



# **Comprehensive Annual Financial Report**

**Year Ending June 30, 2020**

**La Cañada Flintridge, California**



**CITY OF LA CAÑADA FLINTRIDGE  
CALIFORNIA**

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2020**



**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, 2020**

*Table of Contents*

	<i>Page(s)</i>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	i
Directory of City Officials .....	x
Organization Chart.....	xi
Map .....	xii
GFOA Certificate of Achievement .....	xiii
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report.....	1
Management's Discussion and Analysis (Required Supplementary Information) .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities .....	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	21
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) of Governmental Funds .....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities.....	24
Notes to the Financial Statements.....	25
Required Supplementary Information:	
Schedule of Proportionate Share of the Net Pension Liability .....	65
Schedule of Pension Contributions.....	68
Schedule of Changes in the Total OPEB Liability and Related Ratios .....	69
Budgetary Comparison Schedule - General Fund .....	70
Note to Required Supplementary Information.....	71
Other Supplementary Information:	
Budgetary Comparison Schedule - Sewer AD04-1 Debt Service Fund - Major Fund .....	73
Budgetary Comparison Schedule - Sewer AD02-1 Debt Service Fund - Major Fund .....	74
Budgetary Comparison Schedule - City Capital Projects Fund – Major Fund.....	75
Description of Nonmajor Governmental Funds.....	77
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds.....	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Nonmajor Governmental Funds .....	85

**CITY OF LA CAÑADA FLINTRIDGE**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2020**

**FINANCIAL SECTION (Continued)**

Nonmajor Budgetary Comparison Schedules:

Traffic Safety Special Revenue Fund .....	91
State Gasoline Tax Special Revenue Fund .....	92
Bonds and Grants Special Revenue Fund .....	93
TDA Special Revenue Fund .....	94
Proposition C Transit Tax Special Revenue Fund .....	95
Proposition A Transit Tax Special Revenue Fund .....	96
Community Development Block Grant Special Revenue Fund .....	97
State/ Federal Law Enforcement Supplemental Funds Special Revenue Fund .....	98
AQMD Trust Special Revenue Fund .....	99
Sanitation Special Revenue Fund .....	100
Sewer Redemption AD02-1 Special Revenue Fund .....	101
Sewer Redemption AD04-1 Special Revenue Fund .....	102
Measure R Special Revenue Fund .....	103
Measure M Special Revenue Fund .....	104
Sewer Maintenance Operations AD04-1 Special Revenue Fund .....	105
Measure W Special Revenue Fund .....	106
Sewer AD98-1 Debt Service Fund .....	107
Civic Center Debt Service Fund .....	108
Property Acquisition Capital Projects Fund .....	109
Sewer Improvement AD04-1 Capital Projects Fund .....	110

**STATISTICAL SECTION (Unaudited)**

Net Position by Component .....	112
Changes in Net Position .....	114
Fund Balances of Governmental Funds .....	116
Changes in Fund Balances of Governmental Funds .....	118
Assessed Value and Estimated Actual Value of Taxable Property .....	120
Direct and Overlapping Property Tax Rates .....	121
Principal Property Tax Payers .....	122
Property Tax Levies and Collections .....	123
Ratios of Outstanding Debt by Type .....	124
Direct and Overlapping Debt .....	125
Legal Debt Margin Information .....	126
Pledged - Revenue Coverage .....	128
Demographic and Economic Statistics .....	129
Principal Employers .....	130
Full-Time and Part-Time City Employees by Function .....	131
Operating Indicators by Function .....	132
Capital Asset Statistics by Function .....	133





## INTRODUCTORY SECTION









January 27, 2021

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, 2020 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.

Clifton Larson Allen LLP, 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, 2020 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. Clifton Larson Allen LLP 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, 2020, 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 April 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 2019-20 amounted to \$21,978,656 and \$10,323,326 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.

### COVID-19

Any discussion of the fiscal results for the fiscal year 2019-20 needs to start with the COVID-19 pandemic. The pandemic started affecting the city's economy in March 2020. The state of California and the County of Los Angeles have imposed various restrictions and lockdowns that impaired businesses and residents of the City during the last four months of the fiscal year. This resulted in restricting businesses less discretionary spending, reduced travel, gasoline purchases and an adjustment to the City's operating approach. Many face-to-face encounters were restricted or prohibited. The economic effect on the city was to reduce revenues from sales tax, gas tax, business licenses and human services activities. It also required the City to curtail or reduce certain services and programs. At the same time; however, construction activity continued to be strong. Overall, the City was prepared financially to handle the effects of the pandemic and the financial position of the City going forward is strong.

### 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 2019, a slight decrease of approximately 1.9 percent from the previous year. Per capita personal income in 2019 was \$82,193, an increase of nearly 11.0 percent from 2018. The median age of La Cañada Flintridge residents in 2019 was 45.1 as compared to 43.5 in 2018.

The City has approximately 7,099 housing units. The median sales price of a single-family residential home in 2019 was \$1,755,583, an increase of 1.2% over the median sales price of \$1,735,000 in 2018.

The local economy is in flux due to the pandemic along with the uncertain regional and statewide economic climate. The unemployment rate, prior to the pandemic, among the City's residents was estimated at 5.0% in 2020, higher than the 2019 figure of 2.0%. 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 as a result of the pandemic. 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 I-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 1.65%.

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 1.68%; in CAMP, the average yield was 1.66%.

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 ladderized 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 288 cases during FY 2019-20. The commercial vacancy rate, including retail and office units, increased from July 2019 to June 2020. The adjusted commercial vacancy rate for July 2019 was at 2.0% which increased to 3.8% as of June 2020, still a low vacancy rate; however, it is not known what full effect the COVID-19 pandemic will have on the vacancy rate in the coming fiscal year.

Date of Mills Act Adoption – The City continued working on the update of the Historic Preservation Ordinance and the Mills Act Program. The Mills Act Program reduces the amount of property taxes collected on contracted properties in return for preserving the properties in accordance with federal presentation standards. The Mills Act Program was on hold this fiscal year, so no new properties were added. [The Historic Preservation Ordinance, with the revised Mills Act Program, was adopted the subsequent fiscal year on December 1, 2020.]

CDBG Activity for FY19-20 – The City’s Community Development Block Grant (CDBG) program continued during the year in two program areas: residential rehabilitation and sewer connection subsidies. Both programs provided grants to lower income households of up to \$20,000 and \$8,000, respectively. During the 2019-20 fiscal year, the program assisted two households with rehabilitation. No sewer connection applications were received during fiscal year 2019-20, therefore, a portion of the funding was reallocated to an ADA parking lot project at the Community Center of La Cañada Flintridge (CCLCF). In total, \$48,250 was spent locally on the program.

Zoning Code Update - The department continued to work closely with a consultant in the drafting of the Zoning Code update. Staff participated in semi-monthly meetings with the consultant and City Attorney’s office as they refined the draft document. Three public workshops were held in early 2020 before the pandemic necessitated a cessation. Staff anticipates that the update will be complete in 2021.

### 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.

Below is a list of projects either completed during the fiscal year, construction contracts awarded by the City Council during the year, or the design and/or environmental services contracts were awarded:

- Citywide Resurfacing Project – included the resurfacing of 21 street segments throughout the City covering approximately 4.5 miles of roadway; City Council awarded the construction contract in April 2020. Work was substantially completed in August 2020.
- Miscellaneous Concrete Repair Project – focused on repairing broken sidewalk and improving ADA-access throughout the City; included repair of broken curbs, gutters, and cross gutters. City Council awarded the construction contract in May 2020. Work was substantially completed in August 2020.
- Foothill Boulevard Restriping – restriping of Foothill Boulevard from Alta Canyon Road to Oak Grove Drive; City Council awarded the contract for this work in June 2020 and work was substantially completed September 2020.
- Foothill Boulevard Resurfacing at 1700 – resurfacing to ensure proper street drainage for the upcoming rain season; work started in October 2019 and was substantially completed in November 2019.
- FIS Tennis Courts Resurfacing – resurfacing of all 8 tennis courts at the Foothill Intermediate School site; City Council awarded the contract for the work in July 2020 and work was substantially completed in December 2019.
- Soundwall Phase III – this project includes the construction of 3 additional soundwalls in the City; City Council awarded the contract for the design and environmental review on in March 2020.
- Foothill Boulevard Traffic Signal Improvements Project – this project includes various upgrades to the traffic signals at 4 intersections along Foothill Boulevard; City Council awarded the contract for the design in April 2020
- Chevy Chase Drainage Improvements Project – included drainage improvements on Chevy chase Drive north of Highland Avenue; City Council accepted the completed work in December 2019.
- City Hall ADA Access Ramp Project – new ADA accessible ramp in front of City Hall; City Council accepted the completed work in January 2020.
- Miscellaneous Drainage Improvements Project – included drainage improvements at 5 locations throughout the City; City Council accepted the completed work in February 2020.

### 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 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 and installation of license plate reader technology in Flock video cameras at some of the major entrances to the City.

### Transportation

During FY 2019-20, 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. The group formed primarily to be able to receive Measure M Funds and to have full fiduciary authority to handle those funds. One City staff member serves as the Executive Director and another City staff member serves as the AVCJPA Treasurer. In 2019, 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 AVCJPA Treasurer completed the annual audit and it was submitted to the Governing Board. Also, the AVCJPA completed its second contract (extension of first contract) with the consultant coordinating the Multi-year Subregional Measure M fund projects with the member agencies. In 2020, in addition to the previous \$24 million, approximately \$10.6 million in projects from the member agencies were approved by the Governing Board, and subsequently programmed by Metro in 2020. This is a grand total of approximately \$34 million in new projects for the subregion. The City of La Cañada Flintridge decided to reserve their portion of the funds for use in future years. The AVCJPA Governing Board awarded a contract in 2019 for a consultant to produce the first 5-Year Strategic Plan for the AVCJPA. Work on this project concluded in late 2020 and the final 5-year Strategic Plan was approved by the Governing Board on November 5, 2020.

The City began investing funds in soundwalls in 2001, and, in the past, completed the required Noise Barrier Scope Summary Report, as well as the building of Phase I of the soundwalls, which were built primarily with Measure R Subregional funds. In 2020, three phases of soundwalls are underway in the following various stages:

- *Phase II:*  
Phase II is the design and construction of one soundwall segment along the I-210 freeway. It is anticipated that the City will receive Caltrans' Approval to advertise for construction in January 2021 and the project will be advertised for construction bids in February 2021. Construction is expected to start in May 2021 and be completed in early 2022.
- *Phase III:*  
In 2017, SB1 was passed by the state legislature and subsequently approved by the voters. A portion of that legislation provided for soundwalls. Staff worked extensively with State Senator Portantino to ensure funding for this project. On May 16, 2018, the California Transportation Commission (CTC) granted \$5 million to the City in SB 1 funds for the City's soundwall project. Another \$7 million in matching funds were needed to do the project. Subsequently, on October 25, 2018, the Metro Board of Directors, with support from Senator Portantino and Los Angeles Board of Supervisor Barger, programmed all of the City's remaining Measure R Subregional funds (\$3.712 million) as well as programming \$3.288 million in Call for Projects Reserve Funding (Metro Prop. C) for the soundwall project. Following this action, the City Council, in December of 2018, took action to request that Metro amend its application to the CTC. The City Council decided to reduce the number of soundwalls from four to three to meet anticipated budget needs. This amendment was completed in early 2019. The Funding Agreement was completed in 2020. Phase III is on schedule, with design expected to be complete in Spring of 2021, construction beginning in Fall of 2021, with construction anticipated to be completed in 2023.



