



Annual Comprehensive Financial Report

Year Ended June 30, 2023

CITY OF LOMITA,
CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2023

Prepared by: The Administrative Services Department

Susan Kamada, Administrative Services Director

CITY OF LOMITA
Annual Comprehensive Financial Report
Year Ended June 30, 2023

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CITY COUNCIL

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



ADMINISTRATION

RYAN SMOOT
CITY MANAGER

CITY OF LOMITA

December 19, 2023

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR 2022-2023 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, 2023. 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 Lopez, Inc., 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.

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, 2023, the City adopted Statement on Governmental Accounting Standards (GASB Statement) No. 91-*Conduit Debt Obligations* and No. 96-*Subscription Based Information Technology Software*. The adoption of GASB No. 91 did not significantly impact the City.

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 2023, the City's population is 20,092.

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. Three incumbents filed papers to run for office in the City's November 3, 2022 municipal election. The three candidates were appointed to the three open seats and the election was canceled. 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 the 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 68% of all governmental activities for the fiscal year.

As of June 30, 2023, the City's unemployment rate was 2.2 percent, which compares favorably to 4.9 percent for Los Angeles County and 4.6 percent for the State of California. The City's three largest employers are Lomita Post-Acute Care Center, WDC Kitchen & Bath Center, and Kaiser Permanente, and they continue to be stable employers.

The City adopted a balanced biennial budget for Fiscal Years 2022-2024 using a conservative approach to forecast revenues and maintain expenditures. The City's sales tax and vehicle license fees 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 in 2020 have 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 to 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 and housing opportunities and developing projects and programs that support the continued growth of our community.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City has adopted a new five-year Capital Improvement Program and continues to work through the projects listed as funding is available. 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; water system upgrades including water main, water meter, water valves and service line replacements and ongoing upgrades to our water facilities. Although the plan identifies 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 \$100,000,000 in unfunded capital needs, which have been updated as part of the 5-Year Capital Improvement and Water Master Plan. One-time influxes of revenue, grants, 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 2022-2023, 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 \$5 Million in external funding through WRD and ARPA to be used toward construction of the upgrades. Construction is scheduled to be complete in 2024.

The City has adopted updated water rate structures for the next five years 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.

The City has also completed and received certification from the State of California for its Housing Element of its General Plan. The updated plan prepares the City for development of more than 1100 new housing units over the next eight years and commits the City to ambitious housing production and redevelopment goals. It also commits the City to revisioning for its major corridors and lays the foundation for more broad scale updates to the residents of the City's General Plan. This update will guide the future of development and shape the Lomita community for many decades to come.

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, 2023, 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

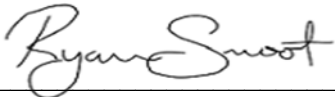
AWARDS AND ACKNOWLEDGEMENTS

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, 2022. This was the nineteenth 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
LIST OF CITY OFFICIALS**

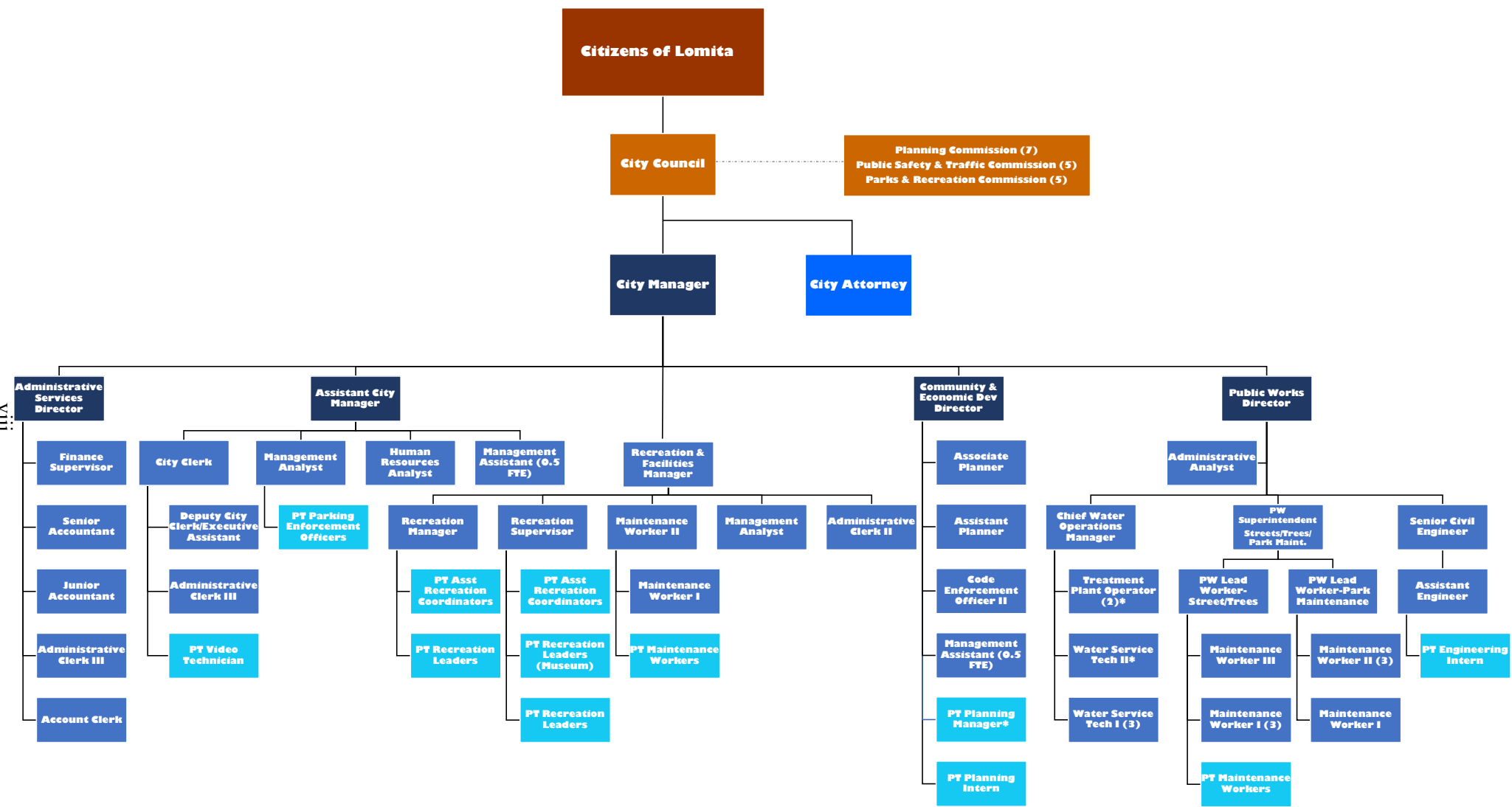
ELECTED OFFICIALS

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

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	Brianna Rindge
Public Works Director	Carla Dillon

III/



CM and Directors (5)	New Positions	Reclassification Position
Full-Time Employees (43)	Planning Manager	Code Enforcement Officer II (from Neighborhood Preservation Officer)
Part-Time Employees		

*One Treatment Operator is being underfilled at the Water Service Tech II.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lomita
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Honorable Mayor and City Council
City of Lomita, California

Independent Auditors' Report

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Lomita, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Lomita, California's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City of Lomita, California, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 91 and 96. Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lomita, California, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lomita, California's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lomita, California's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lomita, California's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of proportionate share of the net pension liability and the schedules of contributions for the CalPERS miscellaneous pension plan, the schedule of changes in the net other postemployment benefit (OPEB) liability (asset) and related ratios, and the budgetary comparison schedules for the General Fund and Major Special Revenue Fund, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 combining and individual fund financial statements and schedules, and financial data schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 basic financial statements. The 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 schedules, and financial data schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lomita's 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
December 15, 2023

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, 2023. 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 City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the 2022-2023 fiscal year by \$62,191,293 (total net position). Of this amount, \$8,319,476 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased \$10,449,370. Net position of governmental activities increased \$6,561,151 and net position of business-type activities increased \$3,888,219.
- As of the close of the 2022-2023 fiscal year, the City's governmental funds reported combined fund balances of \$22,098,242, an increase of \$4,879,585 in comparison to the prior year. General Fund increased by \$2,107,818 and American Rescue Plan Fund increased by \$367,140.
- At the end of the 2022-2023 fiscal year, fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$10,662,050 or approximately 86% 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 2022-2023 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

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

or services provided by the City. These activities are usually reported in enterprise funds. The City's only business-type activity is its Water utility.

The Statement of Net position and the Statement of Activities present information about governmental and business-type activities, including General Government, Public Safety, Public Works, Community Development, Cultural and Recreation and the Water Enterprise. 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 68% of all governmental activities for the fiscal year.

The government-wide financial statements can be found on pages 13-15 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 16-19 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 20-22.

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

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

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 23-24.

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 25-59.

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 60-68 of this report.

The combining statements in connection with nonmajor governmental funds are presented on pages 69-76. Individual fund schedules can be found on pages 77-95.

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

	Governmental Activities		Business-type Activities		TOTAL	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 27,199,107	\$ 23,228,234	\$ 8,067,442	\$ 6,450,733	\$ 35,266,549	\$ 29,678,967
Capital assets	22,718,159	22,198,828	27,080,733	26,699,780	49,798,892	48,898,608
Total Assets:	49,917,266	45,427,062	35,148,175	33,150,513	85,065,441	78,577,575
Deferred Outflow of Resources	3,271,445	1,605,410	1,217,336	429,991	4,488,781	2,035,401
Current liabilities	2,099,218	3,341,504	1,104,265	1,287,683	3,203,483	4,629,187
Non-current liabilities	13,431,848	9,123,682	7,556,530	7,286,618	20,988,378	16,410,300
Total Liabilities:	15,531,066	12,465,186	8,660,795	8,574,301	24,191,861	21,039,487
Deferred Inflows of Resources	2,872,738	6,343,530	298,330	1,488,036	3,171,068	7,831,566
Net Investment in Capital						
Assets	22,718,159	22,183,927	21,559,554	20,844,231	44,277,713	43,028,158
Restricted	9,594,104	7,593,689	-	-	9,594,104	7,593,689
Unrestricted	2,472,644	(1,553,860)	5,846,832	2,673,936	8,319,476	1,120,076
Total Net Position, as restated:	<u>\$ 34,784,907</u>	<u>\$ 28,223,756</u>	<u>\$ 27,406,386</u>	<u>\$ 23,518,167</u>	<u>\$ 62,191,293</u>	<u>\$ 51,741,923</u>

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

Net Position

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$62,191,293 (net position).

- \$44,277,713 (71%) 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.
- \$9,594,104 (15%) of net position is subject to external restrictions on how they may be used.
- \$8,319,476 (13%) 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 \$10,449,370 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 \$6,561,151 during the 2022-2023 fiscal year for an ending balance of \$34,784,307. General revenues for the governmental activities increased from the prior year by \$1,857,149 or approximately 18%. The overall increase is primarily due to the approval of Measure L, vehicle license fees, and a Proposition A exchange.

Expenses increased by \$278,910 from the prior year or approximately 1% primarily due to increased spending in contractual services and information technology; these expenses are driven and affected largely by increases in public health, welfare and safety and engagement of technology to meet resident expectations around data and transparency.

Additional information can be found in the statement of activities (Primary Government, pages 14-15).

CITY OF LOMITA

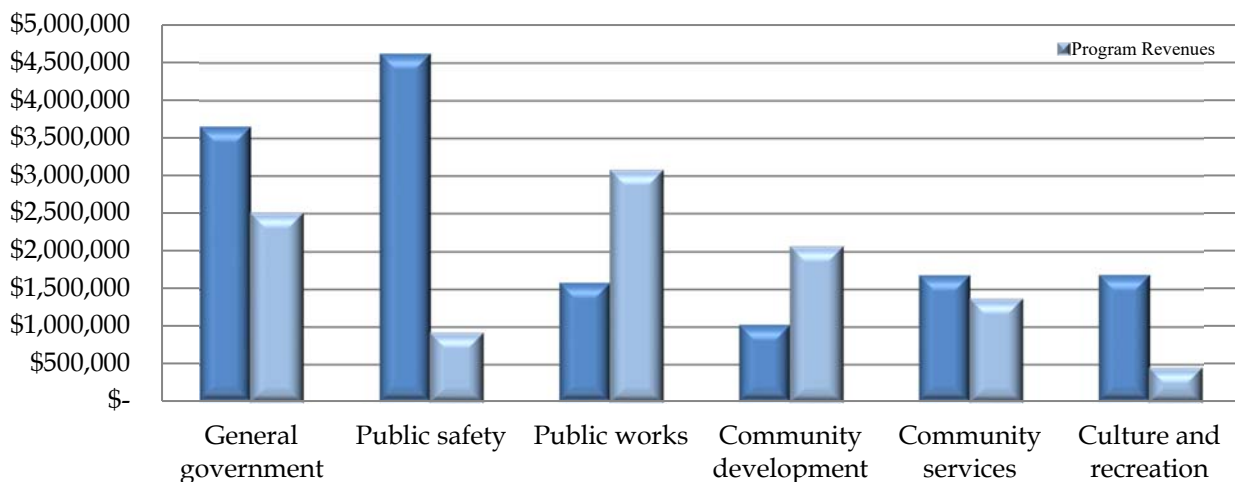
Management's Discussion and Analysis (Continued)

CITY OF LOMITA'S CHANGES IN NET POSITION

	Governmental Activities		Business -type Activities		TOTAL	
	2023	2022	2023	2022	2023	2022
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 3,788,818	\$ 3,032,299	\$ 6,108,357	\$ 6,344,367	\$ 9,897,175	\$ 9,376,666
Operating grants and contributions	5,790,820	5,347,576	-	-	5,790,820	5,347,576
Capital grants and contributions	723,342	621,557	-	-	723,342	621,557
<i>General Revenues:</i>						
Property taxes	2,112,200	1,990,207	-	-	2,112,200	1,990,207
Sales and other taxes	6,655,527	6,648,700	-	-	6,655,527	6,648,700
Investment income and miscellaneous	3,477,135	1,748,806	1,217,510	1,112,511	4,694,645	2,861,317
Total Revenues:	22,547,842	19,389,145	7,325,867	7,456,878	29,873,709	26,846,023
Expenses:						
General government	3,651,972	4,615,742	-	-	3,651,972	4,615,742
Public safety	4,624,434	4,385,150	-	-	4,624,434	4,385,150
Public works	1,584,797	1,557,665	-	-	1,584,797	1,557,665
Community development	1,022,436	985,098	-	-	1,022,436	985,098
Community services	1,684,425	701,673	-	-	1,684,425	701,673
Cultural and recreation	1,688,139	1,731,965	-	-	1,688,139	1,731,965
Water Enterprise operations	-	-	5,168,136	7,011,399	5,168,136	7,011,399
Total Expenses:	14,256,203	13,977,293	5,168,136	7,011,399	19,424,339	20,988,692
Increase (decrease) in Net Position before other revenues and transfers	8,291,639	5,411,852	2,157,731	445,479	10,449,370	5,857,331
Transfers	(1,730,488)	(1,269,512)	1,730,488	1,269,512		
Net position - beginning of year	28,223,756	24,081,416	23,518,167	21,803,176	51,741,923	45,884,592
Net position - end of year	<u>\$ 34,784,907</u>	<u>\$ 28,223,756</u>	<u>\$ 27,406,386</u>	<u>\$ 23,518,167</u>	<u>\$ 62,191,293</u>	<u>\$ 51,741,923</u>

Business-type Activities. The net position increased \$3,888,219 during the 2022-2023 fiscal year for an ending balance of \$27,406,386. The Water Enterprise business charges for water services to offset its operation expenses. Total revenues decreased \$(131,011) or approximately 2% from the prior year. In comparison to the prior fiscal year, the charges for services decreased by \$(236,010) or 4% due, in part, to a decrease in water usage. Related business-type activity expenses decreased during the fiscal year by \$(1,843,263) or 26% compared to the previous fiscal year, a decrease resulting from the Cypress Water Production Facility project nearing its completion.

