification based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The governmental fund statements conform to the new classification and are summarized as follows as of June 30, 2019:

|                                  | <u>Measure R</u>    |                 |                     |                   |
|----------------------------------|---------------------|-----------------|---------------------|-------------------|
|                                  | <u>General</u>      | <u>Hwy</u>      | <u>Non-major</u>    |                   |
|                                  | <u>Fund</u>         | <u>Special</u>  | <u>Governmental</u> |                   |
|                                  | <u>Fund</u>         | <u>Revenue</u>  | <u>Funds</u>        | <u>Totals</u>     |
| <b><i>Nonspendable</i></b>       |                     |                 |                     |                   |
| Prepays                          | \$ -                | -               | 5,016               | 5,016             |
| Inventory                        | <u>22,444</u>       | <u>-</u>        | <u>-</u>            | <u>22,444</u>     |
| <b><i>Total Nonspendable</i></b> | <u>22,444</u>       | <u>-</u>        | <u>5,016</u>        | <u>27,460</u>     |
| <b><i>Restricted</i></b>         |                     |                 |                     |                   |
| Street Maintenance               | -                   | -               | 337,739             | 337,739           |
| Public Transportation            | -                   | -               | 273,584             | 273,584           |
| Clean Air Act Programs           | -                   | -               | 53,452              | 53,452            |
| Park Improvement                 | -                   | -               | 217,562             | 217,562           |
| Park Athletic Program            | -                   | -               | 58,687              | 58,687            |
| Low Mod Housing & CDBG           | -                   | -               | 426,831             | 426,831           |
| Law Enforcement, CLEEP           | -                   | -               | 6,016               | 6,016             |
| Mayor's Golf Classic             | -                   | -               | -                   | -                 |
| Landscape Maintenance            | <u>-</u>            | <u>-</u>        | <u>10,375</u>       | <u>10,375</u>     |
| <b><i>Total Restricted</i></b>   | <u>-</u>            | <u>-</u>        | <u>1,382,246</u>    | <u>1,382,246</u>  |
| <b><i>Committed</i></b>          |                     |                 |                     |                   |
| Street Improvement               | -                   | -               | 1,777,503           | 1,777,503         |
| Stephenson Center                | <u>85,744</u>       | <u>-</u>        | <u>-</u>            | <u>85,744</u>     |
| <b><i>Total Committed</i></b>    | <u>85,744</u>       | <u>-</u>        | <u>1,777,503</u>    | <u>1,863,247</u>  |
| <b><i>Assigned</i></b>           |                     |                 |                     |                   |
| Facilities Improvement           | 145,094             | -               | -                   | 145,094           |
| Capital Improvement              | -                   | -               | 71,362              | 71,362            |
| Street Improvement               | -                   | -               | 766,385             | 766,385           |
| Reserve Appropriations           | 4,000,000           | -               | -                   | 4,000,000         |
| Economic Development             | 577,016             | -               | -                   | 577,016           |
| OPEB Trust                       | 146,081             | -               | -                   | 146,081           |
| Pension Stabilization            | <u>985,739</u>      | <u>-</u>        | <u>-</u>            | <u>985,739</u>    |
| <b><i>Total Assigned</i></b>     | <u>5,853,930</u>    | <u>-</u>        | <u>837,747</u>      | <u>6,691,677</u>  |
| <b><i>Unassigned</i></b>         | <u>980,422</u>      | <u>(10,268)</u> | <u>-</u>            | <u>970,154</u>    |
| <b><i>Totals</i></b>             | <u>\$ 6,942,540</u> | <u>(10,268)</u> | <u>4,002,512</u>    | <u>10,934,784</u> |

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(12) Other Required Disclosures

Expenditures in Excess of Appropriations

The following departments / funds reported expenditures in excess of appropriations:

|                                  | <u>Appropriations</u> | <u>Expenditures</u> | Variance<br>Favorable<br>(Unfavorable) |
|----------------------------------|-----------------------|---------------------|--|
| Measure R Highway                |                       |                     |  |
| Capital outlay                   | 400,000               | 641,311             | (241,311)                              |
| Non-major Special Revenue Funds: |                       |                     |  |
| Founder's Day                    | 27,984                | 31,756              | (3,772)                                |
| Proposition A                    | 328,144               | 380,480             | (52,336)                               |
| Lomita Manor                     | 397,870               | 484,650             | (86,780)                               |
| Mayor's Golf Classic             | 13,500                | 35,368              | (21,868)                               |

Deficit Fund Balances

The following funds had deficit fund balances as of June 30, 2019:

Major Special Revenue Funds:

Measure R Highway \$10,268 (a)

(a) The deficit fund balance was due to actual expenses exceeding the reimbursable revenues.

(13) Fund Balance and Net Position Restatements

The following schedule summarizes the effects of the prior period adjustment to the Government-wide and Governmental Fund Activity Statements as of July 1, 2018.

|   | Government-wide-<br>Governmental<br><u>Activities</u> | Governmental Fund-<br>Special Revenue Fund<br><u>Proposition A</u> |
|---|---|--|
| Net position / fund balance as of<br>June 30, 2018 as previously reported | \$18,379,072  | 209,608  |
| Adjustment made to prior year:  |   |  |
| Under accrual of due from other<br>governments                            | (1,250)   | (1,250)  |
| Net position / fund balance as of<br>July 1, 2018, as restated            | <u>\$18,377,822</u>                                   | <u>\$208,358</u>   |

(14) Subsequent Events

Management has evaluated subsequent events through November 30, 2019, which is the date the financial statements were available to be issued, and has determined that there are no transactions that will have a significant impact on the City.

## REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF LOMITA**  
**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios**  
**June 30, 2019**

Cost Sharing Defined Benefit Pension Plan  
Last 10 Fiscal Years \*

|   | <b>Combined</b><br>June 30, 2018 <sup>1</sup><br>Fiscal Year<br>2018-19 | <b>Combined</b><br>June 30, 2017 <sup>1</sup><br>Fiscal Year<br>2017-18 | <b>Combined</b><br>June 30, 2016 <sup>1</sup><br>Fiscal Year<br>2016-17 |
|---|---|---|---|
| Proportion of the net pension liability (asset)   | 0.21502%  | 0.22854%  | 0.23230%  |
| Proportionate share of the net pension liability (asset)                                  | \$ 8,103,476  | \$ 9,009,203  | \$ 8,069,774  |
| Covered payroll <sup>2</sup>  | \$ 3,191,154  | \$ 3,090,957  | \$ 2,926,047  |
| Proportionate Share of the net pension liability (asset) as percentage of covered payroll | 253.94%   | 291.47%   | 275.79%   |
| Plan's fiduciary net position   | \$ 13,122,440,092   | \$ 12,074,499,781   | \$ 10,923,476,287   |
| Plan's total pension liability  | \$ 16,891,153,209   | \$ 16,016,547,402   | \$ 14,397,353,530   |
| Plan fiduciary net position as a percentage of the total pension liability                | 72.20%  | 67.95%  | 68.65%  |

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

2 Covered Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered payroll as the total of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

**Notes to Schedule:**

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes)

\* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

| <b>Combined</b><br>June 30, 2015 <sup>1</sup><br>Fiscal Year<br>2015-16 | <b>Combined</b><br>June 30, 2014 <sup>1</sup><br>Fiscal Year<br>2014-15 |
|---|---|
| 0.18033%  | 0.22994%  |
| \$ 6,841,270  | \$ 5,682,932  |
| \$ 2,938,496  | \$ 2,954,990  |
| 232.82%   | 192.32%   |
| \$ 10,896,036,068   | \$ 10,639,461,174   |
| \$ 13,639,503,084   | \$ 13,110,948,452   |
| 72.19%  | 76.35%  |

**CITY OF LOMITA**  
**Schedule of Plan Contributions <sup>1</sup>**  
**June 30, 2019**

Cost Sharing Defined Benefit Pension Plan  
Last 10 Fiscal Years \*

|   | Combined<br>Fiscal Year<br>2018-19 <sup>1</sup> | Combined<br>Fiscal Year<br>2017-18 <sup>1</sup> | Combined<br>Fiscal Year<br>2016-17 <sup>1</sup> |
|---|---|---|---|
| Actuarially determined contribution <sup>2</sup>                                      | \$ 757,649                                      | \$ 799,367                                      | \$ 723,176                                      |
| Contributions in relation to the<br>actuarially determined contributions <sup>2</sup> | \$ (757,649)                                    | \$ (799,367)                                    | \$ (723,176)                                    |
| Contribution deficiency (excess)  | <u>\$ -</u>                                     | <u>\$ -</u>                                     | <u>\$ -</u>                                     |
| Covered payroll <sup>3</sup>  | \$ 3,254,459                                    | \$ 3,191,154                                    | \$ 3,090,957                                    |
| Contributions as a percentage of<br>covered payroll <sup>3</sup>                      | 23.28%  | 25.05%  | 23.40%  |

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

2 Employee are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

3 Covered Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal 2017-18 were from the June 30, 2017 public agency valuations.

|                            |  |
|----------------------------|--|
| Actuarial cost method      | Entry-age  |
| Amortization method/period | For detail, see June 30, 2017 Funding Valuation Report   |
| Asset valuation method     | Actuarial Value of Assets. For details see June 30, 2017 Funding Valuation Report.   |
| Inflation                  | 2.75%  |
| Salary increases           | Varies by Entry Age and Service  |
| Payroll growth             | 3.00%  |
| Investment rate of return  | 7.5% Net of Pension Plan Investment and Administrative expenses, includes inflation  |
| Retirement age             | The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.   |
| Mortality                  | The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-Retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries. |

\* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

| <b>Combined</b><br>Fiscal Year<br>2015-16 <sup>1</sup> | <b>Combined</b><br>Fiscal Year<br>2014-15 <sup>1</sup> |
|--|--|
| <u>\$ 730,301</u>                                      | <u>\$ 562,071</u>                                      |
| <u>\$ (730,301)</u>                                    | <u>\$ (562,071)</u>                                    |
| <u>\$ -</u>  | <u>\$ -</u>  |
| \$ 2,926,047   | \$ 2,938,496   |
| 24.96%   | 19.13%   |

**CITY OF LOMITA**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**for the Measurement Periods Ended June 30**

| <i>Measurement Period</i>                                 | <u>2019</u>                | <u>2018</u>                |
|---|----------------------------|----------------------------|
| <b>Total OPEB Liability</b>                               |                            |                            |
| Service cost  | \$ 181,090                 | \$ 179,837                 |
| Interest on the total OPEB Liability                      | 190,222                    | 179,461                    |
| Actual and expected experience difference                 | -                          | -                          |
| Changes in assumptions                                    | 321,438                    | (86,699)                   |
| Changes in benefit terms                                  | -                          | -                          |
| Benefit payments  | <u>(120,887)</u>           | <u>(113,517)</u>           |
| Net change in total OPEB liability                        | 571,863                    | 159,082                    |
| Total OPEB liability - beginning                          | <u>5,314,261</u>           | <u>5,155,179</u>           |
| Total OPEB liability - ending (a)                         | <u><u>\$ 5,886,124</u></u> | <u><u>\$ 5,314,261</u></u> |
| <br><b>Plan Fiduciary Net Position</b>                    |                            |                            |
| Contribution - employer                                   | \$ 120,887                 | \$ 113,517                 |
| Net investment income                                     | -                          | -                          |
| Benefit payments  | (120,887)                  | (113,517)                  |
| Administrative expense                                    | <u>-</u>                   | <u>-</u>                   |
| Net change in plan fiduciary net position                 | -                          | -                          |
| Plan fiduciary net position - beginning                   | <u>-</u>                   | <u>-</u>                   |
| Plan fiduciary net position - ending (b)                  | <u><u>\$ -</u></u>         | <u><u>\$ -</u></u>         |
| <br>Net OPEB liability - ending (a)-(b)                   | <u><u>\$ 5,886,124</u></u> | <u><u>\$ 5,314,261</u></u> |
| <br>Covered payroll                                       | 3,105,000                  | 3,191,154                  |
| <br>Net OPEB liability as a percentage of covered payroll | 189.6%                     | 166.5%                     |

**Notes to Schedule**

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

# CITY OF LOMITA

## General Fund

### Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2019

|  | Budget Amounts |           | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------|-----------|------------|---|
|  | Original       | Final     | Amounts    |   |
| Revenues:  |                |           |            |   |
| Taxes and assessments  | \$ 5,021,830   | 5,126,120 | 5,159,162  | 33,042  |
| Intergovernmental  | 2,431,920      | 2,439,920 | 2,513,162  | 73,242  |
| Licenses and permits   | 1,001,550      | 1,027,050 | 1,696,282  | 669,232   |
| Fines and forfeitures  | 417,000        | 427,000   | 463,291    | 36,291  |
| Investment income  | 75,025         | 75,025    | 162,983    | 87,958  |
| Rental income  | 223,000        | 243,000   | 245,197    | 2,197   |
| Other revenue  | 35,000         | 35,000    | 166,205    | 131,205   |
| Total revenues   | 9,205,325      | 9,373,115 | 10,406,282 | 1,033,167   |
| Expenditures:  |                |           |            |   |
| Current:   |                |           |            |   |
| General government   | 3,879,897      | 3,859,023 | 3,803,130  | 55,893  |
| Community development  | 734,226        | 729,226   | 656,309    | 72,917  |
| Public works   | 222,218        | 263,218   | 246,649    | 16,569  |
| Public safety  | 3,758,750      | 3,804,004 | 3,632,226  | 171,778   |
| Culture and recreation                                       | 1,115,422      | 1,102,542 | 1,000,203  | 102,339   |
| Capital outlay   | 40,000         | 40,000    | 3,600      | 36,400  |
| Total expenditures   | 9,750,513      | 9,798,013 | 9,342,117  | 455,896   |
| Excess (deficiency) of revenues<br>over (under) expenditures | (545,188)      | (424,898) | 1,064,165  | 1,489,063   |
| Other financing sources (uses):                              |                |           |            |   |
| Transfers in   | -              | -         | 14,836     | 14,836  |
| Transfers out  | (116,077)      | (223,577) | (523,507)  | (299,930)   |
| Total other financing sources (uses)                         | (116,077)      | (223,577) | (508,671)  | (285,094)   |
| Net change in fund balances                                  | (661,265)      | (648,475) | 555,494    | 1,203,969   |
| Fund balance, beginning of year                              | 6,387,046      | 6,387,046 | 6,387,046  | -   |
| Fund balance, end of year                                    | \$ 5,725,781   | 5,738,571 | 6,942,540  | 1,203,969   |

# CITY OF LOMITA

## Measure R Highway Special Revenue Fund

### Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2019

|   | Budget Amounts |              | Actual    | Variance with                          |
|---|----------------|--------------|-----------|--|
|   | Original       | Final        | Amounts   | Final Budget<br>Positive<br>(Negative) |
| Revenues:                                 |                |              |           |  |
| Intergovernmental                         | \$ 400,000     | 400,000      | 1,136,630 | 736,630                                |
| Total revenues                            | 400,000        | 400,000      | 1,136,630 | 736,630                                |
| Expenditures:                             |                |              |           |  |
| Current:                                  |                |              |           |  |
| Capital outlay                            | 400,000        | 400,000      | 641,311   | (241,311)                              |
| Total expenditures                        | 400,000        | 400,000      | 641,311   | (241,311)                              |
| Net change in fund balances               | -              | -            | 495,319   | 495,319                                |
| Fund balance (deficit), beginning of year | (505,587)      | (505,587)    | (505,587) | -                                      |
| Fund balance (deficit), end of year       | \$ (505,587)   | \$ (505,587) | (10,268)  | 495,319                                |

## CITY OF LOMITA

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

(1) Budgets and Budgetary Accounting

The City prepares its budgets on the modified accrual basis and, accordingly, the budget amounts included in the accompanying financial statements are presented in accordance with generally accepted accounting principles.

