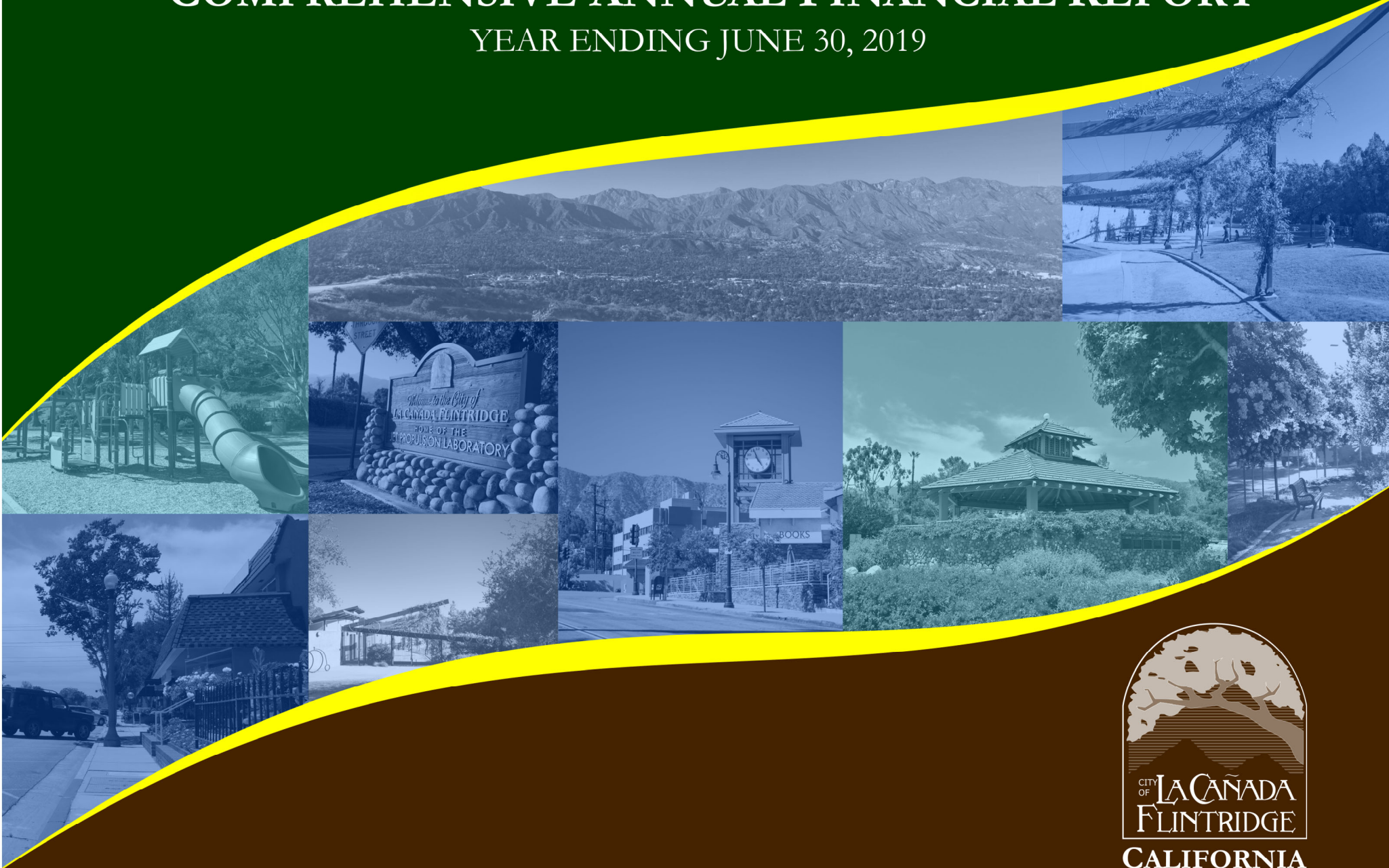


COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDING JUNE 30, 2019



**CITY OF LA CAÑADA FLINTRIDGE
CALIFORNIA**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019



Mark R. Alexander, City Manager
Prepared by the City of La Cañada Flintridge Finance Department

CITY OF LA CAÑADA FLINTRIDGE
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

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Comprehensive Annual Financial Report
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INTRODUCTORY SECTION





CITY COUNCIL

Leonard Pieroni, Mayor
Gregory C. Brown, Mayor Pro Tem
Jonathan C. Curtis
Michael T. Davitt
Terry Walker

December 23, 2019

Honorable Mayor, Members of the City Council and Citizens of the
City of La Cañada Flintridge, California:

The Comprehensive Annual Financial Report (CAFR) of the City of La Cañada Flintridge, California, for the fiscal year ended June 30, 2019 is submitted herewith. This report was prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth in pronouncements of the Governmental Accounting Standards Board (GASB).

This report consists of management's representations concerning the finances of the City of La Cañada Flintridge. Consequently, management assumes full responsibility for completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed both to protect the City's assets from loss, theft, or misuse and to compile enough reliable information for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control framework is designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. We assert that, to the best of our knowledge and belief, this report is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and account groups. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

White Nelson Diehl Evans, a firm of licensed certified public accountants, has audited the City's basic financial statements. The goal of the independent audit is to provide reasonable assurance that the basic financial statements for the fiscal year ended June 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. White Nelson Diehl Evans concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of La Cañada Flintridge's financial statements, for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The auditor's report is presented as the first component of the financial section.

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

The financial reporting entity (the City) includes all funds of the City of La Cañada Flintridge, as well as all its component units. Component units are legally separate entities for which the primary government is

financially accountable. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Profile of the City of La Cañada Flintridge

The City of La Cañada Flintridge was incorporated on November 30, 1976 as a “General Law” city with a Council-Manager form of government. A five-member City Council is elected at-large to serve staggered four-year terms. In March of each year, the City Council selects one of its members to serve as Mayor, and one to serve as Mayor Pro Tem. The City Council is responsible for, among other things, establishing the City’s policies and priorities, passing ordinances, and adopting the budget, as well as appointing the City Manager, City Treasurer, City Attorney, and the members of City commissions and committees. The City Manager is responsible for carrying out the policies and ordinances of the City Council and for overseeing the day-to-day operations of the City.

The City provides a full range of services including land use and zoning review; the construction and maintenance of streets, parks, and other infrastructure; recreational activities and cultural events; oversees contractual services provided by Los Angeles County or other private vendors including law enforcement, fire protection, animal control, road maintenance, traffic signal maintenance, legal services, building and safety inspection, recreation programs, human services, parks and landscape maintenance.

The annual budget serves as the foundation of the City of La Cañada Flintridge’s financial planning and control. All departments and contractors submit requests for appropriations to the City Manager. These requests, in conjunction with revenue trend analysis, are the starting point for developing a preliminary budget, which is presented to the City Council for consideration and review. Budget hearings are held, and the City Council adopts the final fiscal year budget effective July 1. Budget appropriations are prepared by fund, department, and program. Budget to actual comparisons are provided in this report for each individual governmental fund type. In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the budget approved by the City Council. The City Council approves operating appropriations at the department and fund level and may amend or supplement the budget during the fiscal year by motion; the City Manager may make minor administrative adjustments. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed appropriated amounts) is at the fund level. Operating appropriations lapse at the end of each fiscal year unless they are encumbered at year-end or are re-appropriated through the formal budget process.

The voters of California, during a special election in 1979, approved Article XIII-B of the California State Constitution. Informally known as the “Gann Initiative,” Article XIII-B provides limits regarding the total amount of appropriations in any fiscal year from the “proceeds of taxes.”

The State Legislature, in 1980, added Section 9710 to the Government Code providing that the governing body of each local jurisdiction must establish, by resolution, an appropriations limit for the following year. The appropriations limit for any fiscal year is equal to the previous year’s limit, adjusted for city or county population changes, whichever is greater, and the change in California per capita income or the growth in non-residential assessed valuation due to new construction within the City, whichever is greater.

The Appropriations Limit and the City’s Appropriations Subject to the Limit for FY 2018-19 amounted to \$21,184,247 and \$10,189,722 respectively. The City’s appropriations consistently remain far below the appropriations limit and are not expected to approach it in the near future.

Factors Affecting Financial Condition

Information presented is perhaps best understood when considered from the broader perspective of the environment within which the City of La Cañada Flintridge operates.

Local economy

The City is located in the northern portion of the Los Angeles County basin, nestled against the foothills of the San Gabriel Mountains, approximately 13 miles north of downtown Los Angeles. The City encompasses 8.5 square miles. Neighboring cities include Glendale, Pasadena, and the unincorporated communities of La Crescenta and Altadena. In addition, the northern City boundary borders the Angeles National Forest.

The City prides itself on being a semi-rural community with tree-lined streets, custom residential estate development, abundant streams, waterways, and undeveloped hillside properties acquired by the City to remain as permanent open-space dedicated as recreational trails and wildlife nature preserves.

The State of California estimated the City's population to be 20,623 as of 2018, a slight decrease of approximately 0.01 percent from the previous year. Per capita personal income in 2018 was \$74,018, an increase of nearly 2.9 percent from 2017. The median age of La Cañada Flintridge residents in 2018 was 43.5 as compared to 44.4 in 2017.

The City has approximately 7,092 housing units. The median sales price of a single-family residential home in 2018 was \$1,735,000, an increase of 5.0% over the median sales price of \$1,650,000 in 2017.

The local economy remains stable despite the uncertain regional and statewide economic climate. The unemployment rate among the City's residents was estimated at 2.0% in 2017, lower than the 2016 figure of 2.7%. Major employers located in the City's largely residential community include: NASA's Jet Propulsion Laboratory, the La Cañada Unified School District, La Cañada Flintridge Country Club, Ross Stores, Inc., Trader Joe's, and Gelson's. The City's largest private employers are Dilbeck Real Estate and the Allen Lund Company.

Property tax, local retail sales tax, and development-related fees continue to be among the City's major revenue sources. The economic outlook for the community is one of cautious optimism given the uncertainty of California's economy and the real estate market. While the City is somewhat dependent on a strong economy and stable fiscal situation at the State level, it has avoided an over-dependence on State or Federal subventions. This, combined with the City's history of maintaining strong reserves and a conservative approach toward spending, has provided a measure of stability in the City's fiscal environment.

Long-term financial planning

During FY 2017-18, the City prepared a five-year General Fund financial projection as a planning tool to assist in guiding the annual budget process. In addition, the City adopted a Five-Year Capital Improvement Plan (CIP) to serve as a primary long-term financial planning tool to assist in guiding future capital investments in roads, parks, trails, and other capital assets and infrastructure. Specific projects included within the CIP, which spans the timeframe from FY 2017-18 to FY 2021-22, include the annual Citywide Street Resurfacing Program, the Foothill "Link" (which includes a bikeway and wall landscaping) project, the Knight Way-Gould project to improve intersection safety near a local school, miscellaneous bridge repairs, repair of the Owl Trail, Cherry Canyon trails upgrades and improvements, and the construction of sound walls along the Route 210 Freeway.

Cash and investment management policies and practices

In accordance with State Government Code and the City's Investment Policy, which is adopted annually by the City Council, the City Treasurer is responsible for investing available cash. The cash management system of the City is designed to invest public funds in a manner that provides an optimal combination of security and investment return while meeting the City's daily cash flow demands. The criteria for selecting investments are, in order of priority: (a) safety (b) liquidity and (c) yield. The City Treasurer presents a monthly report of investments to the City Council. All interest income is apportioned to the City's individual funds on a pro rata basis. The yield on the entire investment portfolio for the year was 1.60%.

Idle cash during the year is invested in two investment pools: (1) the California Local Agency Investment Fund (LAIF) pool, administered by the State Treasurer; and (2) the California Asset Management Program (CAMP), which is a California Joint Powers Authority that provides investment services to California public agencies. The average yield for the year in LAIF was 1.38%; in CAMP, the average yield was 1.46%.

The City's longer-term investments include securities; specifically, corporate notes, obligations of agencies of the U.S. Government, and obligations of U.S. Government sponsored enterprises. These investments are laddered with maturities up to five years. For the year, the yield on the City's securities holdings was 1.65%.

Investment returns, as measured in the financial statements, include changes in the fair market value of the City's securities. Increases and decreases in the fair market value of investments do not necessarily represent trends that will continue. While the City of La Cañada Flintridge intends to hold these investments to maturity, the sale of individual securities prior to maturity, for purposes of portfolio optimization, may be appropriate from time-to-time.

Risk management

The City is a member of the California Joint Powers Insurance Authority (CJPIA). The CJPIA is a consortium of approximately 117 cities and other public agencies throughout California established under the provisions of California Government Code Section 6500. The CJPIA provides risk coverage for its members through self-insurance, the pooling of risks, and purchase of excess insurance. This coverage extends to workers compensation, property, general liability, errors and omissions and vehicle liability. The CJPIA is governed by a Board consisting of one representative appointed by each member agency. The Board elects officers that meet monthly to supervise and conduct affairs. The Board maintains a staff, headed by a Chief Executive Officer, to implement the policies of the Board. The City continues to participate in the voluntary CJPIA Risk Management Evaluation program, ADA Transition Plan Implementation, reviewing all facilities and operational policies for safety and compliance with applicable laws.

Major initiatives, current year projects

Planning & Development

The number of discretionary Planning cases reviewed reached 242 cases during FY 2018-19. The commercial vacancy rate, including retail and office units, increased from July 2018 to June 2019. The adjusted commercial vacancy rate for July 2018 was at 2.8% which increased to 4.6% as of June 2019, still a low vacancy rate.

The City continued its efforts to enhance customer service. During FY 2018-19, this included the implementation of a new permit tracking system and changes to staffing levels within the Building and Safety

Division. The system will streamline plan review, permit issuance and will allow applicants to pay online via credit card, an added convenience for the customer.

The City continued working on the update of the Historic Preservation Ordinance and the Mills Act Program. It is anticipated that they will be adopted in 2020. Until this occurs, the Mills Act Program is on hold. The Mills Act reduces the amount of property taxes collected on contracted properties in return for preserving the properties in accordance with state and federal regulations. Houses are considered on an individual basis and must meet standards established by the Federal Government. Once the Mills Act Program is approved, applications will be considered and reviewed under the new Program guidelines.

The City's Community Development Block Grant (CDBG) program continued during the year. The City has two program areas: residential rehabilitation and sewer connection subsidies. Both programs provide grants to lower income households of up to \$15,000 and \$12,000, respectively. During the 2018-19 fiscal year, the program was able to help two households with rehabilitation and two households with sewer connections. In total, close to \$55,000 was spent locally on the program.

The department has worked closely with a consultant in the drafting of the Zoning Code update. Staff participates in semi-monthly meetings with the consultant and City Attorney's office as they refine the draft document. Staff anticipates that the update will be complete in 2020.

Infrastructure Improvements/Public Works

The City's Public Works Department was very active during the fiscal year in carrying out its responsibilities for the maintenance, planning, design, and construction of capital projects. Among the notable construction projects completed during FY 2018-19 were:

- Knight Way and Gould Avenue Improvements;
- Renovation of the New City Hall, Dedication and first City Council meeting March 21, 2019;
- Purchase and/or refurbishing of existing furniture, fixtures, and equipment of the new City Hall;
- ADA improvements to the west entrance of City Hall;
- Resurfacing of 2.8 miles of streets;
- Citywide concrete sidewalk and curb/gutter repairs, and additional ADA ramps.

The following projects were initiated in FY 2018-19:

- Chevy Chase Drainage Improvements (Award of Contract); and
- ADA Civic Center Ramp (Award of Contract).

Public Safety

The City Council continued to emphasize public safety services as a major priority. Through contract services with the Los Angeles County Sheriff's Department, the City maintained its safe and low-crime environment through sustained levels of service delivery as well as increased burglary suppression patrols. In addition, the City has continued to work with both the County of Los Angeles Fire Department and Sheriff's Department to maintain residential and commercial evacuation plans and notification of brush and vegetation clearance requirements. In addition, the City has hosted workshops to increase communication with residents and continued to emphasize its disaster-preparedness activities by maintaining the City's mass notification system "AlertLCF." The City implemented new technology to assist the Sheriff's Department, including the deployment of an additional mobile Automated License Plate Reader in a patrol car, and a partnership with Ring.com to provide residential home security devices at a reduced cost. The City also created two Public

Service Announcement videos showing how to assemble an emergency kit and on burglary prevention tips. These PSAs are being broadcast on the City's cable channel and are available on the City's website. Finally, the City continues to promote the Neighborhood Watch Program. Looking ahead to FY 2019-20, the City will continue to partner with the Fire Department to train additional volunteers. The City will continue the Ring.com program and expand its reach to commercial properties within the City, and the City is exploring the installation of license plate reader technology at some of the major entrances to the City.

Transportation

During FY 2018-19, the City continued to work closely with the cities of Burbank, Glendale, Pasadena, and South Pasadena and the County of Los Angeles (La Crescenta-Montrose) through the six-member Arroyo Verdugo Communities Joint Powers Authority (AVCJPA), primarily on transportation issues. The AVCJPA was formed in 2017 and the Joint Powers Agreement is on file with the Secretary of State. The group formed primarily to be able to receive Measure M Funds and to have full fiduciary authority to handle those funds. The Governing Board of the AVCJPA considered approximately \$24 million of staff and consultant-recommended projects over the first five years of Measure M. They then recommended them to Metro, and Metro programmed those projects in May of 2019. The funds were divided among the agencies on a per capita basis. The City of La Cañada Flintridge used its funds (\$953,919) to be programmed in 2020 for design and construction of the Foothill Boulevard Link Bikeway and Pedestrian Greenbelt project (total project cost - \$3.648 million). The remainder of the project funding will come from AQMD (AB 2766), Congestion Mitigation Air Quality (CMAQ – a grant from Metro), Measure R Local Return, Prop. C (Local), Prop. A Local, and STP Local (STPL).

Three of the AVCJPA cities (Burbank, Glendale and La Cañada Flintridge), along with the unincorporated area of the County (La Crescenta-Montrose) share the Metro "Arroyo Verdugo Cities" Subregional Measure R Funds on a per capita basis. All of the City of La Cañada Flintridge's Measure R funds have been and continue to be spent on soundwalls along the I-210 freeway. The City's initial five-year allocation of these funds was \$4.588 million, which was fully committed to the design and construction of soundwalls. Construction began in FY 2013-14 and was completed in October 2014. During FY 2014-15, the City requested that the Los Angeles County Metropolitan Transportation Authority (Metro) also allocate additional, accelerated Measure R funds so that the City could continue the soundwall project. An additional \$1.8 million was programmed by Metro for this project. The City and Metro entered into a funding agreement for these funds in April 2016. Soundwalls Phase II, with Measure R funds of \$1.8 million (the total project cost), is scheduled to be in construction in 2020. Phase III of the Soundwall program will also, in part, use Measure R funding of \$3.712 million (total project cost of \$12 million). The remainder of the funding will come from Metro Prop C and SB1 Local Partnership Program.

With the passage of SB 7 in 2019, the City's efforts to oppose the SR-710 tunnel and route succeeded. The Route for the SR-710 was eliminated by state law. In 2018, the funding for the tunnel was eliminated by Metro. Therefore, in the future, the City will no longer need to devote staff or financial resources for the effort to oppose the tunnel.

The City continued to operate fixed route transit shuttle services under contract with the City of Glendale. The City extended its contractual arrangement for Dial-A-Ride service for seniors and the disabled. The "Summer Beach Bus," a recreational transit program with daily trips to the Santa Monica Pier, has significantly grown in popularity. The City continued to operate the "LCF Express Shuttle (Route 33)" and its fixed-route line "Routes 33/34", which has allowed for better service during peak usage times. The Route 34 schedule was aligned with the hours for both JPL and La Cañada High School during arrival, departure times, and the lunch hour. The increased service during the lunch hour allows shuttle users easier access to the shops and restaurants along Foothill Blvd. The City was able to continue to offer an elevated level of service with a new 35-foot CNG Shuttle Bus received at the start of the 2016-17 fiscal year. Additionally, the City updated its shuttle stop

signage with a new look, including stop number, which is compatible with bus tracking apps. The new signs were installed in the downtown area of Foothill Blvd. Looking forward to FY 2019-20, the City will work on expanding transit options within the City, including potential services in the Town Center, home of the new City Hall.

The City continued operation of its first electric vehicle charging station at the City's Park and Ride Lot. The station is dual-port and allows for two vehicles to charge at the same time. The City was able to use AQMD funding for the purchase and installation of the unit. Additional charging stations are planned at various locations in the future.

Recreation and Open Space

The City continued its efforts to enhance recreational opportunities for the residents and families of the community. La Cañada Flintridge is attractive to families seeking to take advantage of the excellent public school system and safe neighborhoods. In order to accommodate the demand from families for recreational facilities and sports play fields, the City Council has actively pursued the acquisition of open space and the identification of potential sites for parks, sports play fields, and trails.

With the focus on providing improved recreational facilities, the City continued to maintain and/or improve the LCHS Tennis Courts, resurfacing of the FIS Tennis Courts, and City Skate Park. The City's remotely operated "CalSense System" was upgraded into a cloud-based module. With this module, staff can control field lights and irrigation remotely using any internet enabled device. This allows the City to be more responsive to the scheduling needs of users while being better able to manage the fields' usage during down times.

With respect to trails, the City continued to improve and maintain the trail system for recreational use. Further, the City laid the groundwork for the physical repair of several trail segments, including segments on the Owl Trail and the Cerro Negro trail, to address structural issues arising from recent erosion.

Lanternman Auditorium

The City continued to manage the Lanternman Auditorium through a Joint Use Agreement with the La Cañada Unified School District. The Lanternman Auditorium has been a successful joint use venture providing local community groups with the opportunity to utilize this significant, school district-owned community resource under the City's management and operation. The City continued its efforts to renovate the Auditorium in order to improve the overall experience for users. Use of the facility has expanded greatly. During FY 2017-18, the City completed the multi-year project of the installation of an LED lighting system, which has allowed for their remote control by staff. The newly automated lighting greatly enhances the stage effects available for productions held in the Auditorium while reducing staff costs to users by automating the process. In addition, the City began to make accessibility improvements, with the replacement of one set of entry doors with an ADA compliant set of doors.