Expenses and Program Revenues - Governmental Activities



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

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds. On June 30, 2023, the City's governmental funds reported combined fund balances of \$22,098,242, an increase of \$4,879,585 in comparison with the prior year. \$2,761,741 or approximately 12% 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 non-spendable, restricted, committed, or assigned to indicate that it is: (1) not in spendable form \$26,835; (2) restricted for particular purposes \$4,070,880; (3) committed for particular purposes \$3,919,868; or (4) assigned for particular purposes \$11,318,918.

The general fund is the chief operating fund of the City. At the end of the 2022-2023 fiscal year, the unassigned fund balance of the general fund was \$1,531,302, while the total fund balance increased by \$2,107,818 to \$10,662,050; the overall increase is primarily due to the approval of Measure L, vehicle license fees, and a Proposition A exchange. 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 14% of total general fund balance, while total fund balance represents approximately 86% of that total general fund expenditures.

The American Rescue Plan Act Special Revenue Fund, a major fund, reported a fund balance of \$1,336,976. Transfers of \$332,860 and \$1,730,488 from the American Rescue Plan Act Fund were to reimburse the General Fund and Water Enterprise Funds for various capital related projects in the City.

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 \$5,846,832. The total increase in net position was \$3,888,219; this increase is primarily due to a transfer of \$1,730,488 from the American Rescue Plan Act.

GENERAL FUND BUDGETARY HIGHLIGHTS

The revised budget estimated an increase in General Fund net change in fund balance of \$502,182; however, the actual change in fund balance was an increase of \$2,107,818 to arrive at a total ending General Fund Balance of \$10,662,050. The overall difference in the original and final amended budgeted expenditures for the General Fund was an increase of \$577,908 or 0.05%. The final amended budgeted revenues increased from the original budgeted revenues by \$1,357,209 or 10%.

Revenues: In the General Fund, actual revenues were more than the amount budgeted by \$860,675 or 6%. License and permits revenues had a significant increase over budget by \$847,329 or 70%, the overall increase is primarily due to increases in building & safety, planning & zoning, and encroachment fees.

Expenditures: In the General Fund, actual expenditures were less than budgeted by \$(612,226) or 5%. Actual revenues over actual departmental expenditures for the General Fund were \$3,350,703, not including transfers out.

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

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 2022-2023, the City's net capital assets total \$49,798,892 in a broad range of resources as listed below:

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
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	295,326	2,598,005	4,497,964	3,548,783	4,793,290	6,146,788
Total non-depreciable assets	6,939,610	9,242,289	4,568,639	3,619,458	11,508,249	12,861,747
Capital assets, being depreciated:						
Buildings/structures and improvements	984,517	1,074,995	-	-	984,517	1,074,995
Equipment and furniture	695,744	310,075	74,874	85,456	770,618	395,531
Right-to-Use - Lease Equipment	11,471	15,294	-	-	11,471	15,294
Right-to-Use - Subscription	141,235	-	-	-	141,235	-
Vehicles	336,956	114,392	77,961	54,418	414,917	168,810
Infrastructure	13,608,626	11,441,783	22,359,259	22,940,448	35,967,885	34,382,231
Total depreciable assets (net)	15,778,549	12,956,539	22,512,094	23,080,322	38,290,643	36,036,861
Total capital assets	\$ 22,718,159	\$ 22,198,828	\$ 27,080,733	\$ 26,699,780	\$ 49,798,892	\$ 48,898,608

Major capital asset events, during the 2022-2023 fiscal year, included the following:

- Completed reconstruction of streets in city zones C and F.
- Began design for the reconstruction of streets in city zone G.
- Continued construction on the Cypress Water Production Facility's (CWPF) upgrade project for a Granular Activated Carbon filtration unit at the CWPF.
- Began design of the Narbonne South Pipe Replacement Project.
- Continued design of the 247th Area Water Main Replacement Project.
- Completed the City Council Chambers Audio/Visual Upgrades.

Additional information on the City's capital assets can be found in Note 5 on pages 43-45 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 2022-2023, 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
Management's Discussion and Analysis (Continued)

CITY OF LOMITA'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Net pension liability	\$ 7,908,856	\$ 3,911,512	\$ 2,125,000	\$ 1,541,551	\$ 10,033,856	\$ 5,453,063
OPEB	4,910,356	4,773,098	-	-	4,910,356	4,773,098
Lease payable	11,234	14,901	-	-	11,234	14,901
Subscription leases payable	141,235	-	-	-	141,235	-
Compensated absences	625,496	534,803	310,901	281,738	936,397	816,541
COP Bonds payable, net of premium	-	-	5,521,179	5,855,549	5,521,179	5,855,549
	\$ 13,597,177	\$ 9,234,314	\$ 7,957,080	\$ 7,678,838	\$ 21,554,257	\$ 16,913,152

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 \$109,932,708, which is significantly in excess of the City's outstanding general obligation debt of \$5,416,000.

Additional information can be found in the notes section of this report (Note 6- Long-Term Debt. pages 45-46).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors currently affect the City and were considered when developing the 2023-2024 fiscal year budget:

- The City has started the process of updating the City's General Plan.
- The City's current unemployment rate of 2.2 percent is 2.4 percent lower than the State's unemployment rate of 4.6 percent. It is a 0.1 percent decrease from the prior fiscal year.

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.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

CITY OF LOMITA
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments (note 2)	\$ 24,910,429	6,347,363	31,257,792
Receivable:			
Accounts	214,684	1,641,237	1,855,921
Taxes	685	68,002	68,687
Interest	68,786	-	68,786
Leases (note 7)	143,180	-	143,180
Due from other governmental entities	1,834,508	-	1,834,508
Inventories	22,805	10,840	33,645
Prepaid items	4,030	-	4,030
Total current assets	<u>27,199,107</u>	<u>8,067,442</u>	<u>35,266,549</u>
Noncurrent assets:			
Capital assets (note 5):			
Non-depreciable	6,939,610	4,568,639	11,508,249
Depreciable, net	<u>15,778,549</u>	<u>22,512,094</u>	<u>38,290,643</u>
Total capital assets	<u>22,718,159</u>	<u>27,080,733</u>	<u>49,798,892</u>
Total noncurrent assets	<u>22,718,159</u>	<u>27,080,733</u>	<u>49,798,892</u>
Total assets	<u>49,917,266</u>	<u>35,148,175</u>	<u>85,065,441</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions (note 8)	2,944,143	1,217,336	4,161,479
OPEB (note 9)	<u>327,302</u>	<u>-</u>	<u>327,302</u>
Total deferred outflows of resources	<u>3,271,445</u>	<u>1,217,336</u>	<u>4,488,781</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,528,896	643,095	2,171,991
Accrued salaries and benefits	161,646	48,698	210,344
Interest payable	-	10,922	10,922
Deposits payable	243,347	1,000	244,347
Long-term - due within one year (note 6)	<u>165,329</u>	<u>400,550</u>	<u>565,879</u>
Total current liabilities	<u>2,099,218</u>	<u>1,104,265</u>	<u>3,203,483</u>
Noncurrent liabilities:			
Pension Liability (note 8)	7,908,856	2,125,000	10,033,856
OPEB (note 9)	4,910,356	-	4,910,356
Long-term - due in more than one year (note 6)	<u>612,636</u>	<u>5,431,530</u>	<u>6,044,166</u>
Total noncurrent liabilities	<u>13,431,848</u>	<u>7,556,530</u>	<u>20,988,378</u>
Total liabilities	<u>15,531,066</u>	<u>8,660,795</u>	<u>24,191,861</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions (note 8)	721,515	298,330	1,019,845
OPEB (note 9)	2,009,565	-	2,009,565
Lease related items (note 7)	<u>141,658</u>	<u>-</u>	<u>141,658</u>
Total deferred inflows of resources	<u>2,872,738</u>	<u>298,330</u>	<u>3,171,068</u>
NET POSITION			
Net investment in capital assets	22,718,159	21,559,554	44,277,713
Restricted for:			
Community development and services	1,545,019	-	1,545,019
Public safety	6,351	-	6,351
Public works	7,329,156	-	7,329,156
Cultural and recreation	<u>713,578</u>	<u>-</u>	<u>713,578</u>
Total restricted	<u>9,594,104</u>	<u>-</u>	<u>9,594,104</u>
Unrestricted	<u>2,472,644</u>	<u>5,846,832</u>	<u>8,319,476</u>
Total net position	<u>\$ 34,784,907</u>	<u>27,406,386</u>	<u>62,191,293</u>

See accompanying notes to the basic financial statements.

CITY OF LOMITA
Statement of Activities
For the Year Ended June 30, 2023

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	\$ 3,651,972	60,000	2,430,488	-	2,490,488
Public safety	4,624,434	727,215	177,287	-	904,502
Public works	1,584,797	203,713	2,345,634	511,884	3,061,231
Community development	1,022,436	2,053,254	-	-	2,053,254
Community services	1,684,425	335,681	807,411	211,458	1,354,550
Cultural and recreation	1,688,139	408,955	30,000	-	438,955
Total governmental activities	14,256,203	3,788,818	5,790,820	723,342	10,302,980
Business-type activities:					
Water	5,168,136	6,108,357	-	-	6,108,357
Total business-type activities	5,168,136	6,108,357	-	-	6,108,357
Total primary government	\$ 19,424,339	9,897,175	5,790,820	723,342	16,411,337

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 (loss)

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
(1,161,484)	-	(1,161,484)
(3,719,932)	-	(3,719,932)
1,476,434	-	1,476,434
1,030,818	-	1,030,818
(329,875)	-	(329,875)
(1,249,184)	-	(1,249,184)
(3,953,223)	-	(3,953,223)
-	940,221	940,221
-	940,221	940,221
(3,953,223)	940,221	(3,013,002)
2,112,200	-	2,112,200
4,944,221	-	4,944,221
678,225	-	678,225
410,506	-	410,506
346,598	-	346,598
230,035	-	230,035
45,942	-	45,942
8,767,727	-	8,767,727
2,789,586	-	2,789,586
(316,365)	90,970	(225,395)
1,003,914	1,126,540	2,130,454
(1,730,488)	1,730,488	-
10,514,374	2,947,998	13,462,372
6,561,151	3,888,219	10,449,370
28,223,756	23,518,167	51,741,923
<u>\$ 34,784,907</u>	<u>27,406,386</u>	<u>62,191,293</u>

FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

American Rescue Plan Act – Used to account for the City's use of emergency and rescue plan activities using ARPA COVID-19 funds received from the Department of Treasury.

CITY OF LOMITA

Balance Sheet

Governmental Funds

June 30, 2023

	General Fund	American Rescue Plan Act	Non-major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments (note 2)	\$ 10,403,265	1,336,976	10,338,705	22,078,946
Receivables:				
Accounts	195,590	-	-	195,590
Taxes	-	-	685	685
Interest	68,786	-	-	68,786
Lease (note 7)	143,180	-	-	143,180
Due from other governments	1,453,255	-	381,253	1,834,508
Due from other funds (note 3)	121,453	-	-	121,453
Inventory	22,805	-	-	22,805
Prepaid items	-	-	4,030	4,030
Total assets	<u>\$ 12,408,334</u>	<u>1,336,976</u>	<u>10,724,673</u>	<u>24,469,983</u>
LIABILITIES				
Accounts payable	\$ 1,271,967	-	240,111	1,512,078
Accrued liabilities	115,622	-	46,024	161,646
Deposits payable	217,037	-	26,310	243,347
Due to other funds (note 3)	-	-	121,453	121,453
Total liabilities	<u>1,604,626</u>	<u>-</u>	<u>433,898</u>	<u>2,038,524</u>
DEFERRED IN FLOWS OF RESOURCES				
Lease related items (note 7)	141,658	-	-	141,658
Unavailable revenue	-	-	191,559	191,559
Total deferred in flows of resources	<u>141,658</u>	<u>-</u>	<u>191,559</u>	<u>333,217</u>
FUND BALANCES				
Nonspendable	22,805	-	4,030	26,835
Restricted	-	-	4,070,880	4,070,880
Committed	85,744	-	3,834,124	3,919,868
Assigned	9,022,199	-	2,296,719	11,318,918
Unassigned	1,531,302	1,336,976	(106,537)	2,761,741
Total fund balances	<u>10,662,050</u>	<u>1,336,976</u>	<u>10,099,216</u>	<u>22,098,242</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 12,408,334</u>	<u>1,336,976</u>	<u>10,724,673</u>	<u>24,469,983</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, 2023

Fund balances of governmental funds	\$ 22,098,242
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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	39,768,363
- Accumulated depreciation	(17,393,314)

Certain revenues were not available to pay for current-period expenditures and, therefore, were deferred in funds.	191,559
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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.	3,176,869
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Deferred outflows related to contributions made after the actuarial measurement date for the net pension liability.	2,944,143
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Deferred inflows related to unrecognized actuarial gains and losses for the net pension liability.	(721,515)
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Proportionate share of net pension liability has not been included in governmental fund activity.	(7,908,856)
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Long-term liabilities (including compensated absences, lease payable, 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.	(7,370,584)
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Net position of governmental activities	<u>\$ 34,784,907</u>
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CITY OF LOMITA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2023

	General Fund	American Rescue Plan Act	Non-major Governmental Funds	Total Governmental Funds
Revenues:				
Taxes and assessments	\$ 8,767,726	-	658,798	9,426,524
Intergovernmental	3,730,910	2,430,488	3,191,090	9,352,488
Licenses and permits	2,056,329	-	56,156	2,112,485
Charges for services	-	-	8,818	8,818
Fines and forfeitures	818,565	-	-	818,565
Investment income (loss)	(341,239)	-	166,455	(174,784)
Rental income	242,308	-	326,863	569,171
Other revenue	393,388	-	11,573	404,961
Total revenues	<u>15,667,987</u>	<u>2,430,488</u>	<u>4,419,753</u>	<u>22,518,228</u>
Expenditures:				
Current:				
General government	3,961,115	-	-	3,961,115
Community development	1,124,403	-	-	1,124,403
Community services	-	-	1,681,448	1,681,448
Public works	569,643	-	738,079	1,307,722
Public safety	4,642,386	-	-	4,642,386
Culture and recreation	1,795,502	-	53,203	1,848,705
Capital outlay	182,735	-	592,396	775,131
Principal	41,500	-	-	41,500
Total expenditures	<u>12,317,284</u>	<u>-</u>	<u>3,065,126</u>	<u>15,382,410</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,350,703</u>	<u>2,430,488</u>	<u>1,354,627</u>	<u>7,135,818</u>
Other financing sources (uses):				
Transfers in (note 4)	332,860	-	1,050,000	1,382,860
Transfers out (note 4)	(1,758,480)	(2,063,348)	-	(3,821,828)
Proceeds from subscription leases	182,735	-	-	182,735
Total other financing sources (uses)	<u>(1,242,885)</u>	<u>(2,063,348)</u>	<u>1,050,000</u>	<u>(2,256,233)</u>
Net change in fund balances	2,107,818	367,140	2,404,627	4,879,585
Fund balances, beginning of year	<u>8,554,232</u>	<u>969,836</u>	<u>7,694,589</u>	<u>17,218,657</u>
Fund balances (deficit), end of year	<u>\$ 10,662,050</u>	<u>1,336,976</u>	<u>10,099,216</u>	<u>22,098,242</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, 2023