Each year, the City Administrator submits a proposed budget to the City Council during early May. The City Council holds budget hearings during May and early June. The final budget is adopted by the City Council during late June. Funds that have irregular activity are not budgeted. The legal level of control of which expenditures cannot exceed appropriations is at the functional level. The City Council is informed of expenditures over appropriations and such amounts are informally approved as a part of the bi-monthly review of the demand warrants.

The City holds a mid-year budget review meeting. During the meeting, all budget expenditures are reviewed and projections for the whole year are made.

Unexpended and unencumbered appropriations of the governmental funds automatically lapse at the end of the year.



## SUPPLEMENTARY INFORMATION

## NON-MAJOR GOVERNMENTAL FUNDS

*The following funds have been classified as non-major funds in the accompanying financial statements.*

### **SPECIAL REVENUE FUNDS:**

*State Gas Tax Fund* - Used to account for monies received from the State and County for gas sales.

*Measure M Special Revenue Fund* - Used to account for street improvement projects on a cost reimbursement basis.

*Measure R Fund* - Used to account for street improvement projects.

*Founder's Day Fund* - Used to account for City of Lomita's Founder's Day Celebration.

*Community Development Block Grant Fund* - Used to account for federal grants for programs benefiting low-income persons and/or families.

*Lomita Housing Authority Fund* - Used to account for the revenues and expenditures of the Lomita Housing Authority.

*Proposition A Fund* - Used to account for the City's share of Proposition A Local Return Funds from County sales tax dollars.

*Air Quality Plan AB 2766 Fund* - Used to account for funds received from the South Coast AQMD that were derived from clean air fees.

*Park Grant Fund* - Used to account for the grant funds received for park development and improvements.

*Landscape Maintenance Fund* - Used to account for assessment funds collected on property tax bills for Landscape Maintenance District #1.

*Park Facilities Fund* - Used to account for Park Development Tax and QUIMBY Act funds.

*Park Athletic Fund* - Used to account for user charges for park athletic programs.

*Proposition C Fund* - Used to account for Proposition C local return revenues received from County sales tax dollars.

*Lomita Manor Development Fund* - Used to account for the local U.S. HUD conventional housing programs of the City-owned senior housing complex, Lomita Manor.

*CLEEP Fund* - Used to account for the purchase of specialized equipment and software to enhance public safety.

*Mayor's Golf Classic Fund* - Used to account for donations and entry fees.

### **CAPITAL PROJECTS FUNDS:**

*Capital Improvement Fund* - Used to account for the acquisition, construction and improvement of capital facilities and infrastructure. The projects are funded by transfers from the General Fund.

*Street Improvements Fund* - Used to account for the acquisition, construction and improvement of street improvements and infrastructure. The projects are funded by transfers from the General Fund.

**CITY OF LOMITA**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2019**

|  | Special Revenue Funds |                |                |                  |   |
|--|-----------------------|----------------|----------------|------------------|---|
|  | State<br>Gas Tax      | Measure M      | Measure R      | Founder's<br>Day | Community<br>Development<br>Block Grant |
| <b><u>ASSETS</u></b>                                     |                       |                |                |                  |   |
| Cash and investments                                     | \$ 353,512            | 243,367        | 741,872        | 9,621            | -                                       |
| Receivables:   |                       |                |                |                  |   |
| Accounts   | -                     | -              | -              | -                | -                                       |
| Taxes  | -                     | -              | -              | -                | -                                       |
| Due from other governments                               | 67,797                | -              | -              | -                | 65,393                                  |
| Prepaid items  | -                     | -              | -              | -                | -                                       |
| Total assets   | <u>\$ 421,309</u>     | <u>243,367</u> | <u>741,872</u> | <u>9,621</u>     | <u>65,393</u>                           |
| <b><u>LIABILITIES</u></b>                                |                       |                |                |                  |   |
| Accounts payable   | \$ 56,207             | 12,309         | 17,587         | 9,621            | 44,354                                  |
| Accrued liabilities                                      | 27,363                | 35,158         | 11,325         | -                | -                                       |
| Deposits payable   | -                     | -              | -              | -                | -                                       |
| Due to other funds                                       | -                     | -              | -              | -                | 21,028                                  |
| Total liabilities  | <u>83,570</u>         | <u>47,467</u>  | <u>28,912</u>  | <u>9,621</u>     | <u>65,382</u>                           |
| <b><u>FUND BALANCES</u></b>                              |                       |                |                |                  |   |
| Nonspendable   | -                     | -              | -              | -                | -                                       |
| Restricted   | 337,739               | -              | -              | -                | 11                                      |
| Committed  | -                     | 195,900        | 712,960        | -                | -                                       |
| Assigned   | -                     | -              | -              | -                | -                                       |
| Total fund balances                                      | <u>337,739</u>        | <u>195,900</u> | <u>712,960</u> | <u>-</u>         | <u>11</u>                               |
| Total liabilities, deferred inflows<br>and fund balances | <u>\$ 421,309</u>     | <u>243,367</u> | <u>741,872</u> | <u>9,621</u>     | <u>65,393</u>                           |

| Special Revenue Funds          |                |                                |               |                          |                     |
|--------------------------------|----------------|--------------------------------|---------------|--------------------------|---------------------|
| Lomita<br>Housing<br>Authority | Proposition A  | Air Quality<br>Plan<br>AB 2766 | Park<br>Grant | Landscape<br>Maintenance | Parks<br>Facilities |
| 3,584                          | 332,313        | 48,949                         | 81,722        | 10,646                   | 135,840             |
| -                              | 160            | -                              | -             | -                        | -                   |
| -                              | -              | -                              | -             | 140                      | -                   |
| -                              | -              | 6,966                          | -             | -                        | -                   |
| -                              | 1,732          | -                              | -             | -                        | -                   |
| <u>3,584</u>                   | <u>334,205</u> | <u>55,915</u>                  | <u>81,722</u> | <u>10,786</u>            | <u>135,840</u>      |
| 1,759                          | 59,474         | 2,463                          | -             | 411                      | -                   |
| 887                            | 1,415          | -                              | -             | -                        | -                   |
| -                              | -              | -                              | -             | -                        | -                   |
| -                              | -              | -                              | -             | -                        | -                   |
| <u>2,646</u>                   | <u>60,889</u>  | <u>2,463</u>                   | <u>-</u>      | <u>411</u>               | <u>-</u>            |
| -                              | 1,732          | -                              | -             | -                        | -                   |
| 938                            | 271,584        | 53,452                         | 81,722        | 10,375                   | 135,840             |
| -                              | -              | -                              | -             | -                        | -                   |
| -                              | -              | -                              | -             | -                        | -                   |
| <u>938</u>                     | <u>273,316</u> | <u>53,452</u>                  | <u>81,722</u> | <u>10,375</u>            | <u>135,840</u>      |
| <u>3,584</u>                   | <u>334,205</u> | <u>55,915</u>                  | <u>81,722</u> | <u>10,786</u>            | <u>135,840</u>      |

**CITY OF LOMITA**  
**Nonmajor Governmental Funds, Continued**  
**Combining Balance Sheet**  
**June 30, 2019**

|  | Special Revenue Funds |                |                                |              |                            |
|--|-----------------------|----------------|--------------------------------|--------------|----------------------------|
|  | Park<br>Athletic      | Proposition C  | Lomita<br>Manor<br>Development | CLEEP        | Mayor's<br>Golf<br>Classic |
| <b><u>ASSETS</u></b>                                     |                       |                |                                |              |                            |
| Cash and investments                                     | \$ 55,439             | 868,643        | 500,394                        | 6,016        | 4,326                      |
| Receivables:   |                       |                |                                |              |                            |
| Accounts   | 10,172                | -              | 154                            | -            | 14,556                     |
| Taxes  | -                     | -              | -                              | -            | -                          |
| Due from other governments                               | -                     | -              | -                              | -            | -                          |
| Prepaid items  | -                     | -              | 3,284                          | -            | -                          |
| Total assets   | <u>\$ 65,611</u>      | <u>868,643</u> | <u>503,832</u>                 | <u>6,016</u> | <u>18,882</u>              |
| <b><u>LIABILITIES</u></b>                                |                       |                |                                |              |                            |
| Accounts payable   | \$ 6,669              | -              | 52,411                         | -            | 18,882                     |
| Accrued liabilities                                      | 255                   | -              | -                              | -            | -                          |
| Deposits payable   | -                     | -              | 22,255                         | -            | -                          |
| Due to other funds                                       | -                     | -              | -                              | -            | -                          |
| Total liabilities  | <u>6,924</u>          | <u>-</u>       | <u>74,666</u>                  | <u>-</u>     | <u>18,882</u>              |
| <b><u>FUND BALANCES</u></b>                              |                       |                |                                |              |                            |
| Nonspendable   | -                     | -              | 3,284                          | -            | -                          |
| Restricted   | 58,687                | -              | 425,882                        | 6,016        | -                          |
| Committed  | -                     | 868,643        | -                              | -            | -                          |
| Assigned   | -                     | -              | -                              | -            | -                          |
| Total fund balances                                      | <u>58,687</u>         | <u>868,643</u> | <u>429,166</u>                 | <u>6,016</u> | <u>-</u>                   |
| Total liabilities, deferred inflows<br>and fund balances | <u>\$ 65,611</u>      | <u>868,643</u> | <u>503,832</u>                 | <u>6,016</u> | <u>18,882</u>              |

| <u>Capital Projects Funds</u>           |  |   |
|---|--|---|
| <u>Capital<br/>Improvement<br/>Fund</u> | <u>Street<br/>Improvement<br/>Fund</u> | <u>Total<br/>Non-major<br/>Governmental<br/>Funds</u> |
| 71,362                                  | 773,286                                | 4,240,892   |
| -                                       | -                                      | 25,042  |
| -                                       | -                                      | 140   |
| -                                       | -                                      | 140,156   |
| -                                       | -                                      | 5,016   |
| <u>71,362</u>                           | <u>773,286</u>                         | <u>4,411,246</u>                                      |
| -                                       | 6,901                                  | 289,048   |
| -                                       | -                                      | 76,403  |
| -                                       | -                                      | 22,255  |
| -                                       | -                                      | 21,028  |
| -                                       | 6,901                                  | 408,734   |
| -                                       | -                                      | 5,016   |
| -                                       | -                                      | 1,382,246   |
| -                                       | -                                      | 1,777,503   |
| <u>71,362</u>                           | <u>766,385</u>                         | <u>837,747</u>  |
| <u>71,362</u>                           | <u>766,385</u>                         | <u>4,002,512</u>                                      |
| <u>71,362</u>                           | <u>773,286</u>                         | <u>4,411,246</u>                                      |

**CITY OF LOMITA**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2019**

|   | Special Revenue Funds |                 |                |                  |   |
|---|-----------------------|-----------------|----------------|------------------|---|
|   | State<br>Gas Tax      | Measure M       | Measure R      | Founder's<br>Day | Community<br>Development<br>Block Grant |
| Revenues:   |                       |                 |                |                  |   |
| Taxes and assessments   | \$ 403,371            | -               | -              | -                | -                                       |
| Intergovernmental   | 379,876               | 286,902         | 254,895        | -                | 135,165                                 |
| Licenses and permits  | -                     | -               | -              | -                | -                                       |
| Charges for services  | -                     | -               | -              | -                | -                                       |
| Investment income   | 5,977                 | 7,934           | 17,003         | -                | -                                       |
| Rental income   | -                     | -               | -              | -                | -                                       |
| Other revenue   | 26,666                | -               | -              | 1,201            | -                                       |
| Total revenues  | <u>815,890</u>        | <u>294,836</u>  | <u>271,898</u> | <u>1,201</u>     | <u>135,165</u>                          |
| Expenditures:   |                       |                 |                |                  |   |
| Current:  |                       |                 |                |                  |   |
| Community services  | -                     | -               | -              | -                | -                                       |
| Public works  | 623,066               | -               | 5,680          | -                | 135,162                                 |
| Cultural and recreation   | -                     | -               | -              | 31,756           | -                                       |
| Capital outlay  | <u>167,659</u>        | <u>312,369</u>  | <u>59,000</u>  | <u>-</u>         | <u>-</u>                                |
| Total expenditures  | <u>790,725</u>        | <u>312,369</u>  | <u>64,680</u>  | <u>31,756</u>    | <u>135,162</u>                          |
| Excess (deficiency) of<br>revenues over<br>(under) expenditures | <u>25,165</u>         | <u>(17,533)</u> | <u>207,218</u> | <u>(30,555)</u>  | <u>3</u>                                |
| Other financing sources (uses):                                 |                       |                 |                |                  |   |
| Transfers in  | <u>192,952</u>        | <u>-</u>        | <u>-</u>       | <u>30,555</u>    | <u>-</u>                                |
| Total other financing<br>sources (uses)                         | <u>192,952</u>        | <u>-</u>        | <u>-</u>       | <u>30,555</u>    | <u>-</u>                                |
| Net change in fund balances                                     | 218,117               | (17,533)        | 207,218        | -                | 3                                       |
| Fund balances, beginning of year,<br>as restated (note 13)      | <u>119,622</u>        | <u>213,433</u>  | <u>505,742</u> | <u>-</u>         | <u>8</u>                                |
| Fund balances, end of year                                      | <u>\$ 337,739</u>     | <u>195,900</u>  | <u>712,960</u> | <u>-</u>         | <u>11</u>                               |

Special Revenue Funds

| Lomita<br>Housing<br>Authority | Proposition A  | Air Quality<br>Plan<br>AB 2766 | Park<br>Grant | Landscape<br>Maintenance | Parks<br>Facilities |
|--------------------------------|----------------|--------------------------------|---------------|--------------------------|---------------------|
| -                              | -              | -                              | -             | 11,664                   | 3,900               |
| 30,000                         | 409,613        | 26,869                         | -             | -                        | -                   |
| -                              | -              | -                              | -             | -                        | -                   |
| -                              | 26,937         | -                              | -             | -                        | -                   |
| -                              | 8,888          | 1,354                          | -             | 158                      | 3,233               |
| -                              | -              | -                              | -             | -                        | -                   |
| -                              | -              | -                              | -             | -                        | -                   |
| <u>30,000</u>                  | <u>445,438</u> | <u>28,223</u>                  | <u>-</u>      | <u>11,822</u>            | <u>7,133</u>        |
| 35,916                         | 380,480        | -                              | -             | -                        | -                   |
| -                              | -              | 34,167                         | -             | 6,892                    | -                   |
| -                              | -              | -                              | -             | -                        | -                   |
| -                              | -              | -                              | -             | -                        | -                   |
| <u>35,916</u>                  | <u>380,480</u> | <u>34,167</u>                  | <u>-</u>      | <u>6,892</u>             | <u>-</u>            |
| <u>(5,916)</u>                 | <u>64,958</u>  | <u>(5,944)</u>                 | <u>-</u>      | <u>4,930</u>             | <u>7,133</u>        |
| -                              | -              | -                              | -             | -                        | -                   |
| -                              | -              | -                              | -             | -                        | -                   |
| <u>(5,916)</u>                 | <u>64,958</u>  | <u>(5,944)</u>                 | <u>-</u>      | <u>4,930</u>             | <u>7,133</u>        |
| <u>6,854</u>                   | <u>208,358</u> | <u>59,396</u>                  | <u>81,722</u> | <u>5,445</u>             | <u>128,707</u>      |
| <u>938</u>                     | <u>273,316</u> | <u>53,452</u>                  | <u>81,722</u> | <u>10,375</u>            | <u>135,840</u>      |