Youth Council

In FY 2018-19, the City continued with the format of a nine-member City Youth Council. With the expanded Youth Council, each of the four high schools within the City appoint one member to the group, while the other five seats remain at-large appointed by the City Council. The Youth Council was involved in helping with the Mayor's Hike at Cherry Canyon, assisted the Trails Council by researching native animals and plant species to place information at each trail marker, hosted a financial literacy workshop for high school students and their families with Chase Bank of La Cañada, and partnered with La Cañada Gracie Barra to host a self-defense class. In addition, the Youth Council created a guide for future events to integrate anti-bullying efforts. The

Youth Council kicked off this project with a 5K charity run to raise awareness for LGBTQ youth. The Youth Council finalized the Youth Master Plan to help future members better understand their roles and included an event guide to share best practices for successful events.

Other Information

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellent in Financial Reporting to the City of La Cañada Flintridge for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the dedicated services of the entire City staff. I would like to express my appreciation to all employees who assisted and contributed to the preparation of this report, particularly to the members of the Finance Department. Due credit should also be given to the Mayor and members of the City Council for their support and direction to staff in the planning and conducting of the operations of the City to ensure that services and programs continue to be provided to residents in a manner that is responsive, efficient, and in the best interests of the citizens of La Cañada Flintridge.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mark R. Alexander", written in a cursive style.

Mark R. Alexander
City Manager

DIRECTORY OF CITY OFFICIALS



CITY COUNCIL

Leonard Pieroni, Mayor

Gregory C. Brown, Mayor Pro Tem

Jonathan C. Curtis, Councilmember

Michael T. Davitt, Councilmember

Terry Walker, Councilmember

CITY MANAGEMENT STAFF

Mark R. Alexander, City Manager

Carl Alameda, Assistant City Manager

Adrian Guerra, Interim City Attorney

Jeffrey Wang, City Treasurer

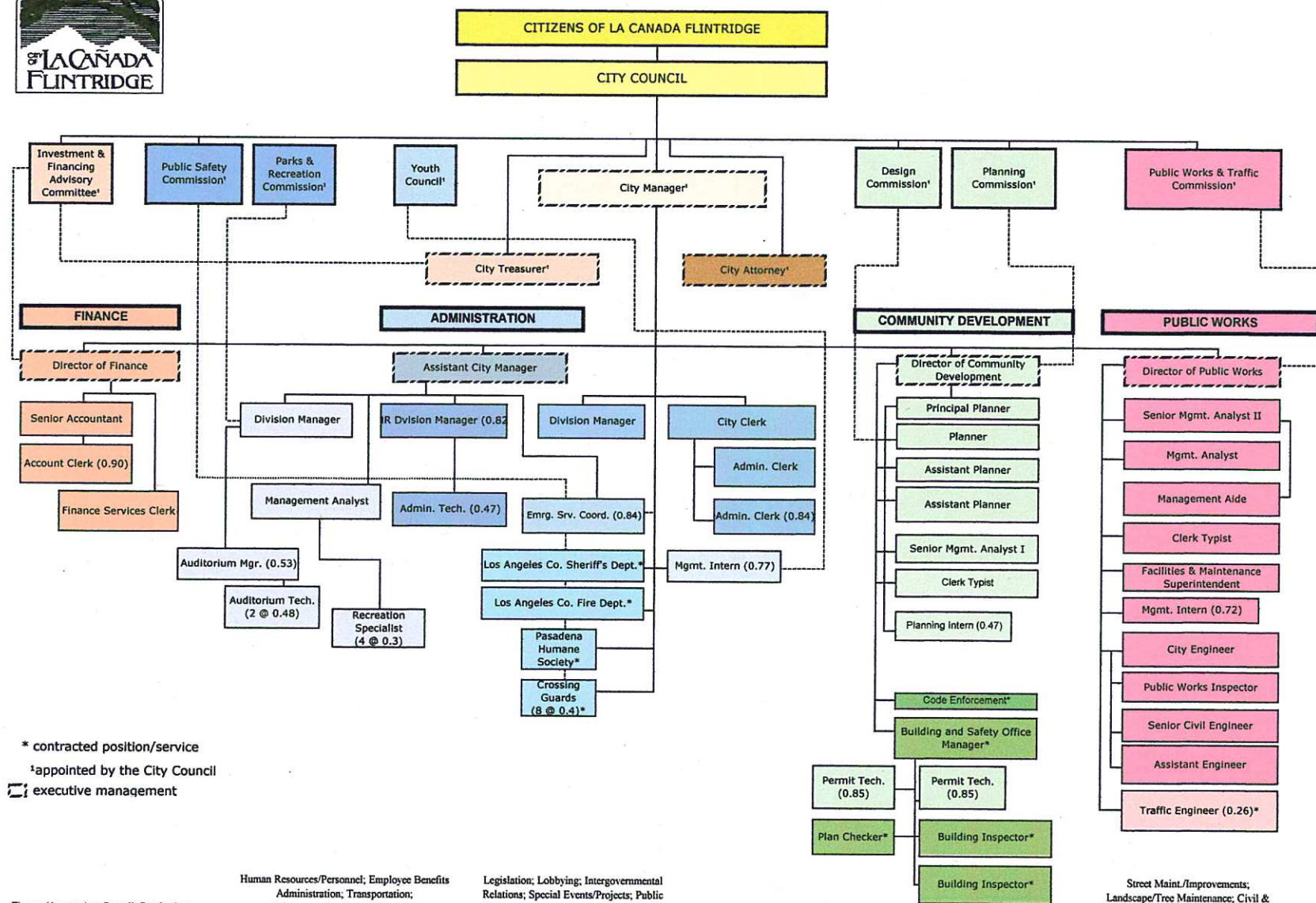
Rebekka G. Hosken, Director of Finance

Susan Koleda, Director of Community Development

Patrick DeChellis, Director of Public Works



ORGANIZATION CHART



* contracted position/service

¹appointed by the City Council

executive management

Finance/Accounting; Payroll; Purchasing; Comprehensive Annual Financial Report; Budget; Assessment District Financing; Investments; GASB Compliance; Grants Administration; Long-Range Financial Planning; Business Licenses; Staff Support to: Investment & Financing Advisory Committee

Human Resources/Personnel; Employee Benefits Administration; Transportation; Telecommunications; Information Technology/website; Film Permits; Risk Management; Insurance; Bonds & Grants; Skatepark; Lanterman Auditorium; Park Reservation Permits; Music-in-the-Park; Joint Use Scheduling/Activities; Staff Support to Parks & Recreation Commission and Joint Use Committee

Legislation; Lobbying; Intergovernmental Relations; Special Events/Projects; Public Safety; Emergency Preparedness; VERT; Parking Citation Review; Crossing Guards; Animal Control; Staff Support to Public Safety Commission; Youth Activities/ Senior Activities; L.A. County Sheriff; L.A. County Fire; Staff Support to: City Council, Youth Council & Ad Hoc Committees

City Council Meeting Preparation; Records Management; Public Records Act Requests; Elections; Boards & Commissions; FPFC Filing Officer; Municipal Code Updates; Receptionist

General Land Use; Zoning; Code/Sign Enforcement; Environmental Review; Design Review; Tree Permits; Horse/Animal Keeping Permits; Building & Safety; Staff Support to: Planning Commission & Design Commission

Street Maint./Improvements; Landscape/Tree Maintenance; Civil & Traffic Engineering; Street/Traffic Lighting; Street Sweeping; Capital Projects; Parks & Facilities Maintenance; Lanterman House; Solid Waste Management; Recycling; Sewer Construction; Sewer System Management; Staff Support to Public Works & Traffic Commission

LOCATION MAP





Government Finance Officers Association

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

Presented to

**City of La Canada Flintridge
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of La Cañada Flintridge
La Cañada Flintridge, California

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of La Cañada Flintridge, California, as of June 30, 2019, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and individual fund schedules (supplementary information), and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

White Nelson Dick Evans LLP

Irvine, California
December 23, 2019



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**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)**

As management, we offer this overview and analysis of the City of La Cañada Flintridge's (City) financial activities for the fiscal year ended June 30, 2019. Please consider the narrative presented here in conjunction with information furnished in our letter of transmittal as well as the accompanying basic financial statements.

Financial Highlights

The City's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$87,368,319 (*net position*) at the close of this fiscal year. Of this amount, \$63,678,262 (72.9%) is net invested in capital assets, \$16,245,273 (18.6%) is restricted for projects and programs, with \$7,444,784 (8.5%) being unrestricted (*unrestricted net position*), which is available and may be used to meet ongoing obligations.

- The City's total net position increased by \$5,647,953 (6.9%) as a result of positive operating results, which consisted primarily of a \$3,512,238 (2.9%) increase in assets for the new Civic Center purchase.
- For the current fiscal year, the City's governmental funds reported combined ending fund balances of \$31,171,153, an increase of \$228,273 (<1%) over the previous fiscal year.
- The General Fund balance at the end of the fiscal year is \$13,791,164, a decrease of \$129,631 (<1%) over the previous fiscal year. The unassigned portion of that fund balance is \$8,684,631, which is 63.0% of total fund balance and 67.4% of FY 2018-19 General Fund expenditures. Of the remaining fund balance, \$1,118,176 (8.1%) is nonspendable, and \$3,988,357 (28.9%) is assigned.

Overview of the Financial Statements

The City's basic financial statements comprise three components: 1) government-wide financial statements: the *statement of net position* and the *statement of activities*; 2) individual fund financial statements; and 3) notes to the financial statements. In addition, this report also contains Required and Other Supplementary Information.

Government-wide Financial Statements. These statements include only the City itself (*known as the primary government*) that are presented using the *accrual basis of accounting*, in a manner similar to a private-sector business. The City has one component unit; however, this entity did not have any activity during the current fiscal year.

The *statement of net position* presents *all* assets and liabilities of the City, with the difference between the two reported as *net position*. Over time, changes in net position may serve as a useful indicator of the City's financial position. However, other factors will need to be considered (e.g., changes in revenue base and the condition of infrastructure) in order to assess the City's overall financial health.

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

The *statement of activities* presents the City functions that are principally supported by taxes and intergovernmental revenues (*government activities*). The City does not engage in other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City's governmental activities include general government, community development, public safety, and public works. Public works includes highways and streets as well as parks and facilities maintenance.

Fund Financial Statements. A *fund* is a grouping of related accounts used to account for resources, which are segregated for specific activities. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The City uses only governmental funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare information for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist in the comparison between *governmental funds* and *government-wide statements*. The basic financial statements and related notes can be found on pages 15-60 of this report.

The City maintains twenty-four individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances (deficits) for the General Fund, Sewer Debt Service Fund for AD02-1, Sewer Debt Service Fund for AD04-1, and the Property Acquisition Capital Projects Fund, all of which are considered to be major funds. Data from the other twenty governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining and individual fund statements and schedules* elsewhere in this report. The combining statements and schedules are on pages 71-83.

Reconciliation of the differences between the *government-wide statements* and the information presented for *governmental funds* is provided, which describes the relationship between the two presentations. See pages 21 and 24 for detail.

The City adopts an annual appropriated budget for its General Fund and all other major funds. Budgetary comparison schedules have been provided to demonstrate compliance with this budget. See pages 64, 68-69, and 85-103 for detail.

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 25-60 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of funding progress for OPEB and

budgetary comparison schedule for its General Fund. Required supplementary information can be found on page 64 of this report.

Other supplementary information concerning budgetary comparisons of the City's debt service and capital projects funds, as well as a description of nonmajor governmental funds, can be found on pages 67-103.

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 71-103 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2019, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$87,368,319.

Table 1
NET POSITION

	2019	2018	Increase/ (Decrease)	Percentage Change (%)
Current and Other Assets	\$36,956,232	\$36,048,746	\$ 907,486	2.5%
Noncurrent Assets	87,634,201	85,029,449	2,604,752	3.1%
Total Assets	124,590,433	121,078,195	3,512,238	2.9%
Deferred Outflows	1,085,835	1,186,995	(101,160)	-8.5%
Long-Term Liabilities Outstanding	32,255,318	26,596,506	5,658,812	21.3%
Other Liabilities	5,882,218	13,614,036	(7,731,818)	-56.8%
Total Liabilities	38,137,536	40,210,542	(2,073,006)	-5.2%
Deferred Inflows	170,413	334,282	(163,869)	-49.0%
Net Position:				
Net Investment in Capital Assets	63,678,262	57,934,638	5,743,624	9.9%
Restricted	16,245,273	16,925,230	(679,957)	-4.0%
Unrestricted	7,444,784	6,860,498	584,286	8.5%
Total Net Position	<u>\$87,368,319</u>	<u>\$81,720,366</u>	<u>\$ 5,647,953</u>	6.9%

As shown in Table 1, net position from governmental activities increased by \$5,647,953 (6.9%). Total Assets increased by \$3,512,238 (2.9%) due to the addition of completed capital projects and addition of new city hall furnishings and equipment.

Total liabilities decreased \$2,073,006 (-5.2%) from 2018, the result of a \$5,658,812 (21.3%) increase in long-term liabilities, offset by a \$7,731,818 (-56.8%) decrease in other (i.e., current) liabilities, including pension and other post-employment benefits. In recent years long-term liabilities have been reduced by ongoing payment of the principal for three loans from the State Water Resource Control Board for Sewer Assessment Districts AD98-1, AD02-1 and AD04-1. The \$5.5 million note toward purchase of a new city hall facility was paid in full in 2019. A new \$4,964,150 loan from the State Ibank was undertaken to finance a portion of the new city hall facility.

Governmental Activities. The City's overall governmental activities, as reflected on the government-wide Statement of Activities, had positive operating results in 2019, with revenues exceeding expenses by \$5,647,953. Table 2 below summarizes 2019 revenues and expenses, compares these revenue and expenses to 2018, and shows the year-over-year change in net position.

Revenues in 2019 totaled \$25,057,522, an increase of \$3,238,797 (14.8%) over 2018. Revenues were higher in 2019 in several General Revenue categories, including property taxes and property taxes in lieu which together increased \$400,512 (5.2%), sales tax which increased \$340,429 (12.8%), and operating grants and contributions which increased \$406,300 (19.8%).

Overall expenses in 2019 totaled \$19,409,569, an increase of \$532,810 (2.8%) from 2018. Expenses decreased in the areas of General Government and Interest Expense. The largest increase in expenses was in Community Development (General Government), which increased by 148.6% due to an adjustment in categories and appropriate move of Community Development expenditures out of the Public Works category.

Table 2
CHANGE IN NET POSITION
Governmental Activities

	2019	2018	Increase/ (Decrease)	Percentage Change (%)
Program Revenues:				
Charges for Services	\$ 3,504,116	\$ 3,715,963	\$ (211,847)	-5.7%
Operating Grants & Contributions	2,454,543	2,048,243	406,300	19.8%
Capital Grants & Contributions	3,545,910	4,114,364	(568,454)	-13.8%
General Revenues:				
Property Taxes	8,166,745	5,271,832	2,894,913	54.9%
Property Tax In Lieu*	-	2,494,401	(2,494,401)	-100.0%
Other Taxes	1,123,785	1,148,818	(25,033)	-2.2%
State Shared Revenues - Unrestricted				
Sales Tax	2,989,941	2,649,512	340,429	12.8%
Motor Vehicle	9,928	10,789	(861)	-8.0%
Use of Money and Property	841,755	16,456	825,299	-5015.2%
Other	83,893	348,347	(264,454)	-75.9%
Gain on Disposal of Capital Assets	2,140,906	-	2,140,906	100.0%
Gain on Early Payment of Debt	196,000	-	196,000	100.0%
Total Revenues	\$ 25,057,522	\$ 21,818,725	\$ 3,238,797	14.8%
Expenses**				
General Government	\$ 4,918,063	\$ 5,816,415	\$ (898,352)	-15.4%
Public Safety	3,716,291	3,650,220	66,071	1.8%
Community Development	2,109,684	848,481	1,261,203	148.6%
Public Works	8,165,402	8,040,300	125,102	1.6%
Interest Expense	500,129	521,343	(21,214)	-4.1%
Total Expenses	\$19,409,569	\$18,876,759	\$532,810	2.8%
Change in Net Position	\$ 5,647,953	\$ 2,941,966	\$ 2,705,987	-92.0%
Net Position, Beginning of Fiscal Year	81,720,366	78,778,400		
Net Position, End of Fiscal Year	\$ 87,368,319	\$ 81,720,366		

*Combined with Property Tax in 2019

** Expense groupings were adjusted in 2019 to more appropriately reflect program areas.

Figure 1 and Figure 2 below illustrate program and general revenues by source and expenses by category, respectively, for governmental activities.

Figure 1
Revenue by Source

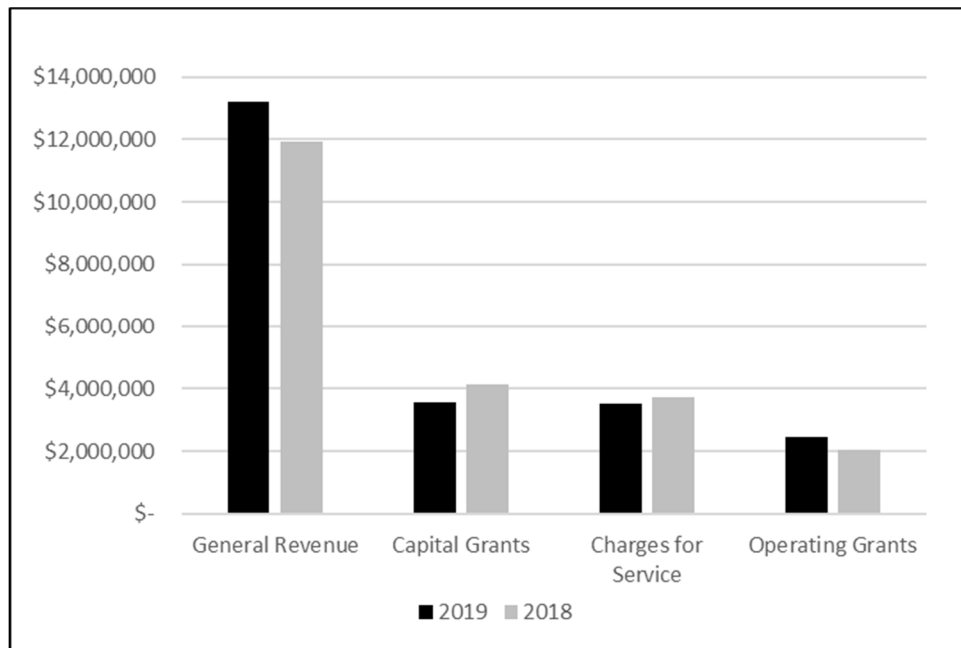
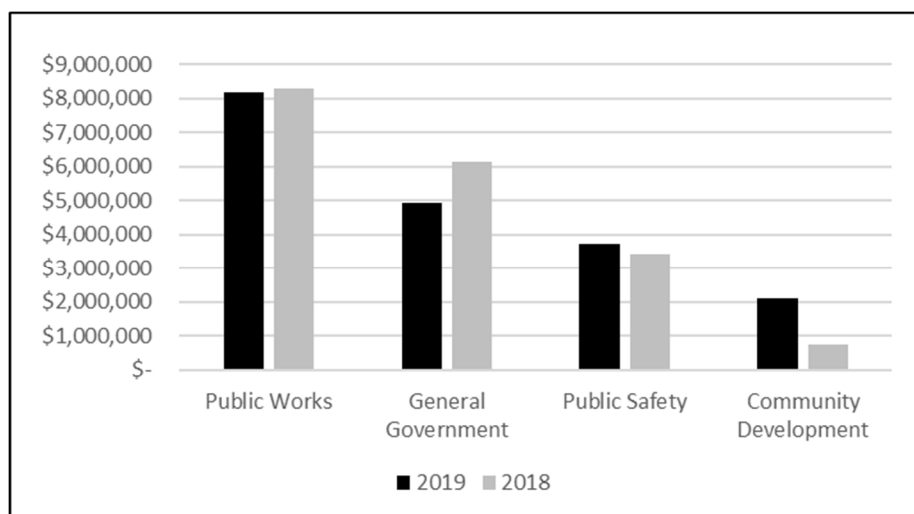


Figure 2
Expenses by Category



Financial Analysis of the City's Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's *governmental funds* is to provide information on near-term sources, uses, and balances of *spendable* resources. This information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a measure of the net resources available for spending.

At June 30, 2019, the City's *governmental funds* reported combined fund balances of \$31,171,153, an increase of \$228,273 (<1%) over the prior fiscal year. The fund balance in the General Fund, at \$13.8 million, accounted for 44.2% of the combined fund balances across all governmental funds. The fund with the next largest amount of ending fund balance was the Sewer AD04-1 Debt Service Fund of \$7.6 million, all of which is for loan repayments to the State Water Resources Control Board (SWRCB).

Total revenue in all governmental funds for the fiscal year ended June 30, 2019, was \$22,676,625 which is \$738,022 higher (3.4%) than the \$21,938,603 received in 2018. Increases occurred in Taxes (up 6.1%), Fines, Forfeitures, and Penalties (up 14.8%), Revenues From Other Agencies (up 6.3%), Charges for Services (up <1%), and Use of Money and Property (up 282%). Those sources that decreased included Assessments (down 21.2%), and Other Revenue (down 73.5%).

Expenditures across all governmental funds in 2019 totaled \$30,537,502, which is 153% greater than in 2018 primarily due to an increase in Capital Outlay and payoff of the City Hall Promissory Note of over \$5 million. Other increases occurred in Public Safety (up 7.6%), Community Development (up 155.11% due to changes in categories for expenditures), Capital Outlay (up 158.95%), and Debt Principal (up 219.48%). Only General Government expenditures decreased, down 21.75% from 2018.

General Fund Financial and Budgetary Highlights

The General Fund is the chief operating fund of the City. At June 30, 2019, the fund balance reported in the General Fund was \$13,791,164, which is \$129,631 (<1%) less than in 2018. The unassigned portion of that fund balance was \$8,684,631, accounting for 63.0% of total fund balance. As a measure of liquidity, it is useful to compare total and unassigned fund balance to annual General Fund expenditures. In 2019, total ending fund balance represented 107.1% of 2019 expenditures, and unassigned fund balance represented 67.4% of expenditures.