Changes in fund balances of governmental funds	\$ 4,879,585
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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	948,800
Depreciation expense	(657,181)

To record as an expense the net change in compensated absences in the statement of activities.	(90,693)
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To record as an expense the net change in lease payable in the statement of activities.	(137,568)
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To record as an expense the net change in other post employment benefits liability in the statement of activities.	19,214
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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.	909,951
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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.	689,043
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Change in net position of governmental activities	\$ <u>6,561,151</u>
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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
Statement of Fund Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities <u>Water Enterprise Fund</u>	Governmental Activities <u>Internal Service Fund</u>
ASSETS		
Current assets:		
Cash and investments (note 2)	\$ 6,347,363	2,831,483
Receivables:		
Accounts	1,641,237	19,094
Taxes	68,002	-
Inventories	10,840	-
Total current assets	<u>8,067,442</u>	<u>2,850,577</u>
Noncurrent assets:		
Capital assets (note 5):		
Land	70,675	-
Construction in progress	4,497,964	-
Equipment and furniture	290,217	478,570
Vehicles	195,634	-
Infrastructure	32,756,543	-
Less accumulated depreciation	<u>(10,730,300)</u>	<u>(135,460)</u>
Total capital assets, net	<u>27,080,733</u>	<u>343,110</u>
Total noncurrent assets	<u>27,080,733</u>	<u>343,110</u>
Total assets	<u>35,148,175</u>	<u>3,193,687</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions (note 8)	<u>1,217,336</u>	<u>-</u>
Total deferred outflows of resources	<u>1,217,336</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	643,095	16,818
Accrued liabilities	48,698	-
Interest payable	10,922	-
Deposits payable	1,000	-
Bonds payable - due within one year (note 6)	338,370	-
Compensated absences - due within one year (note 6)	<u>62,180</u>	<u>-</u>
Total current liabilities	<u>1,104,265</u>	<u>16,818</u>
Noncurrent liabilities:		
Bonds payable - due in more than one year (note 6)	5,182,809	-
Pension Liability (note 8)	2,125,000	-
Compensated absences - due in more than one year (note 6)	<u>248,721</u>	<u>-</u>
Total noncurrent liabilities	<u>7,556,530</u>	<u>-</u>
Total liabilities	<u>8,660,795</u>	<u>16,818</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions (note 8)	<u>298,330</u>	<u>-</u>
Total deferred inflows of resources	<u>298,330</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	21,559,554	343,110
Unrestricted	<u>5,846,832</u>	<u>2,833,759</u>
Total net position	<u>\$ 27,406,386</u>	<u>3,176,869</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, 2023

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Fund
Operating revenues:		
Charges for services	\$ 6,108,357	-
Other revenues	1,126,540	-
Total operating revenues	7,234,897	-
Operating expenses:		
Cost of water purchased	2,936,699	-
Salaries, wages and benefits	545,863	-
Materials and supplies	126,786	-
Contractual services	322,520	7,500
Repairs and maintenance	217,571	20,807
Rents and leases	116,816	-
Depreciation (note 5)	771,904	20,744
Total operating expenses	5,038,159	49,051
Operating income (loss)	2,196,738	(49,051)
Non-operating revenues (expenses):		
Investment income	90,970	24,874
Interest expense and fees	(129,977)	-
Gain (loss) on disposal of capital assets	-	4,740
Total non-operating revenues (expenses)	(39,007)	29,614
Income (loss) before transfers	2,157,731	(19,437)
Transfers in (note 4)	1,730,488	708,480
Change in net position	3,888,219	689,043
Net position, beginning of year	23,518,167	2,487,826
Net position, end of year	\$ 27,406,386	3,176,869

See accompanying notes to the basic financial statements.

CITY OF LOMITA
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2023

	Business-Type Activities <u>Water Enterprise Fund</u>	Governmental Activities <u>Internal Service Fund</u>
Cash flows from operating activities:		
Cash received from customers and other governments	\$ 7,213,498	-
Cash paid to suppliers for goods or services	(3,889,347)	(30,583)
Cash paid to employees for services	(1,923,609)	-
Net cash provided (used by) operating activities	<u>1,400,542</u>	<u>(30,583)</u>
Cash flows from capital and related financing activities:		
Purchase, acquisition and construction of capital assets	(1,152,858)	(248,456)
Principal paid on capital debt	(334,370)	-
Proceeds on the sale of capital assets	-	4,740
Interest paid on capital-related debt	(130,639)	-
Net cash provided (used by) capital and related financing activities	<u>(1,617,867)</u>	<u>(243,716)</u>
Cash flows from investing activities:		
Investment income	<u>90,970</u>	<u>24,874</u>
Net cash provided (used by) investing activities	<u>90,970</u>	<u>24,874</u>
Cash flows from non-capital activities - cash received		
(paid) from/to other funds	<u>1,730,488</u>	<u>708,480</u>
Net increase (decrease) in cash and cash equivalents	1,604,133	459,055
Cash and equivalents, beginning of year	<u>4,743,230</u>	<u>2,372,428</u>
Cash and equivalents, end of year	<u><u>\$ 6,347,363</u></u>	<u><u>2,831,483</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 2,196,738	(49,051)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	771,904	20,744
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	34,716	(19,094)
(Increase) decrease in taxes receivable	(56,115)	-
(Increase) decrease in inventories	8,824	-
Increase (decrease) in accounts payable	(177,733)	16,818
Increase (decrease) in accrued liabilities	(13,353)	-
Increase (decrease) in compensated absences	29,163	-
Increase (decrease) in net pension liability, net of deferred inflows and outflows	<u>(1,393,602)</u>	<u>-</u>
Total adjustments	<u>(796,196)</u>	<u>18,468</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,400,542</u></u>	<u><u>(30,583)</u></u>

See accompanying notes to the basic financial statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

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

CITY OF LOMITA
Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2023

	<u>Trust Funds</u>
ASSETS	
Current assets:	
Cash and investments (note 2)	\$ 22,052
Receivables:	
Accounts	<u>83</u>
Total assets	<u>22,135</u>
LIABILITIES	
Current liabilities:	
Accounts payable	1,332
Accrued liabilities	<u>108</u>
Total liabilities	<u>1,440</u>
NET POSITION	
Restricted for foundation	<u>20,695</u>
Total net position	<u><u>\$ 20,695</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, 2023

	Private Purpose Trust Funds
Additions:	
Other revenues	\$ 8,900
Total additions	<u>8,900</u>
Deductions:	
Miscellaneous	<u>10,476</u>
Total deductions	<u>10,476</u>
Change in net position	(1,576)
Net position, beginning of year	<u>22,271</u>
Net position, end of year	<u><u>\$ 20,695</u></u>

See accompanying notes to the basic financial statements.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

Year ended June 30, 2023

(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.

American Rescue Plan Act Special Revenue Fund – Used to account for the City’s use of emergency and rescue plan activities using ARPA COVID-19 funds received from the Department of Treasury.

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. These committed amounts cannot be used for any other purposes unless the City Council removes or changes the specified use through council resolution.

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 (except for intangible right-to-use lease assets which the measurement is discussed thereafter) 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., prior to 1980). Capital assets used in operations are depreciated over their

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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

(g) Capital Assets, (Continued)

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
Leasehold improvements	10 years
Right of Use Leased Equipment/Subscriptions	3-5 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 the current fiscal year 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 assets 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 OPEB and 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 assets 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 three items that qualifies for reporting in this category which are deferred inflows relating to leases, OPEB, and the net pension obligation reported in the government-wide statement of net position. These inflows are the result of the net difference between present value of future lease revenues, as well as, projected and actual earnings on OPEB and pension plan investments, respectively. The OPEB and pension amounts are 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.

(p) New Accounting Pronouncements

The City adopted Statement on Governmental Accounting Standards (GASB Statements) No. 91-*Conduit Debt Obligations* and No. 96-*Subscription Based Information Technology Software*. The adoption of the GASB No. 91 did not significantly impact the City.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

(p) New Accounting Pronouncements, (Continued)

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset as described in note 1(q) below.

(q) Leases and Subscription Agreements

Lessee: The City is a lessee for a noncancellable lease of equipment and software subscriptions. The City recognizes a lease or subscription agreement liability and an intangible right-to-use lease or subscription agreement asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease or subscription agreement, the City initially measures the lease liability at the present value of payments expected to be made during the lease or subscription agreement term. Subsequently, the liability is reduced by the principal portion of payments made. The lease or subscription agreement asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The term includes the noncancellable period of the lease. Lease payments included in the measurement of the liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease or subscription agreement assets are reported with other capital assets and lease or subscription agreement liabilities are reported with long-term debt on the Statement of Net Position.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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

(q) Leases, (Continued)

Lessor: The City is a lessor for a noncancellable leases of a portion of real property, as well as, building and roof space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key elements and judgement include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

(2) Cash and Investments

Cash and investments at June 30, 2023 are reported as follows in the financial statements:

Statement of net position:	
Cash and investments	\$31,257,792
Statement of fiduciary net position:	
Cash and investments	<u>22,052</u>
	<u>\$31,279,844</u>

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments, (Continued)

Cash and investments at June 30, 2023 consisted of the following:

Petty cash	\$ 1,550
Demand deposits held by City	2,641,734
Investments:	
Negotiable certificates of deposits	13,611,762
US Treasury Notes	996,960
US Government Bonds	4,953,280
Corporate Bonds	1,736,410
Local Agency Investment Fund	<u>7,338,148</u>
Total cash and investments	<u>\$31,279,844</u>

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.

Investment Types <u>Authorized by State Law</u>	Authorized By Investment Policy	*Maximum Maturity	*Maximum Percentage Of Portfolio	*Maximum Investment in One Issuer
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	\$ 13,611,762	1,226,538	3,578,171	2,975,589	5,831,464
US Treasury Notes	996,960	996,960	-	-	-
US Government Bonds	4,953,280	-	940,670	1,131,365	2,881,245
Corporate Bonds	1,736,410	-	-	1,315,550	420,860
LAIF	<u>7,338,148</u>	<u>7,338,148</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 28,636,560</u>	<u>9,561,646</u>	<u>4,518,841</u>	<u>5,422,504</u>	<u>9,133,569</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, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Negotiable Certificates of Deposit	\$13,611,762	-	13,611,762	-
US Treasury Notes	996,960	-	996,960	-
US Government Bonds	4,953,280	-	4,953,280	-
Corporate Bonds	<u>1,736,410</u>	<u>-</u>	<u>1,736,410</u>	<u>-</u>
Subtotal	<u>21,298,412</u>	<u>-</u>	<u>21,298,412</u>	<u>-</u>
LAIF	<u>7,338,148</u>			
Total Leveled Investments	<u>\$28,636,560</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>Ratings as of Year End</u>				<u>Not rated Exempt from Disclosure</u>
		<u>Minimum Legal Rating</u>	<u>AA+</u>	<u>A-</u>	<u>BBB+</u>	
Negotiable Certificates of Deposit	\$13,611,762	N/A	-	-	-	13,611,762
US Treasury Notes	996,960	N/A	996,960	-	-	-
US Government Bonds	4,953,280	N/A	4,953,280	-	-	-
Corporate Bonds	1,736,410	N/A	-	1,295,800	440,610	-
LAIF	<u>7,338,148</u>	N/A	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,338,148</u>
Total	<u>\$28,636,560</u>		<u>5,950,240</u>	<u>1,295,800</u>	<u>440,610</u>	<u>20,949,910</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. In the current fiscal year, 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.

LAIF had the following limitations:

- Agencies are limited to a deposit amount of \$75 million.
- Please provide LAIF one day prior notice for deposits and withdrawals of \$10 million or more.
- Minimum \$5,000 transaction amount in increments of \$1,000.
- Maximum 15 transactions (combination of deposits and withdrawals) per month.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

(3) Interfund Balances

Interfund balances at June 30, 2023 consisted of the following:

<u>Due From Other Funds:</u>	<u>Due To Other Funds:</u>	
	Non-major Governmental <u>Funds</u>	<u>Total</u>
General Fund	<u>\$121,453</u>	<u>\$121,453</u>

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

(4) Interfund Transfers

Interfund transfers at June 30, 2023 consisted of the following:

	<u>General Fund</u>	<u>Non-major Governmental Funds</u>	<u>Transfers In: Water Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Total</u>
<u>Transfers Out:</u>					
General Fund	\$ -	1,050,000	-	708,480	1,758,480
American Rescue Plan Act Fund	<u>332,860</u>	<u>-</u>	<u>1,730,488</u>	<u>-</u>	<u>2,063,348</u>
Total	<u>\$332,860</u>	<u>1,050,000</u>	<u>1,730,488</u>	<u>708,480</u>	<u>3,821,828</u>

Transfers from the General Fund to the Internal Service fund in the amount of \$708,480 were for internal charges on equipment. Transfers of \$332,860 and \$1,730,488 from the American Rescue Plan Act Fund were to reimburse the General Fund and Water Enterprise Funds for emergency activities, respectively. 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, 2023 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	2,598,005	188,478	2,491,157	295,326
Street trees	<u>1,650,378</u>	<u>-</u>	<u>-</u>	<u>1,650,378</u>
Total non-depreciable	<u>9,242,289</u>	<u>188,478</u>	<u>2,491,157</u>	<u>6,939,610</u>
Depreciable:				
Buildings	4,523,989	-	-	4,523,989
Equipment and furniture	920,306	422,924	16,000	1,327,230
Right-to-use – Leased Equipment	19,117	-	-	19,117
Right-to-use – Subscription	-	182,735	-	182,735
Vehicles	442,600	255,995	119,699	578,896
Infrastructure	<u>24,698,073</u>	<u>2,631,891</u>	<u>654,608</u>	<u>26,675,356</u>
Total depreciable capital assets	<u>30,604,085</u>	<u>3,493,545</u>	<u>790,307</u>	<u>33,307,323</u>
Less accumulated depreciation for:				
Buildings	3,448,994	90,478	-	3,539,472
Equipment and furniture	610,231	37,255	16,000	631,486
Right-to-use – Leased Equipment	3,823	3,823	-	7,646
Right-to-use – Subscription	-	41,500	-	41,500
Vehicles	328,208	19,077	105,345	241,940
Infrastructure	<u>13,256,290</u>	<u>465,048</u>	<u>654,608</u>	<u>13,066,730</u>
Total accumulated depreciation	<u>17,647,546</u>	<u>657,181</u>	<u>775,953</u>	<u>17,528,774</u>
Total depreciable capital assets, net	<u>12,956,539</u>	<u>2,836,364</u>	<u>14,354</u>	<u>15,778,549</u>
Total capital assets, net	<u>\$22,198,828</u>	<u>3,024,842</u>	<u>2,505,511</u>	<u>22,718,159</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>3,548,783</u>	<u>1,108,261</u>	<u>159,080</u>	<u>4,497,964</u>
Total non-depreciable	<u>3,619,458</u>	<u>1,108,261</u>	<u>159,080</u>	<u>4,568,639</u>
Depreciable:				
Equipment and furniture	290,217	-	-	290,217
Vehicles	164,091	31,543	-	195,634
Infrastructure	<u>32,584,410</u>	<u>172,133</u>	<u>-</u>	<u>32,756,543</u>
Total depreciable capital assets	<u>33,038,718</u>	<u>203,676</u>	<u>-</u>	<u>33,242,394</u>
Less accumulated depreciation for:				
Equipment and furniture	204,761	10,582	-	215,343
Vehicles	109,673	8,000	-	117,673
Infrastructure	<u>9,643,962</u>	<u>753,322</u>	<u>-</u>	<u>10,397,284</u>
Total accumulated depreciation	<u>9,958,396</u>	<u>771,904</u>	<u>-</u>	<u>10,730,300</u>
Total depreciable capital assets, net	<u>23,080,322</u>	<u>(568,228)</u>	<u>-</u>	<u>22,512,094</u>
Total capital assets, net	<u>\$26,699,780</u>	<u>540,033</u>	<u>159,080</u>	<u>27,080,733</u>