# CITY OF LOMITA

## Nonmajor Governmental Funds

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued

For the Year ended June 30, 2019

|   | Special Revenue Funds |                |                                |              |                            |
|---|-----------------------|----------------|--------------------------------|--------------|----------------------------|
|   | Park<br>Athletic      | Proposition C  | Lomita<br>Manor<br>Development | CLEEP        | Mayor's<br>Golf<br>Classic |
| Revenues:   |                       |                |                                |              |                            |
| Taxes and assessments   | \$ -                  | -              | -                              | -            | -                          |
| Intergovernmental   | -                     | 339,762        | 295,404                        | -            | -                          |
| Licenses and permits  | 72,645                | -              | -                              | -            | -                          |
| Charges for services  | -                     | -              | -                              | -            | -                          |
| Investment income   | 955                   | 18,569         | 733                            | 156          | -                          |
| Rental income   | -                     | -              | 281,975                        | -            | -                          |
| Other revenue   | <u>2,450</u>          | <u>-</u>       | <u>6,142</u>                   | <u>-</u>     | <u>31,119</u>              |
| Total revenues  | <u>76,050</u>         | <u>358,331</u> | <u>584,254</u>                 | <u>156</u>   | <u>31,119</u>              |
| Expenditures:   |                       |                |                                |              |                            |
| Current:  |                       |                |                                |              |                            |
| Community services  | -                     | -              | 484,650                        | -            | -                          |
| Public works  | -                     | -              | -                              | -            | -                          |
| Cultural and recreation   | 42,027                | -              | -                              | -            | 35,368                     |
| Capital outlay  | <u>-</u>              | <u>-</u>       | <u>-</u>                       | <u>-</u>     | <u>-</u>                   |
| Total expenditures  | <u>42,027</u>         | <u>-</u>       | <u>484,650</u>                 | <u>-</u>     | <u>35,368</u>              |
| Excess (deficiency) of<br>revenues over<br>(under) expenditures | <u>34,023</u>         | <u>358,331</u> | <u>99,604</u>                  | <u>156</u>   | <u>(4,249)</u>             |
| Other financing sources (uses):                                 |                       |                |                                |              |                            |
| Transfers in  | <u>-</u>              | <u>-</u>       | <u>-</u>                       | <u>-</u>     | <u>-</u>                   |
| Total other financing<br>sources (uses)                         | <u>-</u>              | <u>-</u>       | <u>-</u>                       | <u>-</u>     | <u>(14,836)</u>            |
| Net change in fund balances                                     | 34,023                | 358,331        | 99,604                         | 156          | (19,085)                   |
| Fund balances, beginning of year,<br>as restated (note 13)      | <u>24,664</u>         | <u>510,312</u> | <u>329,562</u>                 | <u>5,860</u> | <u>19,085</u>              |
| Fund balances, end of year                                      | <u>\$ 58,687</u>      | <u>868,643</u> | <u>429,166</u>                 | <u>6,016</u> | <u>-</u>                   |

| <u>Capital Projects Funds</u>           |  |   |
|---|--|---|
| <u>Capital<br/>Improvement<br/>Fund</u> | <u>Street<br/>Improvement<br/>Fund</u> | <u>Total<br/>Non-major<br/>Governmental<br/>Funds</u> |
| -                                       | -                                      | 418,935   |
| -                                       | -                                      | 2,158,486   |
| -                                       | -                                      | 72,645  |
| -                                       | -                                      | 26,937  |
| 1,857                                   | 17,767                                 | 84,584  |
| -                                       | -                                      | 281,975   |
| -                                       | -                                      | 67,578  |
| <u>1,857</u>                            | <u>17,767</u>                          | <u>3,111,140</u>                                      |
| -                                       | -                                      | 901,046   |
| -                                       | 6,900                                  | 811,867   |
| -                                       | -                                      | 109,151   |
| -                                       | 21,755                                 | 560,783   |
| <u>-</u>                                | <u>28,655</u>                          | <u>2,382,847</u>                                      |
| <u>1,857</u>                            | <u>(10,888)</u>                        | <u>728,293</u>  |
| <u>-</u>                                | <u>100,000</u>                         | <u>323,507</u>  |
| <u>-</u>                                | <u>100,000</u>                         | <u>308,671</u>  |
| 1,857                                   | 89,112                                 | 1,036,964   |
| <u>69,505</u>                           | <u>677,273</u>                         | <u>2,965,548</u>                                      |
| <u>71,362</u>                           | <u>766,385</u>                         | <u>4,002,512</u>                                      |

**CITY OF LOMITA**  
**State Gas Tax Special Revenue Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

|  | Budget<br>Final    | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-------------------|---|
| Revenues:  |                    |                   |   |
| Taxes and assessments  | \$ 497,511         | 403,371           | (94,140)  |
| Intergovernmental  | 362,008            | 379,876           | 17,868  |
| Investment income  | -                  | 5,977             | 5,977   |
| Other revenue  | -                  | 26,666            | 26,666  |
| Total revenues   | <u>859,519</u>     | <u>815,890</u>    | <u>(43,629)</u>   |
| Expenditures:  |                    |                   |   |
| Current:   |                    |                   |   |
| Public works   | 615,774            | 623,066           | (7,292)   |
| Capital outlay   | <u>386,259</u>     | <u>167,659</u>    | <u>218,600</u>  |
| Total expenditures   | <u>1,002,033</u>   | <u>790,725</u>    | <u>211,308</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(142,514)</u>   | <u>25,165</u>     | <u>167,679</u>  |
| Other financing sources (uses):                              |                    |                   |   |
| Transfers in   | <u>-</u>           | <u>192,952</u>    | <u>192,952</u>  |
| Total other financing sources (uses)                         | <u>-</u>           | <u>192,952</u>    | <u>192,952</u>  |
| Net change in fund balances                                  | (142,514)          | 218,117           | 360,631   |
| Fund balance, beginning of year                              | <u>119,622</u>     | <u>119,622</u>    | <u>-</u>  |
| Fund balance, end of year                                    | <u>\$ (22,892)</u> | <u>337,739</u>    | <u>360,631</u>  |

**CITY OF LOMITA**  
**Measure M Special Revenue Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

|                                 | Budget<br>Final     | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|---------------------|-------------------|---|
| Revenues:                       |                     |                   |   |
| Intergovernmental               | \$ 281,558          | 286,902           | 5,344   |
| Investment income               | -                   | 7,934             | 7,934   |
| Total revenues                  | <u>281,558</u>      | <u>294,836</u>    | <u>13,278</u>   |
| Expenditures:                   |                     |                   |   |
| Capital outlay                  | <u>606,000</u>      | <u>312,369</u>    | <u>293,631</u>  |
| Total expenditures              | <u>606,000</u>      | <u>312,369</u>    | <u>293,631</u>  |
| Net change in fund balances     | (324,442)           | (17,533)          | 306,909   |
| Fund balance, beginning of year | <u>213,433</u>      | <u>213,433</u>    | -   |
| Fund balance, end of year       | <u>\$ (111,009)</u> | <u>195,900</u>    | <u>306,909</u>  |

## CITY OF LOMITA

### Measure R Special Revenue Fund

#### Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2019

|                                 | Budget<br>Final          | Actual<br>Amounts     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|--------------------------|-----------------------|---|
| Revenues:                       |                          |                       |   |
| Intergovernmental               | \$ 248,439               | 254,895               | 6,456   |
| Investment income               | <u>300</u>               | <u>17,003</u>         | <u>16,703</u>   |
| Total revenues                  | <u>248,739</u>           | <u>271,898</u>        | <u>23,159</u>   |
| Expenditures:                   |                          |                       |   |
| Current:                        |                          |                       |   |
| Public works                    | 54,500                   | 5,680                 | 48,820  |
| Capital outlay                  | <u>575,000</u>           | <u>59,000</u>         | <u>516,000</u>  |
| Total expenditures              | <u>629,500</u>           | <u>64,680</u>         | <u>564,820</u>  |
| Net change in fund balances     | (380,761)                | 207,218               | 587,979   |
| Fund balance, beginning of year | <u>505,742</u>           | <u>505,742</u>        | <u>-</u>  |
| Fund balance, end of year       | <u><u>\$ 124,981</u></u> | <u><u>712,960</u></u> | <u><u>587,979</u></u>                                   |

**CITY OF LOMITA**  
**Founder's Day Special Revenue Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

|  | Budget<br>Final    | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-------------------|---|
| Revenues:  |                    |                   |   |
| Other revenue  | \$ 15,000          | 1,201             | (13,799)  |
| Total revenues   | <u>15,000</u>      | <u>1,201</u>      | <u>(13,799)</u>   |
| Expenditures:  |                    |                   |   |
| Current:   |                    |                   |   |
| Cultural and recreation                                      | <u>27,984</u>      | <u>31,756</u>     | <u>(3,772)</u>  |
| Total expenditures   | <u>27,984</u>      | <u>31,756</u>     | <u>(3,772)</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(12,984)</u>    | <u>(30,555)</u>   | <u>(17,571)</u>   |
| Other financing sources (uses):                              |                    |                   |   |
| Transfers in   | <u>12,984</u>      | <u>30,555</u>     | <u>17,571</u>   |
| Total other financing sources (uses)                         | <u>12,984</u>      | <u>30,555</u>     | <u>17,571</u>   |
| Net change in fund balances                                  | -                  | -                 | -   |
| Fund balance, beginning of year                              | <u>-</u>           | <u>-</u>          | <u>-</u>  |
| Fund balance, end of year                                    | <u><u>\$ -</u></u> | <u><u>-</u></u>   | <u><u>-</u></u>   |

**CITY OF LOMITA**  
**Community Development Block Grant Special Revenue Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

|                                 | Budget<br>Final | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|-----------------|-------------------|---|
| Revenues:                       |                 |                   |   |
| Intergovernmental               | \$ 246,090      | 135,165           | (110,925)   |
| Total revenues                  | <u>246,090</u>  | <u>135,165</u>    | <u>(110,925)</u>  |
| Expenditures:                   |                 |                   |   |
| Current:                        |                 |                   |   |
| Public works                    | <u>246,090</u>  | <u>135,162</u>    | <u>110,928</u>  |
| Total expenditures              | <u>246,090</u>  | <u>135,162</u>    | <u>110,928</u>  |
| Net change in fund balances     | -               | 3                 | 3   |
| Fund balance, beginning of year | <u>8</u>        | <u>8</u>          | <u>-</u>  |
| Fund balance, end of year       | <u>\$ 8</u>     | <u>11</u>         | <u>3</u>  |

# CITY OF LOMITA

## Lomita Housing Authority Special Revenue Fund

### Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2019

|                                 | Budget<br>Final | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|-----------------|-------------------|---|
| Revenues:                       |                 |                   |   |
| Intergovernmental               | \$ 40,000       | 30,000            | (10,000)  |
| Total revenues                  | <u>40,000</u>   | <u>30,000</u>     | <u>(10,000)</u>   |
| Expenditures:                   |                 |                   |   |
| Current:                        |                 |                   |   |
| Community services              | <u>40,099</u>   | <u>35,916</u>     | <u>4,183</u>  |
| Total expenditures              | <u>40,099</u>   | <u>35,916</u>     | <u>4,183</u>  |
| Net change in fund balances     | (99)            | (5,916)           | (5,817)   |
| Fund balance, beginning of year | <u>6,854</u>    | <u>6,854</u>      | <u>-</u>  |
| Fund balance, end of year       | <u>\$ 6,755</u> | <u>938</u>        | <u>(5,817)</u>  |



**CITY OF LOMITA**  
**Proposition A Special Revenue Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

|   | Budget<br>Final   | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|-------------------|---|
| Revenues:   |                   |                   |   |
| Intergovernmental   | \$ 399,343        | 409,613           | 10,270  |
| Charges for services                                      | 20,000            | 26,937            | 6,937   |
| Investment income   | 500               | 8,888             | 8,388   |
| Total revenues  | <u>419,843</u>    | <u>445,438</u>    | <u>25,595</u>   |
| Expenditures:   |                   |                   |   |
| Current:  |                   |                   |   |
| Community services  | <u>328,144</u>    | <u>380,480</u>    | <u>(52,336)</u>   |
| Total expenditures  | <u>328,144</u>    | <u>380,480</u>    | <u>(52,336)</u>   |
| Net change in fund balances                               | 91,699            | 64,958            | (26,741)  |
| Fund balance, beginning of year,<br>as restated (note 13) | <u>208,358</u>    | <u>208,358</u>    | <u>-</u>  |
| Fund balance, end of year                                 | <u>\$ 300,057</u> | <u>273,316</u>    | <u>(26,741)</u>   |

# CITY OF LOMITA

## Air Quality Plan AB 2766 Special Revenue Fund

### Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2019

|                                 | Budget<br>Final  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|------------------|-------------------|---|
| Revenues:                       |                  |                   |   |
| Intergovernmental               | \$ 49,000        | 26,869            | (22,131)  |
| Investment income               | 50               | 1,354             | 1,304   |
| Total revenues                  | <u>49,050</u>    | <u>28,223</u>     | <u>(20,827)</u>   |
| Expenditures:                   |                  |                   |   |
| Current:                        |                  |                   |   |
| Public works                    | 48,602           | 34,167            | 14,435  |
| Capital outlay                  | <u>24,000</u>    | <u>-</u>          | <u>24,000</u>   |
| Total expenditures              | <u>72,602</u>    | <u>34,167</u>     | <u>38,435</u>   |
| Net change in fund balances     | (23,552)         | (5,944)           | 17,608  |
| Fund balance, beginning of year | <u>59,396</u>    | <u>59,396</u>     | <u>-</u>  |
| Fund balance, end of year       | <u>\$ 35,844</u> | <u>53,452</u>     | <u>17,608</u>   |

**CITY OF LOMITA**  
**Park Grant Special Revenue Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

|                                 | Budget<br>Final  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|------------------|-------------------|---|
| Revenues:                       |                  |                   |   |
| Intergovernmental               | \$ -             | -                 | -   |
| Total revenues                  | -                | -                 | -   |
| Expenditures:                   |                  |                   |   |
| Capital outlay                  | -                | -                 | -   |
| Total expenditures              | -                | -                 | -   |
| Net change in fund balances     | -                | -                 | -   |
| Fund balance, beginning of year | 81,722           | 81,722            | -   |
| Fund balance, end of year       | <u>\$ 81,722</u> | <u>81,722</u>     | <u>-</u>  |

# CITY OF LOMITA

## Landscape Maintenance Special Revenue Fund

### Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2019

|  | Budget<br>Final        | Actual<br>Amounts    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------|----------------------|---|
| Revenues:  |                        |                      |   |
| Taxes and assessments  | \$ 11,738              | 11,664               | (74)  |
| Investment income  | <u>-</u>               | <u>158</u>           | <u>158</u>  |
| Total revenues   | <u>11,738</u>          | <u>11,822</u>        | <u>84</u>   |
| Expenditures:  |                        |                      |   |
| Current:   |                        |                      |   |
| Public works   | <u>14,576</u>          | <u>6,892</u>         | <u>7,684</u>  |
| Total expenditures   | <u>14,576</u>          | <u>6,892</u>         | <u>7,684</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(2,838)</u>         | <u>4,930</u>         | <u>7,768</u>  |
| Other financing sources (uses):                              |                        |                      |   |
| Transfers in   | <u>2,838</u>           | <u>-</u>             | <u>(2,838)</u>  |
| Total other financing sources (uses)                         | <u>2,838</u>           | <u>-</u>             | <u>(2,838)</u>  |
| Net change in fund balances                                  | -                      | 4,930                | 4,930   |
| Fund balance, beginning of year                              | <u>5,445</u>           | <u>5,445</u>         | <u>-</u>  |
| Fund balance, end of year                                    | <u><u>\$ 5,445</u></u> | <u><u>10,375</u></u> | <u><u>4,930</u></u>                                     |