- *Phase IV:*

In June 2019, as a part of the Governor's budget, Senator Portantino requested an additional \$5.5 million be designated for soundwalls for the City. The state budget was passed, and the funds were designated for the City. In 2020, the City applied for an additional matching \$5.5 million in SB1 Local Partnership funds from the CTC, which was approved by the CTC in December of 2020

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 residents who are sixty (60) years of age and older and residents of any age with a disability. The "Summer Beach Bus," a recreational transit program that provides the community with a low-cost bus ride from Memorial Park to the Santa Monica Pier during summer months, 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 City updated shuttle stop signage continuing to provide LCF Shuttle riders the information they need to connect with NextBus, a real-time planning tool to track schedules and arrival times.

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. In 2019, the City installed three single-port electric vehicle charging stations as part of the FivePoint EV Charging Station Donation Program. These stations are located at Mayor's Discovery Park, Winery Channel Trailhead Parking lot, and Foothill Boulevard. In addition, AQMD awarded a grant to the City, under the Mobile Source Air Pollution Review Committee (MSRC) Local Partnership Program, to develop clean air projects. The City installed one single-port station on the west side of the City Hall public parking lot and at the Lanterman Auditorium public parking lot.

#### 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" allows staff control of 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. In addition, the City restored drinking facilities at FIS Lower Field allowing access to water while exercising.

With respect to trails, the City continued to improve and maintain the trail system for recreational use.

Through the MSRC grant, the City installed bicycle racks at entrances of trailheads for Descanso Trail, Gould Canyon Trailhead and Winery Channel Trailhead. The locations were selected based on high foot traffic areas and proximity to frequently visited trailheads.

### Lanterman Auditorium

The City continued to manage the Lanterman Auditorium through a Joint Use Agreement with the La Cañada Unified School District. The Lanterman 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. Unfortunately, due the COVID-19 pandemic all activity was ceased in March 2020 and will not begin again until allowed by the County Health Department orders.

### Youth Council

In FY 2019-20, 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 around Descanso Trail, and also hosted a financial literacy workshop for high school students and their families in partnership with Dilbeck Real Estate and Wells Fargo, with over 50 members of the community in attendance.. In addition, prior to the COVID-19 pandemic, the Youth Council was set to participate in both an Earth Day workshop held at Descanso Gardens, as well as a youth recreation class in partnership with the YMCA.

### **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, 2019. 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,



Mark R. Alexander  
City Manager

# **DIRECTORY OF CITY OFFICIALS**



## **CITY COUNCIL**

Michael T. Davitt, Mayor

Jonathan C. Curtis, Mayor Pro Tem

Keith Eich, Councilmember

Richard B. Gunter III, Councilmember,

Terry Walker, Councilmember

## **CITY MANAGEMENT STAFF**

Mark R. Alexander, City Manager

Carl Alameda, Assistant City Manager

Adrian Guerra, City Attorney

Jeffrey Wang, City Treasurer

Alex Kung, Director of Finance

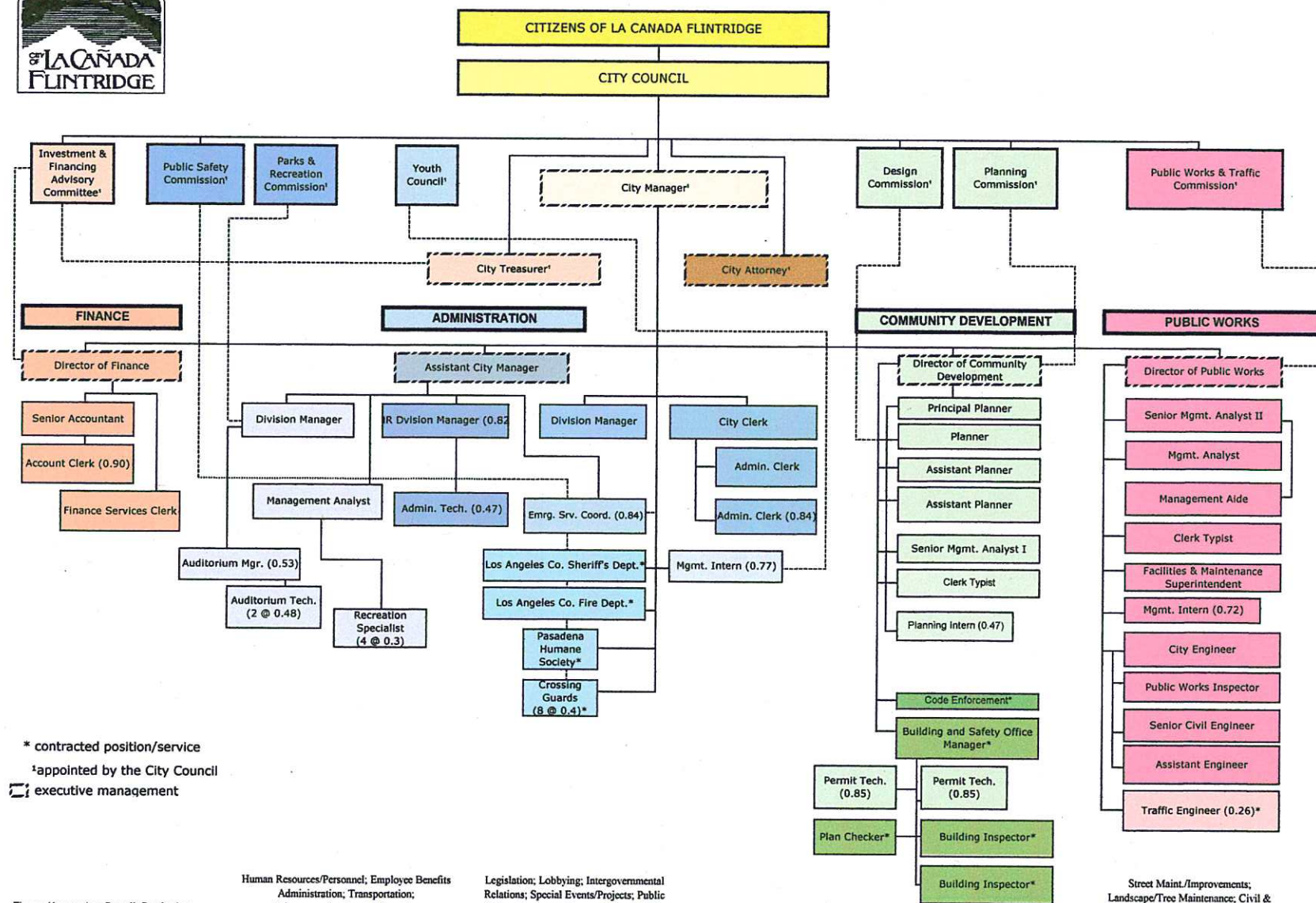
Susan Koleda, Director of Community Development

Patrick V. DeChellis, Director of Public Works





# ORGANIZATION CHART



\* contracted position/service

<sup>1</sup>appointed 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; FPCC 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, 2019

*Christopher P. Morill*

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, 2020, 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, 2020, 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***

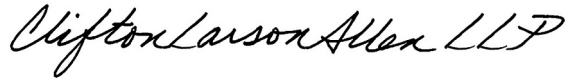
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and individual fund schedules (supplementary information), and statistical section, as listed in the 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 January 27, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Irvine, California  
January 27, 2021



**This page intentionally left blank.**

## FINANCIAL SECTION







**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020  
(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, 2020. 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 \$90,757,102 (*net position*) at the close of this fiscal year. Of this amount, \$64,002,809 (70.5%) is net invested in capital assets, \$17,756,978 (19.6%) is restricted for projects and programs, with \$8,997,315 (9.9%) being unrestricted (*unrestricted net position*), which is available and may be used to meet ongoing obligations.

- The City's total net position increased by \$3,388,783 (3.9%) as a result of positive operating results, which consisted primarily of revenues being approximately \$1,026,902 higher than expected, expenditures for all city operations being approximately \$1,759,602 less than expected and receiving the remaining proceeds from refinancing the City Hall.
- For the current fiscal year, the City's governmental funds reported combined ending fund balances of \$33,168,563, an increase of \$1,997,410 (6.4%) over the previous fiscal year.
- The General Fund balance at the end of the fiscal year is \$17,030,713, an increase of \$3,239,549 (23.5%) over the previous fiscal year. The unassigned portion of that fund balance is \$10,623,778, which is 62.4% of total fund balance and 75.5% of FY 2019-20 General Fund expenditures. Of the remaining fund balance, \$1,126,744 (6.6%) is nonspendable, and \$4,280,191 (25.1%) is assigned which includes \$1,500,000 for disaster relief and \$1,000,000 (5.9%) is committed for economic stabilization.

**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 15-63 of this report.

The City maintains twenty-five 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, City Capital Projects Fund, and the Sewer Improvement AD02-1 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 82-93.

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 73, 76-78, and 94-113 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 25-63 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 67 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 70-106.

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 74-106 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, 2020, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$90,757,102.

**Table 1**  
**Net Position**

	2020	2019	Increase/ (Decrease)	Percentage Change (%)
Current and Other Assets	\$39,517,401	\$36,956,232	\$2,561,169	6.9%
Noncurrent Assets	86,411,073	87,634,201	(1,223,128)	-1.4%
<b>Total Assets</b>	<b>125,928,474</b>	<b>124,590,433</b>	<b>1,338,041</b>	<b>1.1%</b>
Deferred Outflows	1,091,352	1,085,835	5,517	0.5%
Long-Term Liabilities Outstanding	30,088,375	32,255,318	(2,166,943)	-6.7%
Other Liabilities	5,666,850	5,882,218	(215,368)	-3.7%
<b>Total Liabilities</b>	<b>35,755,225</b>	<b>38,137,536</b>	<b>(2,382,311)</b>	<b>-6.2%</b>
Deferred Inflows	507,499.00	170,413.00	337,086.00	197.8%
<b>Net Position</b>				
Net Investment in Capital Assets	64,002,809	63,678,262	324,547	0.5%
Restricted	17,756,978	16,245,273	1,511,705	9.3%
Unrestricted	8,997,315	7,444,784	1,552,531	20.9%
<b>Total Net Position</b>	<b>\$90,757,102</b>	<b>\$87,368,319</b>	<b>\$3,388,783</b>	<b>3.9%</b>

As shown in Table 1, net position from governmental activities increased by \$3,388,783 (3.9%). Total Assets increased by \$1,338,041 (1.1%) due to larger than expected revenues and reduced cash expenditures.