	<u>Expenditures Spent-to-date</u>	<u>Remaining Commitment</u>
Construction commitments:		
Governmental activities- street projects:		
Street Reconstruction – Zone G	\$ 108,453	\$1,091,547
Lomita/Narbonne Intersection	115,076	767,924
Business-type activities-water capital improvements:		
Narbonne South Pipe Replacement	51,326	1,933,674
Cypress Water Production Upgrade	4,618,829	831,171
246 th -247 th Pl - Western	135,389	1,364,527

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	\$ 65,531	-
Community Development	1,111	-
Community Services	8,754	-
Public Works	559,964	-
Culture and Recreation	21,821	-
Water	<u>-</u>	<u>771,904</u>
Total	<u>\$657,181</u>	<u>771,904</u>

(6) Long-term Liabilities

Long-term liability activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Lease payable	\$ 14,901	-	3,667	11,234	3,705
Subscription Lease payable	-	182,735	41,500	141,235	36,525
Compensated absences (1)	<u>534,823</u>	<u>298,287</u>	<u>207,614</u>	<u>625,496</u>	<u>125,099</u>
Total governmental activities	<u>\$ 549,724</u>	<u>481,022</u>	<u>252,781</u>	<u>777,965</u>	<u>165,329</u>
Business-type Activities:					
Bonds payable:					
Bonds, series 2021	5,744,000	-	328,000	5,416,000	332,000
Bond premium	111,549	-	6,370	105,179	6,370
Compensated absences (2)	<u>281,738</u>	<u>157,514</u>	<u>128,350</u>	<u>310,901</u>	<u>62,180</u>
Total business-type activities	<u>6,137,287</u>	<u>157,514</u>	<u>462,720</u>	<u>5,832,080</u>	<u>400,550</u>
Total	<u>\$ 6,686,991</u>	<u>638,536</u>	<u>715,501</u>	<u>6,610,045</u>	<u>565,879</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.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(6) Long-term Liabilities, (Continued)

2021 Water Revenue Refunding Bonds:

On July 15, 2021, the City issued the 2021 Water Revenue Refunding Bonds in the amount of \$6,081,000 to refinance the 2016 Water Revenue Refunding Bonds in the amount of \$5,995,000. The purpose of the original 2008 bond issue was for capital improvements to the City's water system (2008 Project). Principal payments are due in annual installments ranging from \$337,000 to \$450,000, commencing June 1, 2022 through June 1, 2037. The bonds accrue interest at a rate of 2.42%. Interest on the bonds is payable semiannually on June 1 and December 1, commencing on December 1, 2021. 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 \$465,008 and \$1,238,100, respectively. At June 30, 2023, the ratio of the debt service payments due to the net revenues during fiscal year 2023 was .38 (38%). 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, 2037 or early retirement of the bonds, whichever first occurs. The amount of annual net revenues equaled 221% of the annual debt service requirement in fiscal year 2023. As of June 30, 2023, the amount of the bonds outstanding was \$5,416,000 and the City's legal debt margin was \$109,932,708.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 332,000	129,034	461,034
2025	341,000	120,952	461,952
2026	350,000	112,663	462,663
2027	359,000	104,133	463,133
2028	367,000	95,396	462,396
2029-2033	1,989,000	337,602	2,326,602
2034-2037	<u>1,678,000</u>	<u>89,226</u>	<u>1,767,226</u>
Total	<u>\$5,416,000</u>	<u>989,006</u>	<u>6,405,006</u>

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Leases

Leases Payable

In January 2022, the City entered into a five-year lease agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$18,724 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$11,234. The City is required to make monthly principal and interest payments of \$319 for the equipment. The lease has an interest rate of 1.05%. The equipment has a five-year estimated useful life. The value of the right-to-use asset as of June 30, 2023 was \$19,117 less accumulated amortization of \$7,646.

Subscription Agreements Payable

In September 2022, the City entered into a 60 month subscription for the use of budgeting software. An initial subscription liability was recorded in the amount of \$90,910. As of June 30, 2023, the value of the subscription liability is \$74,410. The City is required to make annual fixed payments ranging from \$20,000 to \$23,000. The subscription has an interest rate of 6.0%. The value of the right to use asset as of June 30, 2023 was \$90,910 with accumulated amortization of \$16,500.

In May 2022, the City entered into a 60 month subscription for the use of license and permit software. An initial subscription liability was recorded in the amount of \$91,825. As of June 30, 2023, the value of the subscription liability is \$66,825. The City is required to make annual fixed payments of \$25,000. The subscription has an interest rate of 6.0%. The value of the right to use asset as of June 30, 2023 was \$91,825 with accumulated amortization of \$25,000.

The following future principal and interest payments on the leases payable and subscription agreements payable for June 30 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 40,348	8,593	48,941
2025	43,540	6,362	49,902
2026	46,974	3,939	50,913
2027	<u>21,607</u>	<u>1,311</u>	<u>22,918</u>
Total	<u>\$152,469</u>	<u>20,205</u>	<u>172,674</u>

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(7) Leases, (Continued)

Leases Receivable

Prior to fiscal year ended June 30, 2022, the City leased several real property to a third party which was recognized in fiscal year June 30, 2022 as a result of implementing GASB 87. The lease term is for 5 years and the City will receive monthly payments ranging from approximately \$41,615 to \$46,140. During the year ended June 30, 2023, the City recognized \$42,182 in lease revenue and \$890 in interest revenue during the current fiscal year related to the lease. As of June 30, 2023, the City's receivable for lease payments was \$85,410. Also, the City has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$128,116.

Prior to fiscal year ended June 30, 2022, the City leased a portion of building roof top space to a third party which was recognized in fiscal year June 30, 2022 as a result of implementing GASB 87. The lease term is for 5 years and the City will receive monthly payments of \$29,170. During the year ended June 30, 2023, the City recognized \$28,567 in lease revenue and \$603 in interest revenue during the current fiscal year related to the lease. As of June 30, 2023, the City's receivable for lease payments was \$57,770. Also, the City has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$85,115.

(8) 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.

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(8) Defined Benefit Pension Plans, (Continued)

The Plans' provisions and benefits in effect at June 30, 2023, 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	12.20%	8.65%	7.59%
Payment of unfunded liability	\$845,955	\$7,265	\$6,601

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 \$1,073,677 for the year ended June 30, 2023.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2023, the City of Lomita reported net pension liabilities for its proportionate shares of the net pension liability of \$10,033,856.

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, 2022, 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, 2021, rolled forward to June 30, 2022, 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, 2021 and 2022 measurement dates was as follows:

Proportion – June 30, 2021	0.28718%
Proportion – June 30, 2022	<u>0.21443%</u>
Change – Increase/(Decrease)	<u>(0.07275)%</u>

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

(8) Defined Benefit Pension Plans, (Continued)

For the year ended June 30, 2023, the City of Lomita recognized pension credit of \$966,340. At June 30, 2023, the City of Lomita reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,073,677	\$ -
Difference between expected and actual experience	201,499	(134,956)
Changes in proportions	20,188	(538,604)
Difference between actual and projected contributions	-	(346,285)
Difference between actual and projected Investment earnings	1,837,936	-
Changes in assumptions	1,028,179	-
Total	<u>\$4,161,479</u>	<u>\$ (1,019,845)</u>

\$1,028,178 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2024	\$ 394,078
2025	355,900
2026	193,834
2027	<u>1,124,145</u>
Total	<u>\$ 2,067,957</u>

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

(8) Defined Benefit Pension Plans, (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
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 6.90 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 rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

(8) Defined Benefit Pension Plans, (Continued)

Asset Class	Assumed Asset Allocation	Real Return 1-10 (a)(b)
Global equity-Cap-weighted	30.0%	4.54%
Global equity-Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0%)	(0.59)%
Total	<u>100%</u>	

- (a) An expected inflation of 2.30% used for this period.
(b) Figures are based on the 2021 Asset Liability Management study.

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 6.90 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 (5.90 percent), or 1-percentage point higher (7.90 percent), than the current rate:

	<u>Miscellaneous</u>
1% Decrease	5.90%
Net Pension Liability	\$14,659,636
Current Discount Rate	6.90%
Net Pension Liability	\$10,033,856
1% Increase	7.90%
Net Pension Liability	\$6,227,986

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(9) 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, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active employees	48
Inactive employees or beneficiaries currently receiving benefits	28
Inactive employees entitled to, but not yet receiving benefits	-
Total	<u>76</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 2022-2023, the City paid \$207,859 for benefits of 28 retired employees.

Net OPEB Liability - The City of Lomita net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OEPB liability was determined by an actuarial valuation date June 30, 2023 that was rolled forward to determine the June 30, 2023 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	4.13%
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)

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

Discount Rate – The discount rate used to measure the OPEB liability was 4.13 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:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (c)=(a)-(b)
Balance at Fiscal Year Ending 6/30/22			
<i>Measurement Date 6/30/22</i>	\$4,773,098	\$ -	\$4,773,098
Changes During the Period:			
Service Cost	144,587	-	144,587
Interest Cost	196,925	-	196,925
Expected Investment Income	-	-	-
Employer Contributions	-	207,859	(207,859)
Changes of Benefit Terms	-	-	-
Benefit Payments	(207,859)	(207,859)	-
Assumption Changes	(1,339)	-	(1,339)
Plan Experience	4,944	-	4,944
Investment Experience	-	-	-
Recognized Deferred Resources	-	-	-
Employer Contributions Subsequent to Measurement Date	-	-	-
Net Changes in Fiscal Year 2022-23	137,258	-	137,258
Balance at Fiscal Year Ending 6/30/23			
<i>Measurement Date 6/30/23</i>	<u>\$4,910,356</u>	<u>\$ -</u>	<u>\$4,910,356</u>

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	3.13%
OPEB Liability	\$5,601,153
Current Discount Rate	4.13%
OPEB Liability	\$4,910,356
1% Increase	5.13%
OPEB Liability	\$4,345,754

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(9) 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, 2023:

1% Decrease	5.5% decreasing to 2.83%
OPEB Liability	\$4,300,769
Current Healthcare Rate	6.5% decreasing to 3.83%
OPEB Liability	\$4,910,356
1% Increase	7.5% decreasing to 4.83%
OPEB Liability	\$5,665,798

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the fiscal year ended June 30, 2023, the City of Lomita recognized OPEB expense of \$182,845. As of the fiscal year ended June 30, 2023, 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	\$ 323,064	(1,171,485)
Differences between expected and actuarial experience in measurement of the Total OPEB Liability	4,238	(838,080)
Total	<u>\$ 327,302</u>	<u>(2,009,565)</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	
2024	\$ (227,401)
2025	(227,401)
2026	(227,401)
2027	(227,401)
2028	(227,395)
Thereafter	(545,264)
	<u><u>\$(1,682,263)</u></u>

(10) 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 124 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)

(10) 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 2022-23 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)

(10) 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 \$37,590,882. 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 \$7,205,100. 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 2022-23.

(11) 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)

(12) 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, 2023:

	<u>General Fund</u>	<u>ARPA Special Revenue Fund</u>	<u>Non-major Governmental Funds</u>	<u>Totals</u>
<i>Nonspendable</i>				
Prepays	\$ -	-	4,030	4,030
Inventory	<u>22,805</u>	-	-	<u>22,805</u>
<i>Total Nonspendable</i>	<u>22,805</u>	-	<u>4,030</u>	<u>26,835</u>
<i>Restricted</i>				
Street Maintenance	-	-	1,232,871	1,232,871
Public Transportation	-	-	598,536	598,536
Clean Air Act Programs	-	-	61,412	61,412
Safe Clean Water Program	-	-	505,112	505,112
Landscape Maintenance	-	-	10,567	10,567
Park Improvement	-	-	618,547	618,547
Park Athletic Program	-	-	95,031	95,031
Low Mod Housing & CDBG	-	-	942,453	942,453
Law Enforcement, CLEEP	<u>-</u>	<u>-</u>	<u>6,351</u>	<u>6,351</u>
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>4,070,880</u>	<u>4,070,880</u>
<i>Committed</i>				
Street Improvement	-	-	3,834,124	3,834,124
Stephenson Center	<u>85,744</u>	-	-	<u>85,744</u>
<i>Total Committed</i>	<u>85,744</u>	-	<u>3,834,124</u>	<u>3,919,868</u>
<i>Assigned</i>				
Facilities Improvement	367,744	-	-	367,744
Capital Improvement	-	-	188,430	188,430
Street Improvement	-	-	2,108,289	2,108,289
Reserve Appropriations	5,000,000	-	-	5,000,000
Economic Stabilization	500,000	-	-	500,000
OPEB Trust	256,548	-	-	256,548
Economic Development	746,507	-	-	746,507
General Plan Update	804,754	-	-	804,754
Pension Stabilization	<u>1,346,646</u>	-	-	<u>1,346,646</u>
<i>Total Assigned</i>	<u>9,022,199</u>	-	<u>2,296,719</u>	<u>11,318,918</u>
<i>Unassigned</i>	<u>1,531,302</u>	<u>1,336,976</u>	<u>(106,537)</u>	<u>2,761,741</u>
<i>Totals</i>	<u>\$10,662,050</u>	<u>1,336,976</u>	<u>10,099,216</u>	<u>22,098,242</u>

CITY OF LOMITA
NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

(13) Other Required Disclosures

Deficit Fund Balances

The following funds had deficit fund balances as of June 30, 2023:

Non-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.

(14) Subsequent Events

Management has evaluated subsequent events through _____, 2023, which is the date the financial statements were available to be issued, and has determined that there are no transactions that will have a significant impact on the City.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LOMITA
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
June 30, 2023

Cost Sharing Defined Benefit Pension Plan
Last 10 Fiscal Years *

	Combined June 30, 2022 ¹ Fiscal Year 2022-23	Combined June 30, 2021 ¹ Fiscal Year 2021-22	Combined June 30, 2020 ¹ Fiscal Year 2020-21	Combined June 30, 2019 ¹ Fiscal Year 2019-20
Proportion of the net pension liability (asset)	0.08687%	0.28718%	0.20399%	0.20145%
Proportionate share of the net pension liability (asset)	\$ 10,033,856	\$ 5,453,063	\$ 8,604,362	\$ 8,067,243
Covered payroll ²	\$ 3,406,756	\$ 3,250,441	\$ 3,280,589	\$ 3,254,459
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	294.53%	167.76%	262.28%	247.88%
Plan's fiduciary net position	\$ 16,770,671,339	\$ 18,065,791,524	\$ 14,702,361,183	\$ 13,979,687,268
Plan's total pension liability	\$ 21,449,898,398	\$ 19,964,594,105	\$ 18,920,437,526	\$ 17,984,188,264
Plan fiduciary net position as a percentage of the total pension liability	70.43%	83.07%	72.81%	73.65%

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

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

Notes to Schedule:

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

The City's defined benefit pension plan is held in a trust. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P⁰@.101 to pay related benefits for the Pension plan.