**CITY OF LOMITA**  
**Parks Facilities Special Revenue Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

|                                 | Budget<br>Final   | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|-------------------|-------------------|---|
| Revenues:                       |                   |                   |   |
| Taxes and assessments           | \$ 6,000          | 3,900             | (2,100)   |
| Investment income               | <u>400</u>        | <u>3,233</u>      | <u>2,833</u>  |
| Total revenues                  | <u>6,400</u>      | <u>7,133</u>      | <u>733</u>  |
| Expenditures:                   |                   |                   |   |
| Current:                        |                   |                   |   |
| Cultural and recreation         | <u>-</u>          | <u>-</u>          | <u>-</u>  |
| Total expenditures              | <u>-</u>          | <u>-</u>          | <u>-</u>  |
| Net change in fund balances     | 6,400             | 7,133             | 733   |
| Fund balance, beginning of year | <u>128,707</u>    | <u>128,707</u>    | <u>-</u>  |
| Fund balance, end of year       | <u>\$ 135,107</u> | <u>135,840</u>    | <u>733</u>  |

**CITY OF LOMITA**  
**Park Athletic Special Revenue Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

|                                 | Budget<br>Final         | Actual<br>Amounts    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|-------------------------|----------------------|---|
| Revenues:                       |                         |                      |   |
| Licenses and permits            | \$ 60,750               | 72,645               | 11,895  |
| Investment income               | 50                      | 955                  | 905   |
| Other revenue                   | <u>2,000</u>            | <u>2,450</u>         | <u>450</u>  |
| Total revenues                  | <u>62,800</u>           | <u>76,050</u>        | <u>13,250</u>   |
| Expenditures:                   |                         |                      |   |
| Current:                        |                         |                      |   |
| Cultural and recreation         | <u>69,701</u>           | <u>42,027</u>        | <u>27,674</u>   |
| Total expenditures              | <u>69,701</u>           | <u>42,027</u>        | <u>27,674</u>   |
| Net change in fund balances     | (6,901)                 | 34,023               | 40,924  |
| Fund balance, beginning of year | <u>24,664</u>           | <u>24,664</u>        | <u>-</u>  |
| Fund balance, end of year       | <u><u>\$ 17,763</u></u> | <u><u>58,687</u></u> | <u><u>40,924</u></u>                                    |

**CITY OF LOMITA**  
**Proposition C Special Revenue Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

|                                 | Budget<br>Final          | Actual<br>Amounts     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|--------------------------|-----------------------|---|
| Revenues:                       |                          |                       |   |
| Intergovernmental               | \$ 331,244               | 339,762               | 8,518   |
| Investment income               | <u>1,000</u>             | <u>18,569</u>         | <u>17,569</u>   |
| Total revenues                  | <u>332,244</u>           | <u>358,331</u>        | <u>26,087</u>   |
| Expenditures:                   |                          |                       |   |
| Current:                        |                          |                       |   |
| Public works                    | -                        | -                     | -   |
| Capital outlay                  | <u>-</u>                 | <u>-</u>              | <u>-</u>  |
| Total expenditures              | <u>-</u>                 | <u>-</u>              | <u>-</u>  |
| Net change in fund balances     | 332,244                  | 358,331               | 26,087  |
| Fund balance, beginning of year | <u>510,312</u>           | <u>510,312</u>        | <u>-</u>  |
| Fund balance, end of year       | <u><u>\$ 842,556</u></u> | <u><u>868,643</u></u> | <u><u>26,087</u></u>                                    |

# CITY OF LOMITA

## Lomita Manor Development Special Revenue Fund

### Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2019

|                                 | Budget<br>Final          | Actual<br>Amounts     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|--------------------------|-----------------------|---|
| Revenues:                       |                          |                       |   |
| Intergovernmental               | \$ 136,512               | 295,404               | 158,892   |
| Investment income               | -                        | 733                   | 733   |
| Rental income                   | 269,016                  | 281,975               | 12,959  |
| Other revenue                   | <u>3,960</u>             | <u>6,142</u>          | <u>2,182</u>  |
| Total revenues                  | <u>409,488</u>           | <u>584,254</u>        | <u>174,766</u>  |
| Expenditures:                   |                          |                       |   |
| Current:                        |                          |                       |   |
| Community services              | <u>397,870</u>           | <u>484,650</u>        | <u>(86,780)</u>   |
| Total expenditures              | <u>397,870</u>           | <u>484,650</u>        | <u>(86,780)</u>   |
| Net change in fund balances     | 11,618                   | 99,604                | 87,986  |
| Fund balance, beginning of year | <u>329,562</u>           | <u>329,562</u>        | <u>-</u>  |
| Fund balance, end of year       | <u><u>\$ 341,180</u></u> | <u><u>429,166</u></u> | <u><u>87,986</u></u>                                    |



**CITY OF LOMITA**  
**CLEEP Special Revenue Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

|                                 | Budget<br>Final | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|-----------------|-------------------|---|
| Revenues:                       |                 |                   |   |
| Investment income               | \$ -            | 156               | 156   |
| Total revenues                  | -               | 156               | 156   |
| Expenditures:                   |                 |                   |   |
| Current:                        |                 |                   |   |
| Public safety                   | -               | -                 | -   |
| Total expenditures              | -               | -                 | -   |
| Net change in fund balances     | -               | 156               | 156   |
| Fund balance, beginning of year | 5,860           | 5,860             | -   |
| Fund balance, end of year       | <u>\$ 5,860</u> | <u>6,016</u>      | <u>156</u>  |

**CITY OF LOMITA**  
**Mayor's Golf Classic Special Revenue Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

|  | Budget<br>Final | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|-------------------|---|
| Revenues:  |                 |                   |   |
| Investment income  | \$ -            | -                 | -   |
| Other revenue  | -               | 31,119            | 31,119  |
| Total revenues   | -               | 31,119            | 31,119  |
| Expenditures:  |                 |                   |   |
| Current:   |                 |                   |   |
| Cultural and recreation                                      | 13,500          | 35,368            | (21,868)  |
| Total expenditures   | 13,500          | 35,368            | (21,868)  |
| Excess (deficiency) of revenues<br>over (under) expenditures | (13,500)        | (4,249)           | 9,251   |
| Other financing sources (uses):                              |                 |                   |   |
| Transfers out  | -               | (14,836)          | 14,836  |
| Total other financing sources (uses)                         | -               | (14,836)          | 14,836  |
| Net change in fund balances                                  | (13,500)        | (19,085)          | 24,087  |
| Fund balance, beginning of year                              | 19,085          | 19,085            | -   |
| Fund balance, end of year                                    | \$ 5,585        | -                 | 24,087  |

**CITY OF LOMITA**  
**Capital Improvement Capital Projects Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

|                                 | Budget<br>Final | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|-----------------|-------------------|---|
| Revenues:                       |                 |                   |   |
| Investment income               | \$ 300          | 1,857             | 1,557   |
| Total revenues                  | 300             | 1,857             | 1,557   |
| Expenditures:                   |                 |                   |   |
| Capital outlay                  | -               | -                 | -   |
| Total expenditures              | -               | -                 | -   |
| Net change in fund balances     | 300             | 1,857             | 1,557   |
| Fund balance, beginning of year | 69,505          | 69,505            | -   |
| Fund balance, end of year       | \$ 69,805       | 71,362            | 1,557   |

**CITY OF LOMITA**  
**Street Improvement Capital Projects Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

|  | Budget<br>Final | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|-------------------|---|
| Revenues:  |                 |                   |   |
| Investment income  | \$ 400          | 17,767            | 17,367  |
| Total revenues   | 400             | 17,767            | 17,367  |
| Expenditures:  |                 |                   |   |
| Public works   | 25,000          | 6,900             | 18,100  |
| Capital outlay   | 150,000         | 21,755            | 128,245   |
| Total expenditures   | 175,000         | 28,655            | 146,345   |
| Excess (deficiency) of revenues<br>over (under) expenditures | (174,600)       | (10,888)          | 163,712   |
| Other financing sources (uses):                              |                 |                   |   |
| Transfers in   | -               | 100,000           | 100,000   |
| Total other financing sources (uses)                         | -               | 100,000           | 100,000   |
| Net change in fund balances                                  | (174,600)       | 89,112            | 263,712   |
| Fund balance, beginning of year                              | 677,273         | 677,273           | -   |
| Fund balance, end of year                                    | \$ 502,673      | 766,385           | 263,712   |

## FIDUCIARY FUNDS

**CITY OF LOMITA**  
**Combining Statement of Fiduciary Net Position**  
**Trust Funds**  
**June 30, 2019**

|                           | <u>Railroad<br/>Foundation</u> | <u>Tom Rico<br/>Memorial</u> | <u>Total</u>  |
|---------------------------|--------------------------------|------------------------------|---------------|
| <b>ASSETS</b>             |                                |                              |               |
| Current assets:           |                                |                              |               |
| Cash and investments      | \$ 21,013                      | 6,585                        | 27,598        |
| Receivables:              |                                |                              |               |
| Accounts                  | <u>1,568</u>                   | <u>-</u>                     | <u>1,568</u>  |
| Total assets              | <u>\$ 22,581</u>               | <u>6,585</u>                 | <u>29,166</u> |
| <b>LIABILITIES</b>        |                                |                              |               |
| Current liabilities:      |                                |                              |               |
| Accounts payable          | \$ 1,620                       | 100                          | 1,720         |
| Accrued liabilities       | <u>364</u>                     | <u>-</u>                     | <u>364</u>    |
| Total Liabilities         | <u>1,984</u>                   | <u>100</u>                   | <u>2,084</u>  |
| <b>NET POSITION</b>       |                                |                              |               |
| Restricted for foundation | 20,597                         | -                            | 20,597        |
| Restricted for memorial   | <u>-</u>                       | <u>6,485</u>                 | <u>6,485</u>  |
| Total net position        | <u>\$ 20,597</u>               | <u>6,485</u>                 | <u>27,082</u> |

**CITY OF LOMITA**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Trust Funds**  
**For the Year Ended June 30, 2019**

|                                 | <u>Railroad<br/>Foundation</u> | <u>Tom Rico<br/>Memorial</u> | <u>Total</u>   |
|---------------------------------|--------------------------------|------------------------------|----------------|
| ADDITIONS:                      |                                |                              |                |
| Investment income               | \$ 1,778                       | -                            | 1,778          |
| Other revenues                  | <u>12,402</u>                  | <u>950</u>                   | <u>13,352</u>  |
| Total additions                 | <u>14,180</u>                  | <u>950</u>                   | <u>15,130</u>  |
| DEDUCTIONS:                     |                                |                              |                |
| Miscellaneous                   | <u>161,392</u>                 | <u>1,001</u>                 | <u>162,393</u> |
| Total deductions                | <u>161,392</u>                 | <u>1,001</u>                 | <u>162,393</u> |
| Change in net position          | (147,212)                      | (51)                         | (147,263)      |
| Net position, beginning of year | <u>167,809</u>                 | <u>6,536</u>                 | <u>174,345</u> |
| Net position, end of year       | <u>\$ 20,597</u>               | <u>6,485</u>                 | <u>27,082</u>  |

# Statistical Section

This part of the City of Lomita comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

## Contents

### Financial Trends

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

### Revenue Capacity

*These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.*

### Debt Capacity

*These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.*

### Demographic and Economic Information

*These schedules offer demographic and economic indicators to help the reader understand the environment with in which the government's financial activities take place.*

### Operating Information

*These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services that the government provides and the activities it performs.*

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



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

|   | Fiscal Year          |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
| Governmental activities:                    |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 20,579,331        | \$ 19,933,570        | \$ 17,033,665        | \$ 18,274,572        | \$ 18,192,046        |
| Restricted                                  | 4,002,512            | 2,952,055            | 2,641,909            | 3,676,616            | 3,354,468            |
| Unrestricted                                | (4,384,212)          | (4,506,553)          | (969,590)            | (726,465)            | (621,965)            |
| Total governmental activities net position  | <u>\$ 20,197,631</u> | <u>\$ 18,379,072</u> | <u>\$ 18,705,984</u> | <u>\$ 21,224,723</u> | <u>\$ 20,924,549</u> |
| Business-type activities:                   |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 17,995,090        | \$ 16,255,533        | \$ 15,480,584        | \$ 16,158,075        | \$ 15,498,223        |
| Restricted                                  | -                    | -                    | -                    | 175,847              | 678,501              |
| Unrestricted                                | 1,675,608            | 2,822,396            | 3,088,795            | 2,553,377            | 2,472,870            |
| Total business-type activities net position | <u>\$ 19,670,698</u> | <u>\$ 19,077,929</u> | <u>\$ 18,569,379</u> | <u>\$ 18,887,299</u> | <u>\$ 18,649,594</u> |
| Primary government:                         |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 38,574,421        | \$ 36,189,103        | \$ 32,514,249        | \$ 34,432,647        | \$ 33,690,269        |
| Restricted                                  | 4,002,512            | 2,952,055            | 2,641,909            | 3,852,463            | 4,032,969            |
| Unrestricted <sup>(1)</sup>                 | (2,708,604)          | (1,684,157)          | 2,119,205            | 1,826,912            | 1,850,905            |
| Total primary government net position       | <u>\$ 39,868,329</u> | <u>\$ 37,457,001</u> | <u>\$ 37,275,363</u> | <u>\$ 40,112,022</u> | <u>\$ 39,574,143</u> |

<sup>(1)</sup> GASB 75 was implemented June 30, 2018. The recording of the City's net OPEB liability resulted in a negative unrestricted net asset balance.