Total liabilities decreased \$2,382,311 (-6.2%) from 2019. 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. In 2020, the long-term liability for Sewer Assessment District AD98-1 was paid off.

**Governmental Activities.** The City's overall governmental activities, as reflected on the government-wide Statement of Activities, had positive operating results in 2020, with revenues exceeding expenses by \$3,388,783. Table 2 below summarizes 2020 revenues and expenses, compares these revenue and expenses to 2019, and shows the year-over-year change in net position.

Revenues in 2020 totaled \$23,998,831, a decrease of \$1,058,691 (4.2%) below 2019. The decrease from 2019 was the result of one-time revenues generated from the sale of capital assets and gain caused by an early payment on debt in 2019. Revenues were higher in 2020 for property taxes, which increased \$439,482 (5.4%) and for charges for services, which increased \$416,229 (11.9%). These categories were not impacted by COVID-19 pandemic. Sales tax decreased \$96,578 (3.2%) and was caused by retail businesses having limited availability during the pandemic.

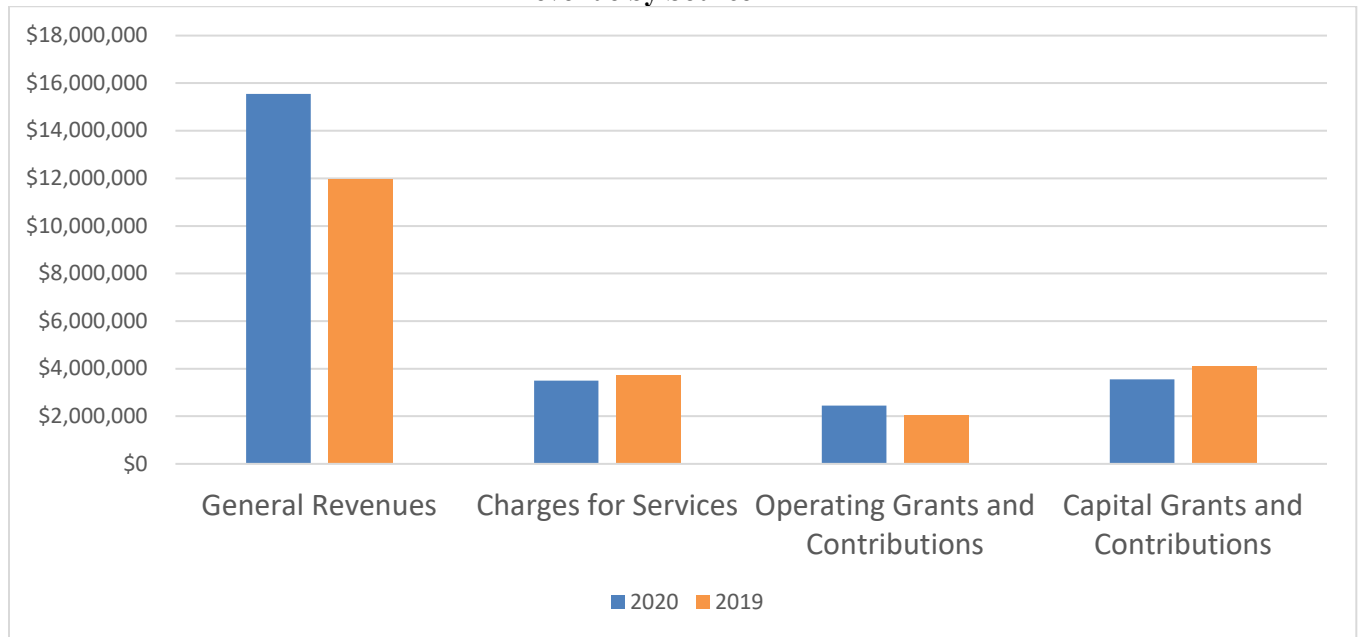
Overall expenses in 2020 totaled \$20,610,048, an increase of \$1,200,479 (6.2%) from 2019. Expenses increased in the areas of General Government and Interest Expense caused by the move into a new and larger City Hall. The other large increase in expenses was in Community Development as the City experienced a large increase in various building and development projects.

**Table 2**  
**Change in Net Position**

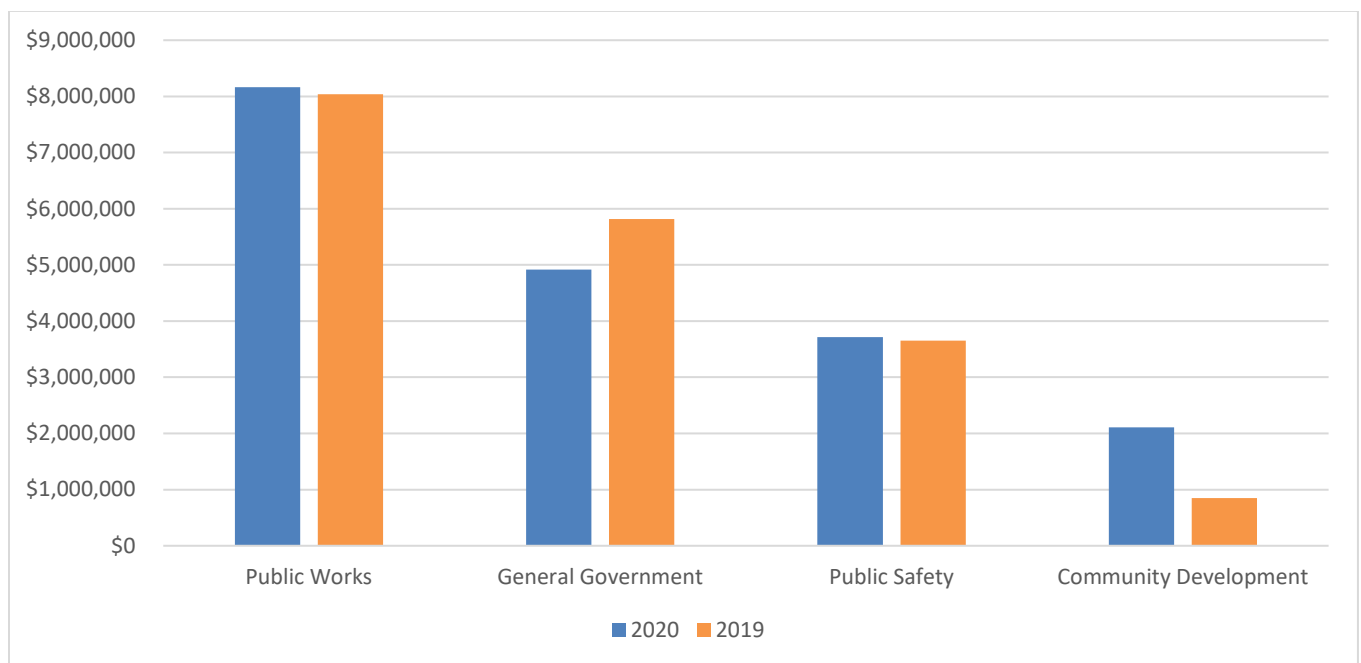
	2020	2019	Increase/ (Decrease)	Percentage Change (%)
<b>Program Revenues</b>				
Charges for Services	\$ 3,920,345	\$ 3,504,116	\$ 416,229	11.9%
Operating Grants and Contributions	1,973,491	2,454,543	(481,052)	-19.6%
Capital Grants and Contributions	4,653,091	3,545,910	1,107,181	31.2%
<b>General Revenues</b>				
Property Taxes	8,606,227	8,166,745	439,482	5.4%
Other Taxes	1,125,140	1,123,785	1,355	0.1%
<i>State Shared Revenues - Unrestricted</i>			-	
Sales Tax	2,893,363	2,989,941	(96,578)	-3.2%
Motor Vehicle	16,306	9,928	6,378	64.2%
Use of Money and Property	669,016	841,755	(172,739)	-20.5%
Other	141,852	83,893	57,959	69.1%
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%
<b>Total Revenues</b>	<b>\$ 23,998,831</b>	<b>\$ 25,057,522</b>	<b>\$ (1,058,691)</b>	<b>-4.2%</b>
<b>Expenses**</b>				
Public Works	\$ 7,948,297	\$ 8,165,402	\$ (217,105)	-2.7%
General Government	5,452,507	4,918,063	534,444	10.9%
Public Safety	3,933,058	3,716,291	216,767	5.8%
Community Development	2,710,840	2,109,684	601,156	28.5%
Interest Expense	565,346	500,129	65,217	13.0%
<b>Total Expenses</b>	<b>\$ 20,610,048</b>	<b>\$ 19,409,569</b>	<b>1,200,479</b>	<b>6.2%</b>
<b>Change in Net Position</b>	<b>\$ 3,388,783</b>	<b>\$ 5,647,953</b>	<b>(2,259,170)</b>	<b>-40%</b>
Net Position, Beginning of Fiscal Year	87,368,319	81,720,366		
Net Position, End of Fiscal Year	<u>\$ 90,757,102</u>	<u>\$ 87,368,319</u>		

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, 2020, the City's *governmental funds* reported combined fund balances of \$33,168,563, an increase of \$1,997,410 (6.4%) over the prior fiscal year. The fund balance in the General Fund, at \$17.0 million, accounted for 51.3% 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 \$7.9 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, 2020, was \$23,214,834 which is \$538,209 higher (2.4%) than the \$22,676,625 received in 2019. Increases occurred in Taxes (up 2.8%), Charges for Services (up 12.0%), and Other (up 61.0%). Those sources that decreased included Assessments (down >1%), Fines and Forfeitures (down 2.7%), Use of money and property (down 17.8%) and other revenue (down 3.0%). These results are a result of the economy and the City's revenue being affected by the COVID-19 pandemic.

Expenditures across all governmental funds in 2020 totaled \$21,217,424, which is 30.5% less than in 2019 primarily due to a decrease in Capital Outlay and payoff of the City Hall Promissory Note of over \$5 million having occurred in 2019. Other increases occurred in General Government (up 5.7%), Public Safety (up 5.5%), and Community Development (up 25.3%).

### General Fund Financial and Budgetary Highlights

The General Fund is the chief operating fund of the City. At June 30, 2020, the fund balance reported in the General Fund was \$17,030,713, which is \$3,239,549 (23.5%) greater than in 2019. The unassigned portion of that fund balance was \$10,623,778, accounting for 62.4% 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 2020, total ending fund balance represented 121.1% of 2020 expenditures, and unassigned fund balance represented 75.5% of expenditures.