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

Combined June 30, 2018 ¹ Fiscal Year 2018-19	Combined June 30, 2017 ¹ Fiscal Year 2017-18	Combined June 30, 2016 ¹ Fiscal Year 2016-17	Combined June 30, 2015 ¹ Fiscal Year 2015-16	Combined June 30, 2014 ¹ Fiscal Year 2014-15
0.21502%	0.22854%	0.23230%	0.18033%	0.22994%
\$ 8,103,476	\$ 9,009,203	\$ 8,069,774	\$ 6,841,270	\$ 5,682,932
\$ 3,191,154	\$ 3,090,957	\$ 2,926,047	\$ 2,938,496	\$ 2,954,990
253.94%	291.47%	275.79%	232.82%	192.32%
\$ 13,122,440,092	\$ 12,074,499,781	\$ 10,923,476,287	\$ 10,896,036,068	\$ 10,639,461,174
\$ 16,891,153,209	\$ 16,016,547,402	\$ 14,397,353,530	\$ 13,639,503,084	\$ 13,110,948,452
72.20%	67.95%	68.65%	72.19%	76.35%

CITY OF LOMITA
Schedule of Plan Contributions ¹
June 30, 2023

Cost Sharing Defined Benefit Pension Plan
Last 10 Fiscal Years *

	Combined Fiscal Year 2022-23 ¹	Combined Fiscal Year 2021-22 ¹	Combined Fiscal Year 2020-21 ¹	Combined Fiscal Year 2019-20 ¹
Actuarially determined contribution ²	\$ 955,758	\$ 862,587	\$ 782,589	\$ 808,631
Contributions in relation to the actuarially determined contributions ²	\$ (955,758)	\$ (862,587)	\$ (782,589)	\$ (1,282,850)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (474,219)
Covered payroll ³	\$ 3,406,756	\$ 3,250,441	\$ 3,280,589	\$ 3,254,459
Contributions as a percentage of covered payroll ³	28.05%	26.54%	23.86%	39.42%

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.

The City's defined benefit pension plan is held in a trust. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P%@.101 to pay related benefits for the Pension plan.

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

Combined Fiscal Year 2018-19 ¹	Combined Fiscal Year 2017-18 ¹	Combined Fiscal Year 2016-17 ¹	Combined Fiscal Year 2015-16 ¹	Combined Fiscal Year 2014-15 ¹
\$ 837,192	\$ 781,413	\$ 730,301	\$ 562,071	\$ 550,065
<u>\$ (1,420,192)</u>	<u>\$ (781,413)</u>	<u>\$ (730,301)</u>	<u>\$ (562,071)</u>	<u>\$ (550,065)</u>
<u><u>\$ (583,000)</u></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	\$ 3,112,108
44.50%	25.28%	24.96%	19.13%	17.67%

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability					
Service cost	\$ 144,587	\$ 228,517	\$ 198,117	\$ 204,755	\$ 181,090
Interest on the total OPEB Liability	196,925	156,877	174,777	189,858	190,222
Actual and expected					
experience difference	4,944	(951,276)	(157,118)	(208,583)	-
Changes in assumptions	(1,339)	(1,504,719)	516,900	506,719	321,438
Changes in benefit terms	-	-	-	-	-
Benefit payments	<u>(207,859)</u>	<u>(181,233)</u>	<u>(159,321)</u>	<u>(127,296)</u>	<u>(120,887)</u>
Net change in total OPEB liability	137,258	(2,251,834)	573,355	565,453	571,863
Total OPEB liability - beginning	<u>4,773,098</u>	<u>7,024,932</u>	<u>6,451,577</u>	<u>5,886,124</u>	<u>5,314,261</u>
Total OPEB liability - ending (a)	<u>\$ 4,910,356</u>	<u>\$ 4,773,098</u>	<u>\$ 7,024,932</u>	<u>\$ 6,451,577</u>	<u>\$ 5,886,124</u>
Plan Fiduciary Net Position					
Contribution - employer	\$ 207,859	\$ 181,233	\$ 159,321	\$ 127,296	\$ 120,887
Net investment income	-	-	-	-	-
Benefit payments	(207,859)	(181,233)	(159,321)	(127,296)	(120,887)
Administrative expense	<u>-</u>	<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>	<u>-</u>
Plan fiduciary net position -					
ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 4,910,356</u>	<u>\$ 4,773,098</u>	<u>\$ 7,024,932</u>	<u>\$ 6,451,577</u>	<u>\$ 5,886,124</u>
Covered employee payroll	4,104,780	3,513,344	3,455,483	3,363,000	3,105,000
Net OPEB liability as a percentage					
of covered employee payroll	119.6%	135.9%	203.3%	191.8%	189.6%

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.

The City's OPEB plan is held in a trust. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

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

CITY OF LOMITA

General Fund

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

For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Taxes and assessments	\$ 8,314,211	8,557,420	8,767,726	210,306
Intergovernmental	2,990,500	3,690,500	3,730,910	40,410
Licenses and permits	1,201,000	1,209,000	2,056,329	847,329
Fines and forfeitures	490,892	517,892	818,565	300,673
Investment income (loss)	101,000	203,000	(341,239)	(544,239)
Rental income	250,000	250,000	242,308	(7,692)
Other revenue	102,500	379,500	393,388	13,888
Total revenues	<u>13,450,103</u>	<u>14,807,312</u>	<u>15,667,987</u>	<u>860,675</u>
Expenditures:				
Current:				
General government	4,225,213	4,452,946	3,961,115	491,831
Community development	889,751	1,150,955	1,124,403	26,552
Public works	655,462	664,733	569,643	95,090
Public safety	4,730,921	4,745,921	4,642,386	103,535
Culture and recreation	1,850,255	1,914,955	1,795,502	119,453
Capital outlay	-	-	182,735	(182,735)
Principal	-	-	41,500	(41,500)
Total expenditures	<u>12,351,602</u>	<u>12,929,510</u>	<u>12,317,284</u>	<u>612,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,098,501</u>	<u>1,877,802</u>	<u>3,350,703</u>	<u>1,472,901</u>
Other financing sources (uses):				
Transfers in	704,500	1,116,483	332,860	(783,623)
Transfers out	(1,500,000)	(2,492,103)	(1,758,480)	733,623
Proceeds from subscription leases	-	-	182,735	182,735
Total other financing sources (uses)	<u>(795,500)</u>	<u>(1,375,620)</u>	<u>(1,242,885)</u>	<u>132,735</u>
Net change in fund balances	303,001	502,182	2,107,818	1,605,636
Fund balance, beginning of year	<u>8,554,232</u>	<u>8,554,232</u>	<u>8,554,232</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,857,233</u>	<u>9,056,414</u>	<u>10,662,050</u>	<u>1,605,636</u>

CITY OF LOMITA
American Rescue Plan Act Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues:				
Intergovernmental	<u>\$ 2,430,488</u>	<u>2,430,488</u>	<u>2,430,488</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,430,488</u>	<u>2,430,488</u>	<u>2,430,488</u>	<u>-</u>
Other financing sources (uses):				
Transfers out	<u>(2,132,988)</u>	<u>(2,063,348)</u>	<u>(2,063,348)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,132,988)</u>	<u>(2,063,348)</u>	<u>(2,063,348)</u>	<u>-</u>
Net change in fund balances	297,500	367,140	367,140	-
Fund balance, beginning of year	<u>969,836</u>	<u>969,836</u>	<u>969,836</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 1,267,336</u>	<u>1,336,976</u>	<u>1,336,976</u>	<u>-</u>

CITY OF LOMITA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2023

(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, hence, not budget is adopted for the Measure R Highway Special Revenue Fund. The legal level of control of which expenditures cannot exceed appropriations is at the functional level. The City Council is informed of expenditures over appropriations and such amounts are informally approved as a part of the bi-monthly review of the demand warrants.

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

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

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

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

SPECIAL REVENUE FUNDS:

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

Measure M 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.

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

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, 2023

	Special Revenue Funds				
	State Gas Tax	Measure M	Measure R	Transportation Development Act	Community Development Block Grant
<u>ASSETS</u>					
Cash and investments	\$ 1,177,658	724,962	678,408	-	-
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Due from other governments	158,952	-	-	20,621	3,240
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 1,336,610</u>	<u>724,962</u>	<u>678,408</u>	<u>20,621</u>	<u>3,240</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 63,969	-	-	7,083	1,860
Accrued liabilities	39,770	5,193	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	13,538	1,378
Total liabilities	<u>103,739</u>	<u>5,193</u>	<u>-</u>	<u>20,621</u>	<u>3,238</u>
<u>DEFERRED IN FLOWS OF RESOURCES</u>					
Unavailable revenue	-	-	-	-	-
Total deferred in flows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>					
Nonspendable	-	-	-	-	-
Restricted	1,232,871	-	-	-	2
Committed	-	719,769	678,408	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>1,232,871</u>	<u>719,769</u>	<u>678,408</u>	<u>-</u>	<u>2</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,336,610</u>	<u>724,962</u>	<u>678,408</u>	<u>20,621</u>	<u>3,240</u>

Special Revenue Funds					
Measure R Highway	Proposition A	Air Quality Plan AB 2766	Park Grant	Landscape Maintenance	Parks Facilities
-	630,820	64,531	50,000	9,882	578,347
-	-	-	-	-	-
-	-	-	-	685	-
191,559	-	6,881	-	-	-
-	-	-	-	-	-
<u>191,559</u>	<u>630,820</u>	<u>71,412</u>	<u>50,000</u>	<u>10,567</u>	<u>578,347</u>
-	31,223	10,000	9,800	-	-
-	1,061	-	-	-	-
-	-	-	-	-	-
106,537	-	-	-	-	-
<u>106,537</u>	<u>32,284</u>	<u>10,000</u>	<u>9,800</u>	<u>-</u>	<u>-</u>
191,559	-	-	-	-	-
<u>191,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	598,536	61,412	40,200	10,567	578,347
-	-	-	-	-	-
-	-	-	-	-	-
(106,537)	-	-	-	-	-
<u>(106,537)</u>	<u>598,536</u>	<u>61,412</u>	<u>40,200</u>	<u>10,567</u>	<u>578,347</u>
<u>191,559</u>	<u>630,820</u>	<u>71,412</u>	<u>50,000</u>	<u>10,567</u>	<u>578,347</u>

CITY OF LOMITA
Non-major Governmental Funds, Continued
Combining Balance Sheet
June 30, 2023

	Special Revenue Funds				
	Park Athletic	Proposition C	Lomita Manor Development	CLEEP	Measure W
<u>ASSETS</u>					
Cash and investments	\$ 102,978	2,435,947	1,022,723	6,351	515,978
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	-	-	4,030	-	-
Total assets	<u>\$ 102,978</u>	<u>2,435,947</u>	<u>1,026,753</u>	<u>6,351</u>	<u>515,978</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 7,947	-	53,962	-	10,866
Accrued liabilities	-	-	-	-	-
Deposits payable	-	-	26,310	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>7,947</u>	<u>-</u>	<u>80,272</u>	<u>-</u>	<u>10,866</u>
<u>DEFERRED IN FLOWS OF RESOURCES</u>					
Unavailable revenue	-	-	-	-	-
Total deferred in flows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>					
Nonspendable	-	-	4,030	-	-
Restricted	95,031	-	942,451	6,351	505,112
Committed	-	2,435,947	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>95,031</u>	<u>2,435,947</u>	<u>946,481</u>	<u>6,351</u>	<u>505,112</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 102,978</u>	<u>2,435,947</u>	<u>1,026,753</u>	<u>6,351</u>	<u>515,978</u>

<u>Capital Projects Funds</u>		
<u>Capital Improvement</u>	<u>Street Improvement</u>	<u>Total Non-major Governmental Funds</u>
188,430	2,151,690	10,338,705
-	-	-
-	-	685
-	-	381,253
-	-	4,030
<u>188,430</u>	<u>2,151,690</u>	<u>10,724,673</u>
-	43,401	240,111
-	-	46,024
-	-	26,310
-	-	121,453
-	43,401	433,898
-	-	191,559
-	-	191,559
-	-	4,030
-	-	4,070,880
-	-	3,834,124
188,430	2,108,289	2,296,719
-	-	(106,537)
<u>188,430</u>	<u>2,108,289</u>	<u>10,099,216</u>
<u>188,430</u>	<u>2,151,690</u>	<u>10,724,673</u>

CITY OF LOMITA
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	Special Revenue Funds				
	State Gas Tax	Measure M	Measure R	Transportation Development Act	Community Development Block Grant
Revenues:					
Taxes and assessments	\$ 530,463	-	-	-	-
Intergovernmental	467,262	377,811	333,987	20,621	50,809
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	20,150	12,590	12,003	-	-
Rental income	-	-	-	-	-
Other revenue	10,985	-	-	-	-
Total revenues	<u>1,028,860</u>	<u>390,401</u>	<u>345,990</u>	<u>20,621</u>	<u>50,809</u>
Expenditures:					
Current:					
Community services	-	-	-	-	-
Public works	504,393	-	5,680	14,643	50,808
Culture and recreation	-	-	-	-	-
Capital outlay	<u>78,474</u>	<u>114,335</u>	<u>104,479</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>582,867</u>	<u>114,335</u>	<u>110,159</u>	<u>14,643</u>	<u>50,808</u>
Excess (deficiency) of revenues over (under) expenditures	<u>445,993</u>	<u>276,066</u>	<u>235,831</u>	<u>5,978</u>	<u>1</u>
Other financing sources (uses):					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	445,993	276,066	235,831	5,978	1
Fund balances (deficit), beginning of year	<u>786,878</u>	<u>443,703</u>	<u>442,577</u>	<u>(5,978)</u>	<u>1</u>
Fund balances (deficit), end of year	<u>\$ 1,232,871</u>	<u>719,769</u>	<u>678,408</u>	<u>-</u>	<u>2</u>

Special Revenue Funds

Measure R Highway	Proposition A	Air Quality Plan AB 2766	Park Grant	Landscape Maintenance	Parks Facilities
-	-	-	-	11,651	116,684
-	537,023	27,237	-	-	-
-	-	-	-	-	-
-	8,818	-	-	-	-
-	13,351	1,126	-	128	9,870
-	-	-	-	-	-
-	-	-	-	-	-
-	559,192	28,363	-	11,779	126,554
-	1,121,844	-	-	-	-
-	-	20,000	-	6,212	-
-	-	-	9,800	-	-
-	-	-	-	-	-
-	1,121,844	20,000	9,800	6,212	-
-	(562,652)	8,363	(9,800)	5,567	126,554
-	-	-	50,000	-	-
-	-	-	50,000	-	-
-	(562,652)	8,363	40,200	5,567	126,554
(106,537)	1,161,188	53,049	-	5,000	451,793
(106,537)	598,536	61,412	40,200	10,567	578,347

CITY OF LOMITA

Non-major Governmental Funds

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

For the Year ended June 30, 2023

	Special Revenue Funds				
	Park Athletic	Proposition C	Lomita Manor Development	CLEEP	Measure W
Revenues:					
Taxes and assessments	\$ -	-	-	-	-
Intergovernmental	-	445,445	403,986	-	526,909
Licenses and permits	56,156	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	1,900	45,818	13,292	130	3,668
Rental income	-	-	326,863	-	-
Other revenue	180	-	408	-	-
Total revenues	<u>58,236</u>	<u>491,263</u>	<u>744,549</u>	<u>130</u>	<u>530,577</u>
Expenditures:					
Current:					
Community services	-	-	559,604	-	-
Public works	-	-	-	-	132,343
Culture and recreation	43,403	-	-	-	-
Capital outlay	-	10,560	-	-	-
Total expenditures	<u>43,403</u>	<u>10,560</u>	<u>559,604</u>	<u>-</u>	<u>132,343</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,833</u>	<u>480,703</u>	<u>184,945</u>	<u>130</u>	<u>398,234</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	14,833	480,703	184,945	130	398,234
Fund balances (deficit), beginning of year	<u>80,198</u>	<u>1,955,244</u>	<u>761,536</u>	<u>6,221</u>	<u>106,878</u>
Fund balances (deficit), end of year	<u>\$ 95,031</u>	<u>2,435,947</u>	<u>946,481</u>	<u>6,351</u>	<u>505,112</u>