General fund revenue for the fiscal year totaled \$16,393,478, which exceeded the final revenue budget of \$15,078,875 by \$1,314,603 (8.7%). Actual revenue exceeded the budgeted amount in each category with the exception of the "other revenue" category, which came in below budget by \$32,900 (-41.4%). Particularly favorable budget-to-actual results occurred with respect to Property Tax (within the "Taxes" category) and "Charges for Service" and "Use of Money and Property" categories, indicating ongoing strength in permit and planning revenues, as well as in interest income.

General Fund expenditures totaled \$12,877,319, which was less than the \$14,762,475 final expenditure budget by \$1,885,156 (12.8%). Moderate savings relative to budgeted expectations across nearly all categories -- general government, public safety, public works, and capital outlay -- accounted for these favorable budget-to-actual results, with savings of \$749,119 in Community Development the greatest amount.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2019, the City's investment in capital assets for its governmental activities totaled \$87,634,201 (net of accumulated depreciation). Capital assets include land and easements,

buildings, equipment and vehicles, park facilities, infrastructure and sewer improvements. Overall, capital assets increased by \$2,604,752 (3.1%) from 2018, with a total increase in assets of \$3.8 million being offset by accumulated depreciation of \$1.2 million. The increase in assets was driven primarily by acquisition of a new city hall building and associated furnishings and equipment. Conversely, the former city hall building and many associated furnishings were deleted from inventory. Information about capital asset activity can be found on page 42. Table 3 below compares the capital asset balances in each category for this and the previous fiscal year.

Table 3
Capital Assets

Asset Type	2019	2018	Increase/ (Decrease)	Percentage Change (%)
Land and Easements	\$ 11,922,395	\$ 12,563,322	\$ (640,927)	-5.1%
Buildings and Improvements	16,809,276	3,986,253	12,823,023	321.7%
Equipment and Vehicles	2,016,161	2,244,584	(228,423)	-10.2%
Infrastructure	82,018,007	81,412,851	605,156	0.7%
Construction in Progress	520,717	9,255,758	(8,735,041)	-94.4%
Total Capital Assets	113,286,556	109,462,768	3,823,788	3.5%
Accumulated Depreciation	(25,652,355)	(24,433,319)	(1,219,036)	5.0%
Capital Assets, Net of Depreciation	\$ 87,634,201	\$ 85,029,449	\$ 2,604,752	3.1%

Long-term Liabilities. As Table 4 below shows, at fiscal year-end, the City's outstanding long-term liabilities (including amounts due within the next 12 months of \$2,780,033) totaled \$32,255,318, a decrease of \$2,718,508 (7.8%) from 2018. The City has continued to make debt service payments on three sewer assessment district loans to the State Water Resources Control Board (SWRCB), resulting in a reduction in principal. In addition, the City paid off a promissory note for the purchase of the new Civic Center and saw a small decrease of \$61,594 in the net pension liability.

The City's long-term liability for Other Post Employment Benefits (OPEB), which for the City consist solely of obligations for current and future retiree health benefits, increased by \$455,657. The liability for employee leave benefits increased by \$26,301 over last year. More detailed information on long-term liabilities can be found on pages 43-47 and 49-59. Table 4 below provides a summary of the changes in the City's long-term liabilities.

Table 4
Long-Term Liabilities

	2019	2018	Increase/ (Decrease)	Percentage Change (%)
SWRCB Loan AD 98-1	\$ 417,791	\$ 835,582	\$ (417,791)	-50.0%
SWRCB Loan AD 02-1	4,909,638	5,662,111	(752,473)	-13.3%
SWRCB Loan AD 04-1	13,664,360	15,017,118	(1,352,758)	-9.0%
City Hall Promissory Note	-	5,580,000	(5,580,000)	-100.0%
Ibank Financing Lease	4,964,150	-	4,964,150	100.0%
Employee Leave Benefits	349,426	323,125	26,301	8.1%
Total OPEB Liability	4,740,654	4,284,997	455,657	10.6%
Net Pension Liability	3,209,299	3,270,893	(61,594)	-1.9%
Long-Term Obligations	<u>\$ 32,255,318</u>	<u>\$ 34,973,826</u>	<u>\$ (2,718,508)</u>	-7.8%

Economic Factors and Next Year's Budgets and Rates

The City's fiscal year 2019-20 budget takes into account historical trends to project revenues. Expenditures were estimated based upon program and project needs. Given continuing economic uncertainty, the City has continued to budget conservatively. As of June 30, 2019, the General Fund balance was \$13,791,164, which totaled 107.1% of FY 2018-19 expenditures.

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 them. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Rebekka G. Hosken, Director of Finance, City of La Cañada Flintridge, One Civic Center Drive, La Cañada Flintridge, California 91011-2137.



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BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



CITY OF LA CAÑADA FLINTRIDGE
Statement of Net Position
June 30, 2019

	Governmental Activities
Assets:	
Cash and investments	\$ 30,374,986
Accounts receivable	6,289,914
Interest receivable	168,260
Prepays	6,529
Loans receivable	116,543
Capital assets:	
Not being depreciated	12,443,112
Being depreciated (net of accumulated depreciation)	75,191,089
Total assets	<u>124,590,433</u>
Deferred outflow of resources:	
Deferred outflows related to pension	918,575
Deferred outflows related to OPEB	167,260
Total deferred outflows of resources	<u>1,085,835</u>
Liabilities:	
Accounts payable and accrued liabilities	3,496,827
Deposits payable	2,011,178
Unearned revenue	101,053
Interest payable	273,160
Long-term debt	
Due within one year	2,780,033
Due in more than one year	21,525,332
Pension liability	3,209,299
Other post employment benefits liability	4,740,654
Total liabilities	<u>38,137,536</u>
Deferred inflow of resources:	
Deferred inflows related to pension	140,302
Deferred inflows related to OPEB	30,111
Total deferred inflow of resources	<u>170,413</u>
Net position:	
Net investment in capital assets	63,678,262
Restricted for:	
Transit	1,716,029
Air quality improvements	254,187
Sewer improvements and operations	1,515,904
Debt service	12,684,154
Capital projects	74,999
Unrestricted	7,444,784
Total net position	<u><u>\$ 87,368,319</u></u>

See Accompanying Notes to Financial Statements.

CITY OF LA CAÑADA FLINTRIDGE
Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue
		Services	Grants and	Grants and	and Change in
			Contributions	Contributions	Net Position
					Governmental
					Activities
Governmental activities:					
General government	\$ 4,918,063	\$ 215,164	\$ 816,137	\$ -	\$ (3,886,762)
Public safety	3,716,291	119,091	149,776	-	(3,447,424)
Community development	2,109,684	2,381,635	52,580	-	324,531
Public works	8,165,402	788,226	1,436,050	3,545,910	(2,395,216)
Interest	500,129	-	-	-	(500,129)
Total governmental activities	<u>\$ 19,409,569</u>	<u>\$ 3,504,116</u>	<u>\$ 2,454,543</u>	<u>\$ 3,545,910</u>	<u>(9,905,000)</u>
General revenues:					
Taxes:					
Property					8,166,745
Franchise					621,665
Real property transfer					286,748
Business operations					215,372
State shared revenues - unrestricted:					
Sales tax					2,989,941
Motor vehicle					9,928
Use of money and property					841,755
Other					83,893
Gain on disposal of capital assets					2,140,906
Gain on early payment of debt					196,000
Total general revenues					<u>15,552,953</u>
Change in net position					<u>5,647,953</u>
Net position, beginning of fiscal year					<u>81,720,366</u>
Net position, end of fiscal year					<u>\$ 87,368,319</u>

See Accompanying Notes to Financial Statements.

FUND FINANCIAL STATEMENTS





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CITY OF LA CAÑADA FLINTRIDGE
Balance Sheet
Governmental Funds
June 30, 2019

		Sewer AD04-1 Debt Service	Sewer AD02-1 Debt Service	Property Acquisition Capital Projects
Assets:	General			
Cash and investments	\$ 12,500,828	\$ 7,555,148	\$ 4,501,458	\$ -
Receivables:				
Accounts	1,007,736	-	-	4,915,000
Interest	139,785	-	-	28,475
Loans receivable	116,543	-	-	-
Due from other funds	3,500,715	-	-	-
Advances to other funds	995,104	-	-	-
Prepaid items	6,529	-	-	-
Total assets	<u>\$ 18,267,240</u>	<u>\$ 7,555,148</u>	<u>\$ 4,501,458</u>	<u>\$ 4,943,475</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,286,128	\$ -	\$ -	\$ 574,685
Deposits payable	2,011,178	-	-	-
Due to other funds	-	-	-	3,381,787
Unearned revenue	101,053	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>4,398,359</u>	<u>-</u>	<u>-</u>	<u>3,956,472</u>
Deferred inflows of resources:				
Unavailable revenues	<u>77,717</u>	<u>-</u>	<u>-</u>	<u>28,475</u>
Total deferred inflows of resources	<u>77,717</u>	<u>-</u>	<u>-</u>	<u>28,475</u>
Fund balances (deficits):				
Nonspendable:				
Prepays	6,529	-	-	-
Advances to other funds	995,104	-	-	-
Loans	116,543	-	-	-
Restricted:				
Transit	-	-	-	-
Air quality improvements	-	-	-	-
Sewer improvements and operations	-	-	-	-
Debt service	-	7,555,148	4,501,458	-
Capital projects	-	-	-	-
Committed:				
Property acquisition	-	-	-	958,528
Assigned:				
Capital projects	-	-	-	-
Tree Fund	166,392	-	-	-
Joint use projects	100,000	-	-	-
DAE fees	15,190	-	-	-
Other postemployment benefits	614,375	-	-	-
Capital reserve - sewer 02-1	120,000	-	-	-
Capital reserve - sewer 04-1	1,472,400	-	-	-
Disaster relief	1,500,000	-	-	-
Unassigned	<u>8,684,631</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>13,791,164</u>	<u>7,555,148</u>	<u>4,501,458</u>	<u>958,528</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 18,267,240</u>	<u>\$ 7,555,148</u>	<u>\$ 4,501,458</u>	<u>\$ 4,943,475</u>

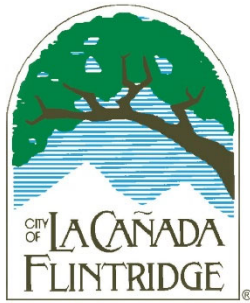
See Accompanying Notes to Financial Statements.

CITY OF LA CAÑADA FLINTRIDGE

Balance Sheet
Governmental Funds
June 30, 2019

	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets:		
Cash and investments	\$ 5,817,552	\$ 30,374,986
Receivables:		
Accounts	367,178	6,289,914
Interest	-	168,260
Loans receivable	-	116,543
Due from other funds	-	3,500,715
Advances to other funds	-	995,104
Prepaid items	-	6,529
	<hr/>	<hr/>
Total assets	\$ 6,184,730	\$ 41,452,051
	<hr/>	<hr/>
Liabilities:		
Accounts payable and accrued liabilities	\$ 636,014	\$ 3,496,827
Deposits payable	-	2,011,178
Due to other funds	118,928	3,500,715
Unearned revenue	-	101,053
Advances from other funds	995,104	995,104
	<hr/>	<hr/>
Total liabilities	1,750,046	10,104,877
	<hr/>	<hr/>
Deferred inflows of resources:		
Unavailable revenues	69,829	176,021
	<hr/>	<hr/>
Total deferred inflows of resources	69,829	176,021
	<hr/>	<hr/>
Fund balances (deficits):		
Nonspendable:		
Prepays	-	6,529
Advances to other funds	-	995,104
Loans	-	116,543
Restricted:		
Transit	1,716,029	1,716,029
Air quality improvements	254,187	254,187
Sewer improvements	1,515,904	1,515,904
Debt service	627,548	12,684,154
Capital projects	32,475	32,475
Committed:		
Property acquisition	-	958,528
Assigned:		
Capital projects	1,241,121	1,241,121
Tree Fund	-	166,392
Joint use projects	-	100,000
DAE fees	-	15,190
Other postemployment benefits	-	614,375
Capital reserve - sewer 02-1	-	120,000
Capital reserve - sewer 04-1	-	1,472,400
Disaster relief	-	1,500,000
Unassigned	(1,022,409)	7,662,222
	<hr/>	<hr/>
Total fund balances (deficits)	4,364,855	31,171,153
	<hr/>	<hr/>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 6,184,730	\$ 41,452,051
	<hr/>	<hr/>

See Accompanying Notes to Financial Statements.



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CITY OF LA CAÑADA FLINTRIDGE
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June, 30, 2019

Fund balances for governmental funds	\$ 31,171,153
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.

Capital assets not being depreciated	\$ 12,443,112	
Capital assets being depreciated	100,843,444	
Accumulated depreciation	<u>(25,652,355)</u>	87,634,201

Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period. Unavailable revenues are recorded as a deferred inflow of resources. Under accrual accounting, revenue must be recognized as soon as it is earned, regardless of its availability.

176,021

Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds.

(273,160)

Long-term liabilities, including loans and employee leave benefits, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Loans payable	\$ (18,991,789)	
Ibank Financing Lease	(4,964,150)	
Employee leave benefits	<u>(349,426)</u>	(24,305,365)

Pension and OPEB related debt are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the Statement of Net Position as the changes in these amounts effect only the government-wide statements for governmental activities.

Net pension liability	\$ (3,209,299)	
Total OPEB liability	(4,740,654)	
Deferred outflows of resources related to pensions	918,575	
Deferred outflows of resources related to OPEB	167,260	
Deferred inflows of resources related to pensions	(140,302)	
Deferred inflows of resources related to OPEB	<u>(30,111)</u>	<u>(7,034,531)</u>

Net position of governmental activities	<u>\$ 87,368,319</u>
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See Accompanying Notes to Financial Statements.

CITY OF LA CAÑADA FLINTRIDGE
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
of Governmental Funds
For the Fiscal Year Ended June 30, 2019

	General	Sewer AD04-1 Debt Service	Sewer AD02-1 Debt Service	Property Acquisition Capital Projects
Revenues:				
Taxes	\$ 12,280,471	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, forfeitures and penalties	123,761	-	-	-
From other agencies	32,719	-	-	-
Charges for services	3,306,044	-	-	-
Use of money and property	603,733	244,222	153,450	-
Other revenue	46,750	-	-	-
Total revenues	<u>16,393,478</u>	<u>244,222</u>	<u>153,450</u>	<u>-</u>
Expenditures:				
Current:				
General government	4,185,555	-	-	-
Public safety	3,509,205	-	-	-
Community development	1,973,831	-	-	-
Public works	2,987,313	1,251	-	-
Capital outlay	221,415	-	-	5,693,144
Debt service:				
Principal retirement	-	1,352,758	752,473	5,384,000
Interest and other charges	-	345,393	135,891	-
Loan origination fees	-	-	-	49,150
Total expenditures	<u>12,877,319</u>	<u>1,699,402</u>	<u>888,364</u>	<u>11,126,294</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,516,159</u>	<u>(1,455,180)</u>	<u>(734,914)</u>	<u>(11,126,294)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	3,125,000
Proceeds from long-term debt	-	-	-	4,964,150
Transfers in	111,062	1,849,295	968,598	3,104,275
Transfers out	(3,756,852)	-	-	-
Total other financing sources (uses)	<u>(3,645,790)</u>	<u>1,849,295</u>	<u>968,598</u>	<u>11,193,425</u>
Net change in fund balances	(129,631)	394,115	233,684	67,131
Fund balances (deficits), beginning of fiscal year	<u>13,920,795</u>	<u>7,161,033</u>	<u>4,267,774</u>	<u>891,397</u>
Fund balances (deficits), end of fiscal year	<u>\$ 13,791,164</u>	<u>\$ 7,555,148</u>	<u>\$ 4,501,458</u>	<u>\$ 958,528</u>

See Accompanying Notes to Financial Statements.

CITY OF LA CAÑADA FLINTRIDGE
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
of Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 5,600	\$ 12,286,071
Assessments	2,811,598	2,811,598
Fines, forfeitures and penalties	57,844	181,605
From other agencies	2,464,761	2,497,480
Charges for services	355,589	3,661,633
Use of money and property	142,857	1,144,262
Other revenue	47,226	93,976
	<hr/>	<hr/>
Total revenues	5,885,475	22,676,625
	<hr/>	<hr/>
Expenditures:		
Current:		
General government	-	4,185,555
Public safety	194,726	3,703,931
Community development	52,580	2,026,411
Public works	1,298,071	4,286,635
Capital outlay	1,974,390	7,888,949
Debt service:		
Principal retirement	417,791	7,907,022
Interest and other charges	8,565	489,849
Loan origination fees	-	49,150
	<hr/>	<hr/>
Total expenditures	3,946,123	30,537,502
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	1,939,352	(7,860,877)
	<hr/>	<hr/>
Other financing sources (uses):		
Proceeds from sale of capital assets	-	3,125,000
Proceeds from long-term debt	-	4,964,150
Transfers in	1,564,029	7,597,259
Transfers out	(3,840,407)	(7,597,259)
	<hr/>	<hr/>
Total other financing sources (uses)	(2,276,378)	8,089,150
	<hr/>	<hr/>
Net change in fund balances	(337,026)	228,273
	<hr/>	<hr/>
Fund balances (deficits), beginning of fiscal year	4,701,881	30,942,880
	<hr/>	<hr/>
Fund balances (deficits), end of fiscal year	\$ 4,364,855	\$ 31,171,153
	<hr/>	<hr/>

See Accompanying Notes to Financial Statements.

CITY OF LA CAÑADA FLINTRIDGE
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances (Deficits) of Governmental Funds to the Statement of Activities
June 30, 2019

Net change in fund balances - total governmental funds: \$ 228,273

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeded depreciation expense in the current fiscal year is as follows:

Capital outlay	\$ 6,037,592	
Loss from sale of capital assets	(984,094)	
Depreciation expense	<u>(2,448,746)</u>	2,604,752

Governmental funds report interest in the fiscal year it is paid; however, in the Statement of Activities, interest is recorded in the fiscal year it is incurred.

Change in interest payable	(10,280)
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Certain revenues in the governmental fund are deferred inflows of resources because they are not collected within the prescribed time after fiscal year-end. However, the revenues are recognized on the accrual basis used in government-wide statements.

43,991

The issuance of long-term debt provides current financial resources to governmental funds while repayment of principal consumes current financial resources of the governmental funds. In the Statement of Activities, the issuance of long-term debt increases long-term liabilities and the repayment of debt reduces long-term liabilities. In addition, governmental funds report employee leave in the period taken; however, in the Statement of Activities, such benefits are recorded in the fiscal year incurred.

Loan principal payments	\$ 7,907,022	
Gain on early payment of debt	196,000	
Proceeds from long-term debt	(4,964,150)	
Change in employee leave benefits, net	<u>(26,301)</u>	3,112,571

Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources.

(58,013)

Other post-employment benefits (OPEB) expense reported in the governmental funds includes cash payments made for benefits for current retired employees in the current year. In the Statement of Activities, OPEB expense includes the change in the total OPEB liability and OPEB related deferred outflows and deferred inflows of resources.

(273,341)

Change in net position of governmental activities:

\$ 5,647,953

See Accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS



CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The City of La Cañada Flintridge (City) was incorporated November 30, 1976 under the general laws of the State of California and enjoys all rights and privileges pertaining to such "general law" cities. The City operates under a Council-Manager form of government and provides or contracts for the following services: public safety (police and fire), highway and streets, cultural and recreation, public improvements, planning and zoning, and general administrative services.

The City of La Cañada Flintridge and the La Cañada Flintridge Public Improvement Corporation (Corporation) and the La Cañada Local Financing Authority (LFA) comprise the reporting entity. Although part of the City, the Corporation and LFA are legally separate entities, the City Council of La Cañada Flintridge acts as the governing body for both and has a continuing accountability for fiscal matters. Fiscal dependency was considered on the basis of budget adoption, taxing authority, and funding. The Corporation and LFA are, in substance, part of the City's operations and so its financial data is blended in the accompanying financial statements.

Blended Component Units

The La Cañada Flintridge Public Improvement Corporation was incorporated in 1991 to finance the acquisition of public facilities by issuing Certificates of Participation. The Corporation's financial data and transactions are blended in the debt service funds. There was no activity for the Corporation during the fiscal year ended June 30, 2019. The Corporation did not issue separate financial statements.

The La Cañada Flintridge Local Financing Authority was incorporated in 2004 to finance the acquisition of public facilities by levying assessments on private property. The LFA's financial data and transactions are blended in the 2004 sewer district funds. There was no activity for the LFA during the fiscal year ended June 30, 2019. The LFA did not issue separate financial statements.

(b) Basis of Accounting, Measurement Focus and Financial Statement Presentation

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

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

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***(b) Basis of Accounting, Measurement Focus and Financial Statement Presentation
(Continued)***

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The government-wide financial statements are reported 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 City are reported. Under the *accrual basis of accounting*, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year for which all eligibility requirements have been satisfied.

The statement of activities demonstrates the degree to which direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The types of transactions reported as program revenues of the City are reported in three categories:

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

Charges for services include revenues from the reporting government's citizenry who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. 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 and acquisitions of capital leases 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. Issuance costs and loan origination fees, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***(b) Basis of Accounting, Measurement Focus and Financial Statement Presentation
(Continued)***

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, deferred inflows of resources, fund balance, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The fund financial statements provide information about the City's funds. Separate financial statements are provided for governmental funds after the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the *current financial resources measurement focus*, only current assets, liabilities, and deferred inflows of resources are generally included on their balance sheets. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Under the *modified accrual basis of accounting*, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, except for principal and interest on long-term liabilities, claims and judgments and employee leave benefits, which are recognized as expenditures when they are due and payable. General capital asset acquisitions are reported as expenditures of governmental funds. Issuance of long-term debt and acquisition of capital leases are reported as other financing sources. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Property taxes, franchise taxes, licenses, intergovernmental revenue, charges for services, 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received within the availability period for this revenue (within 60 days of year-end). Amounts owed to the City, which are not available, are recorded as receivables and deferred inflows of resources. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

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

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***(b) Basis of Accounting, Measurement Focus and Financial Statement Presentation
(Continued)***

Fund Financial Statements (Continued)

The City reports the following major governmental funds (continued):

Sewer AD04-1 Debt Service Fund - This fund is to account for the payment of interest and principal on the debt of Assessment District 04-1.