General fund revenue for the fiscal year totaled \$17,161,802, which exceeded the final revenue budget of \$16,293,800 by \$868,002 (5.3%). Actual revenue exceeded the budgeted amount in each category with the exceptions of the "fines, forfeiture and penalties" and "Use of money and property" categories, which came in below budget by \$71,902 (-12.0%). 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, while there was a decrease in sales tax revenue because of the COVID-19 pandemic.

General Fund expenditures totaled \$14,064,623, which was less than the \$15,868,275 final expenditure budget by \$1,803,652 (12.8%). Moderate savings relative to budgeted expectations across nearly all categories; general government, public safety, public works, community development and capital outlay – accounted for these favorable budget-to-actual results. Much of this savings was the result of lower operating activity due to the COVID-19 pandemic.

## Capital Assets and Debt Administration

**Capital Assets.** As of June 30, 2020, the City's investment in capital assets for its governmental activities totaled \$86,411,073 (net of accumulated depreciation). Capital assets include land and easements, buildings, equipment and vehicles, park facilities, infrastructure and sewer improvements. Overall, capital assets decreased by \$1,223,128 (1.4%) from 2019, with a total increase in assets of \$1.3 million being offset by accumulated depreciation of \$2.5 million. The increase in assets was driven primarily by acquisition of furnishings and equipment for the new city hall. Information about capital asset activity can be found on page 44. Table 3 below compares the capital asset balances in each category for this and the previous fiscal year.



**Table 3**  
**Capital Assets**

Asset Type	2020	2019	Increase/ Decrease	Percentage Change (%)
Land and Easements	\$ 11,922,395	\$ 11,922,395	\$ -	0.0%
Buildings and Improvements	17,510,368	16,809,276	701,092	4.2%
Equipment and Vehicles	2,127,746	2,016,161	111,585	5.5%
Infrastructure	82,319,451	82,018,007	301,444	0.4%
Construction in Progress	678,614	520,717	157,897	30.3%
Total Capital Assets	114,558,574	113,286,556	1,272,018	1.1%
Accumulated Depreciation	(28,147,501)	(25,652,355)	(2,495,146)	9.7%
Capital Assets, Net of Depreciation	\$ 86,411,073	\$ 87,634,201	\$ (1,223,128)	-1.4%

**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 \$2,511,936) totaled \$30,088,375, a decrease of \$2,166,943 (6.7%) from 2019. 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. The result in the current year was a payoff of the SWRCB Loan AD 98-01 leaving only two sewer assessment loans outstanding.

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, decreased by \$20,932. The liability for employee leave benefits increased by \$55,217 over last year. More detailed information on long-term liabilities can be found on pages 45-49 and 51-62. Table 4 below provides a summary of the changes in the City's long-term liabilities.

**Table 4**  
**Long-Term Liabilities**

	2020	2019	Increase/ (Decrease)	Percentage Change (%)
SWRCB Loan AD 98-1	\$ -	\$ 417,791	\$ (417,791)	-100.0%
SWRCB Loan AD 02-1	4,139,105	4,909,638	(770,533)	-15.7%
SWRCB Loan AD 04-1	12,280,488	13,664,360	(1,383,872)	-10.1%
Ibank Financing Lease	4,964,150	4,964,150	-	0.0%
Employee Leave Benefits	404,643	349,426	55,217	15.8%
Total OPEB Liability	4,719,722	4,740,654	(20,932)	-0.4%
Net Pension Liability	3,580,267	3,209,299	370,968	11.6%
Long-Term Obligations	 \$ 30,088,375	 \$ 32,255,318	\$ (2,166,943)	-6.7%

#### **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, 2020, the General Fund balance was \$17,030,713, which totaled 121.1% of FY 2019-20 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 Alexander Kung, Director of Finance, City of La Cañada Flintridge, One Civic Center Drive, La Cañada Flintridge, California 91011-2137.



**This page intentionally left blank.**

## BASIC FINANCIAL STATEMENTS





**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**







**CITY OF LA CAÑADA FLINTRIDGE**  
**Statement of Net Position**  
**June 30, 2020**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 36,972,720
Accounts receivable	2,242,829
Interest receivable	170,212
Prepays	34,521
Loans receivable	97,119
Capital assets:	
Not being depreciated	12,601,009
Being depreciated (net of accumulated depreciation)	73,810,064
Total assets	<u>125,928,474</u>
<b>Deferred outflow of resources:</b>	
Deferred outflows related to pension	850,654
Deferred outflows related to OPEB	240,698
Total deferred outflows of resources	<u>1,091,352</u>
<b>Liabilities:</b>	
Accounts payable and accrued liabilities	3,186,643
Deposits payable	2,137,433
Unearned revenue	64,744
Interest payable	278,030
Long-term debt	
Due within one year	2,511,936
Due in more than one year:	
Long-term liabilities	19,276,450
Net pension liability	3,580,267
Total OPEB Liability:	4,719,722
Total liabilities	<u>35,755,225</u>
<b>Deferred inflow of resources:</b>	
Deferred inflows related to pension	151,603
Deferred inflows related to OPEB	355,896
Total deferred inflow of resources	<u>507,499</u>
<b>Net position:</b>	
Net investment in capital assets	64,002,809
Restricted for:	
Transit	2,346,883
Air quality improvements	273,839
Sewer improvements and operations	1,678,748
Debt service	12,887,191
Capital projects	570,317
Unrestricted	8,997,315
Total net position	<u><u>\$ 90,757,102</u></u>

See Accompanying Notes to Financial Statements.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2020**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense)</b>
		<b>Charges for</b>	<b>Operating</b>	<b>Capital</b>	<b>Revenue</b>
		<b>Services</b>	<b>Grants and</b>	<b>Grants and</b>	<b>and Change in</b>
			<b>Contributions</b>	<b>Contributions</b>	<b>Net Position</b>
					<b>Governmental</b>
					<b>Activities</b>
Governmental activities:					
General government	\$ 5,452,507	\$ 130,336	\$ -	\$ -	\$ (5,322,171)
Public safety	3,933,058	139,947	157,048	-	(3,636,063)
Community development	2,710,840	2,911,226	48,250	-	248,636
Public works	7,948,297	738,836	1,768,193	4,653,091	(788,177)
Interest	565,346	-	-	-	(565,346)
Total governmental activities	<u>\$ 20,610,048</u>	<u>\$ 3,920,345</u>	<u>\$ 1,973,491</u>	<u>\$ 4,653,091</u>	<u>(10,063,121)</u>
General revenues:					
Taxes:					
Property					8,606,227
Franchise					659,584
Real property transfer					274,576
Business operations					190,980
State shared revenues - unrestricted:					
Sales tax					2,893,363
Motor vehicle					16,306
Use of money and property					669,016
Other					141,852
Total general revenues					<u>13,451,904</u>
Change in net position					<u>3,388,783</u>
Net position, beginning of fiscal year					<u>87,368,319</u>
Net position, end of fiscal year					<u>\$ 90,757,102</u>

See Accompanying Notes to Financial Statements.

## FUND FINANCIAL STATEMENTS







**This page intentionally left blank.**

**CITY OF LA CAÑADA FLINTRIDGE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

		Sewer AD04-1 Debt Service	Sewer AD02-1 Debt Service	City Capital Projects
<b>Assets:</b>	<b>General</b>			
Cash and investments	\$ 18,962,674	\$ 7,859,225	\$ 4,706,455	\$ 430,960
Receivables:				
Accounts	881,191	-	-	467,527
Interest	105,415	-	-	-
Loans receivable	97,119	-	-	-
Due from other funds	177,732	-	-	-
Advances to other funds	995,104	-	-	-
Prepaid items	34,521	-	-	-
Total assets	<u>\$ 21,253,756</u>	<u>\$ 7,859,225</u>	<u>\$ 4,706,455</u>	<u>\$ 898,487</u>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,981,525	\$ -	\$ -	\$ 551,925
Deposits payable	2,137,433	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	64,744	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>4,183,702</u>	<u>-</u>	<u>-</u>	<u>551,925</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	39,341	-	-	465,356
Total deferred inflows of resources	<u>39,341</u>	<u>-</u>	<u>-</u>	<u>465,356</u>
<b>Fund balances (deficits):</b>				
Nonspendable:				
Prepays	34,521	-	-	-
Advances to other funds	995,104	-	-	-
Loans	97,119	-	-	-
Restricted:				
Transit	-	-	-	-
Air quality improvements	-	-	-	-
Sewer improvements and operations	-	-	-	-
Debt service	-	7,859,225	4,706,455	-
Committed:				
Property acquisition	-	-	-	-
Economic stabilization	1,000,000	-	-	-
Assigned:				
Capital projects	375,000	-	-	-
Tree Fund	161,518	-	-	-
Joint use projects	100,000	-	-	-
DAE fees	20,598	-	-	-
Other postemployment benefits	728,075	-	-	-
Capital reserve - sewer 02-1	100,000	-	-	-
Capital reserve - sewer 04-1	1,295,000	-	-	-
Disaster relief	1,500,000	-	-	-
Unassigned	10,623,778	-	-	(118,794)
Total fund balances (deficits)	<u>17,030,713</u>	<u>7,859,225</u>	<u>4,706,455</u>	<u>(118,794)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 21,253,756</u>	<u>\$ 7,859,225</u>	<u>\$ 4,706,455</u>	<u>\$ 898,487</u>

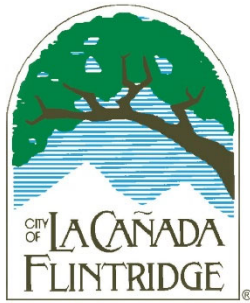
See Accompanying Notes to Financial Statements.