<u>Capital Projects Funds</u>		
<u>Capital</u>	<u>Street</u>	<u>Total</u>
<u>Improvement</u>	<u>Improvement</u>	<u>Non-major</u>
		<u>Governmental</u>
		<u>Funds</u>
-	-	658,798
-	-	3,191,090
-	-	56,156
-	-	8,818
3,857	28,572	166,455
-	-	326,863
-	-	11,573
<u>3,857</u>	<u>28,572</u>	<u>4,419,753</u>
-	-	1,681,448
-	4,000	738,079
-	-	53,203
-	284,548	592,396
<u>-</u>	<u>288,548</u>	<u>3,065,126</u>
<u>3,857</u>	<u>(259,976)</u>	<u>1,354,627</u>
<u>-</u>	<u>1,000,000</u>	<u>1,050,000</u>
<u>-</u>	<u>1,000,000</u>	<u>1,050,000</u>
3,857	740,024	2,404,627
<u>184,573</u>	<u>1,368,265</u>	<u>7,694,589</u>
<u>188,430</u>	<u>2,108,289</u>	<u>10,099,216</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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 538,709	530,463	(8,246)
Intergovernmental	454,087	467,262	13,175
Investment income	2,000	20,150	18,150
Other revenue	-	10,985	10,985
Total revenues	<u>994,796</u>	<u>1,028,860</u>	<u>34,064</u>
Expenditures:			
Current:			
Public works	528,306	504,393	23,913
Capital outlay	<u>111,257</u>	<u>78,474</u>	<u>32,783</u>
Total expenditures	<u>639,563</u>	<u>582,867</u>	<u>56,696</u>
Net change in fund balances	355,233	445,993	90,760
Fund balance, beginning of year	<u>786,878</u>	<u>786,878</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,142,111</u>	<u>1,232,871</u>	<u>90,760</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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 351,434	377,811	26,377
Investment income	<u>1,000</u>	<u>12,590</u>	<u>11,590</u>
Total revenues	<u>352,434</u>	<u>390,401</u>	<u>37,967</u>
Expenditures:			
Capital outlay	<u>159,949</u>	<u>114,335</u>	<u>45,614</u>
Total expenditures	<u>159,949</u>	<u>114,335</u>	<u>45,614</u>
Net change in fund balances	192,485	276,066	83,581
Fund balance, beginning of year	<u>443,703</u>	<u>443,703</u>	<u>-</u>
Fund balance, end of year	<u>\$ 636,188</u>	<u>719,769</u>	<u>83,581</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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 310,089	333,987	23,898
Investment income	<u>3,000</u>	<u>12,003</u>	<u>9,003</u>
Total revenues	<u>313,089</u>	<u>345,990</u>	<u>32,901</u>
Expenditures:			
Current:			
Public works	55,680	5,680	50,000
Capital outlay	<u>112,018</u>	<u>104,479</u>	<u>7,539</u>
Total expenditures	<u>167,698</u>	<u>110,159</u>	<u>57,539</u>
Net change in fund balances	145,391	235,831	90,440
Fund balance, beginning of year	<u>442,577</u>	<u>442,577</u>	<u>-</u>
Fund balance, end of year	<u>\$ 587,968</u>	<u>678,408</u>	<u>90,440</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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 19,204	20,621	1,417
Total revenues	<u>19,204</u>	<u>20,621</u>	<u>1,417</u>
Expenditures:			
Current:			
Public works	<u>13,226</u>	<u>14,643</u>	<u>(1,417)</u>
Total expenditures	<u>13,226</u>	<u>14,643</u>	<u>(1,417)</u>
Net change in fund balances	5,978	5,978	-
Fund balance (deficit), beginning of year	<u>(5,978)</u>	<u>(5,978)</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>

CITY OF LOMITA
Community Development Block Grant Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 148,379	50,809	(97,570)
Total revenues	<u>148,379</u>	<u>50,809</u>	<u>(97,570)</u>
Expenditures:			
Current:			
Public works	<u>148,379</u>	<u>50,808</u>	<u>97,571</u>
Total expenditures	<u>148,379</u>	<u>50,808</u>	<u>97,571</u>
Net change in fund balances	-	1	1
Fund balance, beginning of year	<u>1</u>	<u>1</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 1</u></u>	<u><u>2</u></u>	<u><u>1</u></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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 498,451	537,023	38,572
Charges for services	25,000	8,818	(16,182)
Investment income	3,000	13,351	10,351
Total revenues	<u>526,451</u>	<u>559,192</u>	<u>32,741</u>
Expenditures:			
Current:			
Community services	<u>1,123,600</u>	<u>1,121,844</u>	<u>1,756</u>
Total expenditures	<u>1,123,600</u>	<u>1,121,844</u>	<u>1,756</u>
Net change in fund balances	(597,149)	(562,652)	34,497
Fund balance, beginning of year	<u>1,161,188</u>	<u>1,161,188</u>	<u>-</u>
Fund balance, end of year	<u>\$ 564,039</u>	<u>598,536</u>	<u>34,497</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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 26,000	27,237	1,237
Investment income	300	1,126	826
Total revenues	<u>26,300</u>	<u>28,363</u>	<u>2,063</u>
Expenditures:			
Current:			
Public works	<u>35,000</u>	<u>20,000</u>	<u>15,000</u>
Total expenditures	<u>35,000</u>	<u>20,000</u>	<u>15,000</u>
Net change in fund balances	(8,700)	8,363	17,063
Fund balance, beginning of year	<u>53,049</u>	<u>53,049</u>	<u>-</u>
Fund balance, end of year	<u>\$ 44,349</u>	<u>61,412</u>	<u>17,063</u>

CITY OF LOMITA
Park Grant Special Revenue Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actuals
For the Year Ended June 30, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 222,000	-	(222,000)
Total revenues	<u>222,000</u>	<u>-</u>	<u>(222,000)</u>
Expenditures:			
Current:			
Cultural and recreation	<u>250,000</u>	<u>9,800</u>	<u>240,200</u>
Total expenditures	<u>250,000</u>	<u>9,800</u>	<u>240,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,000)</u>	<u>(9,800)</u>	<u>18,200</u>
Other financing sources (uses):			
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balances	22,000	40,200	18,200
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 22,000</u>	<u>40,200</u>	<u>18,200</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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 11,738	11,651	(87)
Investment income	-	128	128
Total revenues	11,738	11,779	41
Expenditures:			
Current:			
Public works	16,738	6,212	10,526
Total expenditures	16,738	6,212	10,526
Net change in fund balances	(5,000)	5,567	10,567
Fund balance, beginning of year	5,000	5,000	-
Fund balance (deficit), end of year	\$ -	10,567	10,567

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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 5,000	116,684	111,684
Investment income	<u>500</u>	<u>9,870</u>	<u>9,370</u>
Total revenues	<u>5,500</u>	<u>126,554</u>	<u>121,054</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	5,500	126,554	121,054
Fund balance, beginning of year	<u>451,793</u>	<u>451,793</u>	<u>-</u>
Fund balance, end of year	<u>\$ 457,293</u>	<u>578,347</u>	<u>121,054</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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses and permits	\$ 54,000	56,156	2,156
Investment income	500	1,900	1,400
Other revenue	-	180	180
Total revenues	<u>54,500</u>	<u>58,236</u>	<u>3,736</u>
Expenditures:			
Current:			
Cultural and recreation	<u>51,193</u>	<u>43,403</u>	<u>7,790</u>
Total expenditures	<u>51,193</u>	<u>43,403</u>	<u>7,790</u>
Net change in fund balances	3,307	14,833	11,526
Fund balance, beginning of year	<u>80,198</u>	<u>80,198</u>	<u>-</u>
Fund balance, end of year	<u>\$ 83,505</u>	<u>95,031</u>	<u>11,526</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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 413,452	445,445	31,993
Investment income	<u>5,000</u>	<u>45,818</u>	<u>40,818</u>
Total revenues	<u>418,452</u>	<u>491,263</u>	<u>72,811</u>
Expenditures:			
Capital outlay	<u>9,880</u>	<u>10,560</u>	<u>(680)</u>
Total expenditures	<u>9,880</u>	<u>10,560</u>	<u>(680)</u>
Net change in fund balances	408,572	480,703	72,131
Fund balance, beginning of year	<u>1,955,244</u>	<u>1,955,244</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 2,363,816</u></u>	<u><u>2,435,947</u></u>	<u><u>72,131</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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 176,000	403,986	227,986
Investment income	-	13,292	13,292
Rental income	288,582	326,863	38,281
Other revenue	<u>3,960</u>	<u>408</u>	<u>(3,552)</u>
Total revenues	<u>468,542</u>	<u>744,549</u>	<u>276,007</u>
Expenditures:			
Current:			
Community services	<u>468,542</u>	<u>559,604</u>	<u>(91,062)</u>
Total expenditures	<u>468,542</u>	<u>559,604</u>	<u>(91,062)</u>
Net change in fund balances	-	184,945	184,945
Fund balance, beginning of year	<u>761,536</u>	<u>761,536</u>	<u>-</u>
Fund balance, end of year	<u>\$ 761,536</u>	<u>946,481</u>	<u>184,945</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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 100	130	30
Total revenues	100	130	30
Expenditures:			
Current:			
Public safety	-	-	-
Total expenditures	-	-	-
Net change in fund balances	100	130	30
Fund balance, beginning of year	6,221	6,221	-
Fund balance, end of year	\$ 6,321	6,351	30

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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 225,000	526,909	301,909
Investment income	-	3,668	3,668
Total revenues	<u>225,000</u>	<u>530,577</u>	<u>305,577</u>
Expenditures:			
Current:			
Public works	<u>163,076</u>	<u>132,343</u>	<u>30,733</u>
Total expenditures	<u>163,076</u>	<u>132,343</u>	<u>30,733</u>
Net change in fund balances	61,924	398,234	336,310
Fund balance, beginning of year	<u>106,878</u>	<u>106,878</u>	<u>-</u>
Fund balance, end of year	<u>\$ 168,802</u>	<u>505,112</u>	<u>336,310</u>

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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 1,000	3,857	2,857
Total revenues	1,000	3,857	2,857
Expenditures:			
Capital outlay	5,000	-	5,000
Total expenditures	5,000	-	5,000
Net change in fund balances	(4,000)	3,857	7,857
Fund balance, beginning of year	184,573	184,573	-
Fund balance, end of year	\$ 180,573	188,430	7,857

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, 2023

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 3,000	28,572	25,572
Total revenues	3,000	28,572	25,572
Expenditures:			
Current:			
Public works	25,000	4,000	21,000
Capital outlay	1,413,455	284,548	1,128,907
Total expenditures	1,438,455	288,548	1,149,907
Excess (deficiency) of revenues over (under) expenditures	(1,435,455)	(259,976)	1,175,479
Other financing sources (uses):			
Transfers in	1,000,000	1,000,000	-
Total other financing sources (uses)	1,000,000	1,000,000	-
Net change in fund balances	(435,455)	740,024	1,175,479
Fund balance, beginning of year	1,368,265	1,368,265	-
Fund balance, end of year	\$ 932,810	2,108,289	1,175,479

FIDUCIARY FUNDS

CITY OF LOMITA
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2023

	Railroad Foundation	Tom Rico Memorial	Total
ASSETS			
Current assets:			
Cash and investments	\$ 22,052	-	22,052
Receivables:			
Accounts	83	-	83
Total assets	22,135	-	22,135
LIABILITIES			
Current liabilities:			
Accounts payable	1,332	-	1,332
Accrued liabilities	108	-	108
Total liabilities	1,440	-	1,440
NET POSITION			
Restricted for foundation	20,695	-	20,695
Restricted for memorial	-	-	-
Total net position	\$ 20,695	-	20,695

CITY OF LOMITA
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2023

	<u>Railroad Foundation</u>	<u>Tom Rico Memorial</u>	<u>Total</u>
Additions:			
Other revenues	\$ 8,900	-	8,900
Total additions	<u>8,900</u>	<u>-</u>	<u>8,900</u>
Deductions:			
Miscellaneous	<u>8,886</u>	<u>1,590</u>	<u>10,476</u>
Total deductions	<u>8,886</u>	<u>1,590</u>	<u>10,476</u>
Change in net position	14	(1,590)	(1,576)
Net position, beginning of year	<u>20,681</u>	<u>1,590</u>	<u>22,271</u>
Net position, end of year	<u><u>\$ 20,695</u></u>	<u><u>-</u></u>	<u><u>20,695</u></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				
	2023	2022	2021	2020	2019
Governmental activities:					
Net investment in capital assets	\$ 22,718,159	\$ 22,183,927	\$ 20,121,459	\$ 20,331,203	\$ 20,579,331
Restricted	9,594,104	7,593,689	7,018,655	5,139,262	4,002,512
Unrestricted	<u>2,472,644</u>	<u>(1,553,860)</u>	<u>(3,058,698)</u>	<u>(4,982,190)</u>	<u>(4,384,212)</u>
Total governmental activities net position	<u>\$ 34,784,907</u>	<u>\$ 28,223,756</u>	<u>\$ 24,081,416</u>	<u>\$ 20,488,275</u>	<u>\$ 20,197,631</u>
Business-type activities:					
Net investment in capital assets	\$ 21,559,554	\$ 20,844,231	\$ 18,200,296	\$ 18,452,593	\$ 17,995,090
Restricted	-	-	-	-	-
Unrestricted	<u>5,846,832</u>	<u>2,673,936</u>	<u>3,602,880</u>	<u>1,882,888</u>	<u>1,675,608</u>
Total business-type activities net position	<u>\$ 27,406,386</u>	<u>\$ 23,518,167</u>	<u>\$ 21,803,176</u>	<u>\$ 20,335,481</u>	<u>\$ 19,670,698</u>
Primary government:					
Net investment in capital assets	\$ 44,277,713	\$ 43,028,158	\$ 38,321,755	\$ 38,783,796	\$ 38,574,421
Restricted	9,594,104	7,593,689	7,018,655	5,139,262	4,002,512
Unrestricted ⁽¹⁾	<u>8,319,476</u>	<u>1,120,076</u>	<u>544,182</u>	<u>(3,099,302)</u>	<u>(2,708,604)</u>
Total primary government net position	<u>\$ 62,191,293</u>	<u>\$ 51,741,923</u>	<u>\$ 45,884,592</u>	<u>\$ 40,823,756</u>	<u>\$ 39,868,329</u>

⁽¹⁾ 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					
2018	2017	2016	2015	2014	
\$ 19,933,570	\$ 17,033,665	\$ 18,274,572	\$ 18,192,046	\$ 17,423,028	
2,952,055	2,641,909	3,676,616	3,354,468	3,516,178	
<u>(4,506,553)</u>	<u>(969,590)</u>	<u>(726,465)</u>	<u>(621,965)</u>	<u>3,431,164</u>	
<u>\$ 18,379,072</u>	<u>\$ 18,705,984</u>	<u>\$ 21,224,723</u>	<u>\$ 20,924,549</u>	<u>\$ 24,370,370</u>	
\$ 16,255,533	\$ 15,480,584	\$ 16,158,075	\$ 15,498,223	\$ 15,313,322	
-	-	175,847	678,501	678,500	
<u>2,822,396</u>	<u>3,088,795</u>	<u>2,553,377</u>	<u>2,472,870</u>	<u>3,675,085</u>	
<u>\$ 19,077,929</u>	<u>\$ 18,569,379</u>	<u>\$ 18,887,299</u>	<u>\$ 18,649,594</u>	<u>\$ 19,666,907</u>	
\$ 36,189,103	\$ 32,514,249	\$ 34,432,647	\$ 33,690,269	\$ 32,736,350	
2,952,055	2,641,909	3,852,463	4,032,969	4,194,678	
<u>(1,684,157)</u>	<u>2,119,205</u>	<u>1,826,912</u>	<u>1,850,905</u>	<u>7,106,249</u>	
<u>\$ 37,457,001</u>	<u>\$ 37,275,363</u>	<u>\$ 40,112,022</u>	<u>\$ 39,574,143</u>	<u>\$ 44,037,277</u>	