Sewer AD02-1 Debt Service Fund - To account for payment of interest and principal on the debt of Assessment District 02-1.

Property Acquisition Fund - To account for monies set aside for the future acquisition of property. Revenues may be derived from various sources, including donations.

Additionally, the City reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the revenues derived from specific revenue sources, which are restricted by law or administrative regulation for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term liabilities, including principal, interest and related costs.

Capital Projects Funds - The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

(c) Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance

1. Cash and Investments

All investments are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments that are not traded on market, such as investments in external pools, are valued based on the stated fair value represented by the external pool.

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income, which has been assigned to and recorded as revenue of the General Fund, as provided by California Government Code Section 53647.

2. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements utilizing the consumption method.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (Continued)

3. Interfund Receivables and Payables

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

4. Capital Assets

Capital assets, which include land, intangible assets (e.g., easements and rights of way), buildings, improvements, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and a useful life of more than one year. Acquired capital assets are recorded at actual historical cost or estimated historical cost. Donated capital assets are valued at the acquisition value of the assets on the date on which they were contributed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Vehicles	6 - 15 years
Equipment	5 - 30 years
Buildings and building improvements	3 - 50 years
Infrastructure	20 - 60 years

Intangible assets are not depreciated as they have indefinite useful lives.

5. Employee Leave Benefits

Full-time City employees earn twelve sick days per year and, depending on length of employment, ten to twenty vacation days per year. In addition, full-time, FLSA “exempt” employees earn, depending on their classification, eight to twelve and one-half administrative leave days per year. Employees can accumulate up to a maximum of twice their normal entitlement of earned but unused vacation, up to twenty days of administrative leave, and an unlimited number of sick leave days. Upon termination, the City is obligated to compensate employees for all earned but unused vacation and administrative leave time. Employees are not compensated for sick leave earned but unused upon termination. The balance of unpaid vacation and administrative leave time at June 30, 2019 is recorded as a long-term liability. Payments for employee leave benefits are made from the General Fund.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***(c) Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance
(Continued)***

6. Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred outflow related to pensions equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflow related to pensions resulting from the net difference in projected and actual earnings on investments of the pension plans' fiduciary net position. These amounts are amortized over five years.
- Deferred outflow related to pensions for differences between actual and expected experiences, changes in assumptions, changes in proportion, and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflow related to OPEB resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with retiree health care benefits through the plans.

In addition to liabilities, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Under the modified accrual basis of accounting, the government reports unavailable revenue from grants, investment income, charges for services, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflow related to pensions for differences between actual and expected experiences, changes of assumptions, changes in proportion, and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflow related to OPEB resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with retiree health care benefits through the plans.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***(c) Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance
(Continued)***

7. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) Plans 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 as fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

8. Claims and Judgments

The City records a liability for claims, judgments and litigation when it is probable that a liability has been incurred at year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. Claims and judgments are paid out of the General Fund. The City has no claims liability for the year ended June 30, 2019.

9. Net Position and Fund Balances

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets: This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position: This component of net position represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: This component of net position represents the net position that do not meet the definition of "restricted" or "net investment in capital assets."

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

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (Continued)

9. Net Position and Fund Balances (Continued)

In the fund financial statements, governmental funds are classified in the following categories:

Nonspendable Fund Balance: includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance: includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance: includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action, a resolution, that imposed the constraint originally.

Assigned Fund Balance: includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) City Council or (b) a body (a budget, finance committee, or management (City Wide Leadership team, which consists of City Manager and Executive Department Heads)) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as nonspendable, restricted, or committed.

Unassigned Fund Balance: all other amounts. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Only the General Fund shows a positive unassigned fund balance.

The City has an unrestricted fund balance reserve policy of having 50% of budgeted operating revenues available. For the fiscal year ended June 30, 2019, this reserve totals \$7,539,438.

The City has set aside \$1 million as an economic stabilization reserve to offset any economic downturn or negative impact on major City revenue sources.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***(e) Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance
(Continued)***

10. Property Taxes

Under California law, the property tax rate is limited to 1% of full cash value as defined by law plus other increases approved by the voters. Property taxes are levied by the County Tax Assessor and shared among local taxing authorities. The County of Los Angeles collects and distributes property taxes on the basis of each taxing authority's tax rate percentage.

As a "No Property Tax City," La Cañada Flintridge's city tax rate is zero. However, under state legislation (AB 1197), the City began receiving a share of property tax revenue in 1990.

Property taxes are levied during July of each fiscal year and are due on November 1 and February 1. Property taxes become delinquent after December 10 and April 10 for the first and second installments, respectively. The lien date is January 1. The City accrues as property tax revenue only those taxes which are received within 60 days after year-end in the fund financial statements.

11. New Accounting Pronouncements

GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018, and did not impact the City.

GASB 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018, and did not significantly impact the City.

12. Future Accounting Pronouncements

GASB has issued the following statements, which may impact the City's financial reporting requirements in the future:

- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.
- GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019.
- GASB 90 - *Majority Equity Interests*, an amendment of GASB Statements No. 14 and No. 61, effective for periods beginning after December 15, 2018.
- GASB 91 - *Conduit Debt Obligations*, effective for periods beginning after December 15, 2020.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (Continued)

13. Use of Estimates

The preparation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(a) Excess of Expenditures over Appropriations

The following funds had expenditures in excess of appropriations for the fiscal year ended June 30, 2019:

Fund	Type of Fund	Final Budget	Actual	Amount over Budget
Nonmajor Funds:				
Proposition C Transit Tax	Special Revenue	\$ 142,475	\$ 152,557	\$ 10,082
Sanitation	Special Revenue	5,500	5,600	100
Sewer Redemption AD02-1	Special Revenue	15,200	16,781	1,581
Sewer Redemption AD04-1	Special Revenue	14,725	18,571	3,846

The City provides quarterly financial reports to all departments which highlights items nearing or over budget. Departments also have the capability to run financial reports throughout the year. Items of note are discussed over the course of the fiscal year in order to reduce the magnitude and number of budget overages each fiscal year.

(b) Deficit Fund Balance

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

Fund	Type of Fund	Deficit
Nonmajor Funds:		
TDA	Special Revenue	\$ (27,305)
Sewer Improvement AD02-1	Capital Projects	(995,104)

The Nonmajor Sewer Improvement AD02-1 Capital Projects Fund deficit will be eliminated through future sewer assessment revenue. The Nonmajor TDA Special Revenue Fund deficit will be eliminated through future grant reimbursements.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(3) DETAILED NOTES ON ALL FUNDS

(a) Cash and Investments

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	<u>\$ 30,374,986</u>
Total cash and investments	<u><u>\$ 30,374,986</u></u>

Cash and investments as of June 30, 2019 consist of the following:

Cash on hand	\$ 1,034
Deposits with financial institutions	477,627
Investments	<u>29,896,325</u>
Total cash and investments	<u><u>\$ 30,374,986</u></u>

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)

(a) Cash and Investments (Continued)

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

The City's Investment Policy is reviewed and adopted by the City Council each year. The table below identifies the allowable investment types authorized by the California Government Code and the City's adopted Investment Policy (the "Investment Policy"). The table also identifies certain restrictions related to interest rate risk and concentration of credit risk. The Investment Policy restricts the Treasurer to invest in only the types of investments listed herein, which is more restrictive than the Government Code.

Investment Types Authorized Investment by State Law	Authorized by Investment Policy	Maximum Maturity		Maximum Percentages of Portfolio		Maximum Investment	
		CGC	City	CGC	City	CGC	City
Local Agency Bonds	No	5 years	5 years	None	None	None	None
Federal Agency and U.S. Government Sponsored							
Enterprise Obligations	Yes	5 years	5 years	None	None	None	35%**
U.S. Treasury Securities	Yes	5 years	5 years	None	None	None	None
Certificates of Deposit	Yes	5 years	5 years	30%	15%	None	None
Time Deposits	Yes	5 years	1 year	None	15%	None	None
Bankers' Acceptances	Yes	180 days	180 days	40%	20%	30%	10%
Commercial Paper	Yes	270 days	270 days	25%	25%	10%	\$1 million*
Medium Term Notes	Yes	5 years	5 years	30%	30%	None	\$1 million*
Mutual Funds	Yes	N/A	N/A	20%	20%	10%	10%
Money Market							
Mutual Funds	Yes	N/A	N/A	20%	20%	None	None
Mortgage Pass- Through Securities	No	5 years	5 years	20%	None	None	None
County Pooled							
Investment Funds	No	N/A	N/A	None	None	None	None
JPA Pools (other investment pools)	Yes	N/A	N/A	None	25%	None	None
Local Agency Investment							
Fund (LAIF)	Yes	N/A	N/A	None	50%	\$65 million	\$65 million
Repurchase Agreements	Yes	1 year	30 days	None	10%	None	None
Reverse Repurchase Agreements	No	92 days	92 days	20% of base value	20% of base value	None	None
U.S. Supranationals	Yes	5 years	5 years	30%	15%	None	None

* Total par value of a single issuer

** Maximum investment limit of 35% for Federal Agency Issues in one issuer applies if obligations are not backed by the full faith and credit of the U.S. Government at time of acquisition

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.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)

(a) Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Fair Value	Remaining Maturity (in Months)		
		12 Months or Less	13-24 Months	25-60 Months
Money Market Mutual Funds	\$ 6,187,551	\$ 6,187,551	\$ -	\$ -
LAIF	5,200,000	5,200,000	-	-
US Treasury Securities	998,281	-	998,281	-
Federal Agency Securities	12,967,960	1,992,472	2,982,879	7,992,609
Corporate Medium Term Notes	4,542,533	1,500,358	2,522,436	519,739
				-
Total	<u>\$ 29,896,325</u>	<u>\$ 14,880,381</u>	<u>\$ 6,503,596</u>	<u>\$ 8,512,348</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy, and the actual rating type (Standard & Poor's) as of year-end for each investment type.

Investment Type	Fair Value	Minimum Legal Rating	Ratings as of Year End						
			AAA	AA+	AA	AA-	A+	A	Not Rated
Money Market Mutual Funds	\$ 6,187,551	N/A	\$ 6,187,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LAIF	5,200,000	N/A	-	-	-	-	-	-	5,200,000
US Treasury Securities	998,281	N/A	-	998,281	-	-	-	-	-
Federal Agency Securities	12,967,960	N/A	-	12,967,960	-	-	-	-	-
Corporate Medium Term Notes	4,542,533	A	506,188	-	1,036,218	1,500,358	498,922	1,000,847	-
Total	<u>\$ 29,896,325</u>		<u>\$ 6,693,739</u>	<u>\$ 13,966,241</u>	<u>\$ 1,036,218</u>	<u>\$ 1,500,358</u>	<u>\$ 498,922</u>	<u>\$ 1,000,847</u>	<u>\$ 5,200,000</u>

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)

(a) Cash and Investments (Continued)

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments (other than external investment pools and money market funds) in any one issuer that represent 5% or more of total City's investments are as follows:

Issuer	Investment Type	Reported	Maturity	Interest Rate
		Amount		
Freddie Mac Global Notes	Federal agency securities	\$ 2,012,349	2019-2022	1.250-2.375%
Federal National Mortgage Association	Federal agency securities	2,984,763	2020-2021	1.500%
Federal Farm Credit Bank	Federal agency securities	2,976,465	2021	1.540%-1.680%
Federal Home Loan Bank	Federal agency securities	3,001,601	2022-2024	2.250%-2.850%

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. At June 30, 2019, the City deposits (bank balances) were insured by the Federal Deposit Insurance Corporation or collateralized as required under California Law.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code 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 is limited to the account balance.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)

(a) Cash and Investments (Continued)

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and
- Level 3: Investments reflect prices based on unobservable sources. The unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

The City has the following recurring fair value measurements as of June 30, 2019:

Investments by Fair Value	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Treasury Securities	\$ 998,281	\$ -	\$ 998,281	\$ -
Federal Agency Securities	12,967,960	-	12,967,960	-
Corporate Medium Term Notes	4,542,533	-	4,542,533	-
Total Leveled Investments	18,508,774	<u>\$ -</u>	<u>\$ 18,508,774</u>	<u>\$ -</u>
Money Market Mutual Funds*	6,187,551			
LAIF*	<u>5,200,000</u>			
Total Investment Portfolio	<u>\$ 29,896,325</u>			

* Not subject to fair value measurement hierarchy.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)

(b) Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due to/Due from other funds:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 3,500,715	\$ -
Property Acquisition Capital Projects Fund	-	3,381,787
Nonmajor Special Revenue Funds:		
Traffic Safety Fund	-	11,407
TDA	-	27,305
Community Development Block Grant Fund	-	16,585
Sewer Redemption AD02-1 Fund	-	21,226
Sewer Redemption AD04-1 Fund	-	42,405
	<u>-</u>	<u>42,405</u>
Total	<u>\$ 3,500,715</u>	<u>\$ 3,500,715</u>

The purpose of Due to/Due from is to eliminate negative cash balances at fiscal year-end in various funds. The Property Acquisition Capital Projects Fund payable balance will be addressed upon receipt of the IBank loan proceeds in the amount of \$4,915,000 that have not been drawn down as of year-end and are shown as an accounts receivable in the governmental funds balance sheet.

Advances to/from other funds:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
Major Fund:		
General Fund	\$ 995,104	\$ -
Nonmajor Fund:		
Sewer Improvement AD02-1 Capital Projects Fund	<u>-</u>	<u>995,104</u>
Total	<u>\$ 995,104</u>	<u>\$ 995,104</u>

The General Fund advanced funds to the Sewer Improvement AD02-1 Capital Projects Fund to eliminate negative cash balances at year-end. There are no current repayment terms and the outstanding balance is \$995,104 at June 30, 2019; however, the City anticipates this balance will be repaid with excess funds available at the conclusion of the making all debt service payments on the AD02-1 loan payable.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)

(b) Interfund Receivables, Payables and Transfers (Continued)

Transfers In/Transfers Out:

Transfers In	Transfers Out		
	General Fund	Nonmajor Funds	Total
General Fund	\$ -	\$ 111,062	\$ 111,062
Sewer AD04-1 Debt Service Fund	-	1,849,295	1,849,295
Sewer AD02-1 Debt Service Fund	-	968,598	968,598
Property Acquisition Capital Projects Fund	3,104,275	-	3,104,275
Nonmajor Funds	652,577	911,452	1,564,029
Total	<u>\$ 3,756,852</u>	<u>\$ 3,840,407</u>	<u>\$ 7,597,259</u>

Transfers to the General Fund from nonmajor funds included \$50,576 for traffic safety programs and projects and \$60,486 for administrative costs. Transfers of \$1,849,295 and \$968,598 to the Sewer AD04-1 Debt Service Fund and Sewer AD02-1 Debt Service, respectively, from the nonmajor funds were used to fund debt service payments. Interfund transfers of \$3,104,275 from the General Fund to the Property Acquisition Capital Projects Fund were used to purchase and rehabilitate the new city hall. The General Fund transfer of \$652,577 to the nonmajor funds was to assist or fully fund major capital or maintenance projects (i.e. street sweeping, law enforcement, street resurfacing, and concrete repairs). The nonmajor funds transfer to other nonmajor funds of \$911,452 included \$1,527 to transfer a redemption to the debt service fund and \$909,925 to assist or fully fund major capital or maintenance projects (i.e. street resurfacing and concrete repairs).

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)

(c) Capital Assets

A summary of changes in capital asset activity for the fiscal year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Governmental activities:				
Capital assets, not being depreciated:				
Land and easements	\$ 12,563,322	\$ -	\$ (640,927)	\$ 11,922,395
Construction in progress	9,255,758	5,690,307	(14,425,348)	520,717
Total capital assets, not being depreciated	<u>21,819,080</u>	<u>5,690,307</u>	<u>(15,066,275)</u>	<u>12,443,112</u>
Capital assets, being depreciated:				
Buildings	3,511,774	13,716,793	(893,770)	16,334,797
Improvements other than buildings	474,479	-	-	474,479
Equipment	1,200,994	347,285	(575,708)	972,571
Vehicles	1,043,590	-	-	1,043,590
Infrastructure	81,412,851	708,555	(103,399)	82,018,007
Total capital assets, being depreciated	<u>87,643,688</u>	<u>14,772,633</u>	<u>(1,572,877)</u>	<u>100,843,444</u>
Less accumulated depreciation:				
Buildings	(2,155,165)	(307,637)	643,627	(1,819,175)
Improvements other than buildings	(352,765)	(27,800)	-	(380,565)
Equipment	(1,090,233)	(58,283)	565,466	(583,050)
Vehicles	(536,582)	(105,062)	-	(641,644)
Infrastructure	(20,298,574)	(1,949,964)	20,617	(22,227,921)
Total accumulated depreciation	<u>(24,433,319)</u>	<u>(2,448,746)</u>	<u>1,229,710</u>	<u>(25,652,355)</u>
Total capital assets, being depreciated, net	<u>63,210,369</u>	<u>12,323,887</u>	<u>(343,167)</u>	<u>75,191,089</u>
Total governmental activities capital assets, net	<u>\$ 85,029,449</u>	<u>\$ 18,014,194</u>	<u>\$ (15,409,442)</u>	<u>\$ 87,634,201</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:	
General government	\$ 412,485
Community development	8,851
Public works	<u>2,027,410</u>
Total	<u>\$ 2,448,746</u>

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)

(d) Long-term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
<i>Direct Borrowings and Placements:</i>					
Loans Payable	\$ 21,514,811	\$ -	\$ 2,523,022	\$ 18,991,789	\$ 2,572,196
Promissory Note	5,580,000	-	5,580,000	-	-
IBank Financing Lease	-	4,964,150	-	4,964,150	-
<i>Other Long-Term Liabilities:</i>					
Employee Leave Benefits	323,125	234,138	207,837	349,426	207,837
Total	<u>\$ 27,417,936</u>	<u>\$ 5,198,288</u>	<u>\$ 8,310,859</u>	<u>\$ 24,305,365</u>	<u>\$ 2,780,033</u>

Loans and Notes Payable

AD 98-1

The State of California has loaned funds, through its State Revolving Fund, to the City for the purpose of constructing sewer lines in Assessment District 98-1. These funds have been advanced to the Sewer Improvement Capital Projects Fund. The loan amount \$8,355,829, which bears interest at zero percent, is comprised of a federal share (83.333% or \$6,963,163) and a state share (16.667% or \$1,392,666). During construction, the City paid the matching share, which is the City's contribution in order to participate in the zero interest loan programs. Repayment of the loan in equal annual installments of \$417,791 over 20 years commenced during FY 2000-01, upon completion of construction. The outstanding balance as of June 30, 2019 is \$417,791.

The City is required to collect sufficient revenue to provide reasonable assurance of the repayment of the loan. These revenues consist of special assessments against the parcels in Assessment District 98-1. For the year ended June 30, 2019, total revenues collected are \$2,690 as compared to the total debt service payments made of \$417,791. Revenues are recorded in the Nonmajor Sewer Redemption AD98-1 Special Revenue Fund and debt service payments are recorded in the Nonmajor Sewer AD98-1 Debt Service Fund. Although revenue amounts collected are less than the actual debt service payments, the fund balance within the Nonmajor Sewer AD98-1 Debt Service Fund is sufficient to cover the final debt service payment.

The annual requirements to amortize the outstanding State Loan for Sewer Assessment District 98-1 as of June 30, 2019, are as follows:

Fiscal year ending June 30, 2020	Principal
Totals	<u>\$ 417,791</u>

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)

(d) Long-term Liabilities (Continued)

Loans and Notes Payable (Continued)

AD 02-1

The State of California made an obligation to loan the City up to \$13,596,030 for the purpose of constructing sewer lines in Assessment District 02-1. During fiscal year 2008-2009, the interest rate was reduced from 2.4% to 1.4% and a 1% service charge was added to the loan. To date, the City has drawn \$13,970,937 (which includes accretion of \$374,907) on this loan, and no further draws will be made. Repayment of the loan in installments ranging from \$535,928 to \$867,554 over 20 years commenced during FY 2005-2006, upon completion of construction. Principal and interest payments are due March 31 of each year. The outstanding balance as of June 30, 2019 is \$4,909,638.

The City is required to impose and collect special assessments against all parcels in Assessment District 02-1 to be collected on property tax bills in the amounts necessary to make the debt service payments. These revenues, at a maximum amount of \$5,500,000, are pledged as security for the loan until the loan is repaid in full. For the year ended June 30, 2019, total revenues collected are \$965,859 as compared to the total debt service payments made of \$888,364. Revenues are recorded in the Sewer Redemption Nonmajor AD02-1 Special Revenue Fund and debt service payments are recorded in the Major Sewer AD02-1 Debt Service Fund.

The annual requirements to amortize the outstanding State Loan for Sewer Assessment District 02-1 as of June 30, 2019, are as follows:

Fiscal year ending June 30,	Principal	Interest
2020	\$ 770,533	\$ 117,831
2021	789,025	99,339
2022	807,963	80,402
2023	827,353	61,011
2024	847,210	41,154
2025	867,554	20,821
Totals	<u>\$ 4,909,638</u>	<u>\$ 420,558</u>

The loan also requires the City to establish and maintain a Wastewater Capital Reserve for expansion, major repair, or replacement of the wastewater facilities for the term of the loan. The City has estimated this reserve at an amount of \$120,000, which is included in the assigned fund balance of the general fund in the governmental funds balance sheet as capital reserve - sewer 02-1.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)

(d) Long-term Liabilities (Continued)

Loans and Notes Payable (Continued)

AD 04-1

The State of California made an obligation to loan the City up to \$26,447,628 for the purpose of constructing sewer lines in Assessment District 04-1 and to advance refund \$18,930,000 of 2004A Revenue Bonds. During fiscal year 2008-2009, the interest rate was reduced from 2.3% to 1.3% and a 1% service charge was added to the loan. To date, the City has drawn \$26,937,047 (which includes accretion of \$489,419) on this loan, and no further draws will be made. Repayment of the loan in installments ranging from \$996,775 to \$1,659,973 over 20 years commenced during FY 2008-2009, upon completion of construction. Principal and interest payments are due October 31 of each year. The outstanding balance as of June 30, 2019 is \$13,664,360.

The City is required to prescribe and collect rates, fees and charges during each fiscal year that will be at least sufficient to yield net revenues equal to the debt service payments. These net revenues are pledged as security for the loan until the loan is repaid in full. For the year ended June 30, 2019, total revenues collected are \$1,843,049 as compared to the total debt service payments made of \$1,698,151. Revenues are recorded in the Nonmajor Sewer Redemption AD04-1 Special Revenue Fund and debt service payments are recorded in the Major Sewer AD04-1 Debt Service Fund.

The annual requirements to amortize the outstanding State Loan for Sewer Assessment District 04-1 as of June 30, 2019, are as follows:

Fiscal year ending June 30,	Principal	Interest
2020	\$ 1,383,872	\$ 314,280
2021	1,415,701	282,451
2022	1,448,262	249,890
2023	1,481,572	216,580
2024	1,515,648	182,504
2025-2028	6,419,305	373,306
Totals	<u>\$ 13,664,360</u>	<u>\$ 1,619,011</u>

The loan also requires the City to establish and maintain a Wastewater Capital Reserve for expansion, major repair, or replacement of the wastewater facilities for the term of the loan. The City has estimated this reserve at an amount of \$1,472,400, which is included in the assigned fund balance of the general fund in the governmental funds balance sheet as capital reserve - sewer 04-1.

Promissory Note

On February 22, 2017, the City entered into an agreement for \$11.2 million to purchase property for a new City Hall from La Cañada Properties, Inc. The City financed \$5,580,000 of the purchase via a promissory note with no interest and the entire principal amount was due and payable on August 22, 2019. The City decided to prepay this loan balance during fiscal year 2018-2019, which resulted in a reduced payment of \$196,000 and is shown as a gain on early payment of debt in the statement of activities. The debt has been paid in full as of June 30, 2019.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)

(d) Long-term Liabilities (Continued)

IBank Financing Lease

On April 1, 2019, the City entered into a financing lease with California Infrastructure and Economic Development Bank (IBank) for a principal amount of \$4,964,150 to finance the rehabilitation costs of the new City Hall. The financing lease has a fixed interest rate of 3.21% and payments are due every February 1 and August 1, commencing February 1, 2020 and maturing on August 1, 2048. In addition to the base rental payment that consists of principal and interest payments, an additional rental payment of 0.3% of the outstanding principal component is due August 1 of each year (included in the interest column in annual payments required below). As of June 30, 2019, the City has not drawn down \$4,915,000 of the loan proceeds, which is shown as an accounts receivable in the Property Acquisition Capital Projects Fund in the governmental funds balance sheet.

The City has certain reporting covenants required by the financing lease including providing the annual audited financial statements, annual budget approved by City Council, and annual certification of compliance. Should the City fail to cure any reporting covenant noncompliance within 30 days, an amount equal to 0.1% of the outstanding principal component shall automatically be imposed monthly as liquidated damages charged to the City and shall continue to be imposed throughout the liquidated damages period.

At any time after April 1, 2029, 10 years from the effective date, the City may prepay all or a portion of the outstanding principal amount as follows:

Years after Effective Date	Prepayment Amount
> 10 and < 11	102%
> 11 and < 12	101%
> 12	100%

The annual payments required for the financing lease as of June 30, 2019, are as follows:

Fiscal year ending June 30,	Principal	Interest
2020	\$ -	\$ 128,365
2021	106,236	172,536
2022	109,646	168,753
2023	113,166	164,848
2024	116,799	160,817
2025-2029	642,698	738,954
2030-2034	752,689	616,918
2035-2039	881,505	473,996
2040-2044	1,032,366	306,615
2045-2049	1,209,045	110,588
Totals	\$ 4,964,150	\$ 3,042,390

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)

(d) Long-term Liabilities (Continued)

Employee Leave Benefits

Employee leave benefits are payable to employees upon termination. The City's policies relating to the payment of these benefits are discussed in Note (1) (c) 5.

(4) OTHER INFORMATION

(a) Risk Management

The City is a member of the California Joint Powers Insurance Authority (CJPIA). The following disclosures are regarding the risk pool:

Liability, Property, and Workers' Compensation Protection

1. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 116 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

2. 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 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.

Liability - Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(4) OTHER INFORMATION (CONTINUED)

(a) Risk Management (Continued)

2. Primary Self-Insurance Programs of the Authority (Continued)

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

Workers' Compensation - Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2018-19, the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

3. Purchased Insurance

Pollution Legal Liability Insurance - The City 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. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has an aggregate limit of \$50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance - The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. The City's property currently has all-risk property insurance protection in the amount of \$16,011,232. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$5,000 deductible.

Earthquake and Flood Insurance - The City 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 La Cañada Flintridge property currently has earthquake protection in the amount of \$7,985,960. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(4) OTHER INFORMATION (CONTINUED)

(a) Risk Management (Continued)

3. Purchased Insurance (Continued)

Crime Insurance - The City purchases crime insurance coverage in the amount of \$5,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

Special Event Tenant User Liability Insurance - The City 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 according to a schedule. The City then pays for the insurance. The insurance is arranged by the Authority.

4. Adequacy of Protection

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

(b) Employee Retirement System Pension Plans

1. General Information about the Pension Plans

Plan Description

All qualified employees are eligible to participate in the City's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available report 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 to 62 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(4) OTHER INFORMATION (CONTINUED)

(b) Employee Retirement System Pension Plans (Continued)

1. General Information about the Pension Plans (Continued)

The Plan's provision and benefits in effect as of the measurement date June 30, 2018, are summarized as follows:

	Miscellaneous	
	Classic Before January 1, 2013	PEPRA On or After January 1, 2013
Hire date		
Benefit formula	2%@55	2%@62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	6.25%
Required employer contribution rates:		
Normal cost rate	8.921%	6.533%
Payment of unfunded liability	\$ 119,492	\$ 394

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. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

2. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows or Resources Related to Pensions

As of the measurement date June 30, 2018, the City reported net pension liabilities for its proportionate shares of the net pension liability of all Plans as follows:

	Miscellaneous
Proportion - June 30, 2017	0.08297%
Proportion - June 30, 2018	0.08516%
Change - Increase (Decrease)	0.00219%

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(4) OTHER INFORMATION (CONTINUED)

(b) Employee Retirement System Pension Plans (Continued)

2. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows or Resources Related to Pensions (Continued)

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

The City's proportionate share of the net pension liability for each Plan as of the measurement dates ended June 30, 2017 and 2018 was as follows:

Miscellaneous - Proportionate Share of Net Pension Liability	\$ 3,209,299
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For the year ended June 30, 2019, the City recognized pension expense of \$457,250. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 399,240	\$ -
Differences between actual and expected experience	123,135	(41,902)
Change in assumptions	365,869	(89,668)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	14,465	(8,732)
Net differences between projected and actual earnings on plan investments	15,866	-
Total	\$ 918,575	\$ (140,302)

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(4) OTHER INFORMATION (CONTINUED)

(b) Employee Retirement System Pension Plans (Continued)

2. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows or Resources Related to Pensions (Continued)

\$399,240 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
<u> </u>	<u> </u>
2020	\$ 314,577
2021	184,910
2022	(91,589)
2023	(28,865)
2024	-
Thereafter	-

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement period was determined by an actuarial valuation as of June 30, 2017, with update procedures used to roll forward the total pension liability to June 30, 2018. The total pension liability was based on the following assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

- (1) Varies by entry age and service
- (2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.
- (3) Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(4) OTHER INFORMATION (CONTINUED)

(b) Employee Retirement System Pension Plans (Continued)

2. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows or Resources Related to Pensions (Continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

(b) An expected inflation of 2.0% used for this period

(c) An expected inflation of 2.92% used for this period

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(4) OTHER INFORMATION (CONTINUED)

(b) Employee Retirement System Pension Plans (Continued)

2. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows or Resources Related to Pensions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 5,271,180
Current Discount Rate	7.15%
Net Pension Liability	\$ 3,209,299
1% Increase	8.15%
Net Pension Liability	\$ 1,507,249

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2019, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(4) OTHER INFORMATION (CONTINUED)

(c) Other Postemployment Benefits (OPEB)

Plan Description and Benefits Provided

The City provides post-retirement medical benefits to retirees through a single employer defined benefit plan as required by California Public Employees Medical and Hospital Care Act (PEMCHA), commonly referred to as PERS Health. PEMHCA requires that employers provide retirees with health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Eligibility for the direct subsidy requires retirement from the City (on or after age 50 with at least 5 years of total CalPERS service) and commencement of the employer's pension within 120 days. The benefit terms may be amended by the City, City Council, and/or the employee associations. The benefits provided by the City to its retirees are not administered in the form of a trust. The OPEB Plan does not issue a publicly available financial report.

Benefits Provided and Contributions

The City provides a contribution based on the employee's date of hire. For full-time employees hired prior to July 1, 1998, the City will pay the cost of coverage for the retiree plus one dependent. For full-time employees hired on or after July 1, 1998 but hired before July 1, 2014, the City will pay the cost of retiree only coverage. For employees hired on or after July 1, 2014, the City will pay the cost of retiree only coverage subject to a maximum monthly stipend of \$600 in addition to the PEMCHA minimum \$133 per month in 2018, \$136 per month in 2019, and indexed in future years). The monthly stipend is prorated by service as follows:

<u>Years of City Service</u>	<u>City Paid Stipend*</u>
0-5	25%
5-10	50%
10-15	75%
15 or more	100%

*The City paid stipend schedule applies for both service and disability retirements.

Contribution requirements for the City are established and may be amended by the City Council. The City pays for retiree health benefits on a "pay-as-you-go" basis. For fiscal year 2018-2019, the City paid \$104,703 for current premiums and had an implied subsidy of \$9,608, resulting in total payments of \$114,311 to the Plan.

The total OPEB liability is primarily liquidated from the general fund.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(4) OTHER INFORMATION (CONTINUED)

(c) Other Postemployment Benefits (OPEB) (Continued)

Employees Covered (Continued)

As of the June 30, 2019 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Inactive employees or beneficiaries currently receiving benefits	24
Inactive employees or beneficiaries entitled to but not yet receiving benefits	2
Active employees	27
	<hr/>
	53
	<hr/>

Total OPEB Liability and Actuarial Assumptions

The City's total OPEB liability of \$4,740,654 was measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2019 using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Valuation Date	June 30, 2017
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value
Actuarial Assumptions:	
Discount Rate	3.15%
Inflation	2.75%
Payroll Increases	3.00%
Healthcare Trend Rates	PPO: 6.5% for 2020, decreasing to an ultimate rate of 5.0% in 2023 and later years HMO: 6.0% for 2020, decreasing to an ultimate rate of 5.0% in 2022 and later years
Mortality Factors	According to the post-retirement and pre-retirement mortality rates under the most recent CalPERS pension plan valuation (2015).
Retirement Rates	According to the retirement rates under the most recent CalPERS pension plan valuation (2015) for the following retirement tables: Misc Tier 1 2.0% @55 and Misc Tier 2 2.0% @62

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(4) OTHER INFORMATION (CONTINUED)

(c) Other Postemployment Benefits (OPEB) (Continued)

Discount Rate

The discount rate utilized is based on whether the plan assets are projected to be sufficient to make future payments. Since there are no plan assets held in trust, the discount rate was based on a high-quality 20-year tax-exempt general obligation municipal bond yield or index rate. "High quality" is defined as being rated AA or higher (or an equivalent rating). The municipal bond rate utilized was 3.15% and was determined using the average, rounded to five basis points, of the range of three 20-year municipal bond rate indices: (1) S&P Municipal Bond 20 Year High Grade Rate Index, (2) Bond Buyer 20-Bond GO Index, and (3) Fidelity GO AA 20 Year Bond Index as of June 30, 2019.

Change in Actuarial Assumptions

The discount rate utilized for the June 30, 2018 measurement date was 3.50% as compared to the discount rate utilized for the June 30, 2019 measurement date of 3.15%. The discount rate was changed to reflect the change from using the average of three 20 year municipal bond rate indices: (1) S&P Municipal Bond 20 Year High Grade Rate Index, (2) Bond Buyer 20-Bond GO Index, and (3) Fidelity GO AA 20 Year Bond Index as of June 30, 2018 to June 30, 2019.

Changes in the Total OPEB Liability

The changes in the total OPEB liability for the Plan are as follows:

	<u>Increase (Decrease)</u>
	Total
	OPEB
	<u>Liability</u>
Balance at June 30, 2018 (Measurement Date)	<u>\$ 4,284,997</u>
Changes in the Year:	
Service cost	192,251
Interest on the total OPEB liability	154,703
Changes in assumptions	223,014
Benefit payments	<u>(114,311)</u>
Net Changes	<u>455,657</u>
Balance at June 30, 2019 (Measurement Date)	<u><u>\$ 4,740,654</u></u>

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(4) OTHER INFORMATION (CONTINUED)

(c) Other Postemployment Benefits (OPEB) (Continued)

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using the discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease (2.15%)	Current Discount Rate (3.15%)	1% Increase (4.15%)
Total OPEB Liability	\$ 5,476,964	\$ 4,740,654	\$ 4,143,636

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using the healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease (5.0% HMO/ 5.5% PPO decreasing to 4.0%)	Current Healthcare Cost Trend Rate (6.0% HMO/ 6.5% PPO decreasing to 5.0%)	1% Increase (7.0% HMO/ 7.5% PPO decreasing to 6.0%)
Total OPEB Liability	\$ 4,024,459	\$ 4,740,654	\$ 5,640,360

OPEB Plan Fiduciary Net Position

Since the City has not established an irrevocable trust fund for prefunding of the OPEB plan, the Plan has no fiduciary net position.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(4) OTHER INFORMATION (CONTINUED)

(c) Other Postemployment Benefits (OPEB)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expenses of \$387,652. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 167,260	\$ (30,111)
Total	<u>\$ 167,260</u>	<u>\$ (30,111)</u>

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

Year Ending June 30,	Amount
2020	\$ 40,698
2021	40,699
2022	55,752
2023	-
2024	-
Thereafter	-

Payable to the OPEB Plan

At June 30, 2019, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2019.

(5) COMMITMENTS AND CONTINGENCIES

The City is occasionally a defendant in lawsuits which have arisen in the normal course of business. Damages are alleged in some of these actions and their outcome cannot be predicted with certainty. However, in the opinion of the City Attorney, the outcome of these actions will not have a material adverse effect on the financial position of the City.

The City participates in several federal and state grant programs. The programs are subject to examination by the granters and the amount, if any, of expenses which may be disallowed by the granting agency cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

CITY OF LA CAÑADA FLINTRIDGE
Notes to the Financial Statements
June 30, 2019

(6) JOINT VENTURE

The City is one of six members of the Arroyo Verdugo Communities Joint Powers Authority (AVCJPA) created in 2017. The other agencies include the City of Burbank, City of Glendale, County of Los Angeles (5th District - La Crescenta/Montrose), City of Pasadena, and City of South Pasadena. The Authority was created to provide a vehicle for the members to coordinate regional and cooperative planning, primarily in the area of transportation and determining how to prioritize regional transportation projects and the allocation of Measure M funds and other public monies, including building a more connective transportation system between the member agencies. Each member may cast one vote for each issue before the governing board and is responsible for annual dues assessed by the AVCJPA. Should the AVCJPA be terminated, all general assets will be distributed to the members in proportion to the then-existing proportional obligation of those members' dues except that any special assessments or funds contributed by members for specific purposes that are identifiable and segmented for the respective members' benefit, shall be returned to the member. During the fiscal year ended June 30, 2019, the City contributed \$4,503 for the AVCJPA's operations. Separate financial statements for AVCJPA are available by contacting the City of La Cañada Flintridge's finance department.

(7) PRIOR PERIOD ADJUSTMENT

The other governmental funds fund balance did not change in the aggregate total; however, there were the following restatements. The beginning fund balance of the Nonmajor Sewer Improvement AD04-1 Capital Projects Fund as of July 1, 2018 was reduced from \$1,313,565 to \$1,134,063 and the fund balance of the Nonmajor Sewer Maintenance Operations AD04-1 Special Revenue Fund as of July 1, 2018 was increased from \$- to \$179,502. This adjustment was made to appropriately account for the operations of the sewer AD04-1 activities that do not represent capital projects in a special revenue fund. There was no effect as a result of this restatement.

(8) SUBSEQUENT EVENTS

Events occurring after June 30, 2019, have been evaluated for possible adjustments to the financial statements or disclosure as of December 23, 2019, which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF LA CAÑADA FLINTRIDGE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last Ten Fiscal Years*

	Miscellaneous				
Fiscal year ended	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.03330%	0.03298%	0.03174%	0.02910%	0.03089%
Plan's proportionate share of the net pension liability	\$ 3,209,299	\$ 3,270,893	\$ 2,746,460	\$ 1,997,461	\$ 1,921,972
Plan's covered payroll	\$ 2,484,581	\$ 2,485,697	\$ 2,467,539	\$ 2,358,312	\$ 2,318,764
Plan's proportionate share of the net pension liability as a percentage of covered payroll	129.17%	131.59%	111.30%	84.70%	82.89%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	75.26%	73.31%	74.06%	78.40%	83.03%
Plan's proportionate share of aggregate employer contributions	\$ 458,360	\$ 421,952	\$ 352,684	\$ 303,735	\$ 254,270

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

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

CITY OF LA CAÑADA FLINTRIDGE

SCHEDULE OF CONTRIBUTIONS

Last Ten Fiscal Years*

	Miscellaneous				
Fiscal year ended	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution (actuarially determined)	\$ 399,240	\$ 333,771	\$ 308,223	\$ 285,477	\$ 262,412
Contributions in relation to the actuarially determined contributions	<u>(399,240)</u>	<u>(333,771)</u>	<u>(308,223)</u>	<u>(285,477)</u>	<u>(262,412)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,742,605	\$ 2,484,581	\$ 2,485,697	\$ 2,467,539	\$ 2,358,312
Contributions as a percentage of covered payroll	14.56%	13.43%	12.40%	11.57%	11.13%

Notes to Schedule:

Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) Client Specific - keep prior year info

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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

CITY OF LA CAÑADA FLINTRIDGE

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years*

Fiscal year ended	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Measurement period	June 30, 2019	June 30, 2018
Total OPEB Liability:		
Service cost	\$ 192,251	\$ 189,882
Interest on total OPEB liability	154,703	144,626
Changes in assumptions	223,014	(60,223)
Benefit payments, including refunds of member contributions	<u>(114,311)</u>	<u>(106,202)</u>
Net Change in Total OPEB Liability	455,657	168,083
Total OPEB Liability - Beginning of Year	<u>4,284,997</u>	<u>4,116,914</u>
Total OPEB Liability - End of Year (a)	<u><u>\$ 4,740,654</u></u>	<u><u>\$ 4,284,997</u></u>
Covered-employee payroll	\$ 2,310,002	\$ 2,385,402
Total OPEB liability as percentage of covered-employee payroll	205.22%	179.63%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The discount rate is updated annually and is as follows for the fiscal years ending:

June 30, 2018	3.50%
June 30, 2019	3.15%

* Fiscal year 2018 was the first year of implementation; therefore, only two years are shown.

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 11,347,625	\$ 11,487,975	\$ 12,280,471	\$ 792,496
Fines, forfeitures and penalties	74,000	68,000	123,761	55,761
From other agencies	27,325	28,525	32,719	4,194
Charges for services	3,009,975	3,018,575	3,306,044	287,469
Use of money and property	396,150	396,150	603,733	207,583
Other revenue	98,275	79,650	46,750	(32,900)
Total revenues	14,953,350	15,078,875	16,393,478	1,314,603
Expenditures:				
Current:				
General government	4,544,525	4,387,975	4,185,555	202,420
Public safety	4,061,350	4,061,350	3,509,205	552,145
Community development	2,560,300	2,722,950	1,973,831	749,119
Public works	3,292,950	3,300,275	2,987,313	312,962
Capital outlay	286,925	289,925	221,415	68,510
Total expenditures	14,746,050	14,762,475	12,877,319	1,885,156
Excess of revenues over expenditures	207,300	316,400	3,516,159	3,199,759
Other financing sources (uses):				
Transfers in	154,250	121,250	111,062	(10,188)
Transfers out	(2,324,900)	(3,803,750)	(3,756,852)	46,898
Total other financing sources (uses)	(2,170,650)	(3,682,500)	(3,645,790)	36,710
Net change in fund balance	(1,963,350)	(3,366,100)	(129,631)	3,236,469
Fund balance, beginning of fiscal year	13,920,795	13,920,795	13,920,795	-
Fund balance, end of fiscal year	<u>\$ 11,957,445</u>	<u>\$ 10,554,695</u>	<u>\$ 13,791,164</u>	<u>\$ 3,236,469</u>

See Accompanying Note to Required Supplementary Information.

CITY OF LA CAÑADA FLINTRIDGE
Note to Required Supplementary Information
June 30, 2019

(1) BUDGETARY INFORMATION

(a) General Budget Policies:

The City adopts an annual budget prepared on the modified accrual basis of accounting for all of its governmental funds except the Sewer Improvement AD02-1 Capital Projects Fund. The budget is adopted on a basis which does not differ materially from accounting principles generally accepted in the United States of America (US GAAP). The City Manager prepares and submits to the City Council the annual budget of the City and administers it after adoption. The City Manager is authorized to transfer budgeted amounts between the accounts of any program within the General Fund and the department within all other funds; however, any revisions that alter the total appropriations of any program for the General Fund and fund for all other funds must be approved by the City Council. The level of budgetary control is the program level for the General Fund and the fund level for all other funds.