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| Fiscal Year          |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2014                 | 2013                 | 2012                 | 2011                 | 2010                 |
| \$ 17,423,028        | \$ 16,117,031        | \$ 16,173,212        | \$ 15,152,395        | \$ 13,512,766        |
| 3,516,178            | 3,749,288            | 3,419,892            | 4,384,848            | 4,297,733            |
| 3,431,164            | 3,680,676            | 3,800,061            | 4,108,042            | 5,083,888            |
| <u>\$ 24,370,370</u> | <u>\$ 23,546,995</u> | <u>\$ 23,393,165</u> | <u>\$ 23,645,285</u> | <u>\$ 22,894,387</u> |
|                      |                      |                      |                      |                      |
| \$ 15,313,322        | \$ 14,698,904        | \$ 14,853,385        | \$ 13,512,093        | \$ 12,788,149        |
| 678,500              | 678,499              | 4,069,689            | 3,809,105            | 1,906,069            |
| 3,675,085            | 4,220,830            | 891,320              | 2,910,470            | 5,204,042            |
| <u>\$ 19,666,907</u> | <u>\$ 19,598,233</u> | <u>\$ 19,814,394</u> | <u>\$ 20,231,668</u> | <u>\$ 19,898,260</u> |
|                      |                      |                      |                      |                      |
| \$ 32,736,350        | \$ 30,815,935        | \$ 31,026,597        | \$ 28,664,488        | \$ 26,300,915        |
| 4,194,678            | 4,427,787            | 7,489,581            | 8,193,953            | 6,203,802            |
| 7,106,249            | 7,901,506            | 4,691,381            | 7,018,512            | 10,287,930           |
| <u>\$ 44,037,277</u> | <u>\$ 43,145,228</u> | <u>\$ 43,207,559</u> | <u>\$ 43,876,953</u> | <u>\$ 42,792,647</u> |

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

|   | Fiscal Year  |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
|   | 2019         | 2018         | 2017         | 2016         | 2015         |
| Expenses:                                       |              |              |              |              |              |
| Governmental activities:                        |              |              |              |              |              |
| General government                              | \$ 4,488,587 | \$ 4,078,593 | \$ 3,507,091 | \$ 3,123,342 | \$ 2,899,057 |
| Public safety                                   | 3,633,645    | 3,549,113    | 3,309,683    | 3,108,606    | 3,016,259    |
| Public works                                    | 1,496,818    | 1,850,296    | 2,028,211    | 1,440,942    | 868,679      |
| Community development                           | 683,449      | 878,350      | 763,932      | 816,396      | 732,230      |
| Community services                              | 920,398      | 926,762      | 1,480,018    | 861,319      | 1,177,247    |
| Culture and Recreation                          | 1,124,928    | 1,388,433    | 1,199,067    | 1,196,613    | 1,205,707    |
| Total governmental activities expenses          | 12,347,825   | 12,671,547   | 12,288,002   | 10,547,218   | 9,899,179    |
| Business-type activities:                       |              |              |              |              |              |
| Water Enterprise Operating Expenses             | 6,025,969    | 5,816,026    | 5,221,613    | 4,938,566    | 4,982,663    |
| Total business-type activities expenses         | 6,025,969    | 5,816,026    | 5,221,613    | 4,938,566    | 4,982,663    |
| Total primary government expenses               | 18,373,794   | 18,487,573   | 17,509,615   | 15,485,784   | 14,881,842   |
| Program revenues:                               |              |              |              |              |              |
| Governmental activities:                        |              |              |              |              |              |
| Charges for services:                           |              |              |              |              |              |
| General government                              | 60,000       | 60,000       | 60,000       | 60,000       | 60,000       |
| Public safety                                   | 441,691      | 386,780      | 373,933      | 364,735      | 377,159      |
| Public works                                    | 228,755      | 224,714      | 193,363      | 211,337      | 189,668      |
| Community development                           | 1,612,396    | 992,241      | 846,262      | 1,075,688    | 1,413,611    |
| Community services                              | 324,675      | 299,478      | 314,290      | 306,110      | 267,026      |
| Cultural and Recreation                         | 340,053      | 430,563      | 368,800      | 334,994      | 261,195      |
| Operating grants and contributions              | 2,910,425    | 2,221,458    | 2,194,576    | 1,516,695    | 1,831,908    |
| Capital grants and contributions                | 516,581      | 713,374      | 779,612      | 328,664      | 417,909      |
| Total governmental activities program revenues  | 6,434,576    | 5,328,608    | 5,130,836    | 4,198,223    | 4,818,476    |
| Business-type activities:                       |              |              |              |              |              |
| Charges for services:                           |              |              |              |              |              |
| Water   | 5,629,363    | 5,330,322    | 4,789,815    | 4,435,449    | 4,594,551    |
| Operating grants and contributions              | -            | -            | -            | -            | -            |
| Capital grants and contributions                | -            | -            | -            | -            | -            |
| Total business-type activities program revenues | 5,629,363    | 5,330,322    | 4,789,815    | 4,435,449    | 4,594,551    |
| Total primary government program revenues       | 12,063,939   | 10,658,930   | 9,920,651    | 8,633,672    | 9,413,027    |
| Net revenues (expenses):                        |              |              |              |              |              |
| Governmental activities                         | (5,913,249)  | (7,342,939)  | (7,157,166)  | (6,348,995)  | (5,080,703)  |
| Business-type activities                        | (396,606)    | (485,704)    | (431,798)    | (503,117)    | (388,112)    |
| Total net revenues (expenses)                   | (6,309,855)  | (7,828,643)  | (7,588,964)  | (6,852,112)  | (5,468,815)  |

| Fiscal Year  |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|
| 2014         | 2013         | 2012         | 2011         | 2010         |
| \$ 3,098,164 | \$ 3,394,294 | \$ 2,683,514 | \$ 2,567,078 | \$ 2,598,869 |
| 3,110,281    | 2,968,882    | 2,434,891    | 2,440,625    | 2,421,257    |
| 1,154,889    | 1,060,021    | 1,154,708    | 829,852      | 1,084,117    |
| 870,304      | 714,681      | 825,680      | 778,062      | 768,267      |
| 911,817      | 952,770      | 1,978,025    | 2,082,016    | 1,828,425    |
| 1,162,065    | 803,562      | 1,571,008    | 1,780,184    | 1,664,400    |
| 10,307,520   | 9,894,210    | 10,647,826   | 10,477,817   | 10,365,335   |
| 5,064,405    | 5,136,123    | 5,162,425    | 5,312,026    | 4,295,546    |
| 5,064,405    | 5,136,123    | 5,162,425    | 5,312,026    | 4,295,546    |
| 15,371,925   | 15,030,333   | 15,810,251   | 15,789,843   | 14,660,881   |
| 61,281       | 60,000       | 60,000       | 60,000       | 50,000       |
| 297,550      | 318,850      | 347,295      | 346,926      | 358,943      |
| 402,407      | 91,857       | 200,656      | 181,250      | 179,417      |
| 1,159,824    | 789,105      | 734,175      | 882,291      | 850,551      |
| 267,952      | 254,750      | 249,001      | 232,548      | 239,629      |
| 236,828      | 199,132      | 212,337      | 235,775      | 144,196      |
| 1,481,169    | 1,907,148    | 2,168,219    | 2,310,168    | 1,688,071    |
| 982,808      | 225,288      | 486,629      | 313,126      | 180,378      |
| 4,889,819    | 3,846,130    | 4,458,312    | 4,562,084    | 3,691,185    |
| 4,566,793    | 4,258,907    | 4,066,221    | 3,857,164    | 3,739,778    |
| -            | -            | -            | -            | -            |
| -            | -            | -            | -            | -            |
| 4,566,793    | 4,258,907    | 4,066,221    | 3,857,164    | 3,739,778    |
| 9,456,612    | 8,105,037    | 8,524,533    | 8,419,248    | 7,430,963    |
| (5,417,701)  | (6,048,080)  | (6,189,514)  | (5,915,733)  | (6,674,150)  |
| (497,612)    | (877,216)    | (1,096,204)  | (1,454,862)  | (555,768)    |
| (5,915,313)  | (6,925,296)  | (7,285,718)  | (7,370,595)  | (7,229,918)  |

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

|   | Fiscal Year  |            |            |            |              |
|---|--------------|------------|------------|------------|--------------|
|   | 2019         | 2018       | 2017       | 2016       | 2015         |
| General revenues and other changes in net position: |              |            |            |            |              |
| Governmental activities:                            |              |            |            |            |              |
| Taxes:  |              |            |            |            |              |
| Property taxes                                      | 1,639,059    | 1,657,387  | 1,523,888  | 1,748,361  | 1,807,043    |
| Sales tax   | 2,011,963    | 1,769,925  | 1,625,596  | 1,474,499  | 1,289,649    |
| Transient occupancy taxes                           | 185,632      | 180,278    | 178,239    | 150,091    | 133,642      |
| Refuse Tax  | 267,502      | 258,776    | 253,270    | 243,783    | 242,841      |
| Business Licence Tax                                | 652,617      | 617,755    | 544,333    | 550,167    | 584,131      |
| Franchise Taxes                                     | 347,479      | 345,511    | 335,077    | 400,033    | 357,134      |
| Other taxes   | 54,910       | 51,760     | 16,000     | 4,000      | 20,550       |
| Motor vehicle in lieu, unrestricted                 | 2,263,193    | 2,142,009  | 2,038,861  | 1,939,675  | 1,842,511    |
| Investment income                                   | 167,410      | (40,487)   | 7,322      | 138,154    | 67,806       |
| Other general revenues                              | 143,293      | 33,113     | 341,477    | 406        | 11,226       |
| Gain on sales of property                           | -            | -          | -          | -          | -            |
| Transfers   | -            | -          | 2,733      | -          | -            |
| Total governmental activities                       | 7,733,058    | 7,016,027  | 6,866,796  | 6,649,169  | 6,356,533    |
| Business-type activities:                           |              |            |            |            |              |
| Investment income                                   | 78,302       | 10,737     | 9,563      | 7,447      | 4,128        |
| Other   | 911,073      | 983,517    | 827,067    | 733,375    | 871,796      |
| Transfers   | -            | -          | (2,733)    | -          | -            |
| Total business-type activities                      | 989,375      | 994,254    | 833,897    | 740,822    | 875,924      |
| Total primary government                            | 8,722,433    | 8,010,281  | 7,700,693  | 7,389,991  | 7,232,457    |
| Changes in net position                             |              |            |            |            |              |
| Governmental activities                             | 1,819,809    | (326,912)  | (290,370)  | 300,174    | 1,275,830    |
| Business-type activities                            | 592,769      | 508,550    | 402,099    | 237,705    | 487,812      |
| Total primary government                            | \$ 2,412,578 | \$ 181,638 | \$ 111,729 | \$ 537,879 | \$ 1,763,642 |

| Fiscal Year  |             |              |              |              |
|--------------|-------------|--------------|--------------|--------------|
| 2014         | 2013        | 2012         | 2011         | 2010         |
| 1,840,685    | 1,881,746   | 1,601,729    | 1,553,509    | 1,504,971    |
| 1,336,438    | 1,332,490   | 1,262,673    | 1,229,663    | 1,059,726    |
| 122,510      | 126,700     | 117,751      | 105,571      | 112,096      |
| 235,523      | 230,116     | 226,746      | 227,602      | 209,360      |
| 505,590      | 493,867     | 449,933      | 434,689      | 463,802      |
| 360,228      | 361,385     | 365,187      | 356,129      | 351,634      |
| 7,000        | 4,000       | 4,000        | 35,000       | 539,632      |
| 1,762,032    | 1,709,397   | 1,671,605    | 1,759,912    | 1,737,621    |
| 60,760       | 45,982      | 32,481       | 67,619       | 148,971      |
| 10,310       | 16,227      | 205,289      | 8,554        | 86,010       |
| -            | -           | -            | -            | -            |
| -            | -           | -            | -            | -            |
| 6,241,076    | 6,201,910   | 5,937,394    | 5,778,248    | 6,213,823    |
| 5,035        | 9,682       | 16,076       | 30,083       | 51,521       |
| 750,446      | 651,373     | 662,854      | 785,236      | 641,315      |
| -            | -           | -            | -            | -            |
| 755,481      | 661,055     | 678,930      | 815,319      | 692,836      |
| 6,996,557    | 6,862,965   | 6,616,324    | 6,593,567    | 6,906,659    |
| 823,375      | 153,830     | (252,120)    | (137,485)    | (460,327)    |
| 257,869      | (216,161)   | (417,274)    | (639,543)    | 137,068      |
| \$ 1,081,244 | \$ (62,331) | \$ (669,394) | \$ (777,028) | \$ (323,259) |

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

|                                    | Fiscal Year      |                  |                  |                  |                  |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                    | 2019             | 2018             | 2017             | 2016             | 2015             |
| General fund:                      |                  |                  |                  |                  |                  |
| Nondisposable                      | \$ 22,444        | \$ 20,384        | \$ 18,896        | \$ 499,516       | \$ 281,510       |
| Committed                          | 85,744           | 89,343           | 89,343           | 104,132          | 22,500           |
| Assigned                           | 5,853,930        | 5,274,835        | 5,180,075        | 4,986,341        | 4,111,396        |
| Unassigned                         | <u>980,422</u>   | <u>1,002,484</u> | <u>1,544,373</u> | <u>789,516</u>   | <u>1,516,969</u> |
| Total general fund                 | <u>6,942,540</u> | <u>6,387,046</u> | <u>6,832,687</u> | <u>6,379,505</u> | <u>5,932,375</u> |
| All other governmental funds:      |                  |                  |                  |                  |                  |
| Nondisposable                      | 5,016            | 3,053            | 6,185            | 1,130            | 1,227            |
| Restricted                         | 1,382,246        | 987,480          | 602,516          | 1,151,250        | 1,137,673        |
| Committed                          | 1,777,503        | 1,229,487        | 1,192,592        | 1,318,552        | 1,548,912        |
| Assigned                           | 837,747          | 746,778          | 877,480          | 1,210,815        | 843,681          |
| Unassigned                         | <u>(10,268)</u>  | <u>(505,587)</u> | <u>(375,303)</u> | <u>(2,785)</u>   | <u>(177,025)</u> |
| Total all other governmental funds | <u>3,992,244</u> | <u>2,461,211</u> | <u>2,303,470</u> | <u>3,678,962</u> | <u>3,354,468</u> |
| Grand Total                        | 10,934,784       | 8,848,257        | 9,136,157        | 10,058,467       | 9,286,843        |

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| Fiscal Year      |                  |                  |                  |                  |
|------------------|------------------|------------------|------------------|------------------|
| 2014             | 2013             | 2012             | 2011             | 2010             |
| \$ 354,869       | \$ 356,719       | \$ 331,495       | \$ 271,290       | \$ 341,594       |
| -                | -                | 295,000          | 3,912,982        | 5,310,127        |
| 3,885,436        | 4,296,698        | 4,041,320        | 115,484          | -                |
| 832,656          | 292,226          | 373,356          | 619,957          | -                |
| <u>5,072,961</u> | <u>4,945,643</u> | <u>5,041,171</u> | <u>4,919,713</u> | <u>5,651,721</u> |
| 1,376            | 2,394            | 4,581            | -                | -                |
| 1,727,257        | 1,383,207        | 2,697,907        | 3,085,907        | 3,504,189        |
| -                | -                | 580,384          | 350,000          | -                |
| 1,908,056        | 2,564,065        | 135,830          | 948,941          | 744,733          |
| <u>(120,511)</u> | <u>(200,378)</u> | <u>1,190</u>     | <u>(20,180)</u>  | <u>4,292</u>     |
| <u>3,516,178</u> | <u>3,749,288</u> | <u>3,419,892</u> | <u>4,364,668</u> | <u>4,253,214</u> |
| 8,589,139        | 8,694,931        | 8,461,063        | 9,284,381        | 9,904,935        |



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

|   | Fiscal Year       |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2019              | 2018              | 2017              | 2016              | 2015              |
| Revenues:   |                   |                   |                   |                   |                   |
| Taxes and assessments                                     | \$ 5,578,097      | \$ 5,390,929      | \$ 4,929,177      | \$ 5,036,023      | \$ 5,100,944      |
| Intergovernmental   | 5,808,278         | 4,604,060         | 3,713,536         | 3,715,286         | 3,485,555         |
| Licenses and permits                                      | 1,768,927         | 1,150,494         | 1,054,795         | 1,250,947         | 1,558,515         |
| Charges for services                                      | 26,937            | 25,384            | 20,210            | 19,571            | 20,628            |
| Fines and forfeitures                                     | 463,291           | 444,580           | 376,733           | 372,735           | 387,659           |
| Investment income   | 247,567           | (31,440)          | 20,354            | 147,297           | 72,312            |
| Rental income   | 527,172           | 511,890           | 489,831           | 514,200           | 444,488           |
| Other   | 233,783           | 95,697            | 756,655           | 62,772            | 59,673            |
| Total revenues  | <u>14,654,052</u> | <u>12,191,594</u> | <u>11,361,291</u> | <u>11,118,831</u> | <u>11,129,774</u> |
| Expenditures  |                   |                   |                   |                   |                   |
| Current:  |                   |                   |                   |                   |                   |
| General government  | 3,803,130         | 3,047,279         | 2,687,690         | 2,735,363         | 2,553,174         |
| Community development                                     | 656,309           | 857,609           | 745,442           | 799,282           | 722,548           |
| Community services  | 901,046           | 908,870           | 1,464,068         | 846,556           | 1,168,895         |
| Public works  | 1,058,516         | 1,047,337         | 1,072,359         | 925,359           | 783,041           |
| Public safety   | 3,632,226         | 3,549,113         | 3,309,683         | 3,108,606         | 3,016,259         |
| Cultural and recreation                                   | 1,109,354         | 1,388,433         | 1,199,067         | 1,196,613         | 1,205,707         |
| Capital outlay  | 1,205,694         | 1,608,353         | 1,768,025         | 710,564           | 927,446           |
| Debt service:   |                   |                   |                   |                   |                   |
| Principal retirement                                      | -                 | -                 | -                 | -                 | -                 |
| Interest and fiscal charges                               | -                 | -                 | -                 | -                 | -                 |
| Total expenditures  | <u>12,366,275</u> | <u>12,406,994</u> | <u>12,246,334</u> | <u>10,322,343</u> | <u>10,377,070</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>2,287,777</u>  | <u>(215,400)</u>  | <u>(885,043)</u>  | <u>796,488</u>    | <u>752,704</u>    |
| Other financing sources (uses):                           |                   |                   |                   |                   |                   |
| Transfers in  | 338,343           | 357,616           | 135,490           | 339,569           | 317,553           |
| Transfers out   | (538,343)         | (430,116)         | (172,757)         | (439,569)         | (372,553)         |
| Proceeds from sale of property                            | -                 | -                 | -                 | -                 | -                 |
| Issuance of bonds   | -                 | -                 | -                 | -                 | -                 |
| Payment to bond escrow agent                              | -                 | -                 | -                 | -                 | -                 |
| Total other financing sources (uses)                      | <u>(200,000)</u>  | <u>(72,500)</u>   | <u>(37,267)</u>   | <u>(100,000)</u>  | <u>(55,000)</u>   |
| Net change in fund balances                               | <u>2,087,777</u>  | <u>(287,900)</u>  | <u>(922,310)</u>  | <u>696,488</u>    | <u>697,704</u>    |

| Fiscal Year  |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|
| 2014         | 2013         | 2012         | 2011         | 2010         |
| \$ 5,050,191 | \$ 4,941,989 | \$ 4,635,086 | \$ 4,497,190 | \$ 4,241,221 |
| 3,914,285    | 3,168,952    | 4,069,098    | 3,893,206    | 3,697,584    |
| 1,356,968    | 963,438      | 894,010      | 955,706      | 919,281      |
| 20,051       | 19,832       | 15,548       | 94,008       | 84,112       |
| 297,550      | 318,850      | 347,295      | 346,926      | 358,943      |
| 67,288       | 53,994       | 44,797       | 66,888       | 144,398      |
| 430,481      | 310,054      | 422,549      | 402,342      | 410,400      |
| 62,136       | 38,441       | 60,400       | 40,606       | 86,010       |
| 11,198,950   | 9,815,550    | 10,488,783   | 10,296,872   | 9,941,949    |
| 2,694,870    | 3,044,973    | 2,183,290    | 2,099,058    | 2,224,534    |
| 849,720      | 695,333      | 821,494      | 777,133      | 767,326      |
| 894,060      | 936,080      | 1,969,648    | 2,071,464    | 1,817,790    |
| 747,972      | 697,504      | 786,802      | 790,514      | 795,906      |
| 3,110,281    | 2,968,882    | 2,434,891    | 2,440,625    | 2,421,257    |
| 1,162,065    | 803,562      | 1,569,385    | 1,765,396    | 1,649,522    |
| 1,820,774    | 335,348      | 1,546,591    | 873,236      | 67,003       |
| -            | -            | -            | -            | -            |
| -            | -            | -            | -            | -            |
| 11,279,742   | 9,481,682    | 11,312,101   | 10,817,426   | 9,743,338    |
| (80,792)     | 333,868      | (823,318)    | (520,554)    | 198,611      |
| 467,221      | 244,848      | 230,540      | 811,446      | 654,165      |
| (492,221)    | (344,848)    | (230,540)    | (911,446)    | (186,165)    |
| -            | -            | -            | -            | -            |
| -            | -            | -            | -            | -            |
| -            | -            | -            | -            | -            |
| (25,000)     | (100,000)    | -            | (100,000)    | 468,000      |
| (105,792)    | 233,868      | (823,318)    | (620,554)    | 666,611      |

**City of Lomita**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

| Fiscal Year<br>Ended<br>June 30 | City          |            |                                  |               | Percent<br>Change | Parcel Counts |        |            |       | Total<br>Direct Tax<br>Rate |
|---------------------------------|---------------|------------|----------------------------------|---------------|-------------------|---------------|--------|------------|-------|-----------------------------|
|                                 | Secured       | Unsecured  | Less:<br>Exemptions <sup>1</sup> | Taxable       |                   | Residential   | Income | Industrial | Total |                             |
|                                 |               |            |                                  | Assessed      |                   |               |        |            |       |                             |
|                                 |               |            |                                  | Value         |                   |               |        |            |       |                             |
| 2009/10                         | 1,743,293,123 | 31,195,413 |                                  | 1,774,488,536 | -0.22%            | 3,776         | 985    | 299        | 5,060 | 0.10263%                    |
| 2010/11                         | 1,723,591,949 | 26,571,807 |                                  | 1,750,163,756 | -1.37%            | 3,776         | 985    | 299        | 5,060 | 0.10263%                    |
| 2011/12                         | 1,732,503,468 | 26,294,640 |                                  | 1,758,798,108 | 0.49%             | 3,776         | 985    | 299        | 5,060 | 0.10263%                    |
| 2012/13                         | 1,767,489,542 | 33,311,686 |                                  | 1,800,801,228 | 2.39%             | 4,577         | 480    | 16         | 5,060 | 0.10263%                    |
| 2013/14                         | 1,835,389,728 | 30,658,161 |                                  | 1,866,047,889 | 3.62%             | 4,581         | 475    | 16         | 5,072 | 0.10263%                    |
| 2014/15                         | 1,909,903,891 | 32,194,065 |                                  | 1,942,097,956 | 4.08%             | 4,583         | 473    | 16         | 5,072 | 0.10263%                    |
| 2015/16                         | 2,014,069,980 | 31,249,739 |                                  | 2,045,319,719 | 5.31%             | 4,579         | 477    | 16         | 5,072 | 0.10263%                    |
| 2016/17                         | 2,117,244,522 | 32,349,456 |                                  | 2,149,593,978 | 5.10%             | 4,580         | 477    | 15         | 5,072 | 0.10263%                    |
| 2017/18                         | 2,225,454,844 | 31,629,569 |                                  | 2,257,084,413 | 5.00%             | 4,580         | 475    | 15         | 5,070 | 0.10263%                    |
| 2018/19                         | 2,351,141,143 | 35,125,603 |                                  | 2,386,266,746 | 5.72%             | 4,598         | 475    | 14         | 5,087 | 0.10263%                    |

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 re-assessed 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 & Cone  
County of Los Angeles, Auditor-Controller Office/Tax Division

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

|                               | Fiscal Year     |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                               | 2019            | 2018            | 2017            | 2016            | 2015            | 2014            | 2013            | 2012            | 2011            | 2010            |
| City Direct Rates:            |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| City Lomita Tax District 1    | 0.066600        | 0.066600        | 0.066550        | 0.066550        | 0.066550        | 0.066550        | 0.066550        | 0.066550        | 0.066550        | 0.066550        |
| Lomita Waterworks             | 0.036100        | 0.036100        | 0.036080        | 0.036080        | 0.036080        | 0.036080        | 0.036080        | 0.036080        | 0.036080        | 0.036080        |
| <b>Total City Direct Rate</b> | 0.102700        | 0.102700        | 0.102630        | 0.102630        | 0.102630        | 0.102630        | 0.102630        | 0.102630        | 0.102630        | 0.102630        |
| LA County General             | 0.214700        | 0.214700        | 0.214700        | 0.214700        | 0.214700        | 0.214700        | 0.214700        | 0.214700        | 0.214700        | 0.214700        |
| LA County Other               | 0.209050        | 0.209050        | 0.209110        | 0.209110        | 0.209110        | 0.209110        | 0.209110        | 0.209110        | 0.109300        | 0.109300        |
| Water Replenishment S.C       | 0.000160        | 0.000160        | 0.000160        | 0.000160        | 0.000160        | 0.000160        | 0.000160        | 0.000160        | 0.000160        | 0.000160        |
| LA Sanitary District          | 0.011090        | 0.011090        | 0.011090        | 0.011090        | 0.011090        | 0.011090        | 0.011090        | 0.011090        | 0.110900        | 0.110900        |
| LA Unified School District    | 0.207800        | 0.207800        | 0.207830        | 0.207830        | 0.207830        | 0.207830        | 0.207830        | 0.207830        | 0.207830        | 0.207830        |
| Educational Revenue           |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Augmentation Fund             | 0.204800        | 0.204800        | 0.204800        | 0.204800        | 0.204800        | 0.204800        | 0.204800        | 0.204800        | 0.204800        | 0.204800        |
| LA Community College          | 0.028200        | 0.028200        | 0.028200        | 0.028200        | 0.028200        | 0.028200        | 0.028200        | 0.028200        | 0.028200        | 0.028200        |
| LA County Library             | 0.021500        | 0.021500        | 0.021480        | 0.021480        | 0.021480        | 0.021480        | 0.021480        | 0.021480        | 0.021480        | 0.021480        |
| <b>Total Prop 13 Rate</b>     | 1.000000        | 1.000000        | 1.000000        | 1.000000        | 1.000000        | 1.000000        | 1.000000        | 1.000000        | 1.000000        | 1.000000        |
| Overlapping Rates:            |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| LA County Bonds               | 0.046210        | 0.045990        | 0.035960        | 0.035750        | 0.040170        | 0.044540        | 0.037560        | 0.035300        | 0.040310        | 0.023110        |
| LA County Storm Drain         | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               |
| LA Unified School Bonds       | 0.123230        | 0.122190        | 0.131100        | 0.129710        | 0.146880        | 0.146440        | 0.186800        | 0.168190        | 0.186950        | 0.151810        |
| Palos Verdes Peninsula        | -               | -               | -               | -               | 0.023290        | 0.023110        | 0.024100        | 0.022510        | 0.022490        | -               |
| West Basin MWD                | 0.003500        | 0.003500        | 0.003500        | 0.003500        | 0.003500        | 0.003500        | 0.003500        | 0.003700        | 0.003700        | 0.004300        |
| <b>Voter Approved Rate</b>    | 0.172940        | 0.171680        | 0.170560        | 0.168960        | 0.213840        | 0.217590        | 0.251960        | 0.229700        | 0.253450        | 0.179220        |
| <b>Total Tax Rate</b>         | <u>1.172940</u> | <u>1.171680</u> | <u>1.170560</u> | <u>1.168960</u> | <u>1.213840</u> | <u>1.217590</u> | <u>1.251960</u> | <u>1.229700</u> | <u>1.253450</u> | <u>1.179220</u> |

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the Los Angeles Unified School District bonds.

Source: L.A. County Assessor 2009/10-2018/19 Tax Rate Table, HdL, Coren & Cone

**City of Lomita**  
**Principal Property Owners**  
**Current Year and Prior Year**  
**Top Ten**

| Taxpayer                            | Parcels | Use | 2018/19                |   | 2017/18                |   |
|-------------------------------------|---------|-----|------------------------|---|------------------------|---|
|                                     |         |     | Taxable Assessed Value | Percent of Total City<br>Taxable Assessed Value | Taxable Assessed Value | Percent of Total City<br>Taxable Assessed Value |
| Weiss Investment Properties LP      | 2       | r   | 17,330,360             | 0.74%   | 16,990,701             | 0.75%   |
| Sabra Lomita LP                     | 1       | r   | 17,310,000             | 0.74%   | -                      | 0.00%   |
| Time Warner Cable Pacific West LLC  | 3       | u   | 12,642,290             | 0.54%   | 12,675,638             | 0.56%   |
| William S. & Margaret H. Kang Trust | 1       | c   | 8,236,071              | 0.35%   | 8,074,580              | 0.36%   |
| Palani Group 5 LLC                  | 1       | r   | 8,204,283              | 0.35%   | 8,043,568              | 0.36%   |
| Eshelman Associates LLC             | 1       | r   | 8,003,320              | 0.34%   | 7,846,393              | 0.35%   |
| One Eshelman LLC                    | 1       | r   | 7,916,312              | 0.34%   | 7,761,091              | 0.34%   |
| CC Fund II LLC                      | 2       | c   | 7,803,000              | 0.33%   | 7,650,000              | 0.34%   |
| 2201 Pacific Coast Highway LLC      | 2       | c   | 7,769,850              | 0.33%   | 7,617,500              | 0.34%   |
| Comm 2006 FL 12 California SPE LP   | 3       | c   | -                      | 0.00%   | 7,209,292              | 0.32%   |
| Diamond Head Apartments Grp         | 1       | c   | 6,697,364              | 0.28%   | 6,566,691              | 0.29%   |
| MMRSO LLC                           | 1       | c   | -                      | 0.00%   | -                      | 0.00%   |
| Top Ten Totals                      |         |     | <u>101,912,850</u>     | <u>4.33%</u>                                    | <u>90,435,454</u>      | <u>4.01%</u>                                    |
| City Totals                         |         |     | \$ 2,351,141,143       |   | \$ 2,257,084,413       |   |
| USE:                                |         |     |                        |   |                        |   |
| Commercial                          |         | c   |                        |   |                        |   |
| Residential                         |         | r   |                        |   |                        |   |
| Unsecured                           |         | u   |                        |   |                        |   |
| Vacant                              |         | v   |                        |   |                        |   |

Source: L.A. County Assessor 2018/19 Combined Tax Rolls and the SBE Non Unitary Tax Roll, HdL, Coren & Cone

**City of Lomita**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

| Fiscal<br>Year Ended<br>June 30 | Taxes Levied<br>for the<br>Fiscal Year | Collected within the<br>Fiscal Year of Levy |                    | Collections in<br>Subsequent<br>Years | Total Collections to Date |                    |
|---------------------------------|--|---|--------------------|---------------------------------------|---------------------------|--------------------|
|                                 |  | Amount                                      | Percent<br>of Levy |                                       | Amount                    | Percent<br>of Levy |
| 2010                            | 1,758,694                              | 138,144                                     | 7.85%              | 189,670                               | 327,814                   | 18.64%             |
| 2011                            | 1,734,047                              | 116,211                                     | 6.70%              | 186,674                               | 302,885                   | 17.47%             |
| 2012                            | 1,751,520                              | 155,164                                     | 8.86%              | 188,542                               | 343,706                   | 19.62%             |
| 2013                            | 1,792,841                              | 60,484                                      | 3.37%              | 183,720                               | 244,204                   | 13.62%             |
| 2014                            | 1,815,291                              | 51,992                                      | 2.86%              | 138,221                               | 190,213                   | 10.48%             |
| 2015                            | 1,945,923                              | 61,109                                      | 3.14%              | 136,902                               | 198,011                   | 10.18%             |
| 2016                            | 2,056,573                              | 69,970                                      | 3.40%              | 136,059                               | 206,028                   | 10.02%             |
| 2017                            | 2,158,376                              | 89,443                                      | 4.14%              | 85,746                                | 175,188                   | 8.12%              |
| 2018                            | 2,279,687                              | 110,520                                     | 4.85%              | 86,460                                | 196,980                   | 8.64%              |
| 2019                            | 2,361,888                              | 81,748                                      | 3.46%              | 89,503                                | 171,251                   | 7.25%              |

NOTE: The amounts presented include City property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

Source: Los Angeles County Auditor Controller's Office

**City of Lomita**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

| Fiscal Year<br>Ended<br>June 30 | Governmental Activities |         |                       |                    |       | Total<br>Governmental<br>Activities |
|---------------------------------|-------------------------|---------|-----------------------|--------------------|-------|-------------------------------------|
|                                 | Tax<br>Allocation       | Revenue | Pension<br>Obligation | Certificates<br>of |       |                                     |
|                                 | Bonds                   | Bonds   | Ref Bonds             | Participation      | Other |                                     |
|                                 |                         |         |                       |                    |       |                                     |
| 2010                            | n/a                     | n/a     | n/a                   | n/a                | n/a   | -                                   |
| 2011                            | n/a                     | n/a     | n/a                   | n/a                | n/a   | -                                   |
| 2012                            | n/a                     | n/a     | n/a                   | n/a                | n/a   | -                                   |
| 2013                            | n/a                     | n/a     | n/a                   | n/a                | n/a   | -                                   |
| 2014                            | n/a                     | n/a     | n/a                   | n/a                | n/a   | -                                   |
| 2015                            | n/a                     | n/a     | n/a                   | n/a                | n/a   | -                                   |
| 2016                            | n/a                     | n/a     | n/a                   | n/a                | n/a   | -                                   |
| 2017                            | n/a                     | n/a     | n/a                   | n/a                | n/a   | -                                   |
| 2018                            | n/a                     | n/a     | n/a                   | n/a                | n/a   | -                                   |
| 2019                            | n/a                     | n/a     | n/a                   | n/a                | n/a   | -                                   |

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
In May 2016, the City refunded the Series 2008 Revenue Certificates of Participation Bonds with a Private Placement Loan in the amount of \$7,200,000.

<sup>(1)</sup> Net of discount

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| Business-type Activities                           |       |                                      | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income | Debt<br>per<br>Capita |
|--|-------|--------------------------------------|--------------------------------|-------------------------------------|-----------------------|
| Certificates<br>of<br>Participation <sup>(1)</sup> | Other | Total<br>Business-type<br>Activities |                                |                                     |                       |
| 7,336,296  | n/a   | 7,336,296                            | 7,336,296                      | 7.72%                               | 355                   |
| 7,199,106  | n/a   | 7,199,106                            | 7,199,106                      | 8.33%                               | 346                   |
| 7,056,916  | n/a   | 7,056,916                            | 7,056,916                      | 8.36%                               | 350                   |
| 6,909,726  | n/a   | 6,909,726                            | 6,909,726                      | 8.48%                               | 340                   |
| 6,757,536  | n/a   | 6,757,536                            | 6,757,536                      | 8.83%                               | 331                   |
| 6,600,347  | n/a   | 6,600,347                            | 6,600,347                      | 9.01%                               | 323                   |
| 7,200,000  | n/a   | 7,200,000                            | 7,200,000                      | 8.16%                               | 355                   |
| 6,985,000  | n/a   | 6,985,000                            | 6,985,000                      | 8.82%                               | 342                   |
| 6,750,000  | n/a   | 6,750,000                            | 6,750,000                      | 9.90%                               | 326                   |
| 6,505,000  | n/a   | 6,505,000                            | 6,505,000                      | 10.62%                              | 314                   |



**City of Lomita**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years (in thousands of dollars)**

|  | 2019             | 2018             | 2017             | 2016             | 2015             |
|--|------------------|------------------|------------------|------------------|------------------|
| Assessed valuation   | \$ 2,386,266,746 | \$ 2,257,084,413 | \$ 2,149,593,978 | \$ 2,045,319,719 | \$ 1,942,097,956 |
| Conversion percentage  | 25.00%           | 25.00%           | 25.00%           | 25.00%           | 25.00%           |
| Adjusted assessed valuation  | 596,566,687      | 564,271,103      | 537,398,495      | 511,329,930      | 485,524,489      |
| Debt limit percentage  | 15.00%           | 15.00%           | 15.00%           | 15.00%           | 15.00%           |
| Debt limit   | 89,485,003       | 84,640,665       | 80,609,774       | 76,699,489       | 72,828,673       |
| Total net debt applicable to limit:                                  |                  |                  |                  |                  |                  |
| General obligation bonds   | -                | -                | -                | -                | -                |
| Legal debt margin  | \$ 89,485,003    | \$ 84,640,665    | \$ 80,609,774    | \$ 76,699,489    | \$ 72,828,673    |
| Total net debt applicable to the limit<br>as a percent of debt limit | 0%               | 0%               | 0%               | 0%               | 0%               |
| Lomita Long Term Debt outstanding:                                   | 6,505,000        | 6,750,000        | 6,985,000        | 7,200,000        | 6,665,000        |
| Debt per capita:   | 313.71           | 325.85           | 342.35           | 354.85           | 322.92           |
| Debt as a percentage of personal income:                             | 10.62%           | 9.90%            | 8.82%            | 8.16%            | 9.01%            |

Section 43605 of the Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% OF MARKET VALUE. Effective with 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The Computations shown above reflect a conversion of assessed valuation data for each fiscal year from current full valuation perspective to the 25% level that was in effect at the time the legal debt margin was enacted by the State of California for local governments located within the State.

In May 2016, the City refunded the Series 2008 Revenue Certificates of Participation Bonds with a Private Placement Loan in the amount of \$7,200,000.

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| 2014                    | 2013                    | 2012                    | 2011                    | 2010                    |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <u>\$ 1,866,047,889</u> | <u>\$ 1,800,801,228</u> | <u>\$ 1,758,798,108</u> | <u>\$ 1,750,163,756</u> | <u>\$ 1,774,488,536</u> |
| <u>25.00%</u>           | <u>25.00%</u>           | <u>25.00%</u>           | <u>25.00%</u>           | <u>25.00%</u>           |
| 466,511,972             | 450,200,307             | 439,699,527             | 437,540,939             | 443,622,134             |
| <u>15.00%</u>           | <u>15.00%</u>           | <u>15.00%</u>           | <u>15.00%</u>           | <u>15.00%</u>           |
| 69,976,796              | 67,530,046              | 65,954,929              | 65,631,141              | 66,543,320              |
| -                       | -                       | -                       | -                       | -                       |
| <u>\$ 69,976,796</u>    | <u>\$ 67,530,046</u>    | <u>\$ 65,954,929</u>    | <u>\$ 65,631,141</u>    | <u>\$ 66,543,320</u>    |
| 0%                      | 0%                      | 0%                      | 0%                      | 0%                      |
| 6,825,000               | 6,980,000               | 7,130,000               | 7,275,000               | 7,415,000               |
| 330.83                  | 340.22                  | 349.58                  | 346.18                  | 354.62                  |
| 8.83%                   | 8.48%                   | 8.36%                   | 8.33%                   | 7.72%                   |

**City of Lomita**  
**Pledged Revenue Coverage**  
**Last Ten Years**

| Fiscal Year<br>Ended<br>June 30 | Certificates of Participation |                                 |                             |              |            |            |          |
|---------------------------------|-------------------------------|---------------------------------|-----------------------------|--------------|------------|------------|----------|
|                                 | Water<br>Revenue*             | Less<br>Operating<br>Expenses** | Net<br>Available<br>Revenue | Debt Service |            |            | Coverage |
|                                 |                               |                                 |                             | Principal    | Interest   | Total      |          |
|                                 |                               |                                 |                             |              |            |            |          |
| 2010                            | \$ 4,395,171                  | \$ 3,693,711                    | \$ 701,460                  | \$ 135,000   | \$ 367,512 | \$ 502,512 | 1.40     |
| 2011                            | \$ 4,672,483                  | \$ 3,994,672                    | \$ 677,811                  | \$ 140,000   | \$ 362,112 | \$ 502,112 | 1.35     |
| 2012                            | \$ 4,745,151                  | \$ 4,309,032                    | \$ 436,119                  | \$ 145,000   | \$ 356,513 | \$ 501,513 | 0.87     |
| 2013                            | \$ 4,919,962                  | \$ 4,290,039                    | \$ 629,923                  | \$ 150,000   | \$ 350,713 | \$ 500,713 | 1.26     |
| 2014                            | \$ 5,317,239                  | \$ 4,254,309                    | \$ 1,062,930                | \$ 155,000   | \$ 344,713 | \$ 499,713 | 2.13     |
| 2015                            | \$ 5,466,347                  | \$ 4,080,838                    | \$ 1,385,509                | \$ 160,000   | \$ 338,513 | \$ 498,513 | 2.78     |
| 2016                            | \$ 5,168,824                  | \$ 4,032,400                    | \$ 1,136,424                | \$ 170,000   | \$ 332,113 | \$ 502,113 | 2.26     |
| 2017                            | \$ 5,616,882                  | \$ 4,321,380                    | \$ 1,295,502                | \$ 215,000   | \$ 251,550 | \$ 466,550 | 2.78     |
| 2018                            | \$ 6,313,840                  | \$ 4,858,095                    | \$ 1,455,744 <sup>(1)</sup> | \$ 235,000   | \$ 227,013 | \$ 462,013 | 3.15     |
| 2019                            | \$ 6,540,437                  | \$ 5,063,714                    | \$ 1,476,723                | \$ 245,000   | \$ 219,375 | \$ 464,375 | 3.18     |

\* Excludes interest income

\*\* Excludes depreciation and interest income

Notes: Details regarding the City's Water Fund outstanding debt can be found in the notes to the financial statements.

In May 2016, the City refunded the Series 2008 Revenue Certificates of Participation Bonds with  
a Private Placement Loan in the amount of \$7,200,000.

<sup>(1)</sup> Correction for fiscal year 2018

Source: City of Lomita, Administrative Services Department - Finance

**City of Lomita**  
**Direct and Overlapping Debt**  
**June 30, 2018**

|  |                                       |    |                             |  |
|--|---------------------------------------|----|-----------------------------|--|
| City Assessed Valuation  |                                       | \$ | 2,386,266,746               |  |
| Redevelopment Agency Incremental Valuation                     |                                       |    | -                           |  |
| Total Assessed Valuation                                       |                                       | \$ | <u>2,386,266,746</u>        |  |
|  | Percentage<br>Applicable <sup>1</sup> |    | Outstanding<br>Debt 6/30/17 | Estimated<br>Share of<br>Overlapping<br>Debt |
| Overlapping Debt Repaid with Property Taxes:                   |                                       |    |                             |  |
| LA Unified School District General Obligation Bonds            | 0.000%                                | \$ | -                           | -  |
| LA Community College District                                  | 0.000%                                |    | -                           | -  |
| LA Unified School District Lease Tax Obligations               | 0.000%                                |    | -                           | -  |
| LA County Water District, I.D. No. 54                          | 0.000%                                |    | -                           | -  |
| LA County Water District, I.D. No. 55                          | 0.000%                                |    | -                           | -  |
| Total overlapping debt repaid with property taxes              |                                       |    | <u>-</u>                    | <u>-</u>                                     |
| Overlapping Other Debt:  |                                       |    |                             |  |
| Palos Verdes Pen USD   |                                       | \$ | -                           |  |
| LA County Board of Education Certificates of Participation     | 0.281%                                |    | 3,930,390,000               | 11,027,241                                   |
| LA Unified School District Certificates of Participation       | 0.344%                                |    | 10,079,120,000              | 34,719,701                                   |
| West Basin County Water District Certificates of Participation | 0.196%                                |    | 23,317,224                  | 45,714                                       |
| Total overlapping other debt                                   |                                       |    | <u>14,032,827,224</u>       | <u>45,792,656</u>                            |
| Total overlapping debt   |                                       | \$ | <u>14,032,827,224</u>       | <u>45,792,656</u>                            |
| City direct debt   |                                       |    |                             | -  |
| Total direct and overlapping debt                              |                                       |    |                             | <sup>1</sup> \$ <u>45,792,656</u>            |

Notes:

<sup>1</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: HdL Coren & Cone, Los Angeles County Assessor's Office

**City of Lomita**  
**Top 25 Sales Tax Producers**  
**(Miscellaneous Information)**  
**Current Fiscal Year and Nine Years Ago**

| Fiscal Year 2018/19 |                             |                                 |
|---------------------|-----------------------------|---------------------------------|
|                     | Tax Payers                  | Business Type                   |
| 1                   | 99 Cents Only               | Variety Stores                  |
| 2                   | ARCO AM/PM                  | Service Stations                |
| 3                   | ARCO AM/PM                  | Service Stations                |
| 4                   | Auto Zone                   | Automotive Supply Stores        |
| 5                   | Battaglia's Title           | Building Materials              |
| 6                   | Big Lots                    | Variety Stores                  |
| 7                   | California Pro Sports       | Sporting Goods/Bike Stores      |
| 8                   | CVS Pharmacy                | Drug Stores                     |
| 9                   | Discount Pool & Spa Supply  | Specialty Stores                |
| 10                  | Enterprise Rent A Car       | Transportation/Rentals          |
| 11                  | Harbor Freight Tools        | Building Materials              |
| 12                  | Hertz Rent A Car            | Transportation/Rentals          |
| 13                  | Hot N Tot                   | Casual Dining                   |
| 14                  | Jims Auto Sales             | Used Automotive Dealers         |
| 15                  | Lees Tires                  | Automotive Supply Stores        |
| 16                  | Lomita Feed Store           | Gardening/Agricultural Supplies |
| 17                  | Lomita Shell                | Service Stations                |
| 18                  | Pacific Coast Hobbies       | Specialty Stores                |
| 19                  | Pacific Shop                | Service Stations                |
| 20                  | Roham International         | Light Industrial/Printers       |
| 21                  | Sushi Delight               | Casual Dining                   |
| 22                  | Szechwan Chinese            | Casual Dining                   |
| 23                  | Taco Bell/Pizze Hut         | Quick-Service Restaurants       |
| 24                  | Thompson Building Materials | Building Materials              |
| 25                  | Y & S Auto Body Shop        | Auto Repair Shops               |

-Account for 59.39%  
of the total sales tax collected.

| Fiscal Year 2009/10         |                             |                                 |
|-----------------------------|-----------------------------|---------------------------------|
|                             | Tax Payers                  | Business Type                   |
| 99 Cents Only               | 99 Cents Only               | Variety Stores                  |
| Albertsons                  | Albertsons                  | Grocery Stores                  |
| Arco AM/PM                  | Arco AM/PM                  | Service Stations                |
| Arco AM/PM                  | Arco AM/PM                  | Service Stations                |
| AutoZone                    | AutoZone                    | Automotive Supply Stores        |
| Big Lots                    | Big Lots                    | Variety Stores                  |
| California Pro Sports       | California Pro Sports       | Sporting Goods/Bike Stores      |
| Carl's Jr.                  | Carl's Jr.                  | Quick-Service Restaurants       |
| CVS Pharmacy                | CVS Pharmacy                | Drug Stores                     |
| Cycle Gear                  | Cycle Gear                  | Boats/Motorcycles               |
| Discount Pool & Spa Supply  | Discount Pool & Spa Supply  | Specialty Stores                |
| Enterprise Rent A Car       | Enterprise Rent A Car       | Transportation/Rentals          |
| Harbor Freight Tools        | Harbor Freight Tools        | Building Materials              |
| Jims Auto Sales             | Jims Auto Sales             | Used Automotive Dealers         |
| KFC                         | KFC                         | Quick-Service Restaurants       |
| Lees Tires                  | Lees Tires                  | Automotive Supply Stores        |
| Liberty Home Appliance      | Liberty Home Appliance      | Electronics/Appliance Stores    |
| Lomita Feed Store           | Lomita Feed Store           | Gardening/Agricultural Supplies |
| Lomita Shell                | Lomita Shell                | Service Stations                |
| Pacific Shop                | Pacific Shop                | Service Stations                |
| Sprint                      | Sprint                      | Electronics/Appliance Stores    |
| Szechwan Chinese            | Szechwan Chinese            | Casual Dining                   |
| Taco Bell/Pizze Hut         | Taco Bell/Pizze Hut         | Quick-Service Restaurants       |
| Thompson Building Materials | Thompson Building Materials | Building Materials              |
| Vol Dee Supply              | Vol Dee Supply              | Building Materials              |

-Account for 61.93%  
of the total sales tax collected.

\*\*\* The names are listed in alphabetical order, not sales tax volume.

Source: HdL Companies, State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office  
Period: July 2018 Thru March 2019

**City of Lomita**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

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| Calendar<br>Year | City of Lomita<br>Population <sup>(1)</sup> | Median<br>Age <sup>(2)</sup> | Personal<br>Income<br>(in thousands) <sup>(3)</sup> | Per Capital<br>Personal<br>Income <sup>(4)</sup> | Lomita<br>Unemployment<br>Rate <sup>(5)</sup> |
|------------------|---|------------------------------|---|--|---|
| 2010             | 20,910                                      | 36.9                         | 572,728   | 27,390   | 8.4%  |
| 2011             | 21,015                                      | 36.6                         | 606,262   | 28,849   | 9.2%  |
| 2012             | 20,396                                      | 37.8                         | 596,195   | 29,231   | 9.0%  |
| 2013             | 20,516                                      | 38.5                         | 592,215   | 28,866   | 6.7%  |
| 2014             | 20,630                                      | 39.5                         | 602,417   | 29,201   | 5.5%  |
| 2015             | 20,640                                      | 40.3                         | 600,583   | 29,098   | 5.9%  |
| 2016             | 20,290                                      | 40.3                         | 587,263   | 28,943   | 4.8%  |
| 2017             | 20,403                                      | 40.8                         | 615,782   | 30,180   | 3.7%  |
| 2018             | 20,715                                      | 40.4                         | 668,303   | 32,261   | 4.6%  |
| 2019             | 20,736                                      | 40.7                         | 690,910   | 33,275   | 4.3%  |

Source: <sup>(1)</sup> California State Department of Finance  
<sup>(2)</sup> U.S. Department of Commerce Bureau of Economic Analysis, Census Bureau  
<sup>(3)</sup> U.S. Department of Commerce Bureau of Economic Analysis, Census Bureau  
<sup>(4)</sup> U.S. Department of Commerce Bureau of Economic Analysis, Census Bureau  
<sup>(5)</sup> California Employment Development Department

**City of Lomita**  
**Principal Employers**  
**Current Year and Nine Years Ago**

| Employer                         | Business Type    | 2019                |                             | 2010                |                             |
|----------------------------------|------------------|---------------------|-----------------------------|---------------------|-----------------------------|
|                                  |                  | Number of Employees | Percent of Total Employment | Number of Employees | Percent of Total Employment |
| Lomita Post-Acute Care Center    | Nursing Facility | 126                 | 1.15%                       | n/a                 | n/a                         |
| City of Lomita                   | Government       | 79                  | 0.72%                       | n/a                 | n/a                         |
| Palos Verdes Health Care Center  | Nursing Facility | 52                  | 0.47%                       | n/a                 | n/a                         |
| CVS                              | Retail           | 49                  | 0.45%                       | n/a                 | n/a                         |
| Thompson Building Materials      | Building         | 45                  | 0.41%                       | n/a                 | n/a                         |
| St Margaret Mary Catholic Church | School           | 43                  | 0.39%                       | n/a                 | n/a                         |
| Travers Tree Service             | Service          | 36                  | 0.33%                       | n/a                 | n/a                         |
| 99 Cents Only Store              | Retail           | 35                  | 0.32%                       | n/a                 | n/a                         |
| County of Los Angeles            | Government       | 34                  | 0.31%                       | n/a                 | n/a                         |
| Big Lots                         | Retail           | 33                  | 0.30%                       | n/a                 | n/a                         |
| Total Top Ten Employers          |                  | 532                 |                             | n/a                 |                             |
| Total City Employment            |                  | 11,000              |                             | 10,000              |                             |

NOTE: Non-Governmental Employers.

Several potential businesses that may qualify for Top 10 ranking. However, current employee counts were unattainable at the time of report preparation. Previous historical data is not available.

Source: City of Lomita, Economic Development Department  
State of California, Employment Development Department

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

| Function                     | Full-Time and Part-time Employees as of June 30 |      |      |                     |      |      |      |      |      |      |
|------------------------------|---|------|------|---------------------|------|------|------|------|------|------|
|                              | 2019  | 2018 | 2017 | 2016 <sup>(2)</sup> | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| General government           | 12  | 9    | 12   | 11                  | 12   | 13   | 13   | 13   | 13   | 13   |
| Public safety <sup>(1)</sup> | -   | -    | -    | -                   | -    | -    | -    | -    | -    | -    |
| Public works                 | 9   | 10   | 9    | 7                   | 8    | 6    | 6    | 6    | 6    | 6    |
| Community Services           | 6   | 4    | 10   | 8                   | 10   | 16   | 16   | 16   | 16   | 16   |
| Water                        | 7   | 7    | 7    | 6                   | 6    | 5    | 5    | 5    | 5    | 5    |
| Community Development        | 3   | 6    | 6    | 4                   | 3    | 5    | 5    | 5    | 5    | 5    |
| Parks and Recreation         | 42  | 49   | 46   | 43                  | 42   | 40   | 40   | 40   | 40   | 40   |
| Total                        | 79  | 85   | 90   | 79                  | 81   | 85   | 85   | 85   | 85   | 85   |

<sup>(1)</sup> Police and fire services are provided by Los Angeles County.

<sup>(2)</sup> Correction for fiscal year 2016.

Source: City of Lomita, Administrative Services Department - Finance



**City of Lomita**  
**Operating Indicators**  
**by Function**  
**Last Ten Fiscal Years**

|  | 2019  | 2018  | 2017  | 2016  | 2015  | 2014  | 2013  | 2012  | 2011  | 2010  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <sup>(1)</sup> Police:                                   |       |       |       |       |       |       |       |       |       |       |
| Arrests  | 994   | 865   | 913   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   |
| Parking citations issued                                 | 6,612 | 6,201 | 5,564 | 5,380 | 6,124 | 4,048 | 3,257 | 4,452 | 4,577 | 4,551 |
| <sup>(2)</sup> Fire:                                     |       |       |       |       |       |       |       |       |       |       |
| Number of emergency calls                                | 2920  | 1827  | 1816  | 1770  | 1476  | n/a   | 1223  | n/a   | n/a   | n/a   |
| Inspections  | 1488  | 763   | 579   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   |
| Public works:  |       |       |       |       |       |       |       |       |       |       |
| Street resurfacing (miles)                               | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   |
| Parks and recreation:                                    |       |       |       |       |       |       |       |       |       |       |
| Number of recreation classes                             | 319   | 278   | 328   | 295   | 269   | 193   | 121   | 201   | 212   | 212   |
| Number of facility rentals                               | 407   | 475   | 402   | 344   | 422   | 530   | 542   | 507   | 288   | 288   |
| Water:   |       |       |       |       |       |       |       |       |       |       |
| New connections  | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Average daily consumption<br>(thousands of gallons)      | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   |
| Sewer:   |       |       |       |       |       |       |       |       |       |       |
| New connections  | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   |
| Average daily sewage treatment<br>(thousands of gallons) | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   |

<sup>(1)</sup> Deputy Sheriffs and Community Service Officers are provided through a contract with the Los Angeles County Sheriff's Department.

<sup>(2)</sup> Fire Protection and Fire Personnel are provided through a contract with the Los Angeles County Fire Department.

n/a Data is unavailable to include in this report.

Source: City of Lomita, Administrative Services Department  
Los Angeles County Fire Department

**City of Lomita**  
**Capital Asset Statistics**  
**by Function**  
**Last Ten Fiscal Years**

|  | 2019    | 2018    | 2017    | 2016    | Fiscal Year |         | 2013    | 2012    | 2011    | 2010    |
|--|---------|---------|---------|---------|-------------|---------|---------|---------|---------|---------|
|  |         |         |         |         | 2015        | 2014    |         |         |         |         |
| <sup>(1)</sup> Police:                                     |         |         |         |         |             |         |         |         |         |         |
| Stations   | 1       | 1       | 1       | 1       | 1           | 1       | 1       | 1       | 1       | 1       |
| <sup>(2)</sup> Fire:                                       |         |         |         |         |             |         |         |         |         |         |
| Fire stations  | 1       | 1       | 1       | 1       | 1           | 1       | 1       | 1       | 1       | 1       |
| Public works:  |         |         |         |         |             |         |         |         |         |         |
| Streets (miles)  | 31.00   | 31.00   | 31.00   | 31.00   | 31.00       | 31.00   | 31.00   | 31.00   | 31.00   | 31.00   |
| Streetlights   | 58      | 58      | 58      | 58      | 58          | 58      | 58      | 58      | 58      | 58      |
| Traffic signals  | n/a     | n/a     | n/a     | n/a     | n/a         | n/a     | n/a     | n/a     | n/a     | n/a     |
| Parks and recreation:                                      |         |         |         |         |             |         |         |         |         |         |
| Parks  | 7       | 7       | 7       | 7       | 6           | 6       | 6       | 6       | 6       | 6       |
| Rail Road Museum   | 1       | 1       | 1       | 1       | 1           | 1       | 1       | 1       | 1       | 1       |
| Community centers  | 1       | 1       | 1       | 1       | 1           | 1       | 1       | 1       | 1       | 1       |
| Water System :   |         |         |         |         |             |         |         |         |         |         |
| Length of Pipes (LF) <sup>(3)</sup>                        | 228,015 | 228,015 | 228,015 | 228,015 | 228,015     | 217,305 | 217,305 | 217,305 | 217,305 | 217,305 |
| Number of Pump Stations                                    | 3       | 3       | 3       | 3       | 3           | 3       | 3       | 3       | 3       | 3       |
| Number of Catch Basin                                      | 69      | 69      | 42      | 42      | 42          | 42      | 42      | 42      | 42      | 42      |
| Number of Service Connection                               | 4,314   | 4,314   | 4,312   | 4,241   | 4,241       | 4,241   | 4,241   | 4,241   | 4,241   | 4,241   |
| Sewer System:  |         |         |         |         |             |         |         |         |         |         |
| Length of Pipes (LF)                                       | 173,931 | 173,931 | 173,931 | 173,931 | 173,931     | 173,931 | 173,931 | 173,931 | 173,931 | 173,931 |
| Number of manholes   | 882     | 882     | 882     | 882     | 882         | 882     | 882     | 882     | 882     | 882     |
| Maximum daily treatment capacity<br>(thousands of gallons) | n/a     | n/a     | n/a     | n/a     | n/a         | n/a     | n/a     | n/a     | n/a     | n/a     |

<sup>(1)</sup> Deputy Sheriffs and Community Service Officers are provided through a contract with the Los Angeles County Sheriff's Department.

<sup>(2)</sup> Fire Protection and Fire Personnel are provided through a contract with the Los Angeles County Fire Department.

<sup>(3)</sup> Corrected length of pipes in lateral feet to match our 2015 Water Master Plan and 2004 Water Master Plan.

n/a Data is unavailable to include in this report.

Source: City of Lomita, Administrative Services Department  
Los Angeles County Fire Department

**City of Lomita**  
**Water Department**  
**Water Sold by Type of Customer**  
**Last Ten Fiscal Years**

|                                      | Fiscal Year          |                      |                      |                      |                      |                      |                    |                    |       |       |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------|--------------------|-------|-------|
|                                      | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 | 2013               | 2012               | 2011  | 2010  |
| Type of Customer:                    |                      |                      |                      |                      |                      |                      |                    |                    |       |       |
| Residential                          | 3,975 <sup>(1)</sup> | 3,971 <sup>(1)</sup> | 3,960 <sup>(1)</sup> | 3,849 <sup>(2)</sup> | 3,917 <sup>(1)</sup> | 3,902 <sup>(3)</sup> | 3,922              | 3,918              | 3,918 | 3,916 |
| Schools                              | 25                   | 25                   | 21                   | 21 <sup>(1)</sup>    | 17                   | 17                   | 17                 | 17                 | 17    | 17    |
| Commercial                           | 270 <sup>(1)</sup>   | 266                  | 261                  | 246                  | 246                  | 246 <sup>(3)</sup>   | 226 <sup>(2)</sup> | 220 <sup>(2)</sup> | 232   | 273   |
| Churches                             | 31                   | 31                   | 32                   | 32                   | 31                   | 31                   | 31                 | 32                 | 33    | 33    |
| Government                           | 17                   | 17                   | 14                   | 12                   | 10                   | 10                   | 10                 | 10                 | 10    | 10    |
| City                                 | 19                   | 19                   | 18                   | 15                   | 13                   | 13                   | 13                 | 13                 | 13    | 13    |
| Total                                | 4,337                | 4,329                | 4,306                | 4,175                | 4,234                | 4,219                | 4,219              | 4,210              | 4,223 | 4,262 |
| Total direct rate<br>per 748 gallons | 4.43                 | 4.12                 | 3.81                 | 3.53                 | 3.53                 | 3.01                 | 2.80               | 2.40               | 2.33  | 2.33  |

<sup>(1)</sup> New development

<sup>(2)</sup> Vacancies

<sup>(3)</sup> Type correction

Source: City of Lomita, Administrative Services Department - Finance

**City of Lomita**  
**Water Department**  
**Water Rates**  
**Last Ten Fiscal Years**

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| Fiscal<br>Year Ended<br>June 30 | Bi-Monthly<br>Base<br>Rate | Rate per<br>748<br>Gallons |
|---------------------------------|----------------------------|----------------------------|
| 2010                            | 36.46                      | 2.33                       |
| 2011                            | 36.46                      | 2.33                       |
| 2012                            | 37.59                      | 2.40                       |
| 2013 <sup>(1)</sup>             | 36.49                      | 2.80                       |
| 2014                            | 39.16                      | 3.01                       |
| 2015 <sup>(2)</sup>             | 36.90                      | 3.53                       |
| 2016                            | 36.90                      | 3.53                       |
| 2017                            | 39.73                      | 3.81                       |
| 2018                            | 42.90                      | 4.12                       |
| 2019                            | 46.78                      | 4.43                       |

NOTE:

Rates are based on 5/8" meter, which is the standard household meter size.

- <sup>(1)</sup> A new water rate structure went into effect August 1, 2012.  
It includes a base rate with a three-tiered rate for water usage.
- <sup>(2)</sup> A new water rate structure went into effect March 1, 2015.

**City of Lomita**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years (dollars in thousands, except per capita)**

| Fiscal Year<br>Ended<br>June 30 | General Bonded Debt Outstanding |                            |                                    |                                     |       | Percentage<br>of Actual<br>Value<br>of Property (1) | Per<br>Capita (2) |
|---------------------------------|---------------------------------|----------------------------|------------------------------------|-------------------------------------|-------|---|-------------------|
|                                 | Revenue<br>Bonds                | Tax<br>Allocation<br>Bonds | Pension<br>Obligation<br>Ref Bonds | Certificates<br>of<br>Participation | Total |   |                   |
| 2010                            | n/a                             | n/a                        | n/a                                | n/a                                 | -     | n/a   | n/a               |
| 2011                            | n/a                             | n/a                        | n/a                                | n/a                                 | -     | n/a   | n/a               |
| 2012                            | n/a                             | n/a                        | n/a                                | n/a                                 | -     | n/a   | n/a               |
| 2013                            | n/a                             | n/a                        | n/a                                | n/a                                 | -     | n/a   | n/a               |
| 2014                            | n/a                             | n/a                        | n/a                                | n/a                                 | -     | n/a   | n/a               |
| 2015                            | n/a                             | n/a                        | n/a                                | n/a                                 | -     | n/a   | n/a               |
| 2016                            | n/a                             | n/a                        | n/a                                | n/a                                 | -     | n/a   | n/a               |
| 2017                            | n/a                             | n/a                        | n/a                                | n/a                                 | -     | n/a   | n/a               |
| 2018                            | n/a                             | n/a                        | n/a                                | n/a                                 | -     | n/a   | n/a               |
| 2019                            | n/a                             | n/a                        | n/a                                | n/a                                 | -     | n/a   | n/a               |

(1) See Schedule 6 for property value data.

(2) Population data can be found in Schedule 16.

Ten years of data is not available.