



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2021







CITY OF LOMITA,  
CALIFORNIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Year Ended June 30, 2021



Prepared by: The Administrative Services Department

Susan Kamada, Administrative Services Director





CITY OF LOMITA  
Annual Comprehensive Financial Report  
Year Ended June 30, 2021

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# CITY OF LOMITA

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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## CITY COUNCIL

MARK A. WARONEK  
CINDY SEGAWA  
JAMES GAZELEY  
BILL UPHOFF  
BARRY WAITE



## ADMINISTRATION

RYAN SMOOT  
CITY MANAGER

## CITY OF LOMITA

**December 21, 2021**

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

### **ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR 2020-2021 LETTER OF TRANSMITTAL**

It is with great pleasure that we present to you the City of Lomita's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. 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 ACFR 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.

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(310) 325-7110 • FAX (310) 325-4024 • [www.lomita.com/cityhall](http://www.lomita.com/cityhall)

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, 2021, the City adopted Statement on Governmental Accounting Standards (GASB Statement) No. 84 *Fiduciary Activities*, GASB Statement No. 90, *Majority Equity Interest*, and GASB Statement No. 98, *The Annual Comprehensive Financial Report*, which did not have an effect on the financial statements.

## **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 2021, the City's population is 20,431.

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 3, 2020, with two 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 report 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 and Use Taxes, Motor Vehicle-in-Lieu Fees, and Transient Occupancy Taxes financed approximately 60% of all governmental activities for the fiscal year.

As of June 30, 2021, the City's unemployment rate was 5.6 percent, which compares favorably to 10.3 percent for Los Angeles County and 7.6 percent for the State of California. The prior year's sudden and sharp increase in the City's unemployment numbers was a result of the recent and ongoing COVID-19 outbreak, which was declared a pandemic by the World Health Organization in March 2020. As the City, County and State continue to adapt to the ongoing Covid-19 pandemic, the City's unemployment is gradually moving towards levels seen pre-pandemic. 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 2021-2022 using a conservative approach to forecast revenues and maintain expenditures. The City's property tax and sales tax revenues performed better than or as expected primarily due to conservative forecasting and stronger than expected 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. One-time influxes of revenue and the approval of Measure L by the voters added much needed revenue that will support the City in accomplishing its financial and infrastructure improvement goals.

Though hopeful that the economy continues to steadily grow, the City expects long term revenues remain stable while expenditures are expected to steadily grow. The City will remain conservative in its revenue forecasts, contain costs as much as possible while maintaining essential services for the community. We will continue to explore ways to stimulate the local economy by vigorously pursuing economic development opportunities, and developing projects and programs that support the continued growth of our community.

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

The City continues to work through the projects listed in its Capital Improvement Program as funding is available and is currently preparing an update to its five-year plan. An annual review 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 and ongoing upgrades to our water facilities. 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, currently, there remains more than \$8,332,000 in unfunded capital needs, which will be updated as part of the upcoming CIP update. One-time influxes of revenue and the approval of Measure L by the voters of the City will help to offset this need, but as it has in the past, the City will need to remain creative in its financing and infrastructure improvement goals.

During the fiscal year of 2020-2021, the Cypress Water Production Facility, which generally provides water service through a blend of imported and locally produced ground water, remained offline while construction is ongoing to upgrade the facility. Water service continues to be provided to the City's residents through 100% imported water. Although fluctuations in blend ratios are anticipated over time,

this transition continues to result in significant, short-term increases in the City's costs to provide water service. The City Council has approved a funding plan and is currently under construction, a secondary Granular Activated Carbon filtration system to remove benzene and improve the aesthetic qualities of the City's groundwater and has secured \$2 Million in external funding through WRD to be used toward construction of the upgrades. Construction is scheduled to be complete in early 2022.

The City is currently undergoing a water rate study and will continue 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 & Lopez, Inc., 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, 2021, 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

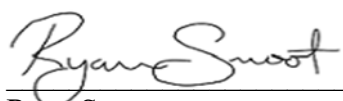
#### **AWARDS AND ACKNOWLEDGEMENTS**

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 ACFR for the fiscal year ended June 30, 2020. This was the seventeenth 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 ACFR 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 ACFR 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 & Lopez, Inc., 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

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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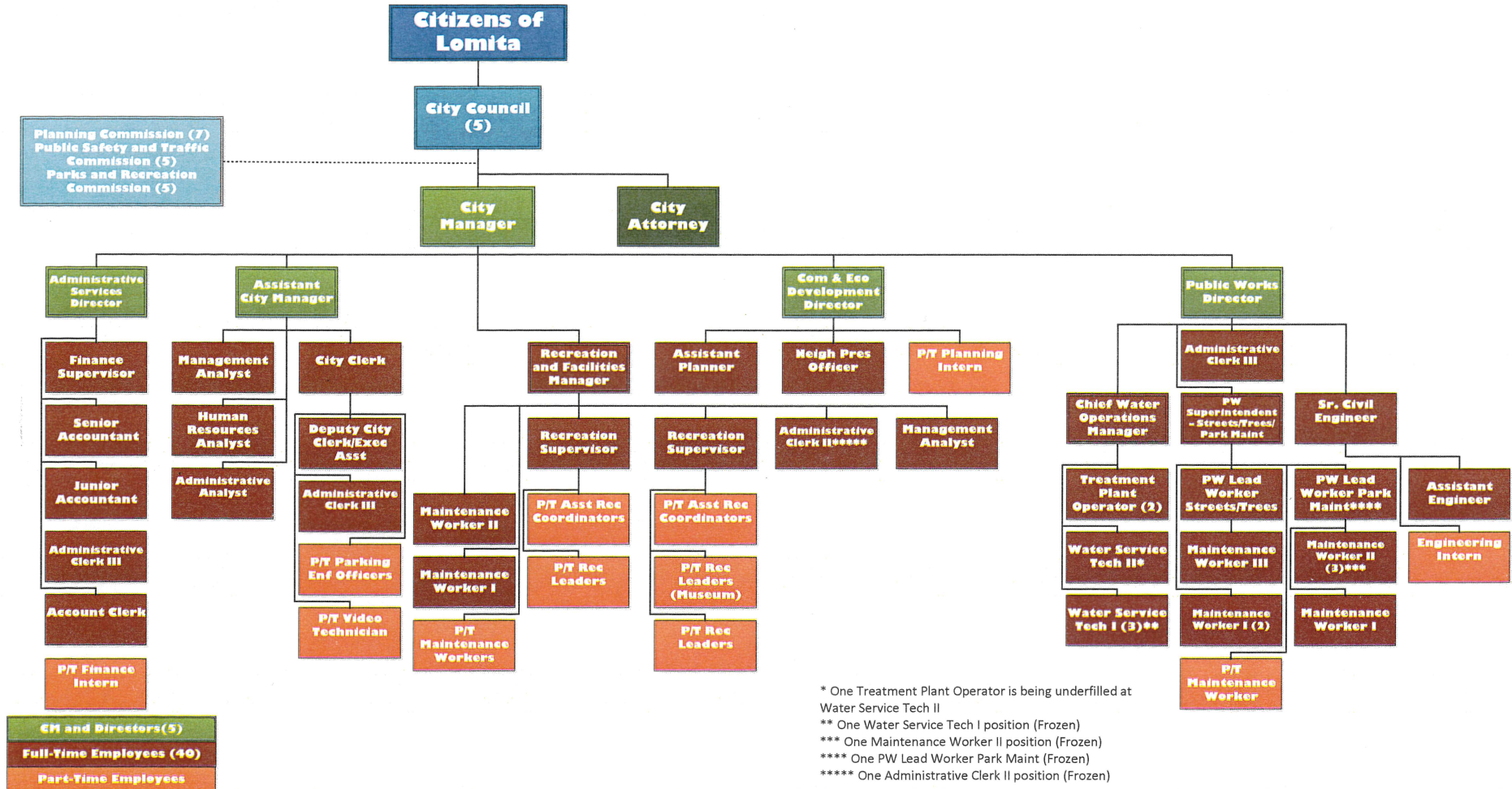
**CITY OF LOMITA  
LIST OF CITY OFFICIALS**

**ELECTED OFFICIALS**

Mayor	Mark Waronek
Mayor Pro Tem	Cindy Segawa
Council Member	James Gazeley
Council Member	William Uphoff
Council Member	Barry Waite

**CITY STAFF**

City Manager	Ryan Smoot
Assistant City Manager	Gary Sugano
City Attorney	Trevor Rusin, Best, Best & Krieger
Administrative Services Director	Susan Kamada
Community & Economic Development Director	Greg Kapovich
Public Works Director	Carla Dillon







Government Finance Officers Association

Certificate of  
Achievement  
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Presented to

**City of Lomita  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

# CITY OF LOMITA

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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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, 2021 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, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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, financial data schedule, 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, and financial data schedule 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, and financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, budgetary schedules, 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 November 23, 2021 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.

**Gruber and Lopez, Inc.**

*Gruber and Lopez, Inc.*

Newport Beach, California  
November 23, 2021



## **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, 2021. 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 2020-2021 fiscal year by \$45,884,592 (total net position). Of this amount, \$544,182 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased \$5,060,836. Net position of governmental activities increased \$3,593,141 and net position of business-type activities increased \$1,467,695.
- As of the close of the 2020-2021 fiscal year, the City's governmental funds reported combined fund balances of \$14,533,863, an increase of \$2,978,619 in comparison to the prior year. General Fund increased by \$831,426 and Measure R Highway increased by \$159,588.
- At the end of the 2020-2021 fiscal year, fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$7,513,514 or approximately 80% of total General Fund expenditures.

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

The annual comprehensive 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 considered 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 2020-2021 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.

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.

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

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. General revenues such as Property Taxes, Sales Taxes, Motor Vehicle-in-Lieu Fees, Refuse Taxes, Business License Taxes, Franchise Taxes, and Transient Occupancy Taxes financed approximately 60% 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 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.

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

**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 59-64 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 73-90.

**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>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 18,088,620	\$ 13,486,131	\$ 7,037,065	\$ 4,929,375	\$ 25,125,685	\$ 18,415,506
Capital assets	20,121,459	20,331,203	24,195,296	24,707,593	44,316,755	45,038,796
Total Assets:	38,210,079	33,817,334	31,232,361	29,636,968	69,442,440	63,454,302
Deferred Outflow of Resources	1,848,723	1,575,151	431,896	419,890	2,280,619	1,995,041
Current liabilities	1,668,493	1,429,375	1,223,283	989,128	2,891,776	2,418,503
Non-current liabilities	13,532,134	12,556,159	8,427,421	8,432,871	21,959,555	20,989,030
Total Liabilities:	15,200,627	13,985,534	9,650,704	9,421,999	24,851,331	23,407,533
Deferred Inflows of Resources	776,759	918,676	210,377	299,378	987,136	1,218,054
Net Investment in Capital						
Assets	20,121,459	20,331,203	18,200,296	18,452,593	38,321,755	38,783,796
Restricted	7,018,655	5,139,262			7,018,655	5,139,262
Unrestricted	(3,058,698)	(4,982,190)	3,602,880	1,882,888	544,182	(3,099,302)
Total Net Position:	<b>\$24,081,416</b>	<b>\$20,488,275</b>	<b>\$21,803,176</b>	<b>\$20,335,481</b>	<b>\$45,884,592</b>	<b>\$40,823,756</b>

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

**Net Position**

Assets exceeded liabilities by \$45,884,592 (net position).

- \$38,321,755 (84%) 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.
- \$7,018,655 (15%) of net position is subject to external restrictions on how they may be used.
- \$544,182 (1%) 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 City's overall net position increased \$5,060,836 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 \$3,593,141 during the 2020-2021 fiscal year for an ending balance of \$24,081,416. Revenues for the governmental activities increased \$4,158,427 or approximately 35% primarily as a result of one-time revenues, development fees and building & safety fees related to the Picerne project, federal economic relief in response to Covid-19, and the approval of Measure L, a  $\frac{3}{4}$ -cent sales tax, by the Lomita voters.

Expenses increased by \$855,930 or approximately 7% primarily due to spending increases related to COVID-19. The longevity and severity of the continued pandemic has resulted in and will continue to result in economic consequences from the state level to local cities.

Additional information can be found in the statement of activities (Primary Government, pages 13-14).

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

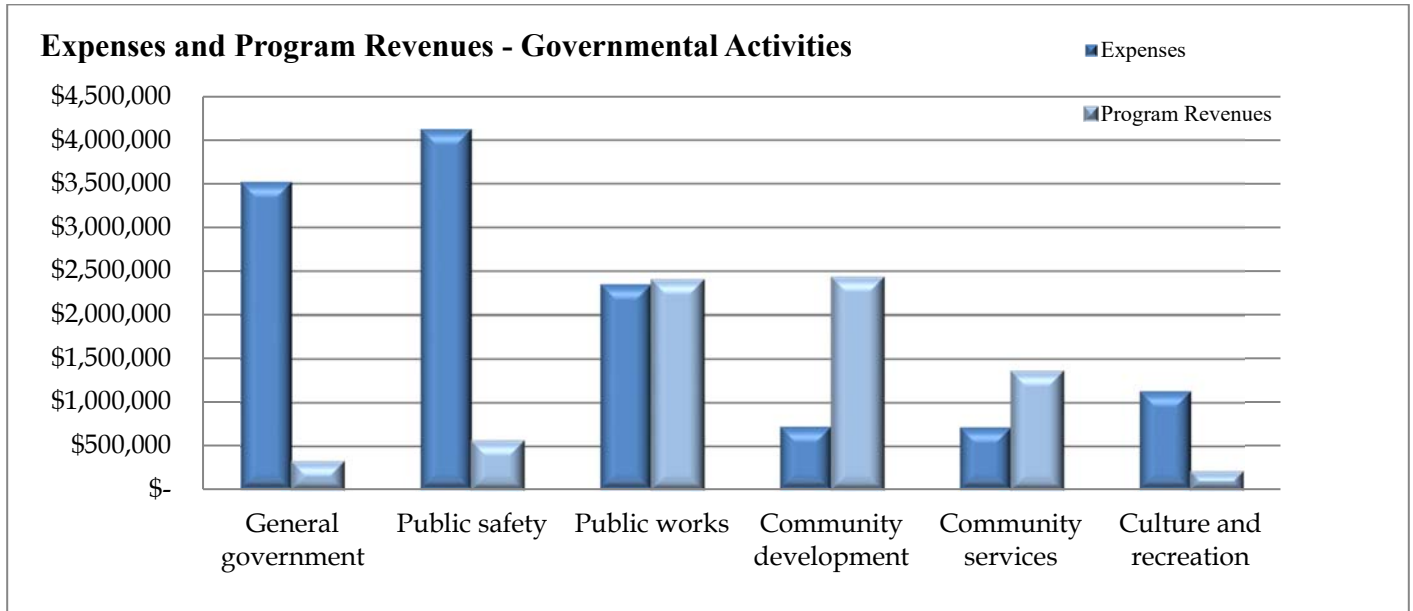
**CITY OF LOMITA'S CHANGES IN NET POSITION**

	<b>Governmental Activities</b>		<b>Business -type Activities</b>		<b>TOTAL</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 3,589,162	\$ 2,106,087	\$ 6,433,700	\$ 6,023,257	\$ 10,022,862	\$ 8,129,344
Operating grants and contributions	3,100,247	2,320,210	-	-	3,100,247	2,320,210
Capital grants and contributions	526,724	531,777	-	-	526,724	531,777
<b>General Revenues:</b>						
Property taxes	1,893,942	1,776,468	-	-	1,893,942	1,776,468
Sales and other taxes	4,422,632	3,368,680	-	-	4,422,632	3,368,680
Investment income and miscellaneous	2,606,901	1,877,959	1,780,044	1,837,967	4,386,945	3,715,926
Total Revenues:	16,139,608	11,981,181	8,213,744	7,861,224	24,353,352	19,842,405
<b>Expenses:</b>						
General government	3,516,508	3,097,344	-	-	3,516,508	3,097,344
Public safety	4,122,368	3,843,357	-	-	4,122,368	3,843,357
Public works	2,345,393	1,830,924	-	-	2,345,393	1,830,924
Community development	720,677	691,477	-	-	720,677	691,477
Community services	713,824	861,971	-	-	713,824	861,971
Cultural and recreation	1,127,697	1,365,464	-	-	1,127,697	1,365,464
Water Enterprise operations	-	-	6,746,049	7,196,441	6,746,049	7,196,441
Total Expenses:	12,546,467	11,690,537	6,746,049	7,196,441	19,292,516	18,886,978
Increase (decrease) in Net Position before other revenues and transfers	3,593,141	290,644	1,467,695	664,783	5,060,836	955,427
Net position - beginning of year	20,488,275	20,197,631	20,335,481	19,670,698	40,823,756	39,868,329
Net position - end of year	<b>\$ 24,081,416</b>	<b>\$ 20,488,275</b>	<b>\$ 21,803,176</b>	<b>\$ 20,335,481</b>	<b>\$ 45,884,592</b>	<b>\$ 40,823,756</b>

**Business-type Activities.** The net position increased \$1,467,695 during the 2020-2021 fiscal year for an ending balance of \$21,803,176. The Water Enterprise business charges for water services to offset its operation expenses. Total revenues increased \$352,520 or approximately 4% from the prior year. In comparison to the prior fiscal year, the charges for services increased by \$410,443 or 7% due, in part, to an increase in water usage. Related business-type activity expenses decreased during the fiscal year by \$(450,392) or 7% compared to the previous fiscal year due to decreased expenditures in contractual services, professional services, and permit & assessment fees.