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SUPPLEMENTARY INFORMATION



**MAJOR FUND
BUDGETARY COMPARISON SCHEDULES**



CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Sewer AD04-1 Debt Service Fund - Major Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues:				
Use of money and property	\$ 105,850	\$ 105,850	\$ 244,222	\$ 138,372
Total revenues	105,850	105,850	244,222	138,372
Expenditures:				
Current:				
Public works	1,400	1,400	1,251	149
Debt service:				
Principal retirement	1,352,750	1,352,750	1,352,758	(8)
Interest and other charges	345,375	345,375	345,393	(18)
Total expenditures	1,699,525	1,699,525	1,699,402	123
Excess (deficiency) of revenues over (under) expenditures	(1,593,675)	(1,593,675)	(1,455,180)	138,495
Other financing sources:				
Transfers in	1,862,100	1,862,100	1,849,295	(12,805)
Total other financing sources	1,862,100	1,862,100	1,849,295	(12,805)
Net change in fund balance	268,425	268,425	394,115	125,690
Fund balance, beginning of fiscal year	7,161,033	7,161,033	7,161,033	-
Fund balance, end of fiscal year	<u>\$ 7,429,458</u>	<u>\$ 7,429,458</u>	<u>\$ 7,555,148</u>	<u>\$ 125,690</u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Sewer AD02-1 Debt Service Fund - Major Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues:				
Use of money and property	\$ 70,000	\$ 70,000	\$ 153,450	\$ 83,450
Total revenues	70,000	70,000	153,450	83,450
Expenditures:				
Debt service:				
Principal retirement	752,475	752,475	752,473	2
Interest and other charges	135,900	135,900	135,891	9
Total expenditures	888,375	888,375	888,364	11
Excess (deficiency) of revenues over (under) expenditures	(818,375)	(818,375)	(734,914)	83,461
Other financing sources:				
Transfers in	973,200	973,200	968,598	(4,602)
Total other financing sources	973,200	973,200	968,598	(4,602)
Net change in fund balance	154,825	154,825	233,684	78,859
Fund balance, beginning of fiscal year	4,267,774	4,267,774	4,267,774	-
Fund balance, end of fiscal year	<u>\$ 4,422,599</u>	<u>\$ 4,422,599</u>	<u>\$ 4,501,458</u>	<u>\$ 78,859</u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Property Acquisition Capital Projects Fund - Major Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Capital outlay	4,822,500	6,392,500	5,693,144	699,356
Debt service:				
Principal retirement	-	5,580,000	5,384,000	196,000
Loan origination fees	-	-	49,150	49,150
	<u>4,822,500</u>	<u>11,972,500</u>	<u>11,126,294</u>	<u>944,506</u>
Total expenditures				
	<u>4,822,500</u>	<u>11,972,500</u>	<u>11,126,294</u>	<u>944,506</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,822,500)</u>	<u>(11,972,500)</u>	<u>(11,126,294)</u>	<u>699,356</u>
Other financing sources:				
Proceeds from sale of capital assets	3,225,000	3,225,000	3,125,000	(100,000)
Proceeds from long-term debt	4,775,000	4,915,000	4,964,150	49,150
Transfers in	1,574,275	3,004,275	3,104,275	100,000
	<u>9,574,275</u>	<u>11,144,275</u>	<u>11,193,425</u>	<u>49,150</u>
Total other financing sources				
	<u>9,574,275</u>	<u>11,144,275</u>	<u>11,193,425</u>	<u>49,150</u>
Net change in fund balance	4,751,775	(828,225)	67,131	748,506
Fund balance, beginning of fiscal year	<u>891,397</u>	<u>891,397</u>	<u>891,397</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 5,643,172</u>	<u>\$ 63,172</u>	<u>\$ 958,528</u>	<u>\$ 748,506</u>



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**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**



CITY OF LA CAÑADA FLINTRIDGE

June 30, 2019

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

Traffic Safety Fund - To account for the revenues received and expenditures made for traffic safety enforcement.

State Gasoline Tax Fund - To account for revenues received and expenditures made for general street improvement and maintenance. The revenues consist of the City's share of state gasoline taxes collected under Sections 2103, 2105, 2106, 2107, 2107.5 of the Street and Highway Code.

Bonds and Grants Fund - To account for monies received for Metro transit grants and other general grants.

TDA Fund - To account for funds received from the State, under SB821, for bikeways and pedestrian facilities.

Proposition C Transit Tax Fund - To account for receipt and disbursement of funds derived from the 1990-91 one-half cent sales tax imposed by Proposition C to finance transit or transit-related projects in Los Angeles County.

Proposition A Transit Tax Fund - To account for the receipt and disbursement of funds from the Los Angeles Metropolitan Transportation Authority derived from the one-half cent sales tax imposed by the Proposition A to finance public transportation projects.

Community Development Block Grant Fund - To account for revenues received and expenditures made for the federal Community Development Block Grant. Funds are used to assist low and moderate income residents and to remove blight.

State/ Federal Law Enforcement Supplemental Funds - To account for monies received from the State of California and/ or the federal government to be used for policing activities in accordance with law enforcement activities.

Air Quality Improvement (AQMD Trust) Fund - To account for the revenues and expenditures made for air quality improvements projects. The revenues consist of funds received from the South Coast Air Quality Management District (SCAQMD) in accordance with AB2766.

Sanitation Fund - To account for activities of Sanitation Districts #28 and #34 related to the acquisition and installation of a community sewer system.

Sewer Redemption AD98-1 Fund - To account for funds related to Assessment District 98-1 for sewer assessment.

Sewer Redemption AD02-1 Fund - To account for funds related to Assessment District 02-1 for sewer assessment.

Sewer Redemption AD04-1 Fund - To account for funds related to Assessment District 04-1 for sewer assessment.

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED)

Measure R Fund - To account for receipt and disbursement of funds derived from the 2008 one-half cent sales tax imposed by Measure R to finance transportation-related projects and improvements in Los Angeles County.

Measure M Fund - To account for receipt and disbursement of funds derived from the 2016 one-half cent sales tax imposed by Measure M to finance transportation-related projects and improvements in Los Angeles County.

Sewer Maintenance Operations AD04-1 - To account for receipt and disbursement of funds derived from assessment collections that support the maintenance and operations of Assessment District 04-1.

DEBT SERVICE FUND

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term liabilities, including principal, interest and related costs.

Sewer AD98-1 Debt Service Fund - To account for payment of interest and principal on the debt of Assessment District 98-1.

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities financed by governmental funds.

City Capital Projects Fund - This fund is to account for City capital improvements.

Sewer Improvement AD02-1 Capital Projects Fund - This fund is to account for sewer capital improvements under Assessment District 02-1.

Sewer Improvement AD04-1 Capital Projects Fund - To account for sewer capital improvements under Assessment District 04-1.

CITY OF LA CAÑADA FLINTRIDGE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds			
	Traffic Safety	State Gasoline Tax	Bonds and Grants	TDA
Assets:				
Cash and investments	\$ -	\$ 69,812	\$ 32,475	\$ -
Receivables:				
Accounts	11,407	103,136	-	27,305
Total assets	<u>\$ 11,407</u>	<u>\$ 172,948</u>	<u>\$ 32,475</u>	<u>\$ 27,305</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 101,165	\$ -	\$ -
Due to other funds	11,407	-	-	27,305
Advances from other funds	-	-	-	-
Total liabilities	<u>11,407</u>	<u>101,165</u>	<u>-</u>	<u>27,305</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	27,305
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,305</u>
Fund balances:				
Restricted:				
Transit	-	71,783	-	-
Air quality improvements	-	-	-	-
Sewer improvements and operations	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	32,475	-
Assigned:				
Capital projects	-	-	-	-
Unassigned	-	-	-	(27,305)
Total fund balances	<u>-</u>	<u>71,783</u>	<u>32,475</u>	<u>(27,305)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,407</u>	<u>\$ 172,948</u>	<u>\$ 32,475</u>	<u>\$ 27,305</u>

(Continued)

CITY OF LA CAÑADA FLINTRIDGE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019
(Continued)

	Special Revenue Funds			
	Proposition C Transit Tax	Proposition A Transit Tax	Community Development Block Grant	State/ Federal Law Enforcement Supplemental Funds
Assets:				
Cash and investments	\$ 847,608	\$ 496,535	\$ -	\$ 32,454
Receivables:				
Accounts	-	-	32,060	-
Total assets	<u>\$ 847,608</u>	<u>\$ 496,535</u>	<u>\$ 32,060</u>	<u>\$ 32,454</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 24,866	\$ 52,370	\$ 15,475	\$ 32,454
Due to other funds	-	-	16,585	-
Advances from other funds	-	-	-	-
Total liabilities	<u>24,866</u>	<u>52,370</u>	<u>32,060</u>	<u>32,454</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted:				
Transit	822,742	444,165	-	-
Air quality improvements	-	-	-	-
Sewer improvements and operations	-	-	-	-
Debt service reserve	-	-	-	-
Capital projects	-	-	-	-
Assigned:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>822,742</u>	<u>444,165</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 847,608</u>	<u>\$ 496,535</u>	<u>\$ 32,060</u>	<u>\$ 32,454</u>

(Continued)

CITY OF LA CAÑADA FLINTRIDGE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019
(Continued)

	Special Revenue Funds			
	AQMD Trust	Sanitation	Sewer Redemption AD98-1	Sewer Redemption AD02-1
Assets:				
Cash and investments	\$ 247,049	\$ -	\$ 374	\$ -
Receivables:				
Accounts	16,455	-	-	21,601
Total assets	<u>\$ 263,504</u>	<u>\$ -</u>	<u>\$ 374</u>	<u>\$ 21,601</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 9,317	\$ -	\$ 374	\$ 375
Due to other funds	-	-	-	21,226
Advances from other funds	-	-	-	-
Total liabilities	<u>9,317</u>	<u>-</u>	<u>374</u>	<u>21,601</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted:				
Transit	-	-	-	-
Air quality improvements	254,187	-	-	-
Sewer improvements and operations	-	-	-	-
Debt service reserve	-	-	-	-
Capital projects	-	-	-	-
Assigned:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>254,187</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 263,504</u>	<u>\$ -</u>	<u>\$ 374</u>	<u>\$ 21,601</u>

(Continued)

CITY OF LA CAÑADA FLINTRIDGE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019
(Continued)

	Special Revenue Funds			
	Sewer Redemption AD04-1	Measure R	Measure M	Sewer Maintenance Operations AD04-1
Assets:				
Cash and investments	\$ -	\$ 341,809	\$ 35,530	\$ 296,683
Receivables:				
Accounts	42,779	-	-	52,415
Total assets	<u>\$ 42,779</u>	<u>\$ 341,809</u>	<u>\$ 35,530</u>	<u>\$ 349,098</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 374	\$ -	\$ -	\$ -
Due to other funds	42,405	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>42,779</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted:				
Transit	-	341,809	35,530	-
Air quality improvements	-	-	-	-
Sewer improvements and operations	-	-	-	349,098
Debt service reserve	-	-	-	-
Capital projects	-	-	-	-
Assigned:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>-</u>	<u>341,809</u>	<u>35,530</u>	<u>349,098</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,779</u>	<u>\$ 341,809</u>	<u>\$ 35,530</u>	<u>\$ 349,098</u>

(Continued)

CITY OF LA CAÑADA FLINTRIDGE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019
(Continued)

	Debt Service Fund	Capital Projects Funds			
	Sewer AD98-1	City Capital Projects	Sewer Improvement AD02-1	Sewer Improvement AD04-1	Nonmajor Governmental Funds
Assets:					
Cash and investments	\$ 627,548	\$ 1,619,645	\$ -	\$ 1,170,030	\$ 5,817,552
Receivables:					
Accounts	-	60,020	-	-	367,178
Total assets	<u>\$ 627,548</u>	<u>\$ 1,679,665</u>	<u>\$ -</u>	<u>\$ 1,170,030</u>	<u>\$ 6,184,730</u>
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 396,020	\$ -	\$ 3,224	\$ 636,014
Due to other funds	-	-	-	-	118,928
Advances from other funds	-	-	995,104	-	995,104
Total liabilities	<u>-</u>	<u>396,020</u>	<u>995,104</u>	<u>3,224</u>	<u>1,750,046</u>
Deferred inflows of resources:					
Unavailable revenues	-	42,524	-	-	69,829
Total deferred inflows of resources	<u>-</u>	<u>42,524</u>	<u>-</u>	<u>-</u>	<u>69,829</u>
Fund balances:					
Restricted:					
Transit	-	-	-	-	1,716,029
Air quality improvements	-	-	-	-	254,187
Sewer improvements and operations	-	-	-	1,166,806	1,515,904
Debt service reserve	627,548	-	-	-	627,548
Capital projects	-	-	-	-	32,475
Assigned:					
Capital projects	-	1,241,121	-	-	1,241,121
Unassigned	-	-	(995,104)	-	(1,022,409)
Total fund balances	<u>627,548</u>	<u>1,241,121</u>	<u>(995,104)</u>	<u>1,166,806</u>	<u>4,364,855</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 627,548</u>	<u>\$ 1,679,665</u>	<u>\$ -</u>	<u>\$ 1,170,030</u>	<u>\$ 6,184,730</u>



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CITY OF LA CAÑADA FLINTRIDGE
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds			
	Traffic Safety	State Gasoline Tax	Bonds and Grants	TDA
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, forfeitures and penalties	50,576	-	-	-
From other agencies	-	840,820	38,853	-
Charges for services	-	-	-	-
Use of money and property	-	4,532	-	-
Other revenue	-	-	-	-
Total revenues	50,576	845,352	38,853	-
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	588,419	33,150	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	-	588,419	33,150	-
Excess (deficiency) of revenues over (under) expenditures	50,576	256,933	5,703	-
Other financing sources (uses):				
Transfers in	-	157,800	-	-
Transfers out	(50,576)	(342,950)	-	(27,305)
Total other financing sources (uses)	(50,576)	(185,150)	-	(27,305)
Net changes in fund balances	-	71,783	5,703	(27,305)
Fund balances, beginning of fiscal year fiscal year, as restated	-	-	26,772	-
Fund balances (deficits), end of fiscal year	\$ -	\$ 71,783	\$ 32,475	\$ (27,305)

(Continued)

CITY OF LA CAÑADA FLINTRIDGE
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019
(Continued)

	Special Revenue Funds			
	Proposition C Transit Tax	Proposition A Transit Tax	Community Development Block Grant	State/ Federal Law Enforcement Supplemental Funds
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
From other agencies	341,328	411,500	52,580	148,747
Charges for services	-	-	-	-
Use of money and property	26,240	17,192	-	1,427
Other revenue	-	-	-	-
Total revenues	<u>367,568</u>	<u>428,692</u>	<u>52,580</u>	<u>150,174</u>
Expenditures:				
Current:				
Public safety	-	-	-	194,726
Community development	-	-	52,580	-
Public works	152,557	290,620	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>152,557</u>	<u>290,620</u>	<u>52,580</u>	<u>194,726</u>
Excess (deficiency) of revenues over (under) expenditures	<u>215,011</u>	<u>138,072</u>	<u>-</u>	<u>(44,552)</u>
Other financing sources (uses):				
Transfers in	-	-	-	44,552
Transfers out	-	(21,244)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(21,244)</u>	<u>-</u>	<u>44,552</u>
Net changes in fund balances	215,011	116,828	-	-
Fund balances (deficits), beginning of fiscal year, as restated	<u>607,731</u>	<u>327,337</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of fiscal year	<u>\$ 822,742</u>	<u>\$ 444,165</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

CITY OF LA CAÑADA FLINTRIDGE
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019
(Continued)

	Special Revenue Funds			
	AQMD Trust	Sanitation	Sewer Redemption AD98-1	Sewer Redemption AD02-1
Revenues:				
Taxes	\$ -	\$ 5,600	\$ -	\$ -
Assessments	-	-	2,690	965,859
Fines, forfeitures and penalties	-	-	330	1,984
From other agencies	36,327	-	-	-
Charges for services	-	-	-	36,600
Use of money and property	8,569	-	-	755
Other revenue	-	-	-	-
Total revenues	<u>44,896</u>	<u>5,600</u>	<u>3,020</u>	<u>1,005,198</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	17,447	5,600	1,493	16,781
Capital outlay	19,300	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>36,747</u>	<u>5,600</u>	<u>1,493</u>	<u>16,781</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,149</u>	<u>-</u>	<u>1,527</u>	<u>988,417</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(1,527)	(988,417)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,527)</u>	<u>(988,417)</u>
Net changes in fund balances	8,149	-	-	-
Fund balances (deficits), beginning of fiscal year, as restated	<u>246,038</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of fiscal year	<u>\$ 254,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

CITY OF LA CAÑADA FLINTRIDGE
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019
(Continued)

	Special Revenue Funds			
	Sewer Redemption AD04-1	Measure R	Measure M	Sewer Maintenance Operations AD04-1
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	1,843,049	-	-	-
Fines, forfeitures and penalties	4,954	-	-	-
From other agencies	-	256,069	288,457	-
Charges for services	37,995	-	-	280,994
Use of money and property	1,291	9,256	1,722	6,944
Other revenue	-	-	-	47,226
Total revenues	<u>1,887,289</u>	<u>265,325</u>	<u>290,179</u>	<u>335,164</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	18,571	-	-	165,568
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>18,571</u>	<u>-</u>	<u>-</u>	<u>165,568</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,868,718</u>	<u>265,325</u>	<u>290,179</u>	<u>169,596</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(1,868,718)	(256,820)	(282,850)	-
Total other financing sources (uses)	<u>(1,868,718)</u>	<u>(256,820)</u>	<u>(282,850)</u>	<u>-</u>
Net changes in fund balances	-	8,505	7,329	169,596
Fund balances (deficits), beginning of fiscal year, as restated	-	333,304	28,201	179,502
Fund balances (deficits), end of fiscal year	<u>\$ -</u>	<u>\$ 341,809</u>	<u>\$ 35,530</u>	<u>\$ 349,098</u>

(Continued)

CITY OF LA CAÑADA FLINTRIDGE
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019
(Continued)

	Debt Service Fund	Capital Projects Funds				
	Sewer AD98-1	City Capital Projects	Sewer Improvement AD02-1	Sewer Improvement AD04-1	Total Nonmajor Governmental Funds	
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 5,600	
Assessments	-	-	-	-	2,811,598	
Fines, forfeitures and penalties	-	-	-	-	57,844	
From other agencies	-	50,080	-	-	2,464,761	
Charges for services	-	-	-	-	355,589	
Use of money and property	24,321	-	-	40,608	142,857	
Other revenue	-	-	-	-	47,226	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
Total revenues	24,321	50,080	-	40,608	5,885,475	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
Expenditures:						
Current:						
Public safety	-	-	-	-	194,726	
Community development	-	-	-	-	52,580	
Public works	-	-	-	7,865	1,298,071	
Capital outlay	-	1,955,090	-	-	1,974,390	
Debt service:						
Principal retirement	417,791	-	-	-	417,791	
Interest and other charges	8,565	-	-	-	8,565	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
Total expenditures	426,356	1,955,090	-	7,865	3,946,123	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(402,035)	(1,905,010)	-	32,743	1,939,352	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
Other financing sources (uses):						
Transfers in	1,527	1,360,150	-	-	1,564,029	
Transfers out	-	-	-	-	(3,840,407)	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
Total other financing sources (uses)	1,527	1,360,150	-	-	(2,276,378)	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
Net changes in fund balances	(400,508)	(544,860)	-	32,743	(337,026)	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
Fund balances (deficits), beginning of fiscal year, as restated	1,028,056	1,785,981	(995,104)	1,134,063	4,701,881	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
Fund balances (deficits), end of fiscal year	<u>\$ 627,548</u>	<u>\$ 1,241,121</u>	<u>\$ (995,104)</u>	<u>\$ 1,166,806</u>	<u>\$ 4,364,855</u>	



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**NON MAJOR FUND
BUDGETARY COMPARISON SCHEDULES**



CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor Traffic Safety Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance (Negative)
Revenues:			
Fines, forfeitures and penalties	\$ 33,650	\$ 50,576	\$ 16,926
Total revenues	33,650	50,576	16,926
Excess of revenues over expenditures	33,650	50,576	16,926
Other Financing Uses:			
Transfers out	(33,650)	(50,576)	(16,926)
Total other financing uses	(33,650)	(50,576)	(16,926)
Net change in fund balance	-	-	-
Fund balance, beginning of fiscal year	-	-	-
Fund balance, end of fiscal year	\$ -	\$ -	\$ -

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor State Gasoline Tax Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
From other agencies	\$ 769,650	\$ 840,820	\$ 71,170
Use of money and property	1,500	4,532	3,032
	<u>771,150</u>	<u>845,352</u>	<u>74,202</u>
Expenditures:			
Current:			
Public works	592,500	588,419	4,081
	<u>592,500</u>	<u>588,419</u>	<u>4,081</u>
Excess of revenues over expenditures	178,650	256,933	78,283
	<u>178,650</u>	<u>256,933</u>	<u>78,283</u>
Other Financing Sources (Uses):			
Transfers in	164,300	157,800	(6,500)
Transfers out	(342,950)	(342,950)	-
	<u>(178,650)</u>	<u>(185,150)</u>	<u>(6,500)</u>
Total other financing sources (uses)	(178,650)	(185,150)	(6,500)
Net change in fund balance	-	71,783	71,783
Fund balance, beginning of fiscal year	-	-	-
Fund balance, end of fiscal year	<u>\$ -</u>	<u>\$ 71,783</u>	<u>\$ 71,783</u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor Bonds and Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
From other agencies	\$ 33,150	\$ 38,853	\$ 5,703
Total revenues	33,150	38,853	5,703
Expenditures:			
Current:			
Public works	33,150	33,150	-
Total expenditures	33,150	33,150	-
Net change in fund balance	-	5,703	5,703
Fund balance, beginning of fiscal year	26,772	26,772	-
Fund balance, end of fiscal year	\$ 26,772	\$ 32,475	\$ 5,703

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor TDA Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
From other agencies	\$ 27,305	\$ -	\$ (27,305)
Total revenues	27,305	-	(27,305)
Excess (deficiency) of revenues over (under) expenditures	27,305	-	(27,305)
Other Financing Uses:			
Transfers out	(27,305)	(27,305)	-
Total other financing uses	(27,305)	(27,305)	-
Net change in fund balance	-	(27,305)	(27,305)
Fund balance, beginning of fiscal year	-	-	-
Fund balance (deficit), end of fiscal year	\$ -	\$ (27,305)	\$ (27,305)

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor Proposition C Transit Tax Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
From other agencies	\$ 313,000	\$ 341,328	\$ 28,328
Use of money and property	7,500	26,240	18,740
	<u>320,500</u>	<u>367,568</u>	<u>47,068</u>
Total revenues			
	<u>320,500</u>	<u>367,568</u>	<u>47,068</u>
Expenditures:			
Current:			
Public works	142,475	152,557	(10,082)
	<u>142,475</u>	<u>152,557</u>	<u>(10,082)</u>
Total expenditures			
	<u>142,475</u>	<u>152,557</u>	<u>(10,082)</u>
Excess of revenues over expenditures			
	<u>178,025</u>	<u>215,011</u>	<u>36,986</u>
Other Financing Uses:			
Transfers out	(673,150)	-	673,150
	<u>(673,150)</u>	<u>-</u>	<u>673,150</u>
Total other financing uses			
	<u>(673,150)</u>	<u>-</u>	<u>673,150</u>
Net change in fund balance			
	(495,125)	215,011	710,136
Fund balance, beginning of fiscal year			
	<u>607,731</u>	<u>607,731</u>	<u>-</u>
Fund balance, end of fiscal year			
	<u>\$ 112,606</u>	<u>\$ 822,742</u>	<u>\$ 710,136</u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor Proposition A Transit Tax Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
From other agencies	\$ 380,000	\$ 411,500	\$ 31,500
Use of money and property	8,500	17,192	8,692
	<u>388,500</u>	<u>428,692</u>	<u>40,192</u>
Total revenues			
	<u>388,500</u>	<u>428,692</u>	<u>40,192</u>
Expenditures:			
Current:			
Public works	331,150	290,620	40,530
Capital outlay	5,000	-	5,000
	<u>336,150</u>	<u>290,620</u>	<u>45,530</u>
Total expenditures			
	<u>336,150</u>	<u>290,620</u>	<u>45,530</u>
Excess of revenues over expenditures			
	<u>52,350</u>	<u>138,072</u>	<u>85,722</u>
Other Financing Uses:			
Transfers out	(50,850)	(21,244)	29,606
	<u>(50,850)</u>	<u>(21,244)</u>	<u>29,606</u>
Total other financing uses			
	<u>(50,850)</u>	<u>(21,244)</u>	<u>29,606</u>
Net change in fund balance			
	1,500	116,828	115,328
Fund balance, beginning of fiscal year			
	<u>327,337</u>	<u>327,337</u>	<u>-</u>
Fund balance, end of fiscal year			
	<u>\$ 328,837</u>	<u>\$ 444,165</u>	<u>\$ 115,328</u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor Community Development Block Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
From other agencies	\$ 59,500	\$ 52,580	\$ (6,920)
Total revenues	59,500	52,580	(6,920)
Expenditures:			
Current:			
Community development	59,625	52,580	7,045
Total expenditures	59,625	52,580	7,045
Excess (deficiency) of revenues over (under) expenditures	(125)	-	(125)
Fund balance, beginning of fiscal year	-	-	-
Fund balance (deficit), end of fiscal year	\$ (125)	\$ -	\$ (125)

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor State/Federal Law Enforcement Supplemental Funds Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
From other agencies	\$ 148,350	\$ 148,747	\$ 397
Use of money and property	<u>1,500</u>	<u>1,427</u>	<u>(73)</u>
Total revenues	<u>149,850</u>	<u>150,174</u>	<u>324</u>
Expenditures:			
Current:			
Public safety	<u>194,726</u>	<u>194,726</u>	<u>-</u>
Total expenditures	<u>194,726</u>	<u>194,726</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,876)</u>	<u>(44,552)</u>	<u>324</u>
Other Financing Sources:			
Transfers in	<u>34,950</u>	<u>44,552</u>	<u>9,602</u>
Total other financing sources	<u>34,950</u>	<u>44,552</u>	<u>9,602</u>
Net change in fund balance	(9,926)	-	9,926
Fund balance, beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), end of fiscal year	<u><u>\$ (9,926)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,926</u></u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor AQMD Trust Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
From other agencies	\$ 76,150	\$ 36,327	\$ (39,823)
Use of money and property	3,825	8,569	4,744
	<u>79,975</u>	<u>44,896</u>	<u>(35,079)</u>
Total revenues			
Expenditures:			
Current:			
Public works	5,050	17,447	(12,397)
Capital outlay	94,500	19,300	75,200
	<u>99,550</u>	<u>36,747</u>	<u>62,803</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(19,575)</u>	<u>8,149</u>	<u>27,724</u>
Other financing uses:			
Transfers out	<u>(215,875)</u>	<u>-</u>	<u>215,875</u>
Total other financing uses	<u>(215,875)</u>	<u>-</u>	<u>215,875</u>
Net change in fund balance	<u>(235,450)</u>	<u>8,149</u>	<u>243,599</u>
Fund balance, beginning of fiscal year	<u>246,038</u>	<u>246,038</u>	<u>-</u>
Fund balance, end of fiscal year	<u><u>\$ 10,588</u></u>	<u><u>\$ 254,187</u></u>	<u><u>\$ 243,599</u></u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor Sanitation Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 5,500	\$ 5,600	\$ 100
Total revenues	5,500	5,600	100
Expenditures:			
Current:			
Public works	5,500	5,600	(100)
Total expenditures	5,500	5,600	(100)
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Fund balance, beginning of fiscal year	-	-	-
Fund balance, end of fiscal year	\$ -	\$ -	\$ -

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor Sewer Redemption AD98-1 Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Assessments	\$ 1,000	\$ 2,690	\$ 1,690
Fines, forfeitures, and penalties	400	330	(70)
Charges for services	25,900	-	(25,900)
Use of money and property	50	-	(50)
	<u>27,350</u>	<u>3,020</u>	<u>(24,330)</u>
Expenditures:			
Current:			
Public works	11,750	1,493	10,257
	<u>11,750</u>	<u>1,493</u>	<u>10,257</u>
Excess (deficiency) of revenues over (under) expenditures	15,600	1,527	(14,073)
Other financing uses:			
Transfers out	(15,600)	(1,527)	14,073
	<u>(15,600)</u>	<u>(1,527)</u>	<u>14,073</u>
Net change in fund balance	-	-	-
Fund balance, beginning of fiscal year	-	-	-
Fund balance, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor Sewer Redemption AD02-1 Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Assessments	\$ 973,000	\$ 965,859	\$ (7,141)
Fines, forfeitures and penalties	-	1,984	1,984
Charges for services	36,100	36,600	500
Use of money and property	200	755	555
	<u>1,009,300</u>	<u>1,005,198</u>	<u>(4,102)</u>
Total revenues			
	<u>1,009,300</u>	<u>1,005,198</u>	<u>(4,102)</u>
Expenditures:			
Current:			
Public works	15,200	16,781	(1,581)
	<u>15,200</u>	<u>16,781</u>	<u>(1,581)</u>
Total expenditures			
	<u>15,200</u>	<u>16,781</u>	<u>(1,581)</u>
Excess (deficiency) of revenues over (under) expenditures			
	<u>994,100</u>	<u>988,417</u>	<u>(5,683)</u>
Other financing uses:			
Transfers out	(994,100)	(988,417)	5,683
	<u>(994,100)</u>	<u>(988,417)</u>	<u>5,683</u>
Total other financing uses			
	<u>(994,100)</u>	<u>(988,417)</u>	<u>5,683</u>
Net change in fund balance			
	-	-	-
Fund balance, beginning of fiscal year			
	-	-	-
Fund balance, end of fiscal year			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor Sewer Redemption AD04-1 Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Assessments	\$ 1,857,600	\$ 1,843,049	\$ (14,551)
Fines, forfeitures and penalties	3,000	4,954	1,954
Charges for services	37,825	37,995	170
Use of money and property	1,500	1,291	(209)
	<u>1,899,925</u>	<u>1,887,289</u>	<u>(12,636)</u>
Total revenues			
	<u>1,899,925</u>	<u>1,887,289</u>	<u>(12,636)</u>
Expenditures:			
Current:			
Public works	14,725	18,571	(3,846)
	<u>14,725</u>	<u>18,571</u>	<u>(3,846)</u>
Total expenditures			
	<u>14,725</u>	<u>18,571</u>	<u>(3,846)</u>
Excess (deficiency) of revenues over (under) expenditures			
	<u>1,885,200</u>	<u>1,868,718</u>	<u>(16,482)</u>
Other financing uses:			
Transfers out	(1,885,200)	(1,868,718)	16,482
	<u>(1,885,200)</u>	<u>(1,868,718)</u>	<u>16,482</u>
Total other financing uses			
	<u>(1,885,200)</u>	<u>(1,868,718)</u>	<u>16,482</u>
Net change in fund balance	-	-	-
Fund balance, beginning of fiscal year	-	-	-
Fund balance, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor Measure R Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
From other agencies	\$ 238,700	\$ 256,069	\$ 17,369
Use of money and property	10,000	9,256	(744)
	<u>248,700</u>	<u>265,325</u>	<u>16,625</u>
Expenditures:			
Current:			
Public works	80,000	-	80,000
	<u>80,000</u>	<u>-</u>	<u>80,000</u>
Excess of revenues over expenditures	168,700	265,325	96,625
	<u>168,700</u>	<u>265,325</u>	<u>96,625</u>
Other financing uses:			
Transfers out	(662,900)	(256,820)	406,080
	<u>(662,900)</u>	<u>(256,820)</u>	<u>406,080</u>
Net change in fund balance	(494,200)	8,505	502,705
Fund balance, beginning of fiscal year	333,304	333,304	-
Fund balance (deficit), end of fiscal year	<u>\$ (160,896)</u>	<u>\$ 341,809</u>	<u>\$ 502,705</u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor Measure M Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
From other agencies	\$ 282,850	\$ 288,457	\$ 5,607
Use of money and property	500	1,722	1,222
	<u>283,350</u>	<u>290,179</u>	<u>6,829</u>
Total revenues			
	<u>283,350</u>	<u>290,179</u>	<u>6,829</u>
Excess of revenues over expenditures			
	<u>283,350</u>	<u>290,179</u>	<u>6,829</u>
Other financing uses:			
Transfers out	(299,850)	(282,850)	17,000
	<u>(299,850)</u>	<u>(282,850)</u>	<u>17,000</u>
Total other financing uses			
	<u>(299,850)</u>	<u>(282,850)</u>	<u>17,000</u>
Net change in fund balance	(16,500)	7,329	23,829
Fund balance, beginning of fiscal year	28,201	28,201	-
	<u>28,201</u>	<u>28,201</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 11,701</u>	<u>\$ 35,530</u>	<u>\$ 23,829</u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Sewer Maintenance Operations AD04-1 Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 240,000	\$ 280,994	\$ 40,994
Use of money and property	6,944	6,944	-
Other revenue	-	47,226	47,226
	<hr/>	<hr/>	<hr/>
Total revenues	246,944	335,164	88,220
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Public works	184,050	165,568	18,482
	<hr/>	<hr/>	<hr/>
Total expenditures	184,050	165,568	18,482
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	62,894	169,596	106,702
	<hr/>	<hr/>	<hr/>
Fund balance, beginning of fiscal year, as restated	179,502	179,502	-
	<hr/>	<hr/>	<hr/>
Fund balance, end of fiscal year	<u>\$ 242,396</u>	<u>\$ 349,098</u>	<u>\$ 106,702</u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor Sewer AD98-1 Debt Service Funds
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 17,000	\$ 24,321	\$ 7,321
Total revenues	17,000	24,321	7,321
Expenditures:			
Debt service:			
Principal retirement	417,800	417,791	9
Interest and other fiscal charges	16,575	8,565	8,010
Total expenditures	434,375	426,356	8,019
Excess (deficiency) of revenues over (under) expenditures	(417,375)	(402,035)	15,340
Other financing sources:			
Transfers in	1,450	1,527	77
Total other financing sources	1,450	1,527	77
Net change in fund balance	(415,925)	(400,508)	15,417
Fund balance, beginning of fiscal year	1,028,056	1,028,056	-
Fund balance, end of fiscal year	\$ 612,131	\$ 627,548	\$ 15,417

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor City Capital Projects Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 2,583,325	\$ 50,080	\$ (2,533,245)
Total revenues	<u>2,583,325</u>	<u>50,080</u>	<u>(2,533,245)</u>
Expenditures:			
Capital outlay	<u>5,586,750</u>	<u>1,955,090</u>	<u>3,631,660</u>
Total expenditures	<u>5,586,750</u>	<u>1,955,090</u>	<u>3,631,660</u>
Deficiency of revenues under expenditures	<u>(3,003,425)</u>	<u>(1,905,010)</u>	<u>1,098,415</u>
Other financing sources:			
Transfers in	<u>2,843,650</u>	<u>1,360,150</u>	<u>(1,483,500)</u>
Total other financing sources	<u>2,843,650</u>	<u>1,360,150</u>	<u>(1,483,500)</u>
Net change in fund balance	(159,775)	(544,860)	(385,085)
Fund balance, beginning of fiscal year, as restated	<u>1,785,981</u>	<u>1,785,981</u>	<u>-</u>
Fund balance, end of fiscal year	<u><u>\$ 1,626,206</u></u>	<u><u>\$ 1,241,121</u></u>	<u><u>\$ (385,085)</u></u>

CITY OF LA CAÑADA FLINTRIDGE
Budgetary Comparison Schedule
Nonmajor Sewer Improvement AD04-1 Capital Projects Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 11,506	\$ 40,608	\$ 29,102
Total revenues	11,506	40,608	29,102
Expenditures:			
Current:			
Public works	10,000	7,865	2,135
Total expenditures	10,000	7,865	2,135
Excess of revenues over expenditures	1,506	32,743	31,237
Fund balance, beginning of fiscal year, as restated	1,134,063	1,134,063	-
Fund balance, end of fiscal year	<u>\$ 1,135,569</u>	<u>\$ 1,166,806</u>	<u>\$ 31,237</u>



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STATISTICAL SECTION



CITY OF LA CAÑADA FLINTRIDGE
Comprehensive Annual Financial Report
Year Ended June 30, 2019

STATISTICAL SECTION

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

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Revenue Capacity	
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Debt Capacity	
<i>These schedules contain 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.....</i>	117-122
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CITY OF LA CAÑADA FLINTRIDGE

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	<u>2010</u>	<u>2011</u>	<u>2012 (1)</u>	<u>2013</u>	<u>2014 (1)</u>
Governmental Activities:					
Net Investment in capital assets	\$ 41,662,180	\$ 42,188,872	\$ 44,923,413	\$ 47,058,948	\$ 50,863,970
Restricted	943,332	3,238,118	2,776,665	12,370,867	13,075,427
Unrestricted	20,657,589	21,632,219	19,977,083	12,094,832	13,230,914
Total Primary Government Net Position	<u>\$ 63,263,101</u>	<u>\$ 67,059,209</u>	<u>\$ 67,677,161</u>	<u>\$ 71,524,647</u>	<u>\$ 77,170,311</u>

(1) As restated

CITY OF LA CAÑADA FLINTRIDGE

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	<u>2015</u>	<u>2016</u>	<u>2017 (1)</u>	<u>2018</u>	<u>2019</u>
Governmental Activities:					
Net Investment in capital assets	\$ 53,125,809	\$ 54,616,632	\$ 56,486,096	\$ 57,934,638	\$ 63,678,262
Restricted	15,871,777	16,362,080	16,433,593	16,925,230	16,245,273
Unrestricted	<u>13,093,623</u>	<u>13,859,733</u>	<u>5,858,711</u>	<u>6,860,498</u>	<u>7,444,784</u>
Total Primary Government Net Position	<u>\$ 82,091,209</u>	<u>\$ 84,838,445</u>	<u>\$ 78,778,400</u>	<u>\$ 81,720,366</u>	<u>\$ 87,368,319</u>

(1) As restated

CITY OF LA CAÑADA FLINTRIDGE

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Expenses:					
Governmental activities:					
General government	\$ 4,501,141	\$ 4,608,775	\$ 4,562,241	\$ 4,503,048	\$ 2,353,045
Public safety	2,698,414	2,755,392	2,751,585	2,930,154	3,055,234
Community development	570,532	581,731	703,459	626,181	2,471,285
Public works	6,334,317	6,865,791	8,139,289	7,143,608	6,622,919
Interest	444,635	1,068,045	828,662	779,056	732,084
Total Governmental Activities Expenses	14,549,039	15,879,734	16,985,236	15,982,047	15,234,567
Program Revenues:					
Governmental activities:					
Charges for services:					
Community Development (1)	-	-	-	-	-
Public Works	1,852,828	2,440,310	2,334,541	2,226,595	2,632,444
Other activities	606,623	313,829	326,581	414,562	482,132
Operating grants and contributions	144,367	528,793	281,051	1,611,041	2,134,470
Capital grants and contributions	7,240,503	7,023,119	5,708,601	6,063,026	7,846,376
Total Governmental Activities	9,844,321	10,306,051	8,650,774	10,315,224	13,095,422
Program Revenues	9,844,321	10,306,051	8,650,774	10,315,224	13,095,422
Net Revenues (Expenses):					
Governmental activities	(4,704,718)	(5,573,683)	(8,334,462)	(5,666,823)	(2,139,145)
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property taxes (2)	3,726,677	3,722,303	3,815,640	3,992,151	4,229,162
Other taxes	2,767,275	2,790,998	2,856,157	2,950,944	3,084,333
State shared revenues - unrestricted:					
Sales tax	1,900,346	2,104,425	2,245,895	2,539,880	2,669,216
Motor vehicle	63,376	98,921	10,690	11,077	9,167
Use of money and property	745,945	585,214	647,624	(49,207)	111,490
Other	29,401	67,930	46,639	69,464	119,782
Loss on Capital Assets Disposal	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Gain on early payment of debt	-	-	-	-	-
Total Primary Government	9,233,020	9,369,791	9,622,645	9,514,309	10,223,150
Changes in Net Position					
Governmental Activities	\$ 4,528,302	\$ 3,796,108	\$ 1,288,183	\$ 3,847,486	\$ 8,084,005

(1) Programs were redefined in 2019 and Community Development was separated from Public Works program revenues.

(2) Property Tax in Lieu was combined with Property Taxes in 2019

CITY OF LA CAÑADA FLINTRIDGE

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal year				
	2015	2016	2017	2018	2019
Expenses:					
Governmental activities:					
General government	\$ 4,609,131	\$ 5,106,198	\$ 6,151,267	\$ 5,816,415	\$ 4,918,063
Public safety	3,124,207	3,235,107	3,415,773	3,650,220	3,716,291
Community development	725,922	709,933	739,459	848,481	2,109,684
Public works	7,419,030	8,629,125	8,304,487	8,040,300	8,165,402
Interest	681,519	630,250	575,959	521,343	500,129
Total Governmental Activities Expenses	<u>16,559,809</u>	<u>18,310,613</u>	<u>19,186,945</u>	<u>18,876,759</u>	<u>19,409,569</u>
Program Revenues:					
Governmental activities:					
Charges for services:					
Community Development (1)	-	-	-	-	2,381,635
Public Works	2,820,796	2,931,464	2,955,387	3,325,171	788,226
Other activities	478,925	419,850	364,239	390,792	334,255
Operating grants and contributions	1,780,052	1,644,405	1,963,976	2,048,243	2,454,543
Capital grants and contributions	5,624,691	4,462,995	4,562,967	4,114,364	3,545,910
Total Governmental Activities	<u>10,704,464</u>	<u>9,458,714</u>	<u>9,846,569</u>	<u>9,878,570</u>	<u>9,504,569</u>
Program Revenues	<u>10,704,464</u>	<u>9,458,714</u>	<u>9,846,569</u>	<u>9,878,570</u>	<u>9,504,569</u>
Net Revenues (Expenses):					
Governmental activities	(5,855,345)	(8,851,899)	(9,340,376)	(8,998,189)	(9,905,000)
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property taxes (2)	4,429,351	4,661,834	4,920,152	5,271,832	8,166,745
Other taxes	3,312,466	3,401,762	3,484,856	3,643,219	1,123,785
State shared revenues - unrestricted:					
Sales tax	2,707,738	2,922,948	2,629,347	2,649,512	2,989,941
Motor vehicle	8,855	8,308	9,209	10,789	9,928
Use of money and property	81,254	384,346	(83,298)	16,456	841,755
Other	236,579	218,483	63,005	348,347	83,893
Loss on Capital Assets Disposal	-	-	(4,822,413)	-	-
Gain on disposal of capital assets	-	-	-	-	2,140,906
Gain on early payment of debt	-	-	-	-	196,000
Total Primary Government	<u>10,776,243</u>	<u>11,597,681</u>	<u>6,200,858</u>	<u>11,940,155</u>	<u>15,552,953</u>
Changes in Net Position					
Governmental Activities	<u>\$ 4,920,898</u>	<u>\$ 2,745,782</u>	<u>\$ (3,139,518)</u>	<u>\$ 2,941,966</u>	<u>\$ 5,647,953</u>

(1) Programs were redefined in 2019 and Community Deve

(2) Property Tax in Lieu was combined with Property Taxe

CITY OF LA CAÑADA FLINTRIDGE

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2010	2011	2012 (1)	2013	2014 (1)
General Fund:					
Reserved	\$ 2,171,341	\$ -	\$ -	\$ -	\$ -
Unreserved	11,595,078	-	-	-	-
Nonspendable	-	2,086,661	2,092,915	1,965,471	1,880,376
Restricted	-	-	-	-	1,734
Committed	-	-	-	-	-
Assigned	-	176,572	240,674	301,575	880,605
Unassigned	-	12,734,288	12,336,577	11,629,691	13,539,816
Total General Fund	<u>\$ 13,766,419</u>	<u>\$ 14,997,521</u>	<u>\$ 14,670,166</u>	<u>\$ 13,896,737</u>	<u>\$ 16,302,531</u>
All Other Governmental Funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	943,332	-	-	-	-
Debt service funds	7,571,436	-	-	-	-
Capital projects funds	1,303,423	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	11,909,759	12,067,715	12,751,117	13,365,027
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(1,066,484)	(995,104)	(1,304,344)	(1,002,600)
Total All Other Governmental Funds	<u>\$ 9,818,191</u>	<u>\$ 10,843,275</u>	<u>\$ 11,072,611</u>	<u>\$ 11,446,773</u>	<u>\$ 12,362,427</u>

(1)As restated

CITY OF LA CAÑADA FLINTRIDGE

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
General Fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	1,660,587	1,531,938	1,408,352	1,274,852	1,118,176
Restricted	2,300	4,244	-	-	-
Committed	-	-	5,580,000	5,580,000	-
Assigned	915,025	1,040,122	1,109,468	1,220,544	3,988,357
Unassigned	14,570,723	15,528,725	4,970,216	5,845,399	8,684,631
Total General Fund	<u>\$ 17,148,635</u>	<u>\$ 18,105,029</u>	<u>\$ 13,068,036</u>	<u>\$ 13,920,795</u>	<u>\$ 13,791,164</u>
All Other Governmental Funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	16,204,258	16,401,530	16,835,327	17,125,792	16,202,749
Committed	-	-	-	891,397	958,528
Assigned	-	-	-	-	1,241,121
Unassigned	(1,000,195)	(995,104)	(995,104)	(995,104)	(1,022,409)
Total All Other Governmental Funds	<u>\$ 15,204,063</u>	<u>\$ 15,406,426</u>	<u>\$ 15,840,223</u>	<u>\$ 17,022,085</u>	<u>\$ 17,379,989</u>

(1)As restated

CITY OF LA CAÑADA FLINTRIDGE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2010	2011	2012 (1)	2013	2014 (1)
Revenues:					
Taxes	\$ 8,394,299	\$ 8,617,725	\$ 8,917,692	\$ 9,409,326	\$ 9,988,959
Assessments	3,980,660	3,998,046	3,615,874	3,542,856	3,599,761
Fines,forfeitures and penalties	338,464	215,166	192,844	217,886	284,375
From other agencies	3,449,620	3,510,964	2,589,411	3,413,166	4,909,647
Charges for services	2,138,952	2,538,972	2,468,283	2,500,380	2,914,147
Use of money and property	745,945	585,214	638,100	138,042	380,624
Other	29,401	67,930	46,639	74,689	157,973
Total Revenues	<u>19,077,341</u>	<u>19,534,017</u>	<u>18,468,843</u>	<u>19,296,345</u>	<u>22,235,486</u>
Expenditures					
Current:					
General government	4,204,602	4,350,230	4,284,650	4,963,199	2,124,153
Public safety	2,687,284	2,741,144	2,742,367	2,925,247	3,050,327
Community development	552,302	559,782	689,057	617,924	2,465,201
Public works	5,988,005	4,441,350	4,548,065	4,126,559	4,107,535
Capital outlay	3,541,243	2,121,309	3,243,691	4,008,934	4,118,831
Debt service:					
Principal retirement	2,165,865	2,167,978	2,208,855	2,250,687	2,293,497
Interest and fiscal charges	902,811	896,038	850,177	803,012	754,494
Loan origination fees	-	-	-	-	-
Total Expenditures	<u>20,042,112</u>	<u>17,277,831</u>	<u>18,566,862</u>	<u>19,695,562</u>	<u>18,914,038</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(964,771)</u>	<u>2,256,186</u>	<u>(98,019)</u>	<u>(399,217)</u>	<u>3,321,448</u>
Other financing sources (uses):					
Proceeds from sales of capital assets	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-
Transfers in	6,704,983	5,608,379	6,104,229	5,230,113	5,126,058
Transfers out	(6,704,983)	(5,608,379)	(6,104,229)	(5,230,113)	(5,126,058)
Proceeds from long-term note	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (964,771)</u>	<u>\$ 2,256,186</u>	<u>\$ (98,019)</u>	<u>\$ (399,217)</u>	<u>\$ 3,321,448</u>
Debt service as a percentage of noncapital expenditures	13.1%	14.3%	14.4%	14.3%	15.5%

(1) As restated

CITY OF LA CAÑADA FLINTRIDGE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues:					
Taxes	\$ 10,493,566	\$ 10,879,338	\$ 11,170,104	\$ 11,578,263	\$ 12,286,071
Assessments	3,624,741	3,604,045	3,570,647	3,571,619	2,811,598
Fines, forfeitures and penalties	276,650	191,742	120,315	158,194	181,605
From other agencies	4,566,257	2,245,419	2,720,993	2,347,796	2,497,480
Charges for services	3,109,570	3,248,307	3,283,333	3,629,255	3,661,633
Use of money and property	325,730	623,850	152,465	298,920	1,144,262
Other	204,712	224,483	68,585	354,556	93,976
Total Revenues	<u>22,601,226</u>	<u>21,017,184</u>	<u>21,086,442</u>	<u>21,938,603</u>	<u>22,676,625</u>
Expenditures					
Current:					
General government	4,505,532	4,970,335	5,689,992	5,348,823	4,185,555
Public safety	3,121,322	3,232,839	3,413,505	3,442,315	3,703,931
Community development	724,584	702,561	730,678	794,315	2,026,411
Public works	4,021,412	3,931,211	4,051,433	4,251,082	4,286,635
Capital outlay	3,498,753	3,987,586	14,355,673	3,046,570	7,888,949
Debt service:					
Principal retirement	2,337,305	2,382,139	2,428,019	2,474,972	7,907,022
Interest and fiscal charges	704,578	653,210	600,338	545,905	489,849
Loan origination fees	-	-	-	-	49,150
Total Expenditures	<u>18,913,486</u>	<u>19,859,881</u>	<u>31,269,638</u>	<u>19,903,982</u>	<u>30,537,502</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,687,740</u>	<u>1,157,303</u>	<u>(10,183,196)</u>	<u>2,034,621</u>	<u>(7,860,877)</u>
Other financing sources (uses):					
Proceeds from sales of capital assets	-	-	-	-	3,125,000
Proceeds from long-term debt	-	-	-	-	4,964,150
Transfers in	6,677,868	6,117,742	10,662,629	6,582,662	7,597,259
Transfers out	(6,677,868)	(6,117,742)	(10,662,629)	(6,582,662)	(7,597,259)
Proceeds from long-term note	-	-	5,580,000	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5,580,000</u>	<u>-</u>	<u>8,089,150</u>
Net Change in Fund Balances	<u>\$ 3,687,740</u>	<u>\$ 1,157,303</u>	<u>\$ (4,603,196)</u>	<u>\$ 2,034,621</u>	<u>\$ 228,273</u>
Debt service as a percentage of noncapital expenditures	15.2%	15.0%	14.4%	14.7%	35.1%

(1) As restated

CITY OF LA CAÑADA FLINTRIDGE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	City		Taxable Assessed Value	Total Direct Rate
	Secured	Unsecured		
2010	\$5,447,575,235	\$32,880,486	\$5,480,455,721	0.07936
2011	\$5,434,019,882	\$32,324,640	\$5,466,344,522	0.06688
2012	\$5,605,686,121	\$35,940,867	\$5,641,626,988	0.06689
2013	\$5,828,710,840	\$37,005,753	\$5,865,716,593	0.06689
2014	\$6,092,337,982	\$36,564,674	\$6,128,902,656	0.06690
2015	\$6,414,320,719	\$36,486,841	\$6,450,807,560	0.06690
2016	\$6,776,711,070	\$39,013,224	\$6,815,724,294	0.06691
2017	\$7,165,642,080	\$37,031,646	\$7,202,673,726	0.06692
2018	\$7,559,284,412	\$36,089,074	\$7,595,373,486	0.06693
2019	\$7,985,384,142	\$36,364,682	\$8,021,748,824	0.06693

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only 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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Direct Rates:	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Overlapping Rates:										
Glendale Unified	0.0460	0.0354	0.0455	0.0440	0.0392	0.0597	0.0506	0.0570	0.0529	0.0505
Glendale Community College	0.0237	0.0234	0.0245	0.0247	0.0234	0.0222	0.0212	0.0212	0.0349	0.0325
Pasadena Unified	0.1084	0.1020	0.1112	0.1140	0.1035	0.1060	0.1117	0.1067	0.1055	0.0949
Pasadena Community College	0.0230	0.0199	0.0196	0.0183	0.0190	0.0103	0.0087	0.0089	0.0082	0.0077
La Cañada Unified	0.0704	0.0733	0.0709	0.0697	0.0672	0.0648	0.0617	0.0611	0.0591	0.0579
Metropolitan Water District	0.0043	0.0037	0.0037	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
Total Direct & Overlapping Tax Rate	<u>\$ 1.2758</u>	<u>\$ 1.2577</u>	<u>\$ 1.2754</u>	<u>\$ 1.2742</u>	<u>\$ 1.2558</u>	<u>\$ 1.2665</u>	<u>\$ 1.2575</u>	<u>\$ 1.2583</u>	<u>\$ 1.2640</u>	<u>\$ 1.2469</u>
City's Share of 1% Levy Per Prop 13	0.06705	0.06705	0.06705	0.06705	0.06705	0.06705	0.06705	0.06703	0.06703	0.06703
Total Direct Rate	0.07936	0.06688	0.06689	0.06689	0.06690	0.06690	0.06691	0.06692	0.06693	0.06693

NOTES:

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 any voter approved bonds.

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city.

Source: HdL Coren & Cone

CITY OF LA CAÑADA FLINTRIDGE

Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2019		2010	
	Assessed Value	Percent of Total Assessed Value	Assessed Value	Percent of Total Assessed Value
La Cañada Retail LLC	\$ 44,597,811	0.56%	\$	
ROIC California LLC	33,191,940	0.42%		
B K La Cañada Property LLC	18,015,747	0.23%		
La Cañada Properties			25,581,732	0.47%
Saint Francis High School			24,690,970	0.45%
Valley Water Company			13,541,689	0.25%
Gordon & Dona Crawford Trust	12,493,704	0.16%	8,506,848	0.16%
Seung Choon Lim Co-Trustee	12,203,834	0.15%		
Vincent Dundee III Co-Trustee	11,890,370	0.15%	11,996,462	0.22%
University of Southern California	11,549,403	0.14%		
Bradford A and Judy Kolb Trust	11,075,689	0.14%		
Anthony M Reed	10,569,200	0.13%		
Caltech Employees Federal Credit Union	9,483,262	0.12%		
Karland Shirley Frankel Trust			11,165,039	0.20%
Vons Companies The			10,923,402	0.20%
Dollinger La Cañada Associates			8,034,787	0.15%
Flintridge Sacred Heart Academy			7,777,478	0.14%
Bradford Cornell & Mary D.Series			7,640,697	0.14%
Total	<u>\$ 175,070,960</u>	<u>2.19%</u>	<u>\$ 129,859,104</u>	<u>2.38%</u>

NOTE: The amounts shown above include assessed value data for the City only

Source: HdL Coren & Cone

CITY OF LA CAÑADA FLINTRIDGE
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
2010	\$3,901,295	\$3,543,777	90.84%	\$177,900	\$3,721,677	95.40%
2011	\$3,857,590	\$3,547,138	91.95%	\$170,165	\$3,717,303	96.36%
2012	\$4,065,825	\$3,538,118	87.02%	\$277,522	\$3,815,640	93.85%
2013	\$4,015,699	\$3,896,529	97.03%	\$95,622	\$3,992,151	99.41%
2014	\$4,204,925	\$4,093,050	97.34%	\$91,345	\$4,184,395	99.51%
2015	\$4,466,959	\$4,334,164	97.03%	\$95,187	\$4,429,351	99.16%
2016	\$4,742,086	\$4,567,142	96.31%	\$94,692	\$4,661,834	98.31%
2017	\$5,031,630	\$4,756,351	94.53%	\$163,802	\$4,920,152	97.78%
2018	\$5,372,295	\$5,073,918	94.45%	\$197,914	\$5,271,832	98.13%
2019	\$5,600,774	\$5,403,848	96.48%	\$128,471	\$5,532,318	98.78%

NOTE: The amounts presented include City property taxes only. Also, the City does not receive property tax data distinguishing amounts collected that were levied in a previous year.

Source: Los Angeles County Auditor Controller's Office

CITY OF LA CAÑADA FLINTRIDGE

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities					Percentage of Personal Income	Debt Per Capita
	Certificates of Participation	Revenue Bonds	Loans Payable	Capital Lease Obligation	Total Governmental Activities		
2010	-	-	\$40,058,263	-	\$40,058,263	3.20%	\$1,895
2011	-	-	\$37,890,286	-	\$37,890,286	2.51%	\$1,782
2012	-	-	\$35,681,429	-	\$35,681,429	2.34%	\$1,755
2013	-	-	\$33,430,743	-	\$33,430,743	2.22%	\$1,635
2014	-	-	\$31,137,246	-	\$31,137,246	2.04%	\$1,516
2015	-	-	\$28,799,941	-	\$28,799,941	1.84%	\$1,402
2016	-	-	\$26,417,802	-	\$26,417,802	1.80%	\$1,285
2017	-	-	\$29,569,783	-	\$29,569,783	2.01%	\$1,443
2018	-	-	\$27,094,811	-	\$27,094,811	1.77%	\$1,310
2019	-	-	\$23,955,939	-	\$23,955,939	1.50%	\$1,163

NOTE:

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

CITY OF LA CAÑADA FLINTRIDGE

Direct and Overlapping Debt

June 30, 2019

City Assessed Valuation		\$ 8,021,748,824	
	Percentage Applicable	Gross Outstanding Debt 6/30/19	Estimated Share of Overlapping Debt (1)
Foothill MWD 1113 DS	0.659%	\$ 23,317,224	\$ 153,650
Glendale CCD DS 2002 Series C	1.856%	5,927,110	109,997
Glendale CCD DS 2002, 2011 Series E	1.856%	3,535,000	65,604
Glendale CCD DS 2002, 2013 Series F	1.856%	13,225,000	245,433
Glendale CCD DS 2014 Refunding Bonds	1.856%	23,515,000	436,398
Glendale CCD DS 2016 Series A	1.856%	115,575,000	2,144,875
Pasadena CCD DS 2002, 2006 Series D	8.267%	1,840,000	152,109
Pasadena CCD DS 2002, 2009 Series E (BABS)	8.267%	25,295,000	2,091,080
Pasadena CCD DS 2014 Refunding Series A	8.267%	13,900,000	1,149,081
Pasadena CCD DS 2016 Refunding Series A	8.267%	32,395,000	2,678,021
Glendale USD DS 2009 Ref Bonds	1.856%	3,785,000	70,243
Glendale USD DS 2010 Ref Bonds	1.856%	3,650,000	67,738
Glendale USD DS 2010 Ref Bonds Series B	1.856%	13,970,000	259,259
Glendale USD DS 2011 Series A Bonds	1.856%	21,820,000	404,942
Glendale USD DS 2011 Refunding Bonds	1.856%	2,068,601	38,390
Glendale USD DS 2011 SR A 1 CREB	1.856%	4,300,000	79,801
Glendale USD DS 2012 Ref Bonds	1.856%	61,595,000	1,143,098
Glendale USD DS 2015 Refunding Bonds Series A	1.856%	101,850,563	1,890,172
Glendale USD DS 2011 Series C	1.856%	60,405,000	1,121,014
Glendale USD DS 2011 Series D	1.856%	38,000,000	705,215
La Cañada Unified SD 1995 SD	97.407%	947,958	923,374
La Cañada Unified SD DS 1999 Series A	97.407%	1,500,000	1,461,099
La Cañada USD DS 2004 Series C	97.407%	75,000	73,055
La Cañada USD DS 2011 Refund Bond	97.407%	9,695,000	9,443,570
La Cañada USD DS 2017 Refund Bond	97.407%	36,465,000	35,519,318
Total overlapping debt		<u>\$ 618,651,456</u>	<u>\$ 62,426,534</u>
City direct debt		27,417,936	24,305,365
Total direct and overlapping debt		<u>\$ 646,069,392</u>	<u>\$ 86,731,899</u>

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated by using taxable assessed 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.

Source: HdL Coren & Cone

CITY OF LA CAÑADA FLINTRIDGE

Legal Debt Margin Information

Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assessed valuation	\$ 5,480,455,721	\$ 5,466,344,522	\$ 5,641,626,988	\$ 5,865,716,593	\$ 6,128,902,656
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	822,068,358	819,951,678	846,244,048	879,857,489	919,335,398
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 822,068,358</u>	<u>\$ 819,951,678</u>	<u>\$ 846,244,048</u>	<u>\$ 879,857,489</u>	<u>\$ 919,335,398</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Sources:

City Finance Department

Los Angeles County Assessor's Office

CITY OF LA CAÑADA FLINTRIDGE

Legal Debt Margin Information

Last Ten Fiscal Years

(Continued)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed valuation	\$ 6,450,807,560	\$ 6,815,724,294	\$ 7,202,673,726	\$ 7,595,373,486	\$ 8,021,748,824
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	967,621,134	1,022,358,644	1,080,401,059	1,139,306,023	1,203,262,324
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 967,621,134</u>	<u>\$ 1,022,358,644</u>	<u>\$ 1,080,401,059</u>	<u>\$ 1,139,306,023</u>	<u>\$ 1,203,262,324</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Sources:

City Finance Department

Los Angeles County Assessor's Office

CITY OF LA CAÑADA FLINTRIDGE

Pledged-Revenue Coverage

Last Ten Fiscal Years

Fiscal Year Ended June 30	Revenue Bonds Series 2004A			
	Assessments Revenue	Debt Service		Coverage
		Principal	Interest	
2010	\$2,277,277	\$0	\$0	-
2011	\$2,270,065	\$0	\$0	-
2012	\$1,895,189	\$0	\$0	-
2013	\$1,827,502	\$0	\$0	-
2014	\$1,857,939	\$0	\$0	-
2015	\$1,849,036	\$0	\$0	-
2016	\$1,863,603	\$0	\$0	-
2017	\$1,813,478	\$0	\$0	-
2018	\$1,814,529	\$0	\$0	-
2019	\$1,843,049	\$0	\$0	-

NOTE:

The City paid off Revenue Bonds Series 2004A in September 2008.

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

CITY OF LA CAÑADA FLINTRIDGE

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2009	21,139	\$1,252,639	\$59,257	4.5%
2010	21,261	\$1,512,019	\$71,117	4.9%
2011	20,335	\$1,522,278	\$74,860	4.8%
2012	20,441	\$1,505,561	\$73,654	3.5%
2013	20,535	\$1,529,632	\$74,489	2.9%
2014	20,544	\$1,562,227	\$76,043	4.4%
2015	20,556	\$1,469,384	\$71,482	3.5%
2016	20,497	\$1,473,705	\$71,898	2.7%
2017	20,683	\$1,530,931	\$74,018	2.0%
2018	20,602	\$1,597,977	\$77,564	2.0%

Source: HdL Coren & Cone

CITY OF LA CAÑADA FLINTRIDGE

Principal Employers (1)
Current Year and Nine Years Ago

Employer	2019		2010	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Dilbeck Real Estate	103	2.60%	101	3.49%
Allen Lund Company LLC	101	2.55%	57	1.97%
Ralph's Grocery Co.	99	2.50%	90	3.11%
Sprouts Farmers Market	90	2.27%		
La Cañada Flintridge Country Club	86	2.17%	74	2.56%
Ross Dress for Less Inc	83	2.10%	70	2.42%
T J Maxx	80	2.02%	56	1.94%
Target Store T-3293	78	1.97%		
Trader Joe's	78	1.97%	71	2.46%
Gelson's Market	68	1.72%		
Hill Street Café	68	1.72%		
McDonald's La Canada	68	1.72%	46	1.59%
Patina Group Newco LLC	56	1.41%		
Proper Hospitality Group LLC	51	1.29%		
Home Goods Inc #443	49	1.24%		
Los Gringos Locos LLC	46	1.16%		
Panera Bread	45	1.14%		
Sport Chalet Inc			238	8.23%
Dickson Podley Realtors			64	2.21%
United Artists Theater D B A UA	45	1.14%	60	2.07%
Dish Breakfast, Lunch & Dinner			56	1.94%
Von's			44	1.52%
Total Employees	3,960		2,892	

(1) Private sector employers only

"Total Employment" as used above represents the total employment of all private employers located within City limits.

Only readily available data presented

Source: City of La Cañada Flintridge Business License Division

CITY OF LA CAÑADA FLINTRIDGE
Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years

	Full-Time and Part-time Employees as of June 30									
<u>Function</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government	24	24	23	25	24	24	27	27	26	25
Public safety	1	1	1	1	1	1	1	-	1	2
Community development	9	9	9	8	9	8	7	8	9	9
Public works	8	9	9	9	9	9	8	7	9	9
Total	<u>42</u>	<u>43</u>	<u>42</u>	<u>43</u>	<u>43</u>	<u>42</u>	<u>43</u>	<u>42</u>	<u>45</u>	<u>45</u>

Source: City of La Cañada Flintridge

CITY OF LA CAÑADA FLINTRIDGE

Operating Indicators
by Function
Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Arrests	279	248	228	276	387	292	344	156	193	254
Parking citations issued	1,138	1,143	1,262	1,235	451	1,159	602	445	596	1,195
Fire:										
Number of emergency calls	1,227	1,206	1,172	1,237	1,211	1,396	2,115	1,495	1,477	1,489
Inspections	1,456	1,661	1,353	963	226	254	361	321	1,566	1,498
Public works:										
Street resurfacing (miles)	6.27	1.50	5.36	2.60	2.67	2.73	2.81	3.13	1.98	2.80
Parks and recreation:										
Number of facilities rented	13	14	14	14	15	15	15	15	15	15

Only readily available data presented

Source: City of La Cañada Flintridge

CITY OF LA CAÑADA FLINTRIDGE

Capital Asset Statistics

by Function

Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Stations (1)	0	0	0	0	0	0	0	0	0	0
Fire:										
Fire stations (1)	0	0	0	0	0	0	0	0	0	0
Public works:										
Streets - miles (2)	87.7	87.7	87.7	87.7	87.7	87.7	87.7	87.7	87.7	87.7
Streetlights	70	81	82	84	84	84	84	84	84	84
Traffic signals	18	18	18	18	18	18	18	18	18	25
Parks and recreation:										
Parks	4	5	5	6	6	6	6	6	6	6
Community centers	1	1	1	1	1	1	1	1	1	1

(1) The City contracts for both fire and police services, and thus does not own any fire or police stations

(2) Restated based on Los Angeles County Inventory of City streets

Only readily available data presented

Source: City of La Cañada Flintridge



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