## CITY OF LA CAÑADA FLINTRIDGE

Balance Sheet  
Governmental Funds  
June 30, 2020

	Sewer Improvement AD02-1 Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and investments	\$ -	\$ 5,013,406	\$ 36,972,720
Receivables:			
Accounts	-	894,111	2,242,829
Interest	-	64,797	170,212
Loans receivable	-	-	97,119
Due from other funds	-	-	177,732
Advances to other funds	-	-	995,104
Prepaid items	-	-	34,521
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ -</u>	<u>\$ 5,972,314</u>	<u>\$ 40,690,237</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ -	\$ 653,193	\$ 3,186,643
Deposits payable	-	-	2,137,433
Due to other funds	-	177,732	177,732
Unearned revenue	-	-	64,744
Advances from other funds	995,104	-	995,104
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>995,104</u>	<u>830,925</u>	<u>6,561,656</u>
<b>Deferred inflows of resources:</b>			
Unavailable revenues	-	455,321	960,018
	<u>          </u>	<u>          </u>	<u>          </u>
Total deferred inflows of resources	<u>-</u>	<u>455,321</u>	<u>960,018</u>
<b>Fund balances (deficits):</b>			
Nonspendable:			
Prepays	-	-	34,521
Advances to other funds	-	-	995,104
Loans	-	-	97,119
Restricted:			
Transit	-	2,346,883	2,346,883
Air quality improvements	-	267,391	267,391
Sewer improvements	-	1,678,748	1,678,748
Debt service	-	256,714	12,822,394
Committed:			
Property acquisition	-	296,653	296,653
Economic stabilization	-	-	1,000,000
Assigned:			
Capital projects	-	-	375,000
Tree Fund	-	-	161,518
Joint use projects	-	-	100,000
DAE fees	-	-	20,598
Other postemployment benefits	-	-	728,075
Capital reserve - sewer 02-1	-	-	100,000
Capital reserve - sewer 04-1	-	-	1,295,000
Disaster relief	-	-	1,500,000
Unassigned	(995,104)	(160,321)	9,349,559
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances (deficits)	<u>(995,104)</u>	<u>4,686,068</u>	<u>33,168,563</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ -</u>	<u>\$ 5,972,314</u>	<u>\$ 40,690,237</u>

See Accompanying Notes to Financial Statements.



**This page intentionally left blank.**



**CITY OF LA CAÑADA FLINTRIDGE**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June, 30, 2020**

Fund balances for governmental funds	\$ 33,168,563
--------------------------------------	---------------

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	\$ 12,601,009	
Capital assets being depreciated	101,957,565	
Accumulated depreciation	<u>(28,147,501)</u>	86,411,073

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.

960,018

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

(278,030)

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	\$ (16,419,593)	
Ibank Financing Lease	(4,964,150)	
Employee leave benefits	<u>(404,643)</u>	(21,788,386)

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	\$ (3,580,267)	
Total OPEB liability	(4,719,722)	
Deferred outflows of resources related to pensions	850,654	
Deferred outflows of resources related to OPEB	240,698	
Deferred inflows of resources related to pensions	(151,603)	
Deferred inflows of resources related to OPEB	<u>(355,896)</u>	<u>(7,716,136)</u>

Net position of governmental activities	<u>\$ 90,757,102</u>
---	----------------------

See Accompanying Notes to Financial Statements.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>General</b>	<b>Sewer AD04-1 Debt Service</b>	<b>Sewer AD02-1 Debt Service</b>	<b>City Capital Projects</b>
<b>Revenues:</b>				
Taxes	\$ 12,624,730	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, forfeitures and penalties	90,177	-	-	-
From other agencies	35,796	-	-	13,902
Charges for services	3,748,922	-	-	-
Use of money and property	510,921	179,422	115,044	-
Other revenue	151,256	-	-	-
Total revenues	<u>17,161,802</u>	<u>179,422</u>	<u>115,044</u>	<u>13,902</u>
<b>Expenditures:</b>				
Current:				
General government	4,423,459	-	-	-
Public safety	3,709,885	-	-	-
Community development	2,490,494	-	-	-
Public works	3,253,489	1,250	-	-
Capital outlay	187,296	-	-	1,389,077
Debt service:				
Principal retirement	-	1,383,872	770,533	-
Interest and other charges	-	314,281	117,831	-
Total expenditures	<u>14,064,623</u>	<u>1,699,403</u>	<u>888,364</u>	<u>1,389,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,097,179</u>	<u>(1,519,981)</u>	<u>(773,320)</u>	<u>(1,375,175)</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,029,306	1,824,058	978,317	892,610
Transfers out	(886,936)	-	-	(877,350)
Total other financing sources (uses)	<u>142,370</u>	<u>1,824,058</u>	<u>978,317</u>	<u>15,260</u>
Net change in fund balances	3,239,549	304,077	204,997	(1,359,915)
Fund balances (deficits), beginning of fiscal year	<u>13,791,164</u>	<u>7,555,148</u>	<u>4,501,458</u>	<u>1,241,121</u>
Fund balances (deficits), end of fiscal year	<u><u>\$ 17,030,713</u></u>	<u><u>\$ 7,859,225</u></u>	<u><u>\$ 4,706,455</u></u>	<u><u>\$ (118,794)</u></u>

See Accompanying Notes to Financial Statements.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**

	Sewer Improvement AD02-1 Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ -	\$ 5,400	\$ 12,630,130
Assessments	-	2,790,005	2,790,005
Fines, forfeitures and penalties	-	86,606	176,783
From other agencies	-	2,373,606	2,423,304
Charges for services	-	353,584	4,102,506
Use of money and property	-	135,463	940,850
Other revenue	-	-	151,256
	<hr/>	<hr/>	<hr/>
Total revenues	-	5,744,664	23,214,834
<b>Expenditures:</b>			
Current:			
General government	-	-	4,423,459
Public safety	-	199,044	3,908,929
Community development	-	48,250	2,538,744
Public works	-	1,690,931	4,945,670
Capital outlay	-	691,577	2,267,950
Debt service:			
Principal retirement	-	417,791	2,572,196
Interest and other charges	-	128,364	560,476
	<hr/>	<hr/>	<hr/>
Total expenditures	-	3,175,957	21,217,424
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	2,568,707	1,997,410
	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses):</b>			
Transfers in	-	345,267	5,069,558
Transfers out	-	(3,305,272)	(5,069,558)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	(2,960,005)	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	(391,298)	1,997,410
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of fiscal year	(995,104)	5,077,366	31,171,153
	<hr/>	<hr/>	<hr/>
Fund balances, end of fiscal year	\$ (995,104)	\$ 4,686,068	\$ 33,168,563
	<hr/> <hr/>	<hr/> <hr/>	<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, 2020**

Net change in fund balances - total governmental funds: \$ 1,997,410

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	\$ 1,272,018	
Depreciation expense	<u>(2,495,146)</u>	(1,223,128)

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		(4,870)
----------------------------	--	---------

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.

783,997

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	\$ 2,572,196	
Change in employee leave benefits, net	<u>(55,217)</u>	2,516,979

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.

(450,190)

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.

(231,415)

Change in net position of governmental activities:

\$ 3,388,783

See Accompanying Notes to Financial Statements.

## NOTES TO FINANCIAL STATEMENTS





**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(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 in the government-wide 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, 2020. 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, 2020. 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, 2020**

**(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, 2020**

**(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, 2020**

**(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.

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.

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.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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

**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.

**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, 2020 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, 2020**

**(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 reports 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) 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 outflows 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 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, revenues from other agencies, investment income, and charges for services. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows 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 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 inflows related to OPEB resulting from differences between actual and expected experiences and 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, 2020**

**(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, 2020.

**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 and capital related payables 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, 2020**

**(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.

The City has a committed stabilization arrangement in the amount of \$1 million that can be used only when either City operating revenues decrease, or operating expenditures increase, by 15% or more from budgeted levels, or in the event of a declared emergency or disaster of having 50% of budgeted operating revenues available.

*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, 2020, this reserve totals \$8,146,900.

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, 2020**

**(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 95 - In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authority Guidance*, which was effective immediately. This Statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and postponed the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

GASB 97 - In June 2020, GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84*, and a supersession of GASB Statement No. 32. Paragraph 4 of this Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

Paragraph 5 of this Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively.

The requirements of these paragraphs did not impact the City.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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

**12. Future Accounting Pronouncements**

GASB has issued the following statements, which may impact the City's financial reporting requirements in the future. The City is currently evaluating the potential impact of these statements:

GASB 84 - In January 2017, GASB issued Statement No. 84 – *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, early application is encouraged.

GASB 87 - In June 2017, GASB issued Statement No. 87 – *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset for leases with a term of more than 12 months. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. For leases with a term of 12 months or less, lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, early application is encouraged.



**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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

**12. Future Accounting Pronouncements (Continued)**

In January 2020, GASB issued Statement No. 92 – *Omnibus 2020*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to leases, fiduciary activities, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.

The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In June 2020, GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84*, and a supersession of GASB Statement No. 32. Paragraph 6 through 9 of this Statement requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of paragraph 6 through 9 of this Statement are effective for fiscal years beginning after June 15, 2021. Earlier application of these requirements is encouraged and permitted.

This Statement supersedes the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances. The requirements of paragraph 3 of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(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 fund had expenditures in excess of appropriations for the fiscal year ended June 30, 2020:

Fund	Type of Fund	Final Budget	Actual	Amount over Budget
<b>Nonmajor Fund:</b>				
State Gasoline Tax	Special Revenue	\$ 620,875	\$ 788,116	\$ 167,241

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, 2020:

Fund	Type of Fund	Deficit
<b>Major Funds:</b>		
City Capital Projects	Capital Projects	\$ (118,794)
Sewer Improvement AD02-1	Capital Projects	(995,104)
<b>Nonmajor Funds:</b>		
Bonds and Grants	Special Revenue	(39,481)
Measure W	Special Revenue	(120,840)

The City Capital Projects Capital Projects Fund deficit will be eliminated through future transfers from other funds. The Sewer Improvement AD02-1 Capital Projects Fund deficit will be eliminated through future sewer assessment revenue. The Nonmajor Bonds and Grants and Measure W Special Revenue Funds deficit will be eliminated through future grant reimbursements and revenue from other agencies.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(3) DETAILED NOTES ON ALL FUNDS**

***(a) Cash and Investments***

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	<u>\$ 36,972,720</u>
Total cash and investments	<u><u>\$ 36,972,720</u></u>

Cash and investments as of June 30, 2020 consist of the following:

Cash on hand	\$ 1,034
Deposits with financial institutions	548,943
Investments	<u>36,422,743</u>
Total cash and investments	<u><u>\$ 36,972,720</u></u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(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%	\$75 million	\$75 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, 2020**

**(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	\$ 4,982,050	\$ 4,982,050	\$ -	\$ -
LAIF	16,632,532	16,632,532	-	-
US Treasury Securities	1,005,156	1,005,156	-	-
Federal Agency Securities	9,095,711	1,005,461	2,043,465	6,046,785
Corporate Medium Term Notes	4,707,294	2,528,163	-	2,179,131
				-
Total	<u>\$ 36,422,743</u>	<u>\$ 26,153,362</u>	<u>\$ 2,043,465</u>	<u>\$ 8,225,916</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	\$ 4,982,050	N/A	\$ 4,982,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LAIF	16,632,532	N/A	-	-	-	-	-	-	16,632,532
US Treasury Securities	1,005,156	N/A	-	1,005,156	-	-	-	-	-
Federal Agency Securities	9,095,711	N/A	-	9,095,711	-	-	-	-	-
Corporate Medium Term Notes	4,707,294	A	503,343	552,474	510,502	540,522	1,554,111	1,046,342	-
Total	<u>\$ 36,422,743</u>		<u>\$ 5,485,393</u>	<u>\$ 10,653,341</u>	<u>\$ 510,502</u>	<u>\$ 540,522</u>	<u>\$ 1,554,111</u>	<u>\$ 1,046,342</u>	<u>\$ 16,632,532</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(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		
Fannie Mae Agency Notes	Federal agency securities	\$ 2,039,079	2023-2025	0.8% - 2.0%
Federal Farm Credit Bank	Federal agency securities	2,999,911	2024-2025	0.8% - 1.0%
Federal Home Loan Mortgage	Federal agency securities	2,018,234	2022-2025	1.1% - 2.0%