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



### FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

**Governmental Funds.** On June 30, 2021, the City's governmental funds reported combined fund balances of \$14,533,863, an increase of \$2,978,619 in comparison with the prior year. \$991,628 or approximately 7% 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 \$28,427; 2) restricted for particular purposes \$2,767,734; 3) committed for particular purposes \$2,935,887; or 4) assigned for particular purposes \$7,810,187.

The general fund is the chief operating fund of the City. At the end of the 2020-2021 fiscal year, the unassigned fund balance of the general fund was \$1,098,165, while the total fund balance increased by \$831,426 to \$7,513,514. 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 15% of total general fund balance, while total fund balance represents approximately 81% of that total general fund expenditures.

The Measure R Highway Special Revenue Fund, a major fund, reported a fund balance (deficit) of \$(106,537) which was due to intergovernmental revenues of \$191,559 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 prior 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 \$3,602,880. The total increase in net position was \$1,467,695.

**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 \$(1,216,379); however, the actual change in fund balance was an increase of \$831,426 to arrive at a total ending General Fund Balance of \$7,513,514. The overall difference in the original and final amended budgeted expenditures for the General Fund was a decrease of \$(16,833) or 0.04%. The final amended budgeted revenues increased from the original budgeted revenues by \$1,728,721 or 16%.

**Revenues:** In the General Fund, actual revenues were more than the amount budgeted by \$1,707,568 or 16%. Tax and assessment revenues had a significant increase over budget by \$904,602 or 17%, due to one-time revenues, development fees and building & safety fees related to the Picerne project, federal economic relief in response to Covid-19, and the approval of Measure L, a ¾-cent sales tax, by the Lomita voters.

**Expenditures:** In the General Fund, actual expenditures were less than budgeted by \$(340,237) or 4%. Actual revenues over actual departmental expenditures for the General Fund were \$3,154,686, 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 2020-2021, the City's net capital assets total \$44,316,755 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>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</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	366,923	6,989	361,006	98,378	727,929	105,367
Total non-depreciable assets	7,011,207	6,651,273	431,681	169,053	7,442,888	6,820,326
Capital assets, being depreciated:						
Buildings/structures and improvements	1,165,473	1,255,953	-	-	1,165,473	1,255,953
Equipment and furniture	346,785	370,984	88,927	103,446	435,712	474,430
Vehicles	87,885	105,416	62,418	71,112	150,303	176,528
Infrastructure	11,510,109	11,947,577	23,612,270	24,363,982	35,122,379	36,311,559
Total depreciable assets (net)	13,110,252	13,679,930	23,763,615	24,538,540	36,873,867	38,218,470
Total capital assets	<b>\$ 20,121,459</b>	<b>\$ 20,331,203</b>	<b>\$ 24,195,296</b>	<b>\$ 24,707,593</b>	<b>\$ 44,316,755</b>	<b>\$ 45,038,796</b>

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

Major capital asset events, during the 2020-2021 fiscal year, included the following:

- Completed construction of Slurry Seal Program for three city zones (C, F, and G) in the northern portion of Lomita
- Awarded a design contract for reconstruction of streets in city zones C and F.
- Bid, awarded, and began construction on the Cypress Water Production Facility (CWPF). Upgrade project for a Granular Activated Carbon filtration unit at the CWPF.
- Completed the construction of the Narbonne Plaza Parking Lot.

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>2021</b>	<b>2020</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
Net pension liability	\$ 6,117,976	\$ 5,792,266	\$ 2,486,386	\$ 2,274,977	\$ 8,604,362	\$ 8,067,243
OPEB, as restated	7,024,932	6,451,577	-	-	7,024,932	6,451,577
Compensated absences	486,537	390,395	270,044	203,617	756,581	594,012
COP Bonds payable, net of discount	-	-	5,995,000	6,255,000	5,995,000	6,255,000
	<b>\$13,629,445</b>	<b>\$12,634,238</b>	<b>\$8,751,430</b>	<b>\$8,733,594</b>	<b>\$22,380,875</b>	<b>\$21,367,832</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 \$99,508,591, which is significantly in excess of the City's outstanding general obligation debt of \$5,995,000.

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 2021-2022 fiscal year budget:

- The City will continue to grapple with revenue losses and spending increases associated with the COVID-19 pandemic.
- The City's current unemployment rate of 5.6 percent is 2.0 percent lower than the State's unemployment rate of 7.6 percent, a 10.9% percent improvement since the onset of the COVID-19 pandemic.
- The City Council adopted the fiscal year 2021-2022 Annual Operating & Capital Improvement Budget in June 2021.

**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.

# CITY OF LOMITA

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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## BASIC FINANCIAL STATEMENTS

# CITY OF LOMITA

## *Annual Comprehensive Financial Report*

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## GOVERNMENT WIDE FINANCIAL STATEMENTS

# CITY OF LOMITA

## *Annual Comprehensive Financial Report*

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**CITY OF LOMITA**  
**Statement of Net Position**  
**June 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments (note 2)	\$ 16,395,439	5,307,565	21,703,004
Receivable:			
Accounts	243,062	1,675,187	1,918,249
Taxes	250	25,367	25,617
Interest	3,627	-	3,627
Due from other governmental entities	1,417,815	-	1,417,815
Inventories	25,095	28,946	54,041
Prepaid items	3,332	-	3,332
Total current assets	<u>18,088,620</u>	<u>7,037,065</u>	<u>25,125,685</u>
Noncurrent assets:			
Capital assets (note 5):			
Non-depreciable	7,011,207	431,681	7,442,888
Depreciable, net	<u>13,110,252</u>	<u>23,763,615</u>	<u>36,873,867</u>
Total capital assets	<u>20,121,459</u>	<u>24,195,296</u>	<u>44,316,755</u>
Total noncurrent assets	<u>20,121,459</u>	<u>24,195,296</u>	<u>44,316,755</u>
<b>Total assets</b>	<u>38,210,079</u>	<u>31,232,361</u>	<u>69,442,440</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions (note 7)	1,062,718	431,896	1,494,614
OPEB (note 8)	<u>786,005</u>	<u>-</u>	<u>786,005</u>
<b>Total deferred outflows of resources</b>	<u>1,848,723</u>	<u>431,896</u>	<u>2,280,619</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,256,952	821,423	2,078,375
Accrued salaries and benefits	85,284	60,615	145,899
Interest payable	-	16,236	16,236
Deposits payable	228,946	1,000	229,946
Bonds payable - due within one year (note 6)	-	270,000	270,000
Compensated absences - due within one year (note 6)	<u>97,311</u>	<u>54,009</u>	<u>151,320</u>
Total current liabilities	<u>1,668,493</u>	<u>1,223,283</u>	<u>2,891,776</u>
Noncurrent liabilities:			
Bonds payable - due in more than one year, net (note 6)	-	5,725,000	5,725,000
Pension Liability (notes 6 and 7)	6,117,976	2,486,386	8,604,362
OPEB (notes 6 and 8)	7,024,932	-	7,024,932
Compensated absences - due in more than one year (note 6)	<u>389,226</u>	<u>216,035</u>	<u>605,261</u>
Total noncurrent liabilities	<u>13,532,134</u>	<u>8,427,421</u>	<u>21,959,555</u>
<b>Total liabilities</b>	<u>15,200,627</u>	<u>9,650,704</u>	<u>24,851,331</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions (note 7)	517,651	210,377	728,028
OPEB (note 8)	<u>259,108</u>	<u>-</u>	<u>259,108</u>
<b>Total deferred inflows of resources</b>	<u>776,759</u>	<u>210,377</u>	<u>987,136</u>
<b>NET POSITION</b>			
Net investment in capital assets	20,121,459	18,200,296	38,321,755
Restricted for:			
Community development and services	1,392,087	-	1,392,087
Public safety	6,207	-	6,207
Public works	5,168,992	-	5,168,992
Cultural and recreation	<u>451,369</u>	<u>-</u>	<u>451,369</u>
Total restricted	<u>7,018,655</u>	<u>-</u>	<u>7,018,655</u>
Unrestricted	<u>(3,058,698)</u>	<u>3,602,880</u>	<u>544,182</u>
<b>Total net position</b>	<u>\$ 24,081,416</u>	<u>21,803,176</u>	<u>45,884,592</u>

See accompanying notes to the basic financial statements.

**CITY OF LOMITA**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			
		Charges for	Operating	Capital	Total
		Services	Grants and	Grants and	Program
			Contributions	Contributions	Revenue
Primary Government:					
Governmental activities:					
General government	\$ 3,516,508	60,000	253,721	-	313,721
Public safety	4,122,368	392,639	156,738	-	549,377
Public works	2,345,393	210,123	1,818,195	361,432	2,389,750
Community development	720,677	2,418,941	-	-	2,418,941
Community services	713,824	310,261	871,593	165,292	1,347,146
Cultural and recreation	<u>1,127,697</u>	<u>197,198</u>	<u>-</u>	<u>-</u>	<u>197,198</u>
Total governmental activities	<u>12,546,467</u>	<u>3,589,162</u>	<u>3,100,247</u>	<u>526,724</u>	<u>7,216,133</u>
Business-type activities:					
Water	<u>6,746,049</u>	<u>6,433,700</u>	<u>-</u>	<u>-</u>	<u>6,433,700</u>
Total business-type activities	<u>6,746,049</u>	<u>6,433,700</u>	<u>-</u>	<u>-</u>	<u>6,433,700</u>
Total primary government	<u>\$ 19,292,516</u>	<u>10,022,862</u>	<u>3,100,247</u>	<u>526,724</u>	<u>13,649,833</u>

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

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Net position - end of year

See accompanying notes to the basic financial statements.



Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
(3,202,787)	-	(3,202,787)
(3,572,991)	-	(3,572,991)
44,357	-	44,357
1,698,264	-	1,698,264
633,322	-	633,322
(930,499)	-	(930,499)
(5,330,334)	-	(5,330,334)
-	(312,349)	(312,349)
-	(312,349)	(312,349)
(5,330,334)	(312,349)	(5,642,683)
1,893,942	-	1,893,942
2,637,134	-	2,637,134
630,812	-	630,812
368,062	-	368,062
303,799	-	303,799
198,839	-	198,839
283,986	-	283,986
6,316,574	-	6,316,574
2,520,716	-	2,520,716
13,242	7,720	20,962
72,943	1,772,324	1,845,267
-	-	-
8,923,475	1,780,044	10,703,519
3,593,141	1,467,695	5,060,836
20,488,275	20,335,481	40,823,756
<u>\$ 24,081,416</u>	<u>21,803,176</u>	<u>45,884,592</u>

# CITY OF LOMITA

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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## FUND FINANCIAL STATEMENTS

*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*

# CITY OF LOMITA

## *Annual Comprehensive Financial Report*

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## 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

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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# CITY OF LOMITA

## Balance Sheet

### Governmental Funds

**June 30, 2021**

	General Fund	Measure R Highway	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments (note 2)	\$ 7,256,516	-	7,346,907	14,603,423
Receivables:				
Accounts	241,412	-	1,650	243,062
Taxes	-	-	250	250
Interest	3,627	-	-	3,627
Due from other governments	1,144,883	191,559	81,373	1,417,815
Due from other funds (note 3)	106,537	-	-	106,537
Inventory	25,095	-	-	25,095
Prepaid items	-	-	3,332	3,332
<b>Total assets</b>	<u>\$ 8,778,070</u>	<u>191,559</u>	<u>7,433,512</u>	<u>16,403,141</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 985,201	-	271,751	1,256,952
Accrued liabilities	74,007	-	11,277	85,284
Deposits payable	205,348	-	23,598	228,946
Due to other funds (note 3)	-	106,537	-	106,537
<b>Total liabilities</b>	<u>1,264,556</u>	<u>106,537</u>	<u>306,626</u>	<u>1,677,719</u>
<b>DEFERRED IN FLOWS OF RESOURCES</b>				
Unavailable revenue	-	191,559	-	191,559
Total deferred in flows of resources	<u>-</u>	<u>191,559</u>	<u>-</u>	<u>191,559</u>
<b>FUND BALANCES</b>				
Nonspendable	25,095	-	3,332	28,427
Restricted	-	-	2,767,734	2,767,734
Committed	85,744	-	2,850,143	2,935,887
Assigned	6,304,510	-	1,505,677	7,810,187
Unassigned	1,098,165	(106,537)	-	991,628
<b>Total fund balances</b>	<u>7,513,514</u>	<u>(106,537)</u>	<u>7,126,886</u>	<u>14,533,863</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 8,778,070</u>	<u>191,559</u>	<u>7,433,512</u>	<u>16,403,141</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, 2021**

Fund balances of governmental funds	\$ 14,533,863
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	36,964,176
- Accumulated depreciation	(16,944,196)
Certain revenues were not available to pay for current-period expenditures and, therefore, were deferred in funds.	191,559
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.	1,893,495
Deferred outflows related to contributions made after the actuarial measurement date for the net pension liability.	1,062,718
Deferred inflows related to unrecognized actuarial gains and losses for the net pension liability.	(517,651)
Proportionate share of net pension liability has not been included in governmental fund activity	(6,117,976)
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>(6,984,572)</u>
Net position of governmental activities	<u>\$ 24,081,416</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, 2021**

	General Fund	Measure R Highway	Non-major Governmental Funds	Total Governmental Funds
Revenues:				
Taxes and assessments	\$ 6,316,574	-	606,416	6,922,990
Intergovernmental	3,031,637	159,588	2,596,996	5,788,221
Licenses and permits	2,423,121	-	5,205	2,428,326
Charges for services	-	-	7,824	7,824
Fines and forfeitures	394,939	-	-	394,939
Investment income	13,242	-	10,597	23,839
Rental income	193,165	-	299,979	493,144
Other revenue	69,947	-	6,394	76,341
Total revenues	<u>12,442,625</u>	<u>159,588</u>	<u>3,533,411</u>	<u>16,135,624</u>
Expenditures:				
Current:				
General government	2,909,752	-	-	2,909,752
Community development	685,989	-	-	685,989
Community services	-	-	691,979	691,979
Public works	462,850	-	882,233	1,345,083
Public safety	4,119,547	-	-	4,119,547
Culture and recreation	1,091,577	-	5,135	1,096,712
Capital outlay	18,224	-	889,719	907,943
Total expenditures	<u>9,287,939</u>	<u>-</u>	<u>2,469,066</u>	<u>11,757,005</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,154,686</u>	<u>159,588</u>	<u>1,064,345</u>	<u>4,378,619</u>
Other financing sources (uses):				
Transfers in (note 4)	-	-	923,260	923,260
Transfers out (note 4)	(2,323,260)	-	-	(2,323,260)
Total other financing sources (uses)	<u>(2,323,260)</u>	<u>-</u>	<u>923,260</u>	<u>(1,400,000)</u>
Net change in fund balances	831,426	159,588	1,987,605	2,978,619
Fund balances (deficit), beginning of year	<u>6,682,088</u>	<u>(266,125)</u>	<u>5,139,281</u>	<u>11,555,244</u>
Fund balances (deficit), end of year	<u>\$ 7,513,514</u>	<u>(106,537)</u>	<u>7,126,886</u>	<u>14,533,863</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, 2021**

Changes in fund balances of governmental funds	\$ 2,978,619
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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	406,522
Depreciation expense	(596,632)

To record as an expense the net change in compensated absences in the statement of activities.	(96,142)
--	----------

To record as an expense the net change in other post employment benefits liability in the statement of activities.	(396,099)
--	-----------

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.	(87,477)
---	----------

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.	1,384,350
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Change in net position of governmental activities	\$ 3,593,141
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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

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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**CITY OF LOMITA**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments (note 2)	\$ 5,307,565	1,792,016
Receivables:		
Accounts	1,675,187	-
Taxes	25,367	-
Inventories	28,946	-
Total current assets	<u>7,037,065</u>	<u>1,792,016</u>
Noncurrent assets:		
Capital assets (note 5):		
Land	70,675	-
Construction in progress	361,006	-
Equipment	305,738	208,320
Vehicles	164,091	-
Infrastructure	32,503,849	-
Less accumulated depreciation	<u>(9,210,063)</u>	<u>(106,841)</u>
Total capital assets, net	<u>24,195,296</u>	<u>101,479</u>
Total noncurrent assets	<u>24,195,296</u>	<u>101,479</u>
Total assets	<u>31,232,361</u>	<u>1,893,495</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions (note 7)	<u>431,896</u>	<u>-</u>
Total deferred outflows of resources	<u>431,896</u>	<u>-</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	821,423	-
Accrued liabilities	60,615	-
Interest payable	16,236	-
Deposits payable	1,000	-
Bonds payable - due within one year (note 6)	270,000	-
Compensated absences - due within one year (note 6)	<u>54,009</u>	<u>-</u>
Total current liabilities	<u>1,223,283</u>	<u>-</u>
Noncurrent liabilities:		
Bonds payable - due in more than one year (note 6)	5,725,000	-
Pension Liability (notes 6 and 7)	2,486,386	-
Compensated absences - due in more than one year (note 6)	<u>216,035</u>	<u>-</u>
Total noncurrent liabilities	<u>8,427,421</u>	<u>-</u>
Total liabilities	<u>9,650,704</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions (note 7)	<u>210,377</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	18,200,296	101,479
Unrestricted	<u>3,602,880</u>	<u>1,792,016</u>
Total net position	<u>\$ 21,803,176</u>	<u>1,893,495</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, 2021

	Business-Type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Fund
Operating revenues:		
Charges for services	\$ 6,433,700	-
Other revenues	1,772,324	-
Total operating revenues	<u>8,206,024</u>	<u>-</u>
Operating expenses:		
Cost of water purchased	3,104,805	-
Salaries, wages and benefits	1,880,430	-
Materials and supplies	136,770	-
Contractual services	361,718	-
Repairs and maintenance	151,134	-
Rents and leases	129,855	-
Depreciation (note 5)	774,924	19,454
Total operating expenses	<u>6,539,636</u>	<u>19,454</u>
Operating income (loss)	<u>1,666,388</u>	<u>(19,454)</u>
Non-operating revenues (expenses):		
Investment income	7,720	209
Interest expense and fees	(206,413)	-
Gain (loss) on disposal of capital assets	-	3,775
Total non-operating revenues (expenses)	<u>(198,693)</u>	<u>3,984</u>
Income (loss) before transfers	1,467,695	(15,470)
Transfers in (note 4)	-	1,400,000
Change in net position	1,467,695	1,384,530
Net position, beginning of year	<u>20,335,481</u>	<u>508,965</u>
Net position, end of year	<u>\$ 21,803,176</u>	<u>1,893,495</u>

See accompanying notes to the basic financial statements.



**CITY OF LOMITA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2021**

	Business-Type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Fund
Cash flows from operating activities:		
Cash received from customers and other governments	\$ 8,114,337	-
Cash paid to suppliers for goods or services	(3,701,068)	-
Cash paid to employees for services	(1,696,109)	-
Net cash provided (used by) operating activities	<u>2,717,160</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Purchase, acquisition and construction of capital assets	(262,627)	3,775
Principal paid on capital debt	(260,000)	-
Interest paid on capital-related debt	(207,118)	-
Net cash provided (used by) capital and related financing activities	<u>(729,745)</u>	<u>3,775</u>
Cash flows from investing activities:		
Investment income	<u>7,720</u>	<u>209</u>
Net cash provided (used by) investing activities	<u>7,720</u>	<u>209</u>
Cash flows from non-capital activities - cash received		
(paid) from/to other funds	<u>-</u>	<u>1,400,000</u>
Net increase (decrease) in cash and cash equivalents	1,995,135	1,403,984
Cash and equivalents, beginning of year	<u>3,312,430</u>	<u>388,032</u>
Cash and equivalents, end of year	<u>\$ 5,307,565</u>	<u>1,792,016</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 1,666,388	(19,454)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	774,924	19,454
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(86,037)	-
(Increase) decrease in taxes receivable	(5,650)	-
(Increase) decrease in inventories	(20,866)	-
Increase (decrease) in accounts payable	204,080	-
Increase (decrease) in accrued liabilities	7,494	-
Increase (decrease) in compensated absences	66,427	-
Increase (decrease) in net pension liability, net of deferred inflows and outflows	<u>110,400</u>	<u>-</u>
Total adjustments	<u>1,050,772</u>	<u>19,454</u>
Net cash provided (used) by operating activities	<u>\$ 2,717,160</u>	<u>-</u>

See accompanying notes to the basic financial statements.

# CITY OF LOMITA

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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## 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

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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**CITY OF LOMITA**  
**Statement of Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**June 30, 2021**

	<u>Trust Funds</u>
<b>ASSETS</b>	
Cash and investments (note 2)	\$ 24,489
Total assets	<u>24,489</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	<u>250</u>
Total Liabilities	<u>250</u>
<b>NET POSITION</b>	
Restricted for foundation	21,154
Restricted for memorial	<u>3,085</u>
Total net position	<u><u>\$ 24,239</u></u>

See accompanying notes to the basic financial statements.

**CITY OF LOMITA**  
**Statement of Changes in Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**For the year ended June 30, 2021**

	Private Purpose Trust Funds
Additions:	
Other income	\$        -
Total additions	<u>          -</u>
Deductions:	
Miscellaneous	<u>      1,750</u>
Total deductions	<u>      1,750</u>
Change in net position	(1,750)
Net position, beginning of year	<u>     25,989</u>
Net position, end of year	<u><u>    \$ 24,239</u></u>

See accompanying notes to the basic financial statements.

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

Year ended June 30, 2021

(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, 2021 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. 84, *Fiduciary Activities*, 90, *Majority Equity Interest*, and 98, *The Annual Comprehensive Financial Report* all of which did not have an affect on the financial statements.

(2) Cash and Investments

Cash and investments at June 30, 2021 are reported as follows in the financial statements:

Statement of net position:	
Cash and investments	\$21,703,004
Statement of fiduciary net position:	
Cash and investments	<u>24,489</u>
	<u>\$21,727,493</u>

Cash and investments at June 30, 2021 consisted of the following:

Petty cash	\$ 1,750
Demand deposits held by City	9,442,043
Investments:	
Negotiable certificates of deposits	5,112,162
US Government Bonds	748,255
Corporate Bonds	1,744,923
Local Agency Investment Fund	<u>4,678,360</u>
Total cash and investments	<u>\$21,727,493</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> <u>Authorized by State Law</u>	<u>Authorized</u> <u>By Investment</u> <u>Policy</u>	<u>*Maximum</u> <u>Maturity</u>	<u>*Maximum</u> <u>Percentage</u> <u>Of Portfolio</u>	<u>*Maximum</u> <u>Investment</u> <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	50%	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>Remaining Maturity (in Years)</u>			
		<u>1 Year Or less</u>	<u>1 to 2 Years</u>	<u>2 to 3 Years</u>	<u>3 to 5 Years</u>
Negotiable Certificates of Deposit	\$ 5,112,162	871,558	1,139,663	519,274	2,581,667
US Government Bonds	748,255	250,000	-	-	498,255
Corporate Bonds	1,744,923	-	252,978	-	1,491,945
LAIF	<u>4,678,360</u>	<u>4,678,360</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 12,283,700</u>	<u>5,799,918</u>	<u>1,392,641</u>	<u>519,274</u>	<u>4,571,867</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, 2021:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Negotiable Certificates of Deposit	\$ 5,112,162	-	5,112,162	-
US Government Bonds	748,255	-	748,255	-
Corporate Bonds	<u>1,744,923</u>	<u>-</u>	<u>1,744,923</u>	<u>-</u>
Subtotal	<u>7,605,340</u>	<u>-</u>	<u>7,605,340</u>	<u>-</u>
LAIF	<u>4,678,360</u>			
Total Leveled Investments	<u>\$12,283,700</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 Legal Rating</u>	<u>Ratings as of Year End</u>			
			<u>AAA</u>	<u>AA1</u>	<u>Exempt From Disclosure</u>	<u>Not Rated</u>
Negotiable Certificates of Deposit	\$ 5,112,162	N/A	-	-	5,112,162	-
US Government Bonds	748,255	N/A	748,255	-	-	-
Corporate Bonds	1,744,923	N/A	-	1,744,923	-	-
LAIF	<u>4,678,360</u>	N/A	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,678,360</u>
Total	<u>\$12,283,700</u>		<u>748,255</u>	<u>1,744,923</u>	<u>5,112,162</u>	<u>4,678,360</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, 2020, 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, 2021 consisted of the following:

	<u>Due To Other Funds:</u>	
	<u>Measure R Highway</u>	<u>Total</u>
<u>Due From Other Funds:</u>		
General Fund	<u>\$106,537</u>	<u>\$106,537</u>

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

(4) Interfund Transfers

Interfund transfers at June 30, 2021 consisted of the following:

	Non-major Governmental <u>Funds</u>	<u>Transfers In:</u>	
		<u>Internal Service Fund</u>	<u>Total</u>
<u>Transfers Out:</u>			
General Fund	<u>\$923,260</u>	<u>1,400,000</u>	<u>2,323,260</u>
Total	<u>\$923,260</u>	<u>1,400,000</u>	<u>2,323,260</u>

The most significant interfund transfer was from the General Fund to the Internal Service fund in the amount of \$1,400,000. 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, 2021 was as follows:

Governmental Activities:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$ 4,993,906	-	-	4,993,906
Construction in process	6,989	366,923	6,989	366,923
Street trees	<u>1,650,378</u>	<u>-</u>	<u>-</u>	<u>1,650,378</u>
Total non-depreciable	<u>6,651,273</u>	<u>366,923</u>	<u>6,989</u>	<u>7,011,207</u>
Depreciable:				
Buildings	4,523,989	-	-	4,523,989
Equipment and furniture	1,013,017	18,224	98,184	933,057
Vehicles	396,616	-	-	396,616
Infrastructure	<u>24,279,443</u>	<u>28,184</u>	<u>-</u>	<u>24,307,627</u>
Total depreciable capital assets	<u>30,213,065</u>	<u>46,408</u>	<u>98,184</u>	<u>30,161,289</u>
Less accumulated depreciation for:				
Buildings	3,268,036	90,480	-	3,358,516
Equipment and furniture	642,033	42,423	98,184	586,272
Vehicles	291,200	17,531	-	308,731
Infrastructure	<u>12,331,866</u>	<u>465,652</u>	<u>-</u>	<u>12,797,518</u>
Total accumulated depreciation	<u>16,533,135</u>	<u>616,086</u>	<u>98,184</u>	<u>17,051,037</u>
Total depreciable capital assets, net	<u>13,679,930</u>	<u>(569,678)</u>	<u>-</u>	<u>13,110,252</u>
Total capital assets, net	<u>\$20,331,203</u>	<u>(202,755)</u>	<u>6,989</u>	<u>20,121,459</u>

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(5) Capital Assets, (Continued)

Business-type Activities:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$ 70,675	-	-	70,675
Construction in process	<u>98,378</u>	<u>262,628</u>	<u>-</u>	<u>361,006</u>
Total non-depreciable	<u>169,053</u>	<u>262,628</u>	<u>-</u>	<u>431,681</u>
Depreciable:				
Equipment and furniture	305,738	-	-	305,738
Vehicles	164,091	-	-	164,091
Infrastructure	<u>32,503,849</u>	<u>-</u>	<u>-</u>	<u>32,503,849</u>
Total depreciable capital assets	<u>32,973,678</u>	<u>-</u>	<u>-</u>	<u>32,973,678</u>
Less accumulated depreciation for:				
Equipment and furniture	202,292	14,519	-	216,811
Vehicles	92,977	8,696	-	101,673
Infrastructure	<u>8,139,869</u>	<u>751,710</u>	<u>-</u>	<u>8,891,579</u>
Total accumulated depreciation	<u>8,435,138</u>	<u>774,925</u>	<u>-</u>	<u>9,210,063</u>
Total depreciable capital assets, net	<u>24,538,540</u>	<u>(774,925)</u>	<u>-</u>	<u>23,763,615</u>
Total capital assets, net	<u>\$24,707,593</u>	<u>(512,297)</u>	<u>-</u>	<u>24,195,296</u>

	<u>Expenditures Spent-to-date</u>	<u>Remaining Commitment</u>
Construction commitments:		
Governmental activities- street projects:		
Street Reconstruction – Zone C & F	\$ 167,817	\$ 1,253,760
Lomita/Narbonne Intersection	4,253	878,747
Business-type activities-water capital improvements:		
PCH Water Main Replacement	57,204	497,796
Harbor Hills Direct Metering	121,110	13,890
Cypress Water Production Upgrade	222,132	2,777,868
246 <sup>th</sup> -247 <sup>th</sup> Pl - Western	-	1,499,916

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 Activities</u>	<u>Business-Type Activities</u>
General Government	\$114,511	-
Community Development	22,576	-
Community Services	5,426	-
Public Works	473,573	-
Water	<u>-</u>	<u>774,925</u>
Total	<u>\$616,086</u>	<u>774,925</u>

(6) Long-term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance As Restated</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Net pension liability (3)	\$ 5,792,266	891,407	565,697	6,117,976	-
OPEB	6,451,577	732,676	159,321	7,024,932	-
Compensated absences (1)	<u>390,395</u>	<u>289,758</u>	<u>193,616</u>	<u>486,537</u>	<u>97,311</u>
Total governmental activities	<u>\$12,634,238</u>	<u>1,913,841</u>	<u>918,634</u>	<u>13,629,445</u>	<u>97,311</u>
Business-type Activities:					
Bonds payable:					
Water Revenue Refunding					
Bonds, series 2016	\$ 6,255,000	-	260,000	5,995,000	270,000
Net pension liability (4)	2,274,977	441,312	229,903	2,486,386	-
Compensated absences (2)	<u>203,617</u>	<u>153,104</u>	<u>86,677</u>	<u>270,044</u>	<u>54,009</u>
Total business-type activities	<u>8,733,594</u>	<u>594,416</u>	<u>576,580</u>	<u>8,751,430</u>	<u>324,009</u>
Total	<u>\$21,367,832</u>	<u>2,508,257</u>	<u>1,495,214</u>	<u>22,380,875</u>	<u>421,320</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.
- (5) OPEB liabilities for government activities have been typically liquidated by the General 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 \$463,287 and \$2,441,312, respectively. At June 30, 2021, the ratio of the debt service payments due to the net revenues during fiscal year 2021 was .19 (19%). 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 177% of the annual debt service requirement in fiscal year 2021. As of June 30, 2021, the amount of the bonds outstanding was \$5,995,000 and the City's legal debt margin was \$99,508,591.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 270,000	194,838	464,838
2023	280,000	186,063	466,063
2024	285,000	176,962	461,962
2025	295,000	167,700	462,700
2026	305,000	158,112	463,112
2027-2031	1,690,000	634,887	2,324,887
2032-2036	1,985,000	341,737	2,326,737
2037-2038	<u>885,000</u>	<u>43,387</u>	<u>928,387</u>
Total	<u>\$5,995,000</u>	<u>1,903,686</u>	<u>7,898,686</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, 2021, are summarized as follows:

	Miscellaneous		
	Prior to February 28, 2012	February 28, 2012 to January 31, 2013	On or after 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%	6.75%
Required contribution rates:			
Normal cost rate	12.21%	8.63%	7.47%
Payment of unfunded liability	\$740,780	\$9,149	\$7,788

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 \$868,469 for the year ended June 30, 2021.

*Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions* - As of June 30, 2021, the City of Lomita reported net pension liabilities for its proportionate shares of the net pension liability of \$8,604,362.

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, 2020, 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, 2019, rolled forward to June 30, 2020, 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, 2019 and 2020 measurement dates was as follows:

Proportion – June 30, 2019	0.201454%
Proportion – June 30, 2020	<u>0.203988%</u>
Change – Increase/(Decrease)	<u><u>0.002534%</u></u>

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

(7) Defined Benefit Pension Plans, (Continued)

For the year ended June 30, 2021, the City of Lomita recognized pension expense of \$993,479. At June 30, 2021, the City of Lomita reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 795,600	-
Difference between expected and actual experience	443,408	-
Changes in proportions	-	\$(357,399)
Difference between actual and projected contributions	-	(309,259)
Difference between actual and projected Investment earnings	255,606	-
Changes in assumptions	<u>-</u>	<u>(61,370)</u>
Total	<u>\$1,494,614</u>	<u>\$(728,028)</u>

\$795,600 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, 2022. 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 June 30</u>	
2022	\$ (335,791)
2023	43,659
2024	140,523
2025	<u>122,595</u>
Total	<u>\$ (29,014)</u>

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, 2019 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age 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 Strategic Allocation
Public Equity	49.0%
Global Fixed Income	22.0%
Real Assets	12.0%
Private Equity	8.0%
Inflation Sensitive Assets	6.0%
Liquidity	3.0%
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	\$12,815,464
Current Discount Rate	7.15%
Net Pension Liability	\$8,604,362
1% Increase	8.15%
Net Pension Liability	\$5,124,861

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, single employer 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, 2021 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	26
Inactive employees entitled to, but not yet receiving benefits	-
Total	<u>67</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 2020-2021, the City paid \$159,321 for benefits of 26 retired employees.

*Net OPEB Liability* - The City of Lomita net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OEPB liability was determined by an actuarial valuation date June 30, 2020 that was rolled forward to determine the June 30, 2021 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	2.66%
Projected Salary Increase	2.75%
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 2.66 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 OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability/ (Asset) (c)=(a)-(b)</b>
Balance at Fiscal Year Ending 6/30/20 <i>Measurement Date 6/30/19</i>	\$6,451,577	\$ -	\$6,451,577
Changes During the Period:			
Service Cost	198,117	-	198,117
Interest Cost	174,777	-	174,777
Expected Investment Income	-	-	-
Employer Contributions	-	159,321	(159,321)
Changes of Benefit Terms	-	-	-
Benefit Payments	(159,321)	(159,321)	-
Assumption Changes	516,900	-	516,900
Plan Experience	(157,118)	-	(157,118)
Investment Experience	-	-	-
Recognized Deferred Resources	-	-	-
Employer Contributions Subsequent to Measurement Date	-	-	-
Net Changes in Fiscal Year 2020-21	573,355	-	573,355
Balance at Fiscal Year Ending 6/30/21 <i>Measurement Date 6/30/20</i>	\$7,024,932	\$ -	\$7,024,932

*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	1.19%
OPEB Liability	\$8,342,751
Current Discount Rate	2.19%
OPEB Liability	\$7,024,932
1% Increase	3.19%
OPEB Liability	\$5,989,714

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, 2021:

1% Decrease	5.25% decreasing to 3.5%
OPEB Liability	\$5,825,348
Current Healthcare Rate	6.25% decreasing to 4.5%
OPEB Liability	\$7,024,932
1% Increase	7.25% decreasing to 5.5%
OPEB Liability	\$8,603,575

*OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB* – For the fiscal year ended June 30, 2021, the City of Lomita recognized OPEB expense of \$555,420. As of the fiscal year ended June 30, 2021, the City of Lomita reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 786,005	(17,339)
Differences between expected and actuarial experience in measurement of the Total OPEB Liability	-	(241,769)
Total	<u>\$ 786,005</u>	<u>(259,108)</u>

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

Year Ended June 30	
2022	\$ 182,525
2023	119,506
2024	44,972
2025	44,972
2026	44,972
Thereafter	89,950
	<u>\$ 526,897</u>

(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 123 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

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(9) Risk Management, (Continued)

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 self insurance 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 \$100,000 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 \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 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 also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

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 \$75,000 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 \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers. For 2020-21 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 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. Purchased Insurance: Pollution Legal Liability Insurance The City of Lomita participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Lomita. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

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

CITY OF LOMITA  
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(9) Risk Management, (Continued)

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 \$41,057,667. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance: The City of Lomita purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Lomita property currently has earthquake protection in the amount of \$14,720,171. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance: The City of Lomita purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

Special Event Tenant User Liability Insurance: The City of Lomita further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Lomita according to a schedule. The City of Lomita then pays for the insurance. The insurance is facilitated by the Authority.

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 2020-21.

(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.
- C. *Ongoing Operations:* The City's operations may be affected by the recent and ongoing outbreak of COVID-19, which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, possible effects may include, but are not limited to, a reduction in certain tax revenues and a decline in the value of investments, which could have an impact on the City's financial position and operating results. There is significant uncertainty as to the severity and longevity of the outbreak and City management is in the process of evaluating the impact on the City and its financial statements.

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, 2021:

	<u>Measure R</u>			
	<u>General</u>	<u>Hwy</u>	<u>Non-major</u>	
	<u>Fund</u>	<u>Special</u>	<u>Governmental</u>	
		<u>Revenue</u>	<u>Funds</u>	<u>Totals</u>
		<u>Fund</u>		
<b><i>Nonspendable</i></b>				
Prepays	\$ -	-	3,332	3,332
Inventory	<u>25,095</u>	-	-	<u>25,095</u>
<b><i>Total Nonspendable</i></b>	<u>25,095</u>	-	<u>3,332</u>	<u>28,427</u>
<b><i>Restricted</i></b>				
Street Maintenance	-	-	741,445	741,445
Public Transportation	-	-	754,666	754,666
Clean Air Act Programs	-	-	61,046	61,046
Safe Clean Water Program	-	-	108,231	108,231
Park Improvement	-	-	372,999	372,999
Park Athletic Program	-	-	78,370	78,370
Low Mod Housing & CDBG	-	-	634,089	634,089
Law Enforcement, CLEEP	-	-	6,207	6,207
Landscape Maintenance	<u>-</u>	<u>-</u>	<u>10,681</u>	<u>10,681</u>
<b><i>Total Restricted</i></b>	<u>-</u>	<u>-</u>	<u>2,767,734</u>	<u>2,767,734</u>
<b><i>Committed</i></b>				
Street Improvement	-	-	2,850,143	2,850,143
Stephenson Center	<u>85,744</u>	-	-	<u>85,744</u>
<b><i>Total Committed</i></b>	<u>85,744</u>	-	<u>2,850,143</u>	<u>2,935,887</u>
<b><i>Assigned</i></b>				
Facilities Improvement	317,744	-	-	317,744
Capital Improvement	-	-	273,593	273,593
Street Improvement	-	-	1,232,084	1,232,084
Reserve Appropriations	4,000,000	-	-	4,000,000
Economic Development	749,007	-	-	749,007
OPEB Trust	250,720	-	-	250,720
Pension Stabilization	<u>887,039</u>	-	-	<u>887,039</u>
<b><i>Total Assigned</i></b>	<u>6,304,510</u>	-	<u>1,505,677</u>	<u>6,446,655</u>
<b><i>Unassigned</i></b>	<u>1,098,165</u>	<u>(106,537)</u>	-	<u>991,628</u>
<b><i>Totals</i></b>	<u>\$ 7,513,514</u>	<u>(106,537)</u>	<u>7,126,886</u>	<u>14,533,863</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>	<u>Variance Favorable (Unfavorable)</u>
General Fund			
Current:			
Community development	\$674,747	\$685,989	\$(11,242)

Deficit Fund Balances

The following funds had deficit fund balances as of June 30, 2021:

Major Special Revenue Funds:

Measure R Highway	\$106,537 (a)
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(a) The deficit fund balance was due to actual expenses exceeding the reimbursable revenues.

(13) Subsequent Events

Management has evaluated subsequent events through November 23, 2021, 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.



# CITY OF LOMITA

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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## REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF LOMITA**  
**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios**  
**June 30, 2021**

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

	<b>Combined</b> June 30, 2020 <sup>1</sup> Fiscal Year 2020-21	<b>Combined</b> June 30, 2019 <sup>1</sup> Fiscal Year 2019-20	<b>Combined</b> June 30, 2018 <sup>1</sup> Fiscal Year 2018-19
Proportion of the net pension liability (asset)	20.39880%	0.20145%	0.21502%
Proportionate share of the net pension liability (asset)	\$ 8,604,362	\$ 8,067,243	\$ 8,103,476
Covered payroll <sup>2</sup>	\$ 3,280,589	\$ 3,254,459	\$ 3,191,154
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	262.28%	247.88%	253.94%
Plan's fiduciary net position	\$ 14,702,361,183	\$ 13,979,687,268	\$ 13,122,440,092
Plan's total pension liability	\$ 18,920,437,526	\$ 17,984,188,264	\$ 16,891,153,209
Plan fiduciary net position as a percentage of the total pension liability	72.81%	73.65%	72.20%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> 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 seven years are shown.

<b>Combined</b> June 30, 2017 <sup>1</sup> Fiscal Year 2017-18	<b>Combined</b> June 30, 2016 <sup>1</sup> Fiscal Year 2016-17	<b>Combined</b> June 30, 2015 <sup>1</sup> Fiscal Year 2015-16	<b>Combined</b> June 30, 2014 <sup>1</sup> Fiscal Year 2014-15
0.22854%	0.23230%	0.18033%	0.22994%
\$ 9,009,203	\$ 8,069,774	\$ 6,841,270	\$ 5,682,932
\$ 3,090,957	\$ 2,926,047	\$ 2,938,496	\$ 2,954,990
291.47%	275.79%	232.82%	192.32%
\$ 12,074,499,781	\$ 10,923,476,287	\$ 10,896,036,068	\$ 10,639,461,174
\$ 16,016,547,402	\$ 14,397,353,530	\$ 13,639,503,084	\$ 13,110,948,452
67.95%	68.65%	72.19%	76.35%

**CITY OF LOMITA**  
**Schedule of Plan Contributions <sup>1</sup>**  
**June 30, 2021**

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

	<b>Combined Fiscal Year 2020-21 <sup>1</sup></b>	<b>Combined Fiscal Year 2019-20 <sup>1</sup></b>	<b>Combined Fiscal Year 2018-19 <sup>1</sup></b>
Actuarially determined contribution <sup>2</sup>	\$ 795,600	\$ 723,755	\$ 757,649
Contributions in relation to the actuarially determined contributions <sup>2</sup>	\$ (795,600)	\$ (723,755)	\$ (757,649)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll <sup>3</sup>	\$ 3,250,441	\$ 3,280,589	\$ 3,254,459
Contributions as a percentage of covered payroll <sup>3</sup>	24.48%	22.06%	23.28%

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 2018-19 were from the June 30, 2018 public agency valuations.

Actuarial cost method	Entry-age
Amortization method/period	For detail, see June 30, 2018 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details see June 30, 2018 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 seven years are shown.

<b>Combined Fiscal Year 2017-18 <sup>1</sup></b>	<b>Combined Fiscal Year 2016-17 <sup>1</sup></b>	<b>Combined Fiscal Year 2015-16 <sup>1</sup></b>	<b>Combined Fiscal Year 2014-15 <sup>1</sup></b>
\$ 799,367	\$ 723,176	\$ 730,301	\$ 562,071
<u>\$ (799,367)</u>	<u>\$ (723,176)</u>	<u>\$ (730,301)</u>	<u>\$ (562,071)</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
\$ 3,191,154	\$ 3,090,957	\$ 2,926,047	\$ 2,938,496
25.05%	23.40%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 198,117	\$ 204,755	\$ 181,090	\$ 179,837
Interest on the total OPEB Liability	174,777	189,858	190,222	179,461
Actual and expected experience difference	(157,118)	(208,583)	-	-
Changes in assumptions	516,900	506,719	321,438	(86,699)
Changes in benefit terms	-	-	-	-
Benefit payments	<u>(159,321)</u>	<u>(127,296)</u>	<u>(120,887)</u>	<u>(113,517)</u>
Net change in total OPEB liability	573,355	565,453	571,863	159,082
Total OPEB liability - beginning	<u>6,451,577</u>	<u>5,886,124</u>	<u>5,314,261</u>	<u>5,155,179</u>
Total OPEB liability - ending (a)	<u>\$ 7,024,932</u>	<u>\$ 6,451,577</u>	<u>\$ 5,886,124</u>	<u>\$ 5,314,261</u>
<b>Plan Fiduciary Net Position</b>				
Contribution - employer	\$ 159,321	\$ 127,296	\$ 120,887	\$ 113,517
Net investment income	-	-	-	-
Benefit payments	(159,321)	(127,296)	(120,887)	(113,517)
Administrative expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Net OPEB liability - ending (a)-(b)	 <u>\$ 7,024,932</u>	 <u>\$ 6,451,577</u>	 <u>\$ 5,886,124</u>	 <u>\$ 5,314,261</u>
 Covered payroll	 3,455,483	 3,363,000	 3,105,000	 3,191,154
 Net OPEB liability as a percentage of covered payroll	 203.3%	 191.8%	 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, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Taxes and assessments	\$ 4,889,972	5,411,972	6,316,574	904,602
Intergovernmental	2,518,064	2,771,785	3,031,637	259,852
Licenses and permits	851,800	1,653,800	2,423,121	769,321
Fines and forfeitures	383,000	383,000	394,939	11,939
Investment income	77,500	227,500	13,242	(214,258)
Rental income	220,000	220,000	193,165	(26,835)
Other revenue	66,000	67,000	69,947	2,947
Total revenues	<u>9,006,336</u>	<u>10,735,057</u>	<u>12,442,625</u>	<u>1,707,568</u>
Expenditures:				
Current:				
General government	2,964,921	2,948,766	2,909,752	39,014
Community development	835,720	674,747	685,989	(11,242)
Public works	504,546	467,546	462,850	4,696
Public safety	4,036,275	4,237,070	4,119,547	117,523
Culture and recreation	1,303,547	1,280,047	1,091,577	188,470
Capital outlay	<u>-</u>	<u>20,000</u>	<u>18,224</u>	<u>1,776</u>
Total expenditures	<u>9,645,009</u>	<u>9,628,176</u>	<u>9,287,939</u>	<u>340,237</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(638,673)</u>	<u>1,106,881</u>	<u>3,154,686</u>	<u>2,047,805</u>
Other financing sources (uses):				
Transfers out	<u>(240,080)</u>	<u>(2,323,260)</u>	<u>(2,323,260)</u>	<u>-</u>
Total other financing sources (uses)	<u>(240,080)</u>	<u>(2,323,260)</u>	<u>(2,323,260)</u>	<u>-</u>
Net change in fund balances	(878,753)	(1,216,379)	831,426	2,047,805
Fund balance, beginning of year	<u>6,682,088</u>	<u>6,682,088</u>	<u>6,682,088</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,803,335</u>	<u>5,465,709</u>	<u>7,513,514</u>	<u>2,047,805</u>



**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, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 10,268	10,268	159,588	149,320
Total revenues	10,268	10,268	159,588	149,320
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	10,268	10,268	159,588	149,320
Fund balance (deficit), beginning of year	(266,125)	(266,125)	(266,125)	-
Fund balance (deficit), end of year	<u>\$ (255,857)</u>	<u>(255,857)</u>	<u>(106,537)</u>	<u>149,320</u>

CITY OF LOMITA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

(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.

# CITY OF LOMITA

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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## SUPPLEMENTARY INFORMATION

# CITY OF LOMITA

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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## 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 Fund* - Used to account for street improvement projects on a cost reimbursement basis.

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

*Transportation Development Act Fund* - Used to account for funds received from the State for improvements of local streets and roads.

*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.

*Measure W Fund* - Used to fund projects dedicated to increase local water supply, improve water quality, and protect public health.

### **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 Improvement 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**  
**Non-major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2021**

	Special Revenue Funds				
	State Gas Tax	Measure M	Measure R	Transportation Development Act	Community Development Block Grant
<b><u>ASSETS</u></b>					
Cash and investments	\$ 763,780	640,246	667,862	-	3,246
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Due from other governments	69,420	-	-	-	5,130
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 833,200</u>	<u>640,246</u>	<u>667,862</u>	<u>-</u>	<u>8,376</u>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 83,781	5,150	9,510	-	8,368
Accrued liabilities	7,974	-	-	-	-
Deposits payable	-	-	-	-	-
Total liabilities	<u>91,755</u>	<u>5,150</u>	<u>9,510</u>	<u>-</u>	<u>8,368</u>
<b><u>DEFERRED IN FLOWS OF RESOURCES</u></b>					
Unavailable revenue	-	-	-	-	-
Total deferred in flows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCES</u></b>					
Nonspendable	-	-	-	-	-
Restricted	741,445	-	-	-	8
Committed	-	635,096	658,352	-	-
Assigned	-	-	-	-	-
Total fund balances	<u>741,445</u>	<u>635,096</u>	<u>658,352</u>	<u>-</u>	<u>8</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 833,200</u>	<u>640,246</u>	<u>667,862</u>	<u>-</u>	<u>8,376</u>

Special Revenue Funds					
Lomita Housing Authority	Proposition A	Air Quality Plan AB 2766	Park Grant	Landscape Maintenance	Parks Facilities
1,204	771,827	60,804	79,212	11,647	293,787
-	-	-	-	-	-
-	-	-	-	250	-
-	-	6,823	-	-	-
-	-	-	-	-	-
<u>1,204</u>	<u>771,827</u>	<u>67,627</u>	<u>79,212</u>	<u>11,897</u>	<u>293,787</u>
215	15,189	6,581	-	1,216	-
989	1,972	-	-	-	-
-	-	-	-	-	-
<u>1,204</u>	<u>17,161</u>	<u>6,581</u>	<u>-</u>	<u>1,216</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	754,666	61,046	79,212	10,681	293,787
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>754,666</u>	<u>61,046</u>	<u>79,212</u>	<u>10,681</u>	<u>293,787</u>
<u>1,204</u>	<u>771,827</u>	<u>67,627</u>	<u>79,212</u>	<u>11,897</u>	<u>293,787</u>



**CITY OF LOMITA**  
**Non-major Governmental Funds, Continued**  
**Combining Balance Sheet**  
**June 30, 2021**

	<u>Special Revenue Funds</u>				
	<u>Park Athletic</u>	<u>Proposition C</u>	<u>Lomita Manor Development</u>	<u>CLEEP</u>	<u>Measure W</u>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 77,094	1,557,657	712,935	6,207	112,317
Receivables:					
Accounts	1,650	-	-	-	-
Taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	-	-	3,332	-	-
Total assets	<u>\$ 78,744</u>	<u>1,557,657</u>	<u>716,267</u>	<u>6,207</u>	<u>112,317</u>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 32	962	55,256	-	4,086
Accrued liabilities	342	-	-	-	-
Deposits payable	-	-	23,598	-	-
Total liabilities	<u>374</u>	<u>962</u>	<u>78,854</u>	<u>-</u>	<u>4,086</u>
<b><u>DEFERRED IN FLOWS OF RESOURCES</u></b>					
Unavailable revenue	-	-	-	-	-
Total deferred in flows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCES</u></b>					
Nonspendable	-	-	3,332	-	-
Restricted	78,370	-	634,081	6,207	108,231
Committed	-	1,556,695	-	-	-
Assigned	-	-	-	-	-
Total fund balances	<u>78,370</u>	<u>1,556,695</u>	<u>637,413</u>	<u>6,207</u>	<u>108,231</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 78,744</u>	<u>1,557,657</u>	<u>716,267</u>	<u>6,207</u>	<u>112,317</u>

<u>Capital Projects Funds</u>		
<u>Capital Improvement Fund</u>	<u>Street Improvement Fund</u>	<u>Total Non-major Governmental Funds</u>
345,460	1,241,622	7,346,907
-	-	1,650
-	-	250
-	-	81,373
-	-	3,332
<u>345,460</u>	<u>1,241,622</u>	<u>7,433,512</u>
71,867	9,538	271,751
-	-	11,277
-	-	23,598
<u>71,867</u>	<u>9,538</u>	<u>306,626</u>
-	-	-
-	-	-
-	-	3,332
-	-	2,767,734
-	-	2,850,143
<u>273,593</u>	<u>1,232,084</u>	<u>1,505,677</u>
<u>273,593</u>	<u>1,232,084</u>	<u>7,126,886</u>
<u>345,460</u>	<u>1,241,622</u>	<u>7,433,512</u>

**CITY OF LOMITA**  
**Non-major Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2021**

	Special Revenue Funds				
	State Gas Tax	Measure M	Measure R	Transportation Development Act	Community Development Block Grant
Revenues:					
Taxes and assessments	\$ 451,936	-	-	-	-
Intergovernmental	380,949	294,866	260,244	12,277	206,767
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	1,202	981	1,398	-	-
Rental income	-	-	-	-	-
Other revenue	<u>5,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>839,360</u>	<u>295,847</u>	<u>261,642</u>	<u>12,277</u>	<u>206,767</u>
Expenditures:					
Current:					
Community services	-	-	-	-	-
Public works	500,310	-	17,202	19	206,765
Culture and recreation	-	-	-	-	-
Capital outlay	<u>211,518</u>	<u>42,328</u>	<u>372,326</u>	<u>12,277</u>	<u>-</u>
Total expenditures	<u>711,828</u>	<u>42,328</u>	<u>389,528</u>	<u>12,296</u>	<u>206,765</u>
Excess (deficiency) of revenues over (under) expenditures	<u>127,532</u>	<u>253,519</u>	<u>(127,886)</u>	<u>(19)</u>	<u>2</u>
Other financing sources (uses):					
Transfers in	<u>41,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>41,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	169,431	253,519	(127,886)	(19)	2
Fund balances (deficit), beginning of year, as restated	<u>572,014</u>	<u>381,577</u>	<u>786,238</u>	<u>19</u>	<u>6</u>
Fund balances (deficit), end of year	<u>\$ 741,445</u>	<u>635,096</u>	<u>658,352</u>	<u>-</u>	<u>8</u>

Special Revenue Funds

Lomita Housing Authority	Proposition A	Air Quality Plan AB 2766	Park Grant	Landscape Maintenance	Parks Facilities
-	-	-	-	11,667	142,813
30,000	417,754	40,112	-	-	-
-	-	-	-	-	-
-	7,824	-	-	-	-
-	1,116	99	-	18	473
-	-	-	-	-	-
-	-	-	-	-	-
<u>30,000</u>	<u>426,694</u>	<u>40,211</u>	<u>-</u>	<u>11,685</u>	<u>143,286</u>
34,271	102,876	-	-	-	-
-	-	27,255	-	9,844	-
-	-	-	-	-	-
-	-	-	1,511	-	-
<u>34,271</u>	<u>102,876</u>	<u>27,255</u>	<u>1,511</u>	<u>9,844</u>	<u>-</u>
<u>(4,271)</u>	<u>323,818</u>	<u>12,956</u>	<u>(1,511)</u>	<u>1,841</u>	<u>143,286</u>
<u>4,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	323,818	12,956	(1,511)	1,841	143,286
-	430,848	48,090	80,723	8,840	150,501
<u>-</u>	<u>754,666</u>	<u>61,046</u>	<u>79,212</u>	<u>10,681</u>	<u>293,787</u>

# CITY OF LOMITA

## Non-major Governmental Funds

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

For the Year ended June 30, 2021

	Special Revenue Funds				
	Park Athletic	Proposition C	Lomita Manor Development	CLEEP	Measure W
Revenues:					
Taxes and assessments	\$ -	-	-	-	-
Intergovernmental	-	346,512	382,364	-	225,151
Licenses and permits	5,205	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	140	2,643	845	11	125
Rental income	-	-	299,979	-	-
Other revenue	624	-	497	-	-
Total revenues	5,969	349,155	683,685	11	225,276
Expenditures:					
Current:					
Community services	-	-	554,832	-	-
Public works	-	-	-	-	117,045
Culture and recreation	5,135	-	-	-	-
Capital outlay	-	25,448	-	-	-
Total expenditures	5,135	25,448	554,832	-	117,045
Excess (deficiency) of revenues over (under) expenditures	834	323,707	128,853	11	108,231
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	834	323,707	128,853	11	108,231
Fund balances (deficit), beginning of year, as restated	77,536	1,232,988	508,560	6,196	-
Fund balances (deficit), end of year	\$ 78,370	1,556,695	637,413	6,207	108,231

<u>Capital Projects Funds</u>		
<u>Capital Improvement Fund</u>	<u>Street Improvement Fund</u>	<u>Total Non-major Governmental Funds</u>
-	-	606,416
-	-	2,596,996
-	-	5,205
-	-	7,824
102	1,444	10,597
-	-	299,979
-	-	6,394
<u>102</u>	<u>1,444</u>	<u>3,533,411</u>
-	-	691,979
-	3,793	882,233
-	-	5,135
<u>177,090</u>	<u>47,221</u>	<u>889,719</u>
<u>177,090</u>	<u>51,014</u>	<u>2,469,066</u>
<u>(176,988)</u>	<u>(49,570)</u>	<u>1,064,345</u>
<u>377,090</u>	<u>500,000</u>	<u>923,260</u>
<u>377,090</u>	<u>500,000</u>	<u>923,260</u>
200,102	450,430	1,987,605
<u>73,491</u>	<u>781,654</u>	<u>5,139,281</u>
<u>273,593</u>	<u>1,232,084</u>	<u>7,126,886</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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 492,420	451,936	(40,484)
Intergovernmental	356,846	380,949	24,103
Investment income	4,500	1,202	(3,298)
Other revenue	-	5,273	5,273
Total revenues	<u>853,766</u>	<u>839,360</u>	<u>(14,406)</u>
Expenditures:			
Current:			
Public works	517,296	500,310	16,986
Capital outlay	<u>444,000</u>	<u>211,518</u>	<u>232,482</u>
Total expenditures	<u>961,296</u>	<u>711,828</u>	<u>249,468</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(107,530)</u>	<u>127,532</u>	<u>235,062</u>
Other financing sources (uses):			
Transfers in	<u>24,876</u>	<u>41,899</u>	<u>17,023</u>
Total other financing sources (uses)	<u>24,876</u>	<u>41,899</u>	<u>17,023</u>
Net change in fund balances	(82,654)	169,431	252,085
Fund balance, beginning of year	<u>572,014</u>	<u>572,014</u>	<u>-</u>
Fund balance, end of year	<u>\$ 489,360</u>	<u>741,445</u>	<u>252,085</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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 308,557	294,866	(13,691)
Investment income	<u>1,000</u>	<u>981</u>	<u>(19)</u>
Total revenues	<u>309,557</u>	<u>295,847</u>	<u>(13,710)</u>
Expenditures:			
Capital outlay	<u>358,557</u>	<u>42,328</u>	<u>316,229</u>
Total expenditures	<u>358,557</u>	<u>42,328</u>	<u>316,229</u>
Net change in fund balances	(49,000)	253,519	302,519
Fund balance, beginning of year	<u>381,577</u>	<u>381,577</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 332,577</u></u>	<u><u>635,096</u></u>	<u><u>302,519</u></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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 272,284	260,244	(12,040)
Investment income	10,000	1,398	(8,602)
Total revenues	<u>282,284</u>	<u>261,642</u>	<u>(20,642)</u>
Expenditures:			
Current:			
Public works	25,180	17,202	7,978
Capital outlay	<u>769,000</u>	<u>372,326</u>	<u>396,674</u>
Total expenditures	<u>794,180</u>	<u>389,528</u>	<u>404,652</u>
Net change in fund balances	(511,896)	(127,886)	384,010
Fund balance, beginning of year	<u>786,238</u>	<u>786,238</u>	<u>-</u>
Fund balance, end of year	<u>\$ 274,342</u>	<u>658,352</u>	<u>384,010</u>

**CITY OF LOMITA**  
**Transportation Development Act Special Revenue Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 12,277	12,277	-
Total revenues	12,277	12,277	-
Expenditures:			
Current:			
Public works	19	19	-
Capital outlay	12,277	12,277	-
Total expenditures	12,296	12,296	-
Excess (deficiency) of revenues over (under) expenditures	(19)	(19)	-
Other financing sources (uses):			
Transfers in	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(19)	(19)	-
Fund balance, beginning of year	19	19	-
Fund balance, end of year	\$ -	-	-

**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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 147,349	206,767	59,418
Total revenues	<u>147,349</u>	<u>206,767</u>	<u>59,418</u>
Expenditures:			
Current:			
Public works	<u>236,439</u>	<u>206,765</u>	<u>29,674</u>
Total expenditures	<u>236,439</u>	<u>206,765</u>	<u>29,674</u>
Net change in fund balances	(89,090)	2	89,092
Fund balance, beginning of year	<u>6</u>	<u>6</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (89,084)</u>	<u>8</u>	<u>89,092</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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 30,000	30,000	-
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Expenditures:			
Current:			
Community services	<u>39,355</u>	<u>34,271</u>	<u>5,084</u>
Total expenditures	<u>39,355</u>	<u>34,271</u>	<u>5,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,355)</u>	<u>(4,271)</u>	<u>5,084</u>
Other financing sources (uses):			
Transfers in	<u>15,204</u>	<u>4,271</u>	<u>(10,933)</u>
Total other financing sources (uses)	<u>15,204</u>	<u>4,271</u>	<u>(10,933)</u>
Net change in fund balances	5,849	-	(5,849)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 5,849</u>	<u>-</u>	<u>(5,849)</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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 437,637	417,754	(19,883)
Charges for services	25,000	7,824	(17,176)
Investment income	<u>5,000</u>	<u>1,116</u>	<u>(3,884)</u>
Total revenues	<u>467,637</u>	<u>426,694</u>	<u>(40,943)</u>
Expenditures:			
Current:			
Community services	<u>105,600</u>	<u>102,876</u>	<u>2,724</u>
Total expenditures	<u>105,600</u>	<u>102,876</u>	<u>2,724</u>
Net change in fund balances	362,037	323,818	(38,219)
Fund balance, beginning of year	<u>430,848</u>	<u>430,848</u>	<u>-</u>
Fund balance, end of year	<u>\$ 792,885</u>	<u>754,666</u>	<u>(38,219)</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, 2021

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 26,000	40,112	14,112
Investment income	1,000	99	(901)
Total revenues	27,000	40,211	13,211
Expenditures:			
Current:			
Public works	31,500	27,255	4,245
Total expenditures	31,500	27,255	4,245
Net change in fund balances	(4,500)	12,956	17,456
Fund balance, beginning of year	48,090	48,090	-
Fund balance, end of year	\$ 43,590	61,046	17,456

**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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ -	-	-
Total revenues	-	-	-
Expenditures:			
Capital outlay	1,511	1,511	-
Total expenditures	1,511	1,511	-
Net change in fund balances	(1,511)	(1,511)	-
Fund balance, beginning of year	80,723	80,723	-
Fund balance, end of year	<u>\$ 79,212</u>	<u>79,212</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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 11,738	11,667	(71)
Investment income	<u>-</u>	<u>18</u>	<u>18</u>
Total revenues	<u>11,738</u>	<u>11,685</u>	<u>(53)</u>
Expenditures:			
Current:			
Public works	<u>22,114</u>	<u>9,844</u>	<u>12,270</u>
Total expenditures	<u>22,114</u>	<u>9,844</u>	<u>12,270</u>
Net change in fund balances	(10,376)	1,841	12,217
Fund balance, beginning of year	<u>8,840</u>	<u>8,840</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (1,536)</u></u>	<u><u>10,681</u></u>	<u><u>12,217</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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 142,000	142,813	813
Investment income	<u>2,500</u>	<u>473</u>	<u>(2,027)</u>
Total revenues	<u>144,500</u>	<u>143,286</u>	<u>(1,214)</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	144,500	143,286	(1,214)
Fund balance, beginning of year	<u>150,501</u>	<u>150,501</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 295,001</u></u>	<u><u>293,787</u></u>	<u><u>(1,214)</u></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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses and permits	\$ 35,000	5,205	(29,795)
Investment income	800	140	(660)
Other revenue	<u>2,000</u>	<u>624</u>	<u>(1,376)</u>
Total revenues	<u>37,800</u>	<u>5,969</u>	<u>(31,831)</u>
Expenditures:			
Current:			
Cultural and recreation	<u>29,148</u>	<u>5,135</u>	<u>24,013</u>
Total expenditures	<u>29,148</u>	<u>5,135</u>	<u>24,013</u>
Net change in fund balances	8,652	834	(7,818)
Fund balance, beginning of year	<u>77,536</u>	<u>77,536</u>	<u>-</u>
Fund balance, end of year	<u>\$ 86,188</u>	<u>78,370</u>	<u>(7,818)</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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 363,008	346,512	(16,496)
Investment income	<u>15,000</u>	<u>2,643</u>	<u>(12,357)</u>
Total revenues	<u>378,008</u>	<u>349,155</u>	<u>(28,853)</u>
Expenditures:			
Capital outlay	<u>167,000</u>	<u>25,448</u>	<u>141,552</u>
Total expenditures	<u>167,000</u>	<u>25,448</u>	<u>141,552</u>
Net change in fund balances	211,008	323,707	112,699
Fund balance, beginning of year	<u>1,232,988</u>	<u>1,232,988</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 1,443,996</u></u>	<u><u>1,556,695</u></u>	<u><u>112,699</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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 176,000	382,364	206,364
Investment income	-	845	845
Rental income	281,088	299,979	18,891
Other revenue	<u>3,960</u>	<u>497</u>	<u>(3,463)</u>
Total revenues	<u>461,048</u>	<u>683,685</u>	<u>222,637</u>
Expenditures:			
Current:			
Community services	<u>554,832</u>	<u>554,832</u>	<u>-</u>
Total expenditures	<u>554,832</u>	<u>554,832</u>	<u>-</u>
Net change in fund balances	(93,784)	128,853	222,637
Fund balance, beginning of year	<u>508,560</u>	<u>508,560</u>	<u>-</u>
Fund balance, end of year	<u>\$ 414,776</u>	<u>637,413</u>	<u>222,637</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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 100	11	(89)
Total revenues	100	11	(89)
Expenditures:			
Current:			
Public safety	-	-	-
Total expenditures	-	-	-
Net change in fund balances	100	11	(89)
Fund balance, beginning of year	6,196	6,196	-
Fund balance, end of year	\$ 6,296	6,207	(89)

## CITY OF LOMITA

### Measure W Special Revenue Fund

#### Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2021

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 225,000	225,151	151
Investment income	-	125	125
Total revenues	225,000	225,276	276
Expenditures:			
Current:			
Public works	225,000	117,045	107,955
Total expenditures	225,000	117,045	107,955
Net change in fund balances	-	108,231	108,231
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	108,231	108,231

**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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 1,500	102	(1,398)
Total revenues	<u>1,500</u>	<u>102</u>	<u>(1,398)</u>
Expenditures:			
Capital outlay	<u>271,249</u>	<u>177,090</u>	<u>94,159</u>
Total expenditures	<u>271,249</u>	<u>177,090</u>	<u>94,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(269,749)</u>	<u>(176,988)</u>	<u>92,761</u>
Other financing sources (uses):			
Transfers in	<u>648,339</u>	<u>377,090</u>	<u>(271,249)</u>
Total other financing sources (uses)	<u>648,339</u>	<u>377,090</u>	<u>(271,249)</u>
Net change in fund balances	378,590	200,102	(178,488)
Fund balance, beginning of year	<u>73,491</u>	<u>73,491</u>	<u>-</u>
Fund balance, end of year	<u>\$ 452,081</u>	<u>273,593</u>	<u>(178,488)</u>

**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, 2021**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 5,000	1,444	(3,556)
Total revenues	5,000	1,444	(3,556)
Expenditures:			
Current:			
Public works	25,000	3,793	21,207
Capital outlay	400,000	47,221	352,779
Total expenditures	425,000	51,014	373,986
Excess (deficiency) of revenues over (under) expenditures	(420,000)	(49,570)	370,430
Other financing sources (uses):			
Transfers in	500,000	500,000	-
Total other financing sources (uses)	500,000	500,000	-
Net change in fund balances	80,000	450,430	370,430
Fund balance, beginning of year	781,654	781,654	-
Fund balance, end of year	\$ 861,654	1,232,084	370,430



# CITY OF LOMITA

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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## FIDUCIARY FUNDS

# CITY OF LOMITA

## *Annual Comprehensive Financial Report*

*June 30, 2021*



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**CITY OF LOMITA**  
**Combining Statement of Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**June 30, 2021**

	<u>Railroad Foundation</u>	<u>Tom Rico Memorial</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 21,154	3,335	24,489
Total assets	<u>21,154</u>	<u>3,335</u>	<u>24,489</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	<u>-</u>	250	<u>250</u>
Total Liabilities	<u>-</u>	<u>250</u>	<u>250</u>
<b>NET POSITION</b>			
Restricted for foundation	21,154	-	21,154
Restricted for memorial	<u>-</u>	3,085	<u>3,085</u>
Total net position	<u>\$ 21,154</u>	<u>3,085</u>	<u>24,239</u>

**CITY OF LOMITA**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**For the Year Ended June 30, 2021**

	<u>Railroad Foundation</u>	<u>Tom Rico Memorial</u>	<u>Total</u>
ADDITIONS:			
Other revenues	\$       -	-	-
Total additions	-	-	-
DEDUCTIONS:			
Miscellaneous	-	1,750	1,750
Total deductions	-	1,750	1,750
Change in net position	-	(1,750)	(1,750)
Net position, beginning of year	21,154	4,835	25,989
Net position, end of year	<u>\$   21,154</u>	<u>3,085</u>	<u>24,239</u>

# Statistical Section

This part of the City of Lomita annual comprehensive 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 annual comprehensive financial reports for the relevant year.

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

	Fiscal Year				
	2021	2020	2019	2018	2017
Governmental activities:					
Net investment in capital assets	\$ 20,121,459	\$ 20,331,203	\$ 20,579,331	\$ 19,933,570	\$ 17,033,665
Restricted	7,018,655	5,139,262	4,002,512	2,952,055	2,641,909
Unrestricted	<u>(3,058,698)</u>	<u>(4,982,190)</u>	<u>(4,384,212)</u>	<u>(4,506,553)</u>	<u>(969,590)</u>
Total governmental activities net position	<u>\$ 24,081,416</u>	<u>\$ 20,488,275</u>	<u>\$ 20,197,631</u>	<u>\$ 18,379,072</u>	<u>\$ 18,705,984</u>
Business-type activities:					
Net investment in capital assets	\$ 18,200,296	\$ 18,452,593	\$ 17,995,090	\$ 16,255,533	\$ 15,480,584
Restricted	-	-	-	-	-
Unrestricted	<u>3,602,880</u>	<u>1,882,888</u>	<u>1,675,608</u>	<u>2,822,396</u>	<u>3,088,795</u>
Total business-type activities net position	<u>\$ 21,803,176</u>	<u>\$ 20,335,481</u>	<u>\$ 19,670,698</u>	<u>\$ 19,077,929</u>	<u>\$ 18,569,379</u>
Primary government:					
Net investment in capital assets	\$ 38,321,755	\$ 38,783,796	\$ 38,574,421	\$ 36,189,103	\$ 32,514,249
Restricted	7,018,655	5,139,262	4,002,512	2,952,055	2,641,909
Unrestricted <sup>(1)</sup>	<u>544,182</u>	<u>(3,099,302)</u>	<u>(2,708,604)</u>	<u>(1,684,157)</u>	<u>2,119,205</u>
Total primary government net position	<u>\$ 45,884,592</u>	<u>\$ 40,823,756</u>	<u>\$ 39,868,329</u>	<u>\$ 37,457,001</u>	<u>\$ 37,275,363</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.

Fiscal Year				
2016	2015	2014	2013	2012
\$ 18,274,572	\$ 18,192,046	\$ 17,423,028	\$ 16,117,031	\$ 16,173,212
3,676,616	3,354,468	3,516,178	3,749,288	3,419,892
(726,465)	(621,965)	3,431,164	3,680,676	3,800,061
<u>\$ 21,224,723</u>	<u>\$ 20,924,549</u>	<u>\$ 24,370,370</u>	<u>\$ 23,546,995</u>	<u>\$ 23,393,165</u>
\$ 16,158,075	\$ 15,498,223	\$ 15,313,322	\$ 14,698,904	\$ 14,853,385
175,847	678,501	678,500	678,499	4,069,689
<u>2,553,377</u>	<u>2,472,870</u>	<u>3,675,085</u>	<u>4,220,830</u>	<u>891,320</u>
<u>\$ 18,887,299</u>	<u>\$ 18,649,594</u>	<u>\$ 19,666,907</u>	<u>\$ 19,598,233</u>	<u>\$ 19,814,394</u>
\$ 34,432,647	\$ 33,690,269	\$ 32,736,350	\$ 30,815,935	\$ 31,026,597
3,852,463	4,032,969	4,194,678	4,427,787	7,489,581
<u>1,826,912</u>	<u>1,850,905</u>	<u>7,106,249</u>	<u>7,901,506</u>	<u>4,691,381</u>
<u>\$ 40,112,022</u>	<u>\$ 39,574,143</u>	<u>\$ 44,037,277</u>	<u>\$ 43,145,228</u>	<u>\$ 43,207,559</u>



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

	Fiscal Year				
	2021	2020	2019	2018	2017
Expenses:					
Governmental activities:					
General government	\$ 3,516,508	\$ 3,097,344	\$ 4,488,587	\$ 4,078,593	\$ 3,507,091
Public safety	4,122,368	3,843,357	3,633,645	3,549,113	3,309,683
Public works	2,345,393	1,830,924	1,496,818	1,850,296	2,028,211
Community development	720,677	691,477	683,449	878,350	763,932
Community services	713,824	861,971	920,398	926,762	1,480,018
Culture and Recreation	1,127,697	1,365,464	1,124,928	1,388,433	1,199,067
Total governmental activities expenses	<u>12,546,467</u>	<u>11,690,537</u>	<u>12,347,825</u>	<u>12,671,547</u>	<u>12,288,002</u>
Business-type activities:					
Water Enterprise Operating Expenses	<u>6,746,049</u>	<u>7,196,441</u>	<u>6,025,969</u>	<u>5,816,026</u>	<u>5,221,613</u>
Total business-type activities expenses	<u>6,746,049</u>	<u>7,196,441</u>	<u>6,025,969</u>	<u>5,816,026</u>	<u>5,221,613</u>
Total primary government expenses	<u>19,292,516</u>	<u>18,886,978</u>	<u>18,373,794</u>	<u>18,487,573</u>	<u>17,509,615</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	60,000	60,000	60,000	60,000	60,000
Public safety	392,639	473,892	441,691	386,780	373,933
Public works	210,123	233,172	228,755	224,714	193,363
Community development	2,418,941	811,739	1,612,396	992,241	846,262
Community services	310,261	330,030	324,675	299,478	314,290
Cultural and Recreation	197,198	197,254	340,053	430,563	368,800
Operating grants and contributions	3,100,247	2,320,210	2,910,425	2,221,458	2,194,576
Capital grants and contributions	<u>526,724</u>	<u>531,777</u>	<u>516,581</u>	<u>713,374</u>	<u>779,612</u>
Total governmental activities program revenues	<u>7,216,133</u>	<u>4,958,074</u>	<u>6,434,576</u>	<u>5,328,608</u>	<u>5,130,836</u>
Business-type activities:					
Charges for services:					
Water	6,433,700	6,023,257	5,629,363	5,330,322	4,789,815
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<u>6,433,700</u>	<u>6,023,257</u>	<u>5,629,363</u>	<u>5,330,322</u>	<u>4,789,815</u>
Total primary government program revenues	<u>13,649,833</u>	<u>10,981,331</u>	<u>12,063,939</u>	<u>10,658,930</u>	<u>9,920,651</u>
Net revenues (expenses):					
Governmental activities	(5,330,334)	(6,732,463)	(5,913,249)	(7,342,939)	(7,157,166)
Business-type activities	<u>(312,349)</u>	<u>(1,173,184)</u>	<u>(396,606)</u>	<u>(485,704)</u>	<u>(431,798)</u>
Total net revenues (expenses)	<u>(5,642,683)</u>	<u>(7,905,647)</u>	<u>(6,309,855)</u>	<u>(7,828,643)</u>	<u>(7,588,964)</u>

Fiscal Year				
2016	2015	2014	2013	2012
\$ 3,123,342	\$ 2,899,057	\$ 3,098,164	\$ 3,394,294	\$ 2,683,514
3,108,606	3,016,259	3,110,281	2,968,882	2,434,891
1,440,942	868,679	1,154,889	1,060,021	1,154,708
816,396	732,230	870,304	714,681	825,680
861,319	1,177,247	911,817	952,770	1,978,025
1,196,613	1,205,707	1,162,065	803,562	1,571,008
10,547,218	9,899,179	10,307,520	9,894,210	10,647,826
4,938,566	4,982,663	5,064,405	5,136,123	5,162,425
4,938,566	4,982,663	5,064,405	5,136,123	5,162,425
15,485,784	14,881,842	15,371,925	15,030,333	15,810,251
60,000	60,000	61,281	60,000	60,000
364,735	377,159	297,550	318,850	347,295
211,337	189,668	402,407	91,857	200,656
1,075,688	1,413,611	1,159,824	789,105	734,175
306,110	267,026	267,952	254,750	249,001
334,994	261,195	236,828	199,132	212,337
1,516,695	1,831,908	1,481,169	1,907,148	2,168,219
328,664	417,909	982,808	225,288	486,629
4,198,223	4,818,476	4,889,819	3,846,130	4,458,312
4,435,449	4,594,551	4,566,793	4,258,907	4,066,221
-	-	-	-	-
-	-	-	-	-
4,435,449	4,594,551	4,566,793	4,258,907	4,066,221
8,633,672	9,413,027	9,456,612	8,105,037	8,524,533
(6,348,995)	(5,080,703)	(5,417,701)	(6,048,080)	(6,189,514)
(503,117)	(388,112)	(497,612)	(877,216)	(1,096,204)
(6,852,112)	(5,468,815)	(5,915,313)	(6,925,296)	(7,285,718)

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

	Fiscal Year				
	2021	2020	2019	2018	2017
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	1,893,942	1,776,468	1,639,059	1,657,387	1,523,888
Sales tax	2,637,134	1,884,061	2,011,963	1,769,925	1,625,596
Transient occupancy taxes	198,839	148,228	185,632	180,278	178,239
Refuse Tax	303,799	285,240	267,502	258,776	253,270
Business Licence Tax	630,812	650,737	652,617	617,755	544,333
Franchise Taxes	368,062	350,249	347,479	345,511	335,077
Other taxes	283,986	50,165	54,910	51,760	16,000
Motor vehicle in lieu, unrestricted	2,520,716	2,390,550	2,263,193	2,142,009	2,038,861
Investment income	13,242	202,981	167,410	(40,487)	7,322
Other general revenues	72,943	84,428	143,293	33,113	341,477
Gain on sales of property	-	-	-	-	-
Transfers	-	(800,000)	-	-	2,733
Total governmental activities	<u>8,923,475</u>	<u>7,023,107</u>	<u>7,733,058</u>	<u>7,016,027</u>	<u>6,866,796</u>
Business-type activities:					
Investment income	7,720	73,877	78,302	10,737	9,563
Other	1,772,324	964,090	911,073	983,517	827,067
Transfers	-	800,000	-	-	(2,733)
Total business-type activities	<u>1,780,044</u>	<u>1,837,967</u>	<u>989,375</u>	<u>994,254</u>	<u>833,897</u>
Total primary government	<u>10,703,519</u>	<u>8,861,074</u>	<u>8,722,433</u>	<u>8,010,281</u>	<u>7,700,693</u>
Changes in net position					
Governmental activities	3,593,141	290,644	1,819,809	(326,912)	(290,370)
Business-type activities	<u>1,467,695</u>	<u>664,783</u>	<u>592,769</u>	<u>508,550</u>	<u>402,099</u>
Total primary government	<u>\$ 5,060,836</u>	<u>\$ 955,427</u>	<u>\$ 2,412,578</u>	<u>\$ 181,638</u>	<u>\$ 111,729</u>

Fiscal Year				
2016	2015	2014	2013	2012
1,748,361	1,807,043	1,840,685	1,881,746	1,601,729
1,474,499	1,289,649	1,336,438	1,332,490	1,262,673
150,091	133,642	122,510	126,700	117,751
243,783	242,841	235,523	230,116	226,746
550,167	584,131	505,590	493,867	449,933
400,033	357,134	360,228	361,385	365,187
4,000	20,550	7,000	4,000	4,000
1,939,675	1,842,511	1,762,032	1,709,397	1,671,605
138,154	67,806	60,760	45,982	32,481
406	11,226	10,310	16,227	205,289
-	-	-	-	-
-	-	-	-	-
6,649,169	6,356,533	6,241,076	6,201,910	5,937,394
7,447	4,128	5,035	9,682	16,076
733,375	871,796	750,446	651,373	662,854
-	-	-	-	-
740,822	875,924	755,481	661,055	678,930
7,389,991	7,232,457	6,996,557	6,862,965	6,616,324
300,174	1,275,830	823,375	153,830	(252,120)
237,705	487,812	257,869	(216,161)	(417,274)
\$ 537,879	\$ 1,763,642	\$ 1,081,244	\$ (62,331)	\$ (669,394)

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

	Fiscal Year				
	2021	2020	2019	2018	2017
General fund:					
Nonspendable	\$ 25,095	\$ 24,561	\$ 22,444	\$ 20,384	\$ 18,896
Committed	85,744	85,744	85,744	89,343	89,343
Assigned	6,304,510	5,591,510	5,853,930	5,274,835	5,180,075
Unassigned	<u>1,098,165</u>	<u>980,273</u>	<u>980,422</u>	<u>1,002,484</u>	<u>1,544,373</u>
Total general fund	<u>7,513,514</u>	<u>6,682,088</u>	<u>6,942,540</u>	<u>6,387,046</u>	<u>6,832,687</u>
All other governmental funds:					
Nonspendable	3,332	4,095	5,016	3,053	6,185
Restricted	2,767,734	1,879,238	1,382,246	987,480	602,516
Committed	2,850,143	2,400,803	1,777,503	1,229,487	1,192,592
Assigned	1,505,677	855,145	837,747	746,778	877,480
Unassigned	<u>(106,537)</u>	<u>(266,125)</u>	<u>(10,268)</u>	<u>(505,587)</u>	<u>(375,303)</u>
Total all other governmental funds	<u>7,020,349</u>	<u>4,873,156</u>	<u>3,992,244</u>	<u>2,461,211</u>	<u>2,303,470</u>
Grand Total	14,533,863	11,555,244	10,934,784	8,848,257	9,136,157

Fiscal Year				
2016	2015	2014	2013	2012
\$ 499,516	\$ 281,510	\$ 354,869	\$ 356,719	\$ 331,495
104,132	22,500	-	-	295,000
4,986,341	4,111,396	3,885,436	4,296,698	4,041,320
789,516	1,516,969	832,656	292,226	373,356
6,379,505	5,932,375	5,072,961	4,945,643	5,041,171
1,130	1,227	1,376	2,394	4,581
1,151,250	1,137,673	1,727,257	1,383,207	2,697,907
1,318,552	1,548,912	-	-	580,384
1,210,815	843,681	1,908,056	2,564,065	135,830
(2,785)	(177,025)	(120,511)	(200,378)	1,190
3,678,962	3,354,468	3,516,178	3,749,288	3,419,892
10,058,467	9,286,843	8,589,139	8,694,931	8,461,063

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

	Fiscal Year				
	2021	2020	2019	2018	2017
Revenues:					
Taxes and assessments	\$ 6,922,990	\$ 5,619,851	\$ 5,578,097	\$ 5,390,929	\$ 4,929,177
Intergovernmental	5,788,221	4,784,452	5,808,278	4,604,060	3,713,536
Licenses and permits	2,428,326	886,378	1,768,927	1,150,494	1,054,795
Charges for services	7,824	20,390	26,937	25,384	20,210
Fines and forfeitures	394,939	496,842	463,291	444,580	376,733
Investment income	23,839	321,521	247,567	(31,440)	20,354
Rental income	493,144	521,382	527,172	511,890	489,831
Other	76,341	126,436	233,783	95,697	756,655
Total revenues	<u>16,135,624</u>	<u>12,777,252</u>	<u>14,654,052</u>	<u>12,191,594</u>	<u>11,361,291</u>
Expenditures					
Current:					
General government	2,909,752	2,738,871	3,803,130	3,047,279	2,687,690
Community development	685,949	663,348	656,309	857,609	745,442
Community services	691,979	840,928	901,046	908,870	1,464,068
Public works	1,345,083	1,194,563	1,058,516	1,047,337	1,072,359
Public safety	4,119,547	3,842,231	3,632,226	3,549,113	3,309,683
Cultural and recreation	1,096,712	1,353,101	1,109,354	1,388,433	1,199,067
Capital outlay	907,943	532,191	1,205,694	1,608,353	1,768,025
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>11,756,965</u>	<u>11,165,233</u>	<u>12,366,275</u>	<u>12,406,994</u>	<u>12,246,334</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,378,659</u>	<u>1,612,019</u>	<u>2,287,777</u>	<u>(215,400)</u>	<u>(885,043)</u>
Other financing sources (uses):					
Transfers in	923,260	12,000	338,343	357,616	135,490
Transfers out	(2,323,260)	(812,000)	(538,343)	(430,116)	(172,757)
Proceeds from sale of property	-	-	-	-	-
Issuance of bonds	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>(1,400,000)</u>	<u>(800,000)</u>	<u>(200,000)</u>	<u>(72,500)</u>	<u>(37,267)</u>
Net change in fund balances	<u>2,978,659</u>	<u>812,019</u>	<u>2,087,777</u>	<u>(287,900)</u>	<u>(922,310)</u>

Fiscal Year					
2016	2015	2014	2013	2012	
\$ 5,036,023	\$ 5,100,944	\$ 5,050,191	\$ 4,941,989	\$ 4,635,086	
3,715,286	3,485,555	3,914,285	3,168,952	4,069,098	
1,250,947	1,558,515	1,356,968	963,438	894,010	
19,571	20,628	20,051	19,832	15,548	
372,735	387,659	297,550	318,850	347,295	
147,297	72,312	67,288	53,994	44,797	
514,200	444,488	430,481	310,054	422,549	
62,772	59,673	62,136	38,441	60,400	
11,118,831	11,129,774	11,198,950	9,815,550	10,488,783	
2,735,363	2,553,174	2,694,870	3,044,973	2,183,290	
799,282	722,548	849,720	695,333	821,494	
846,556	1,168,895	894,060	936,080	1,969,648	
925,359	783,041	747,972	697,504	786,802	
3,108,606	3,016,259	3,110,281	2,968,882	2,434,891	
1,196,613	1,205,707	1,162,065	803,562	1,569,385	
710,564	927,446	1,820,774	335,348	1,546,591	
-	-	-	-	-	
-	-	-	-	-	
10,322,343	10,377,070	11,279,742	9,481,682	11,312,101	
796,488	752,704	(80,792)	333,868	(823,318)	
339,569	317,553	467,221	244,848	230,540	
(439,569)	(372,553)	(492,221)	(344,848)	(230,540)	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
(100,000)	(55,000)	(25,000)	(100,000)	-	
696,488	697,704	(105,792)	233,868	(823,318)	



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

Fiscal Year	City				Percent Change	Parcel Counts				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions <sup>1</sup>	Taxable Assessed Value		Residential	Income	Industrial	Total	
Ended June 30										
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%
2019/20	2,520,927,188	35,884,762		2,556,811,950	7.15%	4,602	470	14	5,086	0.10263%
2020/21	2,665,742,123	36,097,437		2,701,839,560	5.67%	4,613	473	14	5,100	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									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
City Direct Rates:										
City Lomita Tax District 1	0.066600	0.066600	0.066600	0.066600	0.066550	0.066550	0.066550	0.066550	0.066550	0.066550
Lomita Waterworks	0.036100	0.036100	0.036100	0.036100	0.036080	0.036080	0.036080	0.036080	0.036080	0.036080
<b>Total City Direct Rate</b>	0.102700	0.102700	0.102700	0.102700	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	0.209050	0.209050	0.209110	0.209110	0.209110	0.209110	0.209110	0.209110
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	0.011090	0.011090
LA Unified School District	0.207800	0.207800	0.207800	0.207800	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	0.021500	0.021500	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	0.040160	0.027170	0.046210	0.045990	0.035960	0.035750	0.040170	0.044540	0.037560	0.035300
LA County Storm Drain	-	-	-	-	-	-	-	-	-	-
LA Unified School Bonds	0.139930	0.125520	0.123230	0.122190	0.131100	0.129710	0.146880	0.146440	0.186800	0.168190
Palos Verdes Peninsula	-	-	-	-	-	-	0.023290	0.023110	0.024100	0.022510
West Basin MWD	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003700
<b>Voter Approved Rate</b>	<u>0.183590</u>	<u>0.156190</u>	<u>0.172940</u>	<u>0.171680</u>	<u>0.170560</u>	<u>0.168960</u>	<u>0.213840</u>	<u>0.217590</u>	<u>0.251960</u>	<u>0.229700</u>
<b>Total Tax Rate</b>	<u>1.183590</u>	<u>1.156190</u>	<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>

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 2011/12-2020/21 Tax Rate Table, HdL, Coren & Cone

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

Taxpayer	Parcels	Use	2020/21		2019/20	
			Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Weiss Investment Properties LP	2	r	18,030,196	0.69%	17,676,813	0.70%
Sabra Lomita LP	1	i	18,009,324	0.69%	17,656,200	0.70%
Spectrum Pacific West LLC	4	u	14,128,982	0.54%	12,374,843	0.49%
Lomita & Crenshaw Acquisition	5	c	11,335,157	0.43%	11,112,900	0.44%
BRFI Lomita LLC	3	c	11,044,308	0.42%	-	0.00%
Spencer Plaza LLC	10	r	9,286,080	0.35%	-	0.00%
William S. & Margaret H. Kang Trust	1	c	8,568,807	0.33%	8,400,792	0.33%
Palani Group 5 LLC	1	r	8,535,420	0.33%	8,368,212	0.33%
Eshelman Associates LLC	1	r	8,326,652	0.32%	8,163,386	0.32%
William Bobal Ghadimi	1	r	8,236,129	0.31%	-	0.00%
Top Ten Totals			<u>115,501,055</u>	<u>4.41%</u>	<u>83,753,146</u>	<u>3.33%</u>
City Totals			\$ 2,617,485,255		\$ 2,514,269,367	
USE:						
Commercial		c				
Institutional		i				
Residential		r				
Unsecured		u				
Vacant		v				

Source: L.A. County Assessor 2020/21 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 Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%
2020	2,550,889 <sup>(1)</sup>	106,504	4.18%	88,844	195,348	7.66%
2021	2,702,917	113,995	4.22%	98,421	212,416	7.86%

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.

<sup>(1)</sup> Correction for fiscal year 2020

Source: Los Angeles County Auditor Controller's Office

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

Fiscal Year Ended June 30	Governmental Activities					Total Governmental Activities
	Tax	Revenue Bonds	Pension	Certificates	Other	
	Allocation		Obligation	of		
	Bonds		Ref Bonds	Participation		
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	-
2020	n/a	n/a	n/a	n/a	n/a	-
2021	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 Primary Government	Percentage of Personal Income	Debt per Capita
Certificates of Participation <sup>(1)</sup>	Other	Total Business-type Activities			
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
6,255,000	n/a	6,255,000	6,255,000	12.34%	304
5,995,000	n/a	5,995,000	5,995,000	13.05%	293

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

	2021	2020	2019	2018	2017
Assessed valuation	\$ 2,653,562,437	\$ 2,514,269,367	\$ 2,386,266,746	\$ 2,257,084,413	\$ 2,149,593,978
Conversion percentage	25.00%	25.00%	25.00%	25.00%	25.00%
Adjusted assessed valuation	663,390,609	628,567,342	596,566,687	564,271,103	537,398,495
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
Debt limit	99,508,591	94,285,101	89,485,003	84,640,665	80,609,774
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	\$ 99,508,591	\$ 94,285,101	\$ 89,485,003	\$ 84,640,665	\$ 80,609,774
Total net debt applicable to the limit					
as a percent of debt limit	0%	0%	0%	0%	0%
Lomita Long Term Debt outstanding:	5,995,000	6,255,000	6,505,000	6,750,000	6,985,000
Debt per capita:	293.43	304.44	313.71	325.85	342.35
Debt as a percentage of personal income:	13.05%	12.34%	10.62%	9.90%	8.82%

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.

2016	2015	2014	2013	2012
\$ 2,045,319,719	\$ 1,942,097,956	\$ 1,866,047,889	\$ 1,800,801,228	\$ 1,758,798,108
25.00%	25.00%	25.00%	25.00%	25.00%
511,329,930	485,524,489	466,511,972	450,200,307	439,699,527
15.00%	15.00%	15.00%	15.00%	15.00%
76,699,489	72,828,673	69,976,796	67,530,046	65,954,929
-	-	-	-	-
\$ 76,699,489	\$ 72,828,673	\$ 69,976,796	\$ 67,530,046	\$ 65,954,929
0%	0%	0%	0%	0%
7,200,000	6,665,000	6,825,000	6,980,000	7,130,000
354.85	322.92	330.83	340.22	349.58
8.16%	9.01%	8.83%	8.48%	8.36%



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

Fiscal Year Ended June 30	Certificates of Participation						
	Water Revenue*	Less Operating Expenses**	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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
2020	\$ 6,921,842	\$ 5,486,250	\$ 1,435,593 <sup>(2)</sup>	\$ 250,000	\$ 211,413	\$ 461,413	3.11
2021	\$ 8,206,024	\$ 5,764,712	\$ 2,441,312	\$ 260,000	\$ 203,288	\$ 463,288	5.27

\* 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

<sup>(2)</sup> Correction for fiscal year 2020

Source: City of Lomita, Administrative Services Department - Finance

**City of Lomita**  
**Direct and Overlapping Debt**  
**June 30, 2021**

City Assessed Valuation		\$	2,701,839,560	
Redevelopment Agency Incremental Valuation			-	
Total Assessed Valuation		\$	2,701,839,560	
	Percentage Applicable <sup>1</sup>	Outstanding Debt 6/30/21		Estimated Share of Overlapping 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			-	-
Overlapping Other Debt:				
Palos Verdes Pen USD		\$	-	
LA County Board of Education Certificates of Participation	0.275%		4,405,250,000	12,131,242
LA Unified School District Certificates of Participation	0.337%		10,709,685,000	36,078,956
West Basin County Water District Certificates of Participation	0.167%		13,101,783	21,829
Total overlapping other debt			15,128,036,783	48,232,027
Total overlapping debt		\$	15,128,036,783	48,232,027
City direct debt				-
Total direct and overlapping debt				<sup>1</sup> \$ 48,232,027

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 2020/21			Fiscal Year 2011/12		
	Tax Payers	Business Type		Tax Payers	Business Type
1	7 Eleven	Convenience Stores/Liquor		99 Cents Only	Variety Stores
2	7 Eleven	Convenience Stores/Liquor		Albertsons	Grocery Stores
3	99 Cents Only	Variety Stores		Arco AM/PM	Service Stations
4	ARCO AM/PM	Service Stations		Arco AM/PM	Service Stations
5	ARCO AM/PM	Service Stations		AutoZone	Automotive Supply Stores
6	Auto Zone	Automotive Supply Stores		Big Lots	Variety Stores
7	Battaglia's Title	Building Materials		California Pro Sports	Sporting Goods/Bike Stores
8	Big Lots	Variety Stores		Carl's Jr.	Quick-Service Restaurants
9	Carl's Jr	Quick-Service Restaurants		CVS Pharmacy	Drug Stores
10	CVS Pharmacy	Drug Stores		Cycle Gear	Boats/Motorcycles
11	Cycle Gear	Boats/Motorcycles		Discount Pool & Spa Supply	Specialty Stores
12	Discount Pool & Spa Supply	Specialty Stores		Enterprise Rent A Car	Transportation/Rentals
13	Enterprise Rent A Car	Transportation/Rentals		Harbor Freight Tools	Building Materials
14	Harbor Freight Tools	Building Materials		Hot N Tot	Casual Dining
15	Jims Auto Sales	Used Automotive Dealers		Jims Auto Sales	Used Automotive Dealers
16	Lomita Feed Store	Gardening/Agricultural Supplies		Lees Tires	Automotive Supply Stores
17	Lomita Shell	Service Stations		Lomita Feed Store	Gardening/Agricultural Supplies
18	McKenna Pendleton	Family Apparel		Lomita Shell	Service Stations
19	Pacific Coast Hobbies	Specialty Stores		Pacific Coast Hobbies	Specialty Stores
20	Popeyes Louisiana Kitchen	Quick-Service Restaurants		Shell	Service Stations
21	Shell	Service Stations		South Bay Baseball Cards	Art/Gift/Novelty Stores
22	South Bay Baseball Cards	Art/Gift/Novelty Stores		Sprint	Electronics/Appliance Stores
23	Sushi Delight	Casual Dining		Taco Bell/Pizze Hut	Quick-Service Restaurants
24	Taco Bell/Pizze Hut	Quick-Service Restaurants		Thompson Building Materials	Building Materials
25	Thompson Building Materials	Building Materials		Vol Dee Supply	Building Materials

-Account for 59.10%  
of the total sales tax collected.

-Account for 66.13%  
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 2020 Thru March 2021

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

Calendar Year	City of Lomita Population <sup>(1)</sup>	Median Age <sup>(2)</sup>	Personal Income (in thousands) <sup>(3)</sup>	Per Capital Personal Income <sup>(4)</sup>	Lomita Unemployment Rate <sup>(5)</sup>
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%
2020	20,549	40.1	771,963	37,566	16.5%
2021	20,431	40.1	782,242	38,287	5.6%

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	2021		2011	
		Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Lomita Post-Acute Care Center	Nursing Facility	122	1.16%	80	0.72%
City of Lomita	Government	76	0.72%	80	0.72%
Palos Verdes Health Care Center	Nursing Facility	43	0.41%	42	0.38%
Thompson Building Materials	Building	39	0.37%	40	0.36%
St Margaret Mary Catholic Church	School	38	0.36%	59	0.53%
CVS	Retail	37	0.35%	n/a	n/a
Big Lots	Retail	37	0.35%	n/a	n/a
Travers Tree Service	Service	35	0.33%	60	0.54%
County of Los Angeles	Government	32	0.30%	n/a	n/a
99 Cents Only Store	Retail	26	0.25%	n/a	n/a
Total Top Ten Employers		485		361	
Total City Employment		10,500		11,100	

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									
	2021	2020	2019	2018	2017	2016 <sup>(2)</sup>	2015	2014	2013	2012
General government	14	12	12	9	12	11	12	13	13	13
Public safety <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	-
Public works	13	10	9	10	9	7	8	6	6	6
Community Services	5	5	6	4	10	8	10	16	16	16
Water	7	7	7	7	7	6	6	5	5	5
Community Development	3	4	3	6	6	4	3	5	5	5
Parks and Recreation	34	37	42	49	46	43	42	40	40	40
Total	76	75	79	85	90	79	81	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**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<sup>(1)</sup> Police:										
Arrests	663	815	994	865	913	n/a	n/a	n/a	n/a	n/a
Parking citations issued	7,368	6,001	6,612	6,201	5,564	5,380	6,124	4,048	3,257	4,452
<sup>(2)</sup> Fire:										
Number of emergency calls	1016	1740	2920	1827	1816	1770	1476	n/a	1223	n/a
Inspections	0	200	1488	763	579	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	18	331	319	278	328	295	269	193	121	201
Number of facility rentals	10	179	407	475	402	344	422	530	542	507
Water:										
New connections	-	-	-	-	-	-	-	-	-	-
Average daily consumption (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 (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.  
Due Covid-19 pandemic, business inspections are on hold and there no Brush inspections.

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**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
(1) Police:										
Stations	1	1	1	1	1	1	1	1	1	1
(2) Fire:										
Fire stations	1	1	1	1	1	1	1	1	1	1
Public works:										
Streets (miles) <sup>(5)</sup>	31.90	33.20	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	7	7	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>	228,975	228,975	228,015	228,015	228,015	228,015	228,015	217,305	217,305	217,305
Number of Pump Stations	3	3	3	3	3	3	3	3	3	3
Number of Catch Basin <sup>(6)</sup>	69	72	69	69	42	42	42	42	42	42
Number of Service Connection	4,357	4,357	4,314	4,314	4,312	4,241	4,241	4,241	4,241	4,241
Sewer System:										
Length of Pipes (LF) <sup>(4)</sup>	188,415	188,415	173,931	173,931	173,931	173,931	173,931	173,931	173,931	173,931
Number of manholes	883	883	882	882	882	882	882	882	882	882
Maximum daily treatment capacity (thousands of gallons)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

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

(3) Corrected length of pipes in lateral feet to match our 2019 Water Loss Audit Report, 2015 Water Master Plan, 2004 Water Master Plan.

(4) Corrected length of pipes in lateral feet to match our 2016 Sewer System Management Plan

(5) Corrected miles to match our 2020 Pavement Management Plan

(6) Corrected catch basins - City of Lomita Public Works performed field check; three basins either erroneous or duplicates.

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

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



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

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Type of Customer:										
Residential	4,004 <sup>(1)</sup>	3,966 <sup>(2)</sup>	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
Schools	21	21	25	25	21	21 <sup>(1)</sup>	17	17	17	17
Commercial	279	279 <sup>(1)</sup>	270 <sup>(1)</sup>	266	261	246	246	246 <sup>(3)</sup>	226 <sup>(2)</sup>	220
Churches	30 <sup>(2)</sup>	31	31	31	32	32	31	31	31	32
Government	72	72 <sup>(1)</sup>	17	17	14	12	10	10	10	10
City	<u>18</u>	<u>18</u>	<u>19</u>	<u>19</u>	<u>18</u>	<u>15</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>
Total	4,424	4,337	4,329	4,306	4,175	4,234	4,219	4,219	4,210	4,223
Total direct rate per 748 gallons	4.79	4.79	4.43	4.12	3.81	3.53	3.53	3.01	2.80	2.40

<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 Year Ended June 30	Bi-Monthly Base Rate	Rate per 748 Gallons
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
2020	50.31	4.79
2021	50.31	4.79

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 Ended June 30	General Bonded Debt Outstanding					Percentage of Actual Value of Property (1)	Per Capita (2)
	Revenue	Tax	Pension	Certificates	Total		
	Bonds	Allocation Bonds	Obligation Ref Bonds	of Participation			
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
2020	n/a	n/a	n/a	n/a	-	n/a	n/a
2021	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.





## **LOMITA CITY HALL**

**24300 Narbonne Ave. • Lomita, CA U.S.A. 90717 • Ph: 310.325.7110**  
**[www.lomitacity.com](http://www.lomitacity.com)**

# City of Lomita

Lomita, California

*June 30, 2021*  
*Single Audit Report*



**City of Lomita**  
**Single Audit Report on Schedule of Expenditures of Federal Awards**  
**June 30, 2021**



CITY OF LOMITA  
Single Audit Report on Schedule of Expenditures of Federal Award Programs  
June 30, 2021

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Honorable Mayor and City Council  
City of Lomita  
Lomita, California

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lomita, California (City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Lomita's basic financial statements, and have issued our report thereon dated November 23, 2021.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered City of Lomita's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Lomita's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Lomita's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Mayor and City Council  
City of Lomita  
Page Two

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether City of Lomita's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that were required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Gruber and Lopez, Inc.**

*Gruber and Lopez, Inc.*

Newport Beach, California  
November 23, 2021



Honorable Mayor and City Council  
City of Lomita  
Lomita, California

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

***Report on Compliance for Each Major Federal Program***

We have audited the City of Lomita, California (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

***Report on Internal Control Over Compliance***

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Mayor and City Council  
City of Lomita

Page Three

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of the City as of and for the year ended June 30, 2021, and have issued our report thereon dated November 23, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Gruber and Lopez, Inc.**

*Gruber and Lopez, Inc.*

Newport Beach, California  
November 23, 2021

CITY OF LOMITA  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

<b>Federal Grantor/ Pass-through Grantor/Program</b>	<b>Federal Assistance Listing</b>	<b>Program Identification Number</b>	<b>Federal Award Expenditures</b>	<b>Amount Provided to Subrecipients</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Passed through the Community Development Commission of the County of Los Angeles:				
Community Development Block Grant	14.218	B-98-UC-06-05-05	\$ 40,439	-
Community Development Block Grant	14.218	601884-17	166,328	-
Subtotal Assistance No.	14.218		206,767	-
Direct assistance:				
Public and Indian Housing - Low Rent	14.850	CA139-001-01J	217,072 *	-
Public Housing Capital Fund	14.872	CA16-P139-501-01	165,292 *	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>589,131</b>	<b>-</b>
<b><u>U.S. Department of Treasury</u></b>				
Passed through the State of California:				
Covid 19 - Coronavirus Relief Fund	21.019		217,150	-
<b>Total U.S. Department of Treasury</b>			<b>217,150</b>	<b>-</b>
<b>Total Federal Awards</b>			<b>\$ 806,281</b>	<b>-</b>

\* - Denotes major federal program.

## CITY OF LOMITA

### Notes to the Schedule of Expenditures of Federal Awards

June 30, 2021

(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

The financial reporting entity, as defined by Governmental Accounting Standard Board (GASB), consists of the primary government, which is the City of Lomita, California (City), entities for which the primary government is financially accountable, and other entities for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City Council acts as the governing body and is able to impose its will on the following entities by establishing financial accountability:

- Lomita Public Financing Authority
- Lomita Manor Housing Authority
- Lomita Railroad Foundation, Inc.

(a) Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the City of Lomita (City) that are reimbursable under federal programs of federal agencies providing financial assistance. For purposes of this schedule, financial assistance includes both federal financial assistance received directly from a federal agency and expended, as well as federal funds received indirectly by City of Lomita from a non-federal agency and expended. Only the portion of program expenditures reimbursable with such federal funds are reported in the accompanying schedule. Program expenses in excess of the maximum federal reimbursement authorized or the portion of program expenses that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

(b) Basis of Accounting

Funds received under the various grant programs have been recorded within the general fund and special revenue funds of the City. The City utilizes the modified accrual basis of accounting for governmental funds. The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Office of Management and Budget Uniform Grant Guidance).

(c) De Minimus Indirect Cost Rate

The City elected to use the 10% de minimus indirect cost rate for the year ended June 30, 2021, however, no indirect cost rates were charged to any federal programs.

(d) Subrecipients

There were no payments to subrecipients for the year ended June 30, 2021.

CITY OF LOMITA  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2021

Summary of Auditors' Results

A) Findings Related to the Financial Statements which are Required to be Reported in Accordance with GAGAS

1. An unmodified report was issued by the auditors on the financial statements of the auditee.
2. There were no material weaknesses in internal control nor were there any significant deficiencies.
3. There were no instances of noncompliance or other matters that were required to be reported under *Government Auditing Standards*.

(B) Findings and Questioned Costs for Federal Awards as Defined in 2 CFR 200.515(d)

4. There were no material weaknesses or significant deficiencies in internal control over federal major programs of the auditee.
5. An unmodified report was issued by the auditors on compliance for federal major programs.
6. The audit disclosed no audit findings of federal awards required by the auditors to be reported under 2 CFR 200.515(d)
7. The major federal programs of the auditee were U.S. Department of Housing and Urban Development: (1) Assistance Listing #14.850 – Public and Indian Housing; and (2) Assistance Listing #14.872 - Public Housing Capital Fund.
8. The dollar threshold used to distinguish Type A and Type B programs was \$750,000 under 2 CFR 200.518 (b) (1).
9. The auditee was not considered a low risk auditee as defined by 2 CFR 200.518 for the year ended June 30, 2021 for purposes of determining major programs.



CITY OF LOMITA

Summary Schedule of Prior Year (June 30, 2020) Audit Findings

Year ended June 30, 2021

There were no prior year findings that required follow up procedures.