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

	Fiscal Year				
	2023	2022	2021	2020	2019
Expenses:					
Governmental activities:					
General government	\$ 3,651,972	\$ 4,615,742	\$ 3,516,508	\$ 3,097,344	\$ 4,488,587
Public safety	4,624,434	4,385,150	4,122,368	3,843,357	3,633,645
Public works	1,584,797	1,557,665	2,345,393	1,830,924	1,496,818
Community development	1,022,436	985,098	720,677	691,477	683,449
Community services	1,684,425	701,673	713,824	861,971	920,398
Culture and Recreation	1,688,139	1,731,965	1,127,697	1,365,464	1,124,928
Total governmental activities expenses	<u>14,256,203</u>	<u>13,977,293</u>	<u>12,546,467</u>	<u>11,690,537</u>	<u>12,347,825</u>
Business-type activities:					
Water Enterprise Operating Expenses	5,168,136	7,011,399	6,746,049	7,196,441	6,025,969
Total business-type activities expenses	<u>5,168,136</u>	<u>7,011,399</u>	<u>6,746,049</u>	<u>7,196,441</u>	<u>6,025,969</u>
Total primary government expenses	<u>19,424,339</u>	<u>20,988,692</u>	<u>19,292,516</u>	<u>18,886,978</u>	<u>18,373,794</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	60,000	160,000	60,000	60,000	60,000
Public safety	727,215	600,451	392,639	473,892	441,691
Public works	203,713	201,162	210,123	233,172	228,755
Community development	2,053,254	1,375,786	2,418,941	811,739	1,612,396
Community services	335,681	313,479	310,261	330,030	324,675
Cultural and Recreation	408,955	381,421	197,198	197,254	340,053
Operating grants and contributions	5,790,820	5,347,576	3,100,247	2,320,210	2,910,425
Capital grants and contributions	723,342	621,557	526,724	531,777	516,581
Total governmental activities program revenues	<u>10,302,980</u>	<u>9,001,432</u>	<u>7,216,133</u>	<u>4,958,074</u>	<u>6,434,576</u>
Business-type activities:					
Charges for services:					
Water	6,108,357	6,344,367	6,433,700	6,023,257	5,629,363
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>6,108,357</u>	<u>6,344,367</u>	<u>6,433,700</u>	<u>6,023,257</u>	<u>5,629,363</u>
Total primary government program revenues	<u>16,411,337</u>	<u>15,345,799</u>	<u>13,649,833</u>	<u>10,981,331</u>	<u>12,063,939</u>
Net revenues (expenses):					
Governmental activities	(3,953,223)	(4,975,861)	(5,330,334)	(6,732,463)	(5,913,249)
Business-type activities	940,221	(667,032)	(312,349)	(1,173,184)	(396,606)
Total net revenues (expenses)	<u>(3,013,002)</u>	<u>(5,642,893)</u>	<u>(5,642,683)</u>	<u>(7,905,647)</u>	<u>(6,309,855)</u>

Fiscal Year				
2018	2017	2016	2015	2014
\$ 4,078,593	\$ 3,507,091	\$ 3,123,342	\$ 2,899,057	\$ 3,098,164
3,549,113	3,309,683	3,108,606	3,016,259	3,110,281
1,850,296	2,028,211	1,440,942	868,679	1,154,889
878,350	763,932	816,396	732,230	870,304
926,762	1,480,018	861,319	1,177,247	911,817
1,388,433	1,199,067	1,196,613	1,205,707	1,162,065
12,671,547	12,288,002	10,547,218	9,899,179	10,307,520
5,816,026	5,221,613	4,938,566	4,982,663	5,064,405
5,816,026	5,221,613	4,938,566	4,982,663	5,064,405
18,487,573	17,509,615	15,485,784	14,881,842	15,371,925
60,000	60,000	60,000	60,000	61,281
386,780	373,933	364,735	377,159	297,550
224,714	193,363	211,337	189,668	402,407
992,241	846,262	1,075,688	1,413,611	1,159,824
299,478	314,290	306,110	267,026	267,952
430,563	368,800	334,994	261,195	236,828
2,221,458	2,194,576	1,516,695	1,831,908	1,481,169
713,374	779,612	328,664	417,909	982,808
5,328,608	5,130,836	4,198,223	4,818,476	4,889,819
5,330,322	4,789,815	4,435,449	4,594,551	4,566,793
-	-	-	-	-
-	-	-	-	-
5,330,322	4,789,815	4,435,449	4,594,551	4,566,793
10,658,930	9,920,651	8,633,672	9,413,027	9,456,612
(7,342,939)	(7,157,166)	(6,348,995)	(5,080,703)	(5,417,701)
(485,704)	(431,798)	(503,117)	(388,112)	(497,612)
(7,828,643)	(7,588,964)	(6,852,112)	(5,468,815)	(5,915,313)

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

	Fiscal Year				
	2023	2022	2021	2020	2019
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	2,112,200	1,990,207	1,893,942	1,776,468	1,639,059
Sales tax	4,944,221	5,040,048	2,637,134	1,884,061	2,011,963
Transient occupancy taxes	230,035	133,484	198,839	148,228	185,632
Refuse Tax	346,598	327,045	303,799	285,240	267,502
Business Licence Tax	678,225	688,309	630,812	650,737	652,617
Franchise Taxes	410,506	384,293	368,062	350,249	347,479
Other taxes	45,942	75,521	283,986	50,165	54,910
Motor vehicle in lieu, unrestricted	2,789,586	2,633,390	2,520,716	2,390,550	2,263,193
Investment income (loss)	(316,365)	(915,599)	13,242	202,981	167,410
Other general revenues	1,003,914	31,015	72,943	84,428	143,293
Gain on sales of property	-	-	-	-	-
Transfers	(1,730,488)	(1,269,512)	-	(800,000)	-
Total governmental activities	<u>10,514,374</u>	<u>9,118,201</u>	<u>8,923,475</u>	<u>7,023,107</u>	<u>7,733,058</u>
Business-type activities:					
Investment income	90,970	10,472	7,720	73,877	78,302
Other	1,126,540	1,102,039	1,772,324	964,090	911,073
Transfers	<u>1,730,488</u>	<u>1,269,512</u>	<u>-</u>	<u>800,000</u>	<u>-</u>
Total business-type activities	<u>2,947,998</u>	<u>2,382,023</u>	<u>1,780,044</u>	<u>1,837,967</u>	<u>989,375</u>
Total primary government	<u>13,462,372</u>	<u>11,500,224</u>	<u>10,703,519</u>	<u>8,861,074</u>	<u>8,722,433</u>
Changes in net position					
Governmental activities	6,561,151	4,142,340	3,593,141	290,644	1,819,809
Business-type activities	<u>3,888,219</u>	<u>1,714,991</u>	<u>1,467,695</u>	<u>664,783</u>	<u>592,769</u>
Total primary government	<u>\$ 10,449,370</u>	<u>\$ 5,857,331</u>	<u>\$ 5,060,836</u>	<u>\$ 955,427</u>	<u>\$ 2,412,578</u>

Fiscal Year				
2018	2017	2016	2015	2014
1,657,387	1,523,888	1,748,361	1,807,043	1,840,685
1,769,925	1,625,596	1,474,499	1,289,649	1,336,438
180,278	178,239	150,091	133,642	122,510
258,776	253,270	243,783	242,841	235,523
617,755	544,333	550,167	584,131	505,590
345,511	335,077	400,033	357,134	360,228
51,760	16,000	4,000	20,550	7,000
2,142,009	2,038,861	1,939,675	1,842,511	1,762,032
(40,487)	7,322	138,154	67,806	60,760
33,113	341,477	406	11,226	10,310
-	-	-	-	-
-	2,733	-	-	-
7,016,027	6,866,796	6,649,169	6,356,533	6,241,076
10,737	9,563	7,447	4,128	5,035
983,517	827,067	733,375	871,796	750,446
-	(2,733)	-	-	-
994,254	833,897	740,822	875,924	755,481
8,010,281	7,700,693	7,389,991	7,232,457	6,996,557
(326,912)	(290,370)	300,174	1,275,830	823,375
508,550	402,099	237,705	487,812	257,869
\$ 181,638	\$ 111,729	\$ 537,879	\$ 1,763,642	\$ 1,081,244

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

	Fiscal Year				
	2023	2022	2021	2020	2019
General fund:					
Nonspendable	\$ 22,805	\$ 28,777	\$ 25,095	\$ 24,561	\$ 22,444
Committed	85,744	85,744	85,744	85,744	85,744
Assigned	9,022,199	7,334,625	6,304,510	5,591,510	5,853,930
Unassigned	<u>1,531,302</u>	<u>1,105,086</u>	<u>1,098,165</u>	<u>980,273</u>	<u>980,422</u>
Total general fund	<u>10,662,050</u>	<u>8,554,232</u>	<u>7,513,514</u>	<u>6,682,088</u>	<u>6,942,540</u>
All other governmental funds:					
Nonspendable	4,030	3,670	3,332	4,095	5,016
Restricted	4,070,880	3,409,072	2,767,734	1,879,238	1,382,246
Committed	3,834,124	2,841,524	2,850,143	2,400,803	1,777,503
Assigned	2,296,719	1,552,838	1,505,677	855,145	837,747
Unassigned	<u>1,230,439</u>	<u>857,321</u>	<u>(106,537)</u>	<u>(266,125)</u>	<u>(10,268)</u>
Total all other governmental funds	<u>11,436,192</u>	<u>8,664,425</u>	<u>7,020,349</u>	<u>4,873,156</u>	<u>3,992,244</u>
Grand Total	22,098,242	17,218,657	14,533,863	11,555,244	10,934,784

Fiscal Year				
2018	2017	2016	2015	2014
\$ 20,384	\$ 18,896	\$ 499,516	\$ 281,510	\$ 354,869
89,343	89,343	104,132	22,500	-
5,274,835	5,180,075	4,986,341	4,111,396	3,885,436
<u>1,002,484</u>	<u>1,544,373</u>	<u>789,516</u>	<u>1,516,969</u>	<u>832,656</u>
<u>6,387,046</u>	<u>6,832,687</u>	<u>6,379,505</u>	<u>5,932,375</u>	<u>5,072,961</u>
3,053	6,185	1,130	1,227	1,376
987,480	602,516	1,151,250	1,137,673	1,727,257
1,229,487	1,192,592	1,318,552	1,548,912	-
746,778	877,480	1,210,815	843,681	1,908,056
<u>(505,587)</u>	<u>(375,303)</u>	<u>(2,785)</u>	<u>(177,025)</u>	<u>(120,511)</u>
<u>2,461,211</u>	<u>2,303,470</u>	<u>3,678,962</u>	<u>3,354,468</u>	<u>3,516,178</u>
8,848,257	9,136,157	10,058,467	9,286,843	8,589,139

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

	Fiscal Year				
	2023	2022	2021	2020	2019
Revenues:					
Taxes and assessments	\$ 9,426,524	\$ 9,293,309	\$ 6,922,990	\$ 5,619,851	\$ 5,578,097
Intergovernmental	9,352,488	8,392,801	5,788,221	4,784,452	5,808,278
Licenses and permits	2,112,485	1,315,005	2,428,326	886,378	1,768,927
Charges for services	8,818	9,466	7,824	20,390	26,937
Fines and forfeitures	818,565	619,001	394,939	496,842	463,291
Investment income (loss)	(174,784)	(899,406)	23,839	321,521	247,567
Rental income	569,171	537,171	493,144	521,382	527,172
Other	404,961	120,377	76,341	126,436	233,783
Total revenues	<u>22,518,228</u>	<u>19,387,724</u>	<u>16,135,624</u>	<u>12,777,252</u>	<u>14,654,052</u>
Expenditures					
Current:					
General government	3,961,115	3,654,560	2,909,752	2,738,871	3,803,130
Community development	1,124,403	914,687	685,949	663,348	656,309
Community services	1,681,448	686,419	691,979	840,928	901,046
Public works	1,307,722	1,371,232	1,345,083	1,194,563	1,058,516
Public safety	4,642,386	4,371,832	4,119,547	3,842,231	3,632,226
Cultural and recreation	1,848,705	1,551,436	1,096,712	1,353,101	1,109,354
Capital outlay	775,131	2,285,223	907,943	532,191	1,205,694
Debt service:					
Principal retirement	41,500	3,823	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>15,382,410</u>	<u>14,839,212</u>	<u>11,756,965</u>	<u>11,165,233</u>	<u>12,366,275</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,135,818</u>	<u>4,548,512</u>	<u>4,378,659</u>	<u>1,612,019</u>	<u>2,287,777</u>
Other financing sources (uses):					
Transfers in	1,382,860	980,164	923,260	12,000	338,343
Transfers out	(3,821,828)	(2,862,606)	(2,323,260)	(812,000)	(538,343)
Proceeds from leases	182,735	18,724	-	-	-
Issuance of bonds	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>(2,256,233)</u>	<u>(1,863,718)</u>	<u>(1,400,000)</u>	<u>(800,000)</u>	<u>(200,000)</u>
Net change in fund balances	<u>4,879,585</u>	<u>2,684,794</u>	<u>2,978,659</u>	<u>812,019</u>	<u>2,087,777</u>
Ratio of total debt service expenditures to total noncapital expenditures.	<u>0.28%</u>	<u>0.03%</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

Fiscal Year				
2018	2017	2016	2015	2014
\$ 5,390,929	\$ 4,929,177	\$ 5,036,023	\$ 5,100,944	\$ 5,050,191
4,604,060	3,713,536	3,715,286	3,485,555	3,914,285
1,150,494	1,054,795	1,250,947	1,558,515	1,356,968
25,384	20,210	19,571	20,628	20,051
444,580	376,733	372,735	387,659	297,550
(31,440)	20,354	147,297	72,312	67,288
511,890	489,831	514,200	444,488	430,481
95,697	756,655	62,772	59,673	62,136
<u>12,191,594</u>	<u>11,361,291</u>	<u>11,118,831</u>	<u>11,129,774</u>	<u>11,198,950</u>
3,047,279	2,687,690	2,735,363	2,553,174	2,694,870
857,609	745,442	799,282	722,548	849,720
908,870	1,464,068	846,556	1,168,895	894,060
1,047,337	1,072,359	925,359	783,041	747,972
3,549,113	3,309,683	3,108,606	3,016,259	3,110,281
1,388,433	1,199,067	1,196,613	1,205,707	1,162,065
1,608,353	1,768,025	710,564	927,446	1,820,774
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>12,406,994</u>	<u>12,246,334</u>	<u>10,322,343</u>	<u>10,377,070</u>	<u>11,279,742</u>
(215,400)	(885,043)	796,488	752,704	(80,792)
357,616	135,490	339,569	317,553	467,221
(430,116)	(172,757)	(439,569)	(372,553)	(492,221)
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(72,500)</u>	<u>(37,267)</u>	<u>(100,000)</u>	<u>(55,000)</u>	<u>(25,000)</u>
<u>(287,900)</u>	<u>(922,310)</u>	<u>696,488</u>	<u>697,704</u>	<u>(105,792)</u>
<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

City of Lomita

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended June 30	City				Percent Change	Parcel Counts				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions ¹	Taxable Assessed Value		Residential	Income	Industrial	Total	
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%
2021/22	2,729,191,737	34,661,192		2,763,852,929	2.30%	4,632	473	14	5,119	0.10263%
2022/23	2,893,245,881	38,292,998		2,931,538,879	6.07%	4,631	472	14	5,117	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									
	2023	2022	2021	2020	2019	2018	2017	2016 ⁽²⁾	2015	2014
City Direct Rates:										
City Lomita Tax District 1	0.066600	0.066600	0.066600	0.066600	0.066600	0.066600	0.066550	0.066550	0.066550	0.066550
Lomita Waterworks	<u>0.036100</u>	<u>0.036100</u>	<u>0.036100</u>	<u>0.036100</u>	<u>0.036100</u>	<u>0.036100</u>	<u>0.036080</u>	<u>0.036080</u>	<u>0.036080</u>	<u>0.036080</u>
Total City Direct Rate	0.102700	0.102700	0.102700	0.102700	0.102700	0.102700	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	0.209050	0.209050	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	0.207800	0.207800	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	0.021500	0.021500	0.021480	0.021480	0.021480	0.021480
Total Prop 13 Rate	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	0.024880	0.043760	0.040160	0.027170	0.046210	0.045990	0.035960	0.035750	0.040170	0.044540
LA County Storm Drain	-	-	-	-	-	-	-	-	-	-
LA Unified School Bonds	0.121070	0.113230	0.139930	0.125520	0.123230	0.122190	0.131100	0.129710	0.146880	0.146440
Palos Verdes Peninsula	-	-	-	-	-	-	-	-	0.023290	0.023110
West Basin MWD	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500
Voter Approved Rate	<u>0.149450</u>	<u>0.160490</u>	<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>
Total Tax Rate	<u>1.149450</u>	<u>1.160490</u>	<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>

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 2012/13-2021/22 Tax Rate Table, HdL, Coren & Cone

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

Taxpayer	Parcels	Use	2022/23		2021/22	
			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	18,581,095	0.63%	18,216,909	0.62%
Sabra Lomita LP	1	i	18,559,817	0.63%	18,195,900	0.62%
Spectrum Pacific West LLC	4	u	15,759,014	0.54%	14,905,555	0.51%
Vista Verde Center LLC	1	c	11,773,198	0.40%	11,542,352	0.39%
Lomita & Crenshaw Acquisition	5	c	11,681,632	0.40%	11,452,584	0.39%
BRFI Lomita LLC	3	c	11,165,263	0.38%	12,922,711	0.44%
Mittal Legacy LP	8	r	10,758,895	0.37%	-	0.00%
JCM Homes LLC	21	r	10,610,254	0.36%	10,610,254	0.36%
William B Ghadimi	1	r	9,843,489	0.34%	-	0.00%
Spencer Plaza LLC	10	r	9,569,909	0.33%	9,382,272	0.32%
Top Ten Totals			<u>128,302,566</u>	<u>4.38%</u>	<u>107,228,537</u>	<u>3.66%</u>
City Totals			\$ 2,931,538,879		\$ 2,514,269,367	
USE:						
Commercial		c				
Institutional		i				
Residential		r				
Unsecured		u				
Vacant		v				

Source: L.A. County Assessor 2022/23 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
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 ⁽¹⁾	106,504	4.18%	88,844	195,348	7.66%
2021	2,702,917	113,995	4.22%	98,421	212,416	7.86%
2022	2,803,540	181,539	6.48%	105,687	287,226	10.25%
2023	2,961,666	114,457	3.86%	111,787	226,244	7.64%

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.

⁽¹⁾ 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		Pension	Certificates		
	Allocation	Revenue	Obligation	of		
	Bonds	Bonds	Ref Bonds	Participation	Other	
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	-
2022	n/a	n/a	n/a	n/a	n/a	-
2023	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 July 2021, the City refunded the 2016 Water Revenue Refunding Bonds with a Private Placement
 Loan in the amount of \$6,081,000

⁽¹⁾ Net of discount

Business-type Activities					
Certificates of Participation ⁽¹⁾	Other	Total Business-type Activities	Total Primary Government	Percentage of Personal Income	Debt per Capita
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
5,744,000	n/a	5,744,000	5,744,000	13.54%	291
5,416,000	n/a	5,416,000	5,416,000	16.25%	270

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

	2023	2022	2021	2020	2019
Assessed valuation	\$ 2,931,538,879	\$ 2,763,852,929	\$ 2,653,562,437	\$ 2,514,269,367	\$ 2,386,266,746
Conversion percentage	25.00%	25.00%	25.00%	25.00%	25.00%
Adjusted assessed valuation	732,884,720	690,963,232	663,390,609	628,567,342	596,566,687
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
Debt limit	109,932,708	103,644,485	99,508,591	94,285,101	89,485,003
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	\$ 109,932,708	\$ 103,644,485	\$ 99,508,591	\$ 94,285,101	\$ 89,485,003
Total net debt applicable to the limit					
as a percent of debt limit	0%	0%	0%	0%	0%
Lomita Long Term Debt outstanding:	5,416,000	5,744,000	5,995,000	6,255,000	6,505,000
Debt per capita:	269.56	278.39	293.43	304.44	313.71
Debt as a percentage of personal income:	16.25%	13.54%	13.05%	12.34%	10.62%

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 July 2021, the City refunded the 2016 Water Revenue Refunding Bonds with a Private Placement Loan in the amount of \$6,081,000

2018	2017	2016	2015	2014
\$ 2,257,084,413	\$ 2,149,593,978	\$ 2,045,319,719	\$ 1,942,097,956	\$ 1,866,047,889
25.00%	25.00%	25.00%	25.00%	25.00%
564,271,103	537,398,495	511,329,930	485,524,489	466,511,972
15.00%	15.00%	15.00%	15.00%	15.00%
84,640,665	80,609,774	76,699,489	72,828,673	69,976,796
-	-	-	-	-
\$ 84,640,665	\$ 80,609,774	\$ 76,699,489	\$ 72,828,673	\$ 69,976,796
0%	0%	0%	0%	0%
6,750,000	6,985,000	7,200,000	6,665,000	6,825,000
325.85	342.35	354.85	322.92	330.83
9.90%	8.82%	8.16%	9.01%	8.83%

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	
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	(1) \$ 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	(2) \$ 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
2022	\$ 7,446,407	\$ 6,421,035	\$ 1,025,372	\$ 337,000	\$ 127,129	\$ 464,129	2.21
2023	\$ 7,234,936	\$ 4,950,569	\$ 2,284,367	\$ 328,000	\$ 137,008	\$ 465,008	4.91

* 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 July 2021, the City refunded the 2016 Water Revenue Refunding Bonds with
a Private Placement Loan in the amount of \$6,081,000

⁽¹⁾ Correction for fiscal year 2018

⁽²⁾ Correction for fiscal year 2020

Source: City of Lomita, Administrative Services Department - Finance

City of Lomita
Direct and Overlapping Debt
June 30, 2023

City Assessed Valuation		\$	2,931,538,879	
Redevelopment Agency Incremental Valuation			-	
Total Assessed Valuation		\$	<u>2,931,538,879</u>	
	Percentage Applicable ¹	Outstanding Debt 6/30/23		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	0.274%		4,500,730,000	12,332,000
LA Unified School District Certificates of Participation	0.334%		10,704,725,000	35,753,782
West Basin County Water District Certificates of Participation	0.081%		19,215,000	15,564
Total overlapping other debt			<u>15,224,670,000</u>	<u>48,101,346</u>
Total overlapping debt		\$	<u>15,224,670,000</u>	<u>48,101,346</u>
City direct debt				-
Total direct and overlapping debt				¹ \$ <u>48,101,346</u>

Notes:

¹ 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 Calendar Year and Nine Years Ago

Calendar Year 2022			Calendar Year 2013		
	Tax Payers	Business Type		Tax Payers	Business Type
1	7 Eleven	Convenience Stores/Liquor		99 Cents Only	Variety Stores
2	99 Cents Only	Variety Stores		Albertsons	Grocery Stores
3	ARCO AM/PM	Service Stations		Arco AM/PM	Service Stations
4	ARCO AM/PM	Service Stations		Arco AM/PM	Service Stations
5	Auto Zone	Automotive Supply Stores		AutoZone	Automotive Supply Stores
6	Battaglia's Title	Building Materials		Big Lots	Variety Stores
7	Big Lots	Variety Stores		California Pro Sports	Sporting Goods/Bike Stores
8	Bites & Bashes	Casual Dining		CVS Pharmacy	Drug Stores
9	California Pro Sports	Sporting Goods/Bike Stores		Cycle Gear	Boats/Motorcycles
10	CVS Pharmacy	Drug Stores		Discount Pool & Spa Supply	Specialty Stores
11	Discount Pool & Spa Supply	Specialty Stores		Enterprise Rent A Car	Transportation/Rentals
12	Enterprise Rent A Car	Transportation/Rentals		Harbor Freight Tools	Building Materials
13	Harbor Freight Tools	Building Materials		Hertz Rent A Car	Transportation/Rentals
14	Hot N Tot	Casual Dining		Hot N Tot	Casual Dining
15	I D Systems & Supplies	Light Industrial/Printers		Jims Auto Sales	Used Automotive Dealers
16	Jims Auto Sales	Used Automotive Dealers		KFC	Quick-Service Restaurants
17	Lomita Feed Store	Gardening/Agricultural Supplies		Lees Tires	Automotive Supply Stores
18	Lomita Shell	Service Stations		Lomita Feed Store	Gardening/Agricultural Supplies
19	Pacific Coast Hobbies	Specialty Stores		Lomita Shell	Service Stations
20	Popeyes Louisiana Kitchen	Quick-Service Restaurants		Pacific Coast Hobbies	Specialty Stores
21	Shell	Service Stations		Redondo Beach Towing	Transportation/Rentals
22	Sushi Delight	Casual Dining		Shell	Service Stations
23	Szechwan Chinese	Casual Dining		Sprint	Electronics/Appliance Stores
24	Taco Bell/Pizze Hut	Quick-Service Restaurants		Taco Bell/Pizze Hut	Quick-Service Restaurants
25	Thompson Building Materials	Building Materials		Thompson Building Materials	Building Materials

-Account for 61.24%
of the total sales tax collected.

-Account for 63.13%
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: January 2022 Thru December 2022

City of Lomita

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	City of Lomita Population ⁽¹⁾	Median Age ⁽²⁾	Personal Income (in thousands) ⁽³⁾	Per Capital Personal Income ⁽⁴⁾	Lomita Unemployment Rate ⁽⁵⁾
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%
2022	20,633	40.5	777,527	37,683	2.3%
2023	20,092	39.5	880,182	43,807	2.2%

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

City of Lomita
Principal Employers
Current Year and Nine Years Ago

Employer	Business Type	2023		2014	
		Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Lomita Post-Acute Care Center	Nursing Facility	132	1.23%	80	0.76%
WDC Kitchen & Bath Center	Retail	100	0.93%	n/a	n/a
City of Lomita	Government	90	0.84%	85	0.81%
Kaiser Permanente	Medical	66	0.62%	n/a	n/a
Palos Verdes Health Care Center	Nursing Facility	50	0.47%	42	0.40%
Nishiyamato Acedemy of California	Education	44	0.41%	n/a	n/a
CVS	Retail	47	0.44%	n/a	n/a
99 Cents Only Store LLC	Retail	39	0.36%	n/a	n/a
Thompson Building Materials	Building	38	0.36%	40	0.38%
Travers Tree Service	Service	30	0.28%	60	n/a
Western Veterinary Group	Animal Services	29	0.27%	n/a	n/a
Total Top Ten Employers		665		307	
Total City Employment		10,700		10,500	

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									
	2023	2022	2021	2020	2019	2018	2017	2016 ⁽²⁾	2015	2014
General government	20	12	14	12	12	9	12	11	12	13
Public safety ⁽¹⁾	-	-	-	-	-	-	-	-	-	-
Public works	16	12	13	10	9	10	9	7	8	6
Community Services	5	5	5	5	6	4	10	8	10	16
Water	7	6	7	7	7	7	7	6	6	5
Community Development	5	5	3	4	3	6	6	4	3	5
Parks and Recreation	<u>37</u>	<u>37</u>	<u>34</u>	<u>37</u>	<u>42</u>	<u>49</u>	<u>46</u>	<u>43</u>	<u>42</u>	<u>40</u>
Total	<u>90</u>	<u>77</u>	<u>76</u>	<u>75</u>	<u>79</u>	<u>85</u>	<u>90</u>	<u>79</u>	<u>81</u>	<u>85</u>

⁽¹⁾ Police and fire services are provided by Los Angeles County.

⁽²⁾ Correction for fiscal year 2016.

Source: City of Lomita, Administrative Services Department - Finance

City of Lomita
Operating Indicators
by Function
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
⁽¹⁾ Police:										
Arrests	513	477	663	815	994	865	913	n/a	n/a	n/a
Parking citations issued	9838	9001	7368	6001	6612	6201	5564	5380	6124	4048
⁽²⁾ Fire:										
Number of emergency calls	2006	1804	1016	1740	2920	1827	1816	1770	1476	n/a
Inspections	804	899	0	200	1488	763	579	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	184	186	18	331	319	278	328	295	269	193
Number of facility rentals	378	403	10	179	407	475	402	344	422	530
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

⁽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.
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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
(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) ⁽⁵⁾	31.90	31.90	31.90	33.20	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	7	7	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) ⁽³⁾	228,975	228,975	228,975	228,975	228,015	228,015	228,015	228,015	228,015	217,305
Number of Pump Stations	3	3	3	3	3	3	3	3	3	3
Number of Catch Basin ⁽⁶⁾	69	69	69	72	69	69	42	42	42	42
Number of Service Connection	4,357	4,357	4,357	4,357	4,314	4,314	4,312	4,241	4,241	4,241
Sewer System:										
Length of Pipes (LF) ⁽⁴⁾	188,415	188,415	188,415	188,415	173,931	173,931	173,931	173,931	173,931	173,931
Number of manholes	883	883	883	883	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Type of Customer:										
Residential	4,003 ⁽²⁾	3,970 ⁽²⁾	4,004 ⁽¹⁾	3,966 ⁽²⁾	3,975 ⁽¹⁾	3,971 ⁽¹⁾	3,960 ⁽¹⁾	3,849 ⁽²⁾	3,917 ⁽¹⁾	3,902
Schools	21	21	21	21	25	25	21	21 ⁽¹⁾	17	17
Commercial	283 ⁽¹⁾	281 ⁽¹⁾	279	279 ⁽¹⁾	270 ⁽¹⁾	266	261	246	246	246
Churches	31	31	30 ⁽²⁾	31	31	31	32	32	31	31
Government	72	72	72	72 ⁽¹⁾	17	17	14	12	10	10
City	18	18	18	18	19	19	18	15	13	13
Total	4,428	4,393	4,424	4,337	4,329	4,306	4,175	4,234	4,219	4,219
Total direct rate per 748 gallons	5.03	4.79	4.79	4.79	4.43	4.12	3.81	3.53	3.53	3.01

⁽¹⁾ New development

⁽²⁾ Vacancies

⁽³⁾ Type correction

Source: City of Lomita, Administrative Services Department - Finance

City of Lomita
Water Department
Water Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30		Bi-Monthly Base Rate	Rate per 748 Gallons
2014		39.16	3.01
2015	(1)	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
2022		50.31	4.79
2023	(2)	53.81	5.03

NOTE:

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

(1) A new water rate structure went into effect March 1, 2015.

(2) A new water rate structure went into effect January 1, 2023.

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 Bonds	Tax Allocation Bonds	Pension Obligation Ref Bonds	Certificates of Participation	Total		
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
2022	n/a	n/a	n/a	n/a	-	n/a	n/a
2023	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.



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