***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 fair 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, 2020, 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, 2020**

**(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, 2020:

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	\$ 1,005,156	\$ -	\$ 1,005,156	\$ -
Federal Agency Securities	9,095,711	-	9,095,711	-
Corporate Medium Term Notes	4,707,294	-	4,707,294	-
Total Leveled Investments	14,808,161	\$ -	\$ 14,808,161	\$ -
Money Market Mutual Funds*	4,982,050			
LAIF*	16,632,532			
Total Investment Portfolio	\$ 36,422,743			

\* Not subject to fair value measurement hierarchy.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

The composition of interfund balances as of June 30, 2020, 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	\$ 177,732	\$ -
Nonmajor Special Revenue Funds:		
Traffic Safety Fund	-	7,369
Community Development Block Grant Fund	-	40,450
Sewer Redemption AD02-1 Fund	-	9,331
Sewer Redemption AD04-1 Fund	-	34,501
Measure W	-	86,081
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 177,732</u>	<u>\$ 177,732</u>

The purpose of Due to/Due from is to eliminate negative cash balances at fiscal year-end in various funds.

Advances to/from other funds:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
Major Funds:		
General Fund	\$ 995,104	\$ -
Sewer Improvement AD02-1 Capital Projects Fund	-	995,104
	<u>                    </u>	<u>                    </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, 2020; 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, 2020**

**(3) DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

Transfers In/Transfers Out:

Transfers In	Transfers Out			
	General Fund	City Capital Projects	Nonmajor Funds	Total
General Fund	\$ -	\$ 877,350	\$ 151,956	\$ 1,029,306
Sewer AD04-1 Debt Service Fund	-	-	1,824,058	1,824,058
Sewer AD02-1 Debt Service Fund	-	-	978,317	978,317
City Capital Projects Capital Projects Fund	541,669	-	350,941	892,610
Nonmajor Funds	345,267	-	-	345,267
Total	<u>\$ 886,936</u>	<u>\$ 877,350</u>	<u>\$ 3,305,272</u>	<u>\$ 5,069,558</u>

Transfers to the City Capital Projects Capital Projects Fund of \$541,669 from the General Fund were used for the following capital projects: \$240,177 for the Padres Trail Basin Drainage Improvement; \$96,642 for the Chevy Chase Drainage Improvement; \$28,850 for the Lease Space West Entry; \$176,000 for miscellaneous drainage improvements. Interfund transfers of \$877,350 from the City Capital Projects Capital Projects Fund to the General Fund were to return unused capital projects funding to the General Fund.

Transfers to the Nonmajor Funds from the General Fund consisted of \$162,771 for street sweeping, \$41,721 for traffic investigator, and \$140,775 for Ibank financing loan interest totaling \$345,267. Transfers to the General Fund from nonmajor funds included \$76,658 of law enforcement costs and \$75,298 of administrative costs for a total of \$151,956.

Transfers of \$1,824,058 and \$978,317 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 \$350,941 from the nonmajor funds to the City Capital Projects Capital Projects Fund were for street resurface and slurry seal, Foothill Boulevard Link Project, and Foothill Boulevard Restriping Project.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(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, 2020 is as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Governmental activities:				
Capital assets, not being depreciated:				
Land and easements	\$ 11,922,395	\$ -	\$ -	\$ 11,922,395
Construction in progress	520,717	534,495	(376,598)	678,614
Total capital assets, not being depreciated	<u>12,443,112</u>	<u>534,495</u>	<u>(376,598)</u>	<u>12,601,009</u>
Capital assets, being depreciated:				
Buildings	16,334,797	701,092	-	17,035,889
Improvements other than buildings	474,479	-	-	474,479
Equipment	972,571	111,585	-	1,084,156
Vehicles	1,043,590	-	-	1,043,590
Infrastructure	82,018,007	301,444	-	82,319,451
Total capital assets, being depreciated	<u>100,843,444</u>	<u>1,114,121</u>	<u>-</u>	<u>101,957,565</u>
Less accumulated depreciation:				
Buildings	(1,819,175)	(349,063)	-	(2,168,238)
Improvements other than buildings	(380,565)	(27,800)	-	(408,365)
Equipment	(583,050)	(88,067)	-	(671,117)
Vehicles	(641,644)	(65,180)	-	(706,824)
Infrastructure	(22,227,921)	(1,965,036)	-	(24,192,957)
Total accumulated depreciation	<u>(25,652,355)</u>	<u>(2,495,146)</u>	<u>-</u>	<u>(28,147,501)</u>
Total capital assets, being depreciated, net	<u>75,191,089</u>	<u>(1,381,025)</u>	<u>-</u>	<u>73,810,064</u>
Total governmental activities capital assets, net	<u>\$ 87,634,201</u>	<u>\$ (846,530)</u>	<u>\$ (376,598)</u>	<u>\$ 86,411,073</u>

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

Governmental activities:	
General government	\$ 479,600
Community development	8,851
Public works	<u>2,006,695</u>
Total	<u>\$ 2,495,146</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(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, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
<i>Direct Borrowings and Placements:</i>					
Loans Payable	\$ 18,991,789	\$ -	\$ 2,572,196	\$ 16,419,593	\$ 2,204,726
IBank Financing Lease	4,964,150	-	-	4,964,150	106,236
<i>Other Long-Term Liabilities:</i>					
Employee Leave Benefits	349,426	256,191	200,974	404,643	200,974
Total	<u>\$ 24,305,365</u>	<u>\$ 256,191</u>	<u>\$ 2,773,170</u>	<u>\$ 21,788,386</u>	<u>\$ 2,511,936</u>

Legal Debt Margin

The City's legal debt margin is 15% of the gross assessed valuation, which is \$1,329,393,435 for the fiscal year ended June 30, 2020.

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, 2020 is \$0 as this loan was fully repaid during the fiscal year ended June 30, 2020.

The City was required to collect sufficient revenue to provide reasonable assurance of the repayment of the loan. These revenues consisted of special assessments against the parcels in Assessment District 98-1. For the year ended June 30, 2020, there were no revenues collected for the total debt service payments made of \$417,791 since all revenues had been collected in previous years to make the final payment required. Debt service payments are recorded in the Nonmajor Sewer AD98-1 Debt Service Fund.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(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, 2020 is \$4,139,105.

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, 2020, total revenues collected are \$976,147 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, 2020, are as follows:

Fiscal year ending June 30,	Principal	Interest
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>\$ 4,139,105</u>	<u>\$ 302,727</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 \$100,000, 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, 2020**

**(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, 2020 is \$12,280,488.

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, 2020, total revenues collected are \$1,813,858 as compared to the total debt service payments made of \$1,698,153. 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, 2020, are as follows:

Fiscal year ending June 30,	Principal	Interest
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	1,550,508	147,644
2026-2028	4,868,797	225,662
Totals	<u>\$ 12,280,488</u>	<u>\$ 1,304,731</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 \$1,295,000, which is included in the assigned fund balance of the general fund in the governmental funds balance sheet as capital reserve - sewer 04-1.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(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, 2020, the City has not drawn down \$304,538 of the loan proceeds, which is shown as an accounts receivable in the Property Acquisition Capital Projects Fund in the nonmajor governmental funds combining 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:

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

The annual payments required for the financing lease as of June 30, 2020, are as follows:

<b>Fiscal year ending June 30,</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ 106,236	\$ 172,536
2022	109,646	168,753
2023	113,166	164,848
2024	116,799	160,817
2025	120,548	156,658
2026-2030	663,328	716,064
2031-2035	776,851	590,111
2036-2040	909,801	442,601
2041-2045	1,065,505	269,846
2046-2049	982,270	71,790
<b>Totals</b>	<b>\$ 4,964,150</b>	<b>\$ 2,914,024</b>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(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 118 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, 2020**

**(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 2019-20, the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**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 \$16,772,778. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance - The City 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 \$8,395,350. 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, 2020**

**(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 2019-20.

***(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 1959 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, 2020**

**(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, 2019, 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	9.409%	6.842%
Payment of unfunded liability	\$ 159,550	\$ 897

**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**

The City's proportionate share of the net pension liability for each Plan as of the measurement dates ended June 30, 2018 and 2019 was as follows:

	Miscellaneous
Proportion - June 30, 2018	0.08516%
Proportion - June 30, 2019	0.08941%
Change - Increase (Decrease)	0.00425%

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(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, 2019, 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, 2018 rolled forward to June 30, 2019 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.

As of the measurement date June 30, 2019, the City reported net pension liabilities for its proportionate shares of the net pension liability of all Plans as follows:

Miscellaneous - Proportionate Share of Net Pension Liability	\$ 3,580,267
--	--------------

For the year ended June 30, 2020, the City recognized pension expense of \$872,153. At June 30, 2020, 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	\$ 421,967	\$ -
Differences between actual and expected experience	248,665	(19,267)
Change in assumptions	170,724	(60,520)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	9,298	(9,222)
Net differences between projected and actual earnings on plan investments	-	(62,594)
Total	\$ 850,654	\$ (151,603)

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(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)**

\$421,967 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, 2021. 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
2021	\$ 263,506
2022	(26,883)
2023	27,811
2024	12,650
2025	-
Thereafter	-

**Actuarial Assumptions**

The total pension liability for the June 30, 2019 measurement period was determined by an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension liability to June 30, 2019. The total pension liability was based on the following assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
<b>Actuarial Assumptions:</b>	
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 probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

(3) The less of contract COLA or 2.50% 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, 2020**

**(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, 2020**

**(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	\$ 5,846,803
Current Discount Rate	7.15%
Net Pension Liability	\$ 3,580,267
1% Increase	8.15%
Net Pension Liability	\$ 1,709,402

**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, 2020, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(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 \$136 per month in 2019, \$139 per month in 2020, 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 2019-2020, the City paid \$134,449 for current premiums, which is equal to the total payments made to the Plan. The City has not established an irrevocable trust fund for prefunding of the OPEB plan.

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

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(4) OTHER INFORMATION (CONTINUED)**

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

Employees Covered (Continued)

As of the June 30, 2020 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Inactive employees or beneficiaries currently receiving benefits	23
Inactive employees or beneficiaries entitled to but not yet receiving benefits	1
Active employees	29
	53

Total OPEB Liability and Actuarial Assumptions

The City's total OPEB liability of \$4,719,722 was measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2020. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Fair value
Actuarial Assumptions:	
Discount Rate	2.66%
Inflation	2.75%
Payroll Increases	2.75%
Healthcare Trend Rates	6.5% for 2020, decreasing by decrements of 0.25% to an ultimate rate of 4.5% in 2028 and later years
Mortality Factors	According to the post-retirement and pre-retirement mortality rates under the most recent CalPERS pension plan experience study (2017).
Retirement Rates	According to the retirement rates under the most recent CalPERS pension plan experience study (2017) 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, 2020**

**(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 2.66% and was determined using the highest, 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, 2020.

Change in Actuarial Assumptions

The discount rate utilized for the June 30, 2019 measurement date was 3.15% as compared to the discount rate utilized for the June 30, 2020 measurement date of 2.66%. The discount rate was changed to reflect the change from using the highest 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 to June 30, 2020. In addition, the payroll increase was changed from 3.00% to 2.75% for the measurement dates ended June 30, 2019 and 2020, respectively. Also, the measurement date ended June 30, 2019, contained a healthcare cost trend rate as follows: 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. The healthcare cost trend rate for the measurement date ended June 30, 2020 was 6.5% for 2020, decreasing by decrements of 0.25%, to an ultimate rate of 4.5% in 2028 and later years.

Changes in the Total OPEB Liability

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

	<u>Increase (Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
<b>Balance at June 30, 2019 (Measurement Date)</b>	<b>\$ 4,740,654</b>
<b>Changes in the Year:</b>	
Service cost	213,555
Interest on the total OPEB liability	153,940
Differences between actual and expected experience	(409,009)
Changes in assumptions	155,031
Benefit payments	(134,449)
<b>Net Changes</b>	<b>(20,932)</b>
<b>Balance at June 30, 2020 (Measurement Date)</b>	<b>\$ 4,719,722</b>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(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 (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB Liability	\$ 5,460,626	\$ 4,719,722	\$ 4,123,777

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 (5.5% decreasing to 3.5%)	Current Healthcare Cost Trend Rate (6.5% decreasing to 4.5%)	1% Increase (7.5% decreasing to 5.5%)
Total OPEB Liability	\$ 4,083,534	\$ 4,719,722	\$ 5,524,027

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, 2020**

**(4) OTHER INFORMATION (CONTINUED)**

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

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

For the year ended June 30, 2020, the City recognized OPEB expenses of \$365,864. At June 30, 2020, 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
Differences between actual and expected experience	-	(340,841)
Changes in assumptions	\$ 240,698	\$ (15,055)
Total	<u>\$ 240,698</u>	<u>\$ (355,896)</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
2021	\$ (1,631)
2022	13,423
2023	(42,330)
2024	(42,330)
2025	(42,330)
Thereafter	-

Payable to the OPEB Plan

At June 30, 2020, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2020.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(4) OTHER INFORMATION (CONTINUED)**

***(d) Lease***

On July 1, 2019, the City (lessor) entered into a lease with Citizens Business Bank (lessee) to rent out a portion of City Hall. The lease term is for 87 months, commencing October 1, 2019, and the lessee has one option to extend the initial term for three years. Future minimum rental payments to be received from the lease are contractually due as follows as of June 30, 2020:

Fiscal year ending June 30,	Principal
2021	\$ 62,203
2022	104,684
2023	107,824
2024	111,059
2025	114,391
Thereafter	178,056
Totals	<u>\$ 678,217</u>

The capital assets utilized by the above lease consist of land and buildings and improvements at City Hall. These assets are not segregated between City use and rental properties and so the cost and accumulated depreciation of the assets involved in this lease are not readily available. Rental revenue, recorded in the General Fund, is \$8,283 for the year ended June 30, 2020. Rental revenue for fiscal years 2019-2020 and 2020-2021 has been reduced to reflect capital improvements made by the lessee.

**(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.

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of an outbreak of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks that is posed to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Notes to the Financial Statements**  
**June 30, 2020**

**(5) COMMITMENTS AND CONTINGENCIES (CONTINUED)**

The City's operations are heavily dependent on the ability to raise sales taxes, property taxes and assess business licenses, developer fees and construction permits. Additionally, access to grants and contracts from federal, state, and local governments may decrease or may not be available depending on appropriations. The outbreak may have a continued adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation is expected to depress the tax bases and other areas in which the City received revenue during fiscal year 2021. The outbreak could also have other potential impacts, including disruptions or restrictions on employees' ability to work. As such, this may hinder the liability for the City to meet the needs of its constituents. The City cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time; however, if the pandemic continues, it may have an effect on the City's results of future operations and financial position in fiscal year 2021.

**(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 (5<sup>th</sup> 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, 2020, the City contributed \$5,750 for the AVCJPA's operations. Separate financial statements for AVCJPA are available by contacting the City of La Cañada Flintridge's finance department.



**This page intentionally left blank.**

## REQUIRED SUPPLEMENTARY INFORMATION







**CITY OF LA CAÑADA FLINTRIDGE**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Last Ten Fiscal Years\***

	<u>Miscellaneous</u>
Fiscal year ended	<u>June 30, 2020</u>
Measurement period	June 30, 2019
Plan's proportion of the net pension liability	0.08941%
Plan's proportionate share of the net pension liability	\$ 3,580,267
Plan's covered payroll	\$ 2,742,605
Plan's proportionate share of the net pension liability as a percentage of covered payroll	130.54%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	75.26%
Plan's proportionate share of aggregate employer contributions	\$ 549,894

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.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

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

**CITY OF LA CAÑADA FLINTRIDGE**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)**

**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	0.08516%	0.08297%	0.07906%	0.07281%	0.07777%
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.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

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

## CITY OF LA CAÑADA FLINTRIDGE

## SCHEDULE OF CONTRIBUTIONS

## Last Ten Fiscal Years\*

	Miscellaneous
Fiscal year ended	<u>June 30, 2020</u>
Contractually required contribution (actuarially determined)	\$ 421,967
Contributions in relation to the actuarially determined contributions	<u>(421,967)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 2,908,009
Contributions as a percentage of covered payroll	14.51%
Notes to Schedule:	
Valuation Date	6/30/2017
<b>Methods and Assumptions Used to Determine Contribution Rates:</b>	
Actuarial cost method	Entry age
Amortization method	(1)
Asset valuation method	Fair Value
Inflation	2.625%
Salary increases	(2)
Investment rate of return	7.25% (3)
Retirement age	(4)
Mortality	(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 six years are shown.

**CITY OF LA CAÑADA FLINTRIDGE**

**SCHEDULE OF CONTRIBUTIONS (CONTINUED)**

**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
----------------	-----------	-----------	-----------	-----------	-----------

**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	Fair Value	Fair Value	Fair Value	Fair 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 six 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, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Measurement period	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability:			
Service cost	\$ 213,555	\$ 192,251	\$ 189,882
Interest on total OPEB liability	153,940	154,703	144,626
Differences between expected and actual experience	(409,009)	-	-
Changes in assumptions	155,031	223,014	(60,223)
Benefit payments, including refunds of member contributions	(134,449)	(114,311)	(106,202)
Net Change in Total OPEB Liability	<u>(20,932)</u>	<u>455,657</u>	<u>168,083</u>
Total OPEB Liability - Beginning of Year	<u>4,740,654</u>	<u>4,284,997</u>	<u>4,116,914</u>
Total OPEB Liability - End of Year (a)	<u>\$ 4,719,722</u>	<u>\$ 4,740,654</u>	<u>\$ 4,284,997</u>
Covered-employee payroll	\$ 2,504,640	\$ 2,310,002	\$ 2,385,402
Total OPEB liability as percentage of covered-employee payroll	188.44%	205.22%	179.63%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The following are assumptions that have changed over the years included above:

Discount rate	2.66%	3.15%	3.50%
Payroll increase	2.75%	3.00%	3.00%
Healthcare cost trend rate	(2)	(1)	(1)

(1) 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.

(2) 6.5% for 2020, decreasing by decrements of 0.25% to an ultimate rate of 4.5% in 2028 and later years.

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

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Taxes	\$ 11,938,100	\$ 12,273,100	\$ 12,624,730	\$ 351,630
Fines, forfeitures and penalties	97,250	97,250	90,177	(7,073)
From other agencies	30,650	26,450	35,796	9,346
Charges for services	3,264,275	3,269,250	3,748,922	479,672
Use of money and property	627,150	575,750	510,921	(64,829)
Other revenue	177,475	52,000	151,256	99,256
Total revenues	16,134,900	16,293,800	17,161,802	868,002
<b>Expenditures:</b>				
Current:				
General government	4,776,150	4,847,525	4,423,459	424,066
Public safety	4,394,600	4,413,125	3,709,885	703,240
Community development	3,009,525	2,808,825	2,490,494	318,331
Public works	3,343,525	3,449,075	3,253,489	195,586
Capital outlay	300,425	349,725	187,296	162,429
Total expenditures	15,824,225	15,868,275	14,064,623	1,803,652
Excess of revenues over expenditures	310,675	425,525	3,097,179	2,671,654
<b>Other financing sources (uses):</b>				
Transfers in	103,875	981,225	1,029,306	48,081
Transfers out	(364,875)	(1,347,075)	(886,936)	460,139
Total other financing sources (uses)	(261,000)	(365,850)	142,370	508,220
Net change in fund balance	49,675	59,675	3,239,549	3,179,874
Fund balance, beginning of fiscal year	13,791,164	13,791,164	13,791,164	-
Fund balance, end of fiscal year	<u>\$ 13,840,839</u>	<u>\$ 13,850,839</u>	<u>\$ 17,030,713</u>	<u>\$ 3,179,874</u>

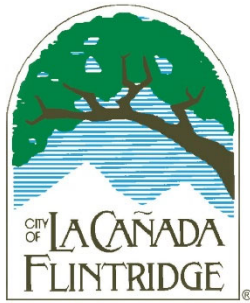
See Accompanying Note to Required Supplementary Information.

**CITY OF LA CAÑADA FLINTRIDGE**  
**Note to Required Supplementary Information**  
**June 30, 2020**

**(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.



**This page intentionally left blank.**



## 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, 2020**

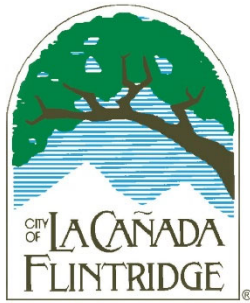
	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Use of money and property	\$ 125,700	\$ 125,700	\$ 179,422	\$ 53,722
Total revenues	125,700	125,700	179,422	53,722
<b>Expenditures:</b>				
Current:				
Public works	1,250	1,250	1,250	-
Debt service:				
Principal retirement	1,383,875	1,383,875	1,383,872	3
Interest and other charges	314,300	314,300	314,281	19
Total expenditures	1,699,425	1,699,425	1,699,403	22
Excess (deficiency) of revenues over (under) expenditures	(1,573,725)	(1,573,725)	(1,519,981)	53,744
<b>Other financing sources:</b>				
Transfers in	1,808,250	1,808,250	1,824,058	15,808
Total other financing sources	1,808,250	1,808,250	1,824,058	15,808
Net change in fund balance	234,525	234,525	304,077	69,552
Fund balance, beginning of fiscal year	7,555,148	7,555,148	7,555,148	-
Fund balance, end of fiscal year	<u>\$ 7,789,673</u>	<u>\$ 7,789,673</u>	<u>\$ 7,859,225</u>	<u>\$ 69,552</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Sewer AD02-1 Debt Service Fund - Major Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Use of money and property	\$ 71,500	\$ 71,500	\$ 115,044	\$ 43,544
Total revenues	71,500	71,500	115,044	43,544
<b>Expenditures:</b>				
Debt service:				
Principal retirement	770,525	770,525	770,533	(8)
Interest and other charges	125,375	125,375	117,831	7,544
Total expenditures	895,900	895,900	888,364	7,536
Excess (deficiency) of revenues over (under) expenditures	(824,400)	(824,400)	(773,320)	51,080
<b>Other financing sources:</b>				
Transfers in	963,500	963,500	978,317	14,817
Total other financing sources	963,500	963,500	978,317	14,817
Net change in fund balance	139,100	139,100	204,997	65,897
Fund balance, beginning of fiscal year	4,501,458	4,501,458	4,501,458	-
Fund balance, end of fiscal year	<u>\$ 4,640,558</u>	<u>\$ 4,640,558</u>	<u>\$ 4,706,455</u>	<u>\$ 65,897</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**City Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive (Negative)</b>
<b>Revenues:</b>				
From other agencies	\$ 4,636,700	\$ 5,791,100	\$ 13,902	\$ (5,777,198)
Total revenues	4,636,700	5,791,100	13,902	(5,777,198)
<b>Expenditures:</b>				
Capital outlay	8,067,500	9,385,175	1,389,077	7,996,098
Total expenditures	8,067,500	9,385,175	1,389,077	7,996,098
Excess (deficiency) of revenues over (under) expenditures	(3,430,800)	(3,594,075)	(1,375,175)	2,218,900
<b>Other financing sources (uses):</b>				
Transfers in	1,099,250	2,131,450	892,610	(1,238,840)
Transfers out	-	(877,350)	(877,350)	-
Total other financing sources (uses)	1,099,250	1,254,100	15,260	(1,238,840)
Net change in fund balance	(2,331,550)	(2,339,975)	(1,359,915)	980,060
Fund balance, beginning of fiscal year	1,241,121	1,241,121	1,241,121	-
Fund balance (deficit), end of fiscal year	\$ (1,090,429)	\$ (1,098,854)	\$ (118,794)	\$ 980,060



**This page intentionally left blank.**



**COMBINING AND INDIVIDUAL  
FUND STATEMENTS  
AND SCHEDULES**





# CITY OF LA CAÑADA FLINTRIDGE

June 30, 2020

## 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 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.

**CITY OF LA CAÑADA FLINTRIDGE**

**June 30, 2020**

**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.

Measure W - To account for receipt and disbursement of funds derived from a voter approved increase of 0.5% on sales tax within the County of Los Angeles to improve freeway traffic flow or traffic safety, repair potholes, sidewalk repairs, repave local streets, earthquake retrofit bridges, synchronize signals and expand, rail, subways, and bus systems.

**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.

Civic Center Debt Service Fund - To account for payment of interest and principal on the debt of IBank Financing Lease.

**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.

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

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, 2020**

	<b>Special Revenue Funds</b>			
	<b>Traffic Safety</b>	<b>State Gasoline Tax</b>	<b>Bonds and Grants</b>	<b>TDA</b>
<b>Assets:</b>				
Cash and investments	\$ -	\$ 315,234	\$ 12,366	\$ -
Receivables:				
Accounts	7,369	97,734	64,076	-
Interest	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 7,369</u>	<u>\$ 412,968</u>	<u>\$ 76,442</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ 126,502	\$ 51,847	\$ -
Due to other funds	7,369	-	-	-
	<u>7,369</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>7,369</u>	<u>126,502</u>	<u>51,847</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	64,076	-
	<u>-</u>	<u>-</u>	<u>64,076</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>64,076</u>	<u>-</u>
<b>Fund balances (deficits):</b>				
Restricted:				
Transit	-	286,466	-	-
Air quality improvements	-	-	-	-
Sewer improvements and operations	-	-	-	-
Debt service	-	-	-	-
Committed:				
Property acquisition	-	-	-	-
Unassigned	-	-	(39,481)	-
	<u>-</u>	<u>-</u>	<u>(39,481)</u>	<u>-</u>
Total fund balances (deficits)	<u>-</u>	<u>286,466</u>	<u>(39,481)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 7,369</u>	<u>\$ 412,968</u>	<u>\$ 76,442</u>	<u>\$ -</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**  
**(Continued)**

	<b>Special Revenue Funds</b>			
	<b>Proposition C Transit Tax</b>	<b>Proposition A Transit Tax</b>	<b>Community Development Block Grant</b>	<b>State/ Federal Law Enforcement Supplemental Funds</b>
<b>Assets:</b>				
Cash and investments	\$ 1,049,542	\$ 581,018	\$ -	\$ 31,317
Receivables:				
Accounts	-	-	44,730	-
Interest	-	-	-	-
Total assets	<u>\$ 1,049,542</u>	<u>\$ 581,018</u>	<u>\$ 44,730</u>	<u>\$ 31,317</u>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 29,575	\$ 49,129	\$ 4,280	\$ 31,317
Due to other funds	-	-	40,450	-
Total liabilities	<u>29,575</u>	<u>49,129</u>	<u>44,730</u>	<u>31,317</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits):</b>				
Restricted:				
Transit	1,019,967	531,889	-	-
Air quality improvements	-	-	-	-
Sewer improvements and operations	-	-	-	-
Debt service reserve	-	-	-	-
Committed:				
Property acquisition	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>1,019,967</u>	<u>531,889</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,049,542</u>	<u>\$ 581,018</u>	<u>\$ 44,730</u>	<u>\$ 31,317</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**  
**(Continued)**

	<b>Special Revenue Funds</b>			
	<b>AQMD Trust</b>	<b>Sanitation</b>	<b>Sewer Redemption AD02-1</b>	<b>Sewer Redemption AD04-1</b>
<b>Assets:</b>				
Cash and investments	\$ 267,391	\$ -	\$ -	\$ -
Receivables:				
Accounts	6,448	-	9,331	34,501
Interest	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 273,839</u>	<u>\$ -</u>	<u>\$ 9,331</u>	<u>\$ 34,501</u>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	9,331	34,501
	<u>-</u>	<u>-</u>	<u>9,331</u>	<u>34,501</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>9,331</u>	<u>34,501</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	6,448	-	-	-
	<u>6,448</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>6,448</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits):</b>				
Restricted:				
Transit	-	-	-	-
Air quality improvements	267,391	-	-	-
Sewer improvements and operations	-	-	-	-
Debt service reserve	-	-	-	-
Committed:				
Property acquisition	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>267,391</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 273,839</u>	<u>\$ -</u>	<u>\$ 9,331</u>	<u>\$ 34,501</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**  
**(Continued)**

	<b>Special Revenue Funds</b>			
	<b>Measure R</b>	<b>Measure M</b>	<b>Sewer Maintenance Operations AD04-1</b>	<b>Measure W</b>
<b>Assets:</b>				
Cash and investments	\$ 359,806	\$ 148,755	\$ 494,592	\$ -
Receivables:				
Accounts	-	-	5,384	320,000
Interest	-	-	-	-
Total assets	<u>\$ 359,806</u>	<u>\$ 148,755</u>	<u>\$ 499,976</u>	<u>\$ 320,000</u>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 16,233	\$ 34,759
Due to other funds	-	-	-	86,081
Total liabilities	<u>-</u>	<u>-</u>	<u>16,233</u>	<u>120,840</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	320,000
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,000</u>
<b>Fund balances (deficits):</b>				
Restricted:				
Transit	359,806	148,755	-	-
Air quality improvements	-	-	-	-
Sewer improvements and operations	-	-	483,743	-
Debt service reserve	-	-	-	-
Committed:				
Property acquisition	-	-	-	-
Unassigned	-	-	-	(120,840)
Total fund balances (deficits)	<u>359,806</u>	<u>148,755</u>	<u>483,743</u>	<u>(120,840)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 359,806</u>	<u>\$ 148,755</u>	<u>\$ 499,976</u>	<u>\$ 320,000</u>



**CITY OF LA CAÑADA FLINTRIDGE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**  
**(Continued)**

	<b>Debt Service Funds</b>		<b>Capital Projects Funds</b>		
	<b>Sewer AD98-1</b>	<b>Civic Center</b>	<b>Property Acquisition Capital Projects</b>	<b>Sewer Improvement AD04-1</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>					
Cash and investments	\$ 215,720	\$ 40,994	\$ 301,666	\$ 1,195,005	\$ 5,013,406
Receivables:					
Accounts	-	-	304,538	-	894,111
Interest	-	64,797	-	-	64,797
Total assets	<u>\$ 215,720</u>	<u>\$ 105,791</u>	<u>\$ 606,204</u>	<u>\$ 1,195,005</u>	<u>\$ 5,972,314</u>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 309,551	\$ -	\$ 653,193
Due to other funds	-	-	-	-	177,732
Total liabilities	<u>-</u>	<u>-</u>	<u>309,551</u>	<u>-</u>	<u>830,925</u>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	-	64,797	-	-	455,321
Total deferred inflows of resources	<u>-</u>	<u>64,797</u>	<u>-</u>	<u>-</u>	<u>455,321</u>
<b>Fund balances (deficits):</b>					
Restricted:					
Transit	-	-	-	-	2,346,883
Air quality improvements	-	-	-	-	267,391
Sewer improvements and operations	-	-	-	1,195,005	1,678,748
Debt service reserve	215,720	40,994	-	-	256,714
Committed:					
Property acquisition	-	-	296,653	-	296,653
Unassigned	-	-	-	-	(160,321)
Total fund balances (deficits)	<u>215,720</u>	<u>40,994</u>	<u>296,653</u>	<u>1,195,005</u>	<u>4,686,068</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 215,720</u>	<u>\$ 105,791</u>	<u>\$ 606,204</u>	<u>\$ 1,195,005</u>	<u>\$ 5,972,314</u>



**This page intentionally left blank.**

**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, 2020**

	<b>Special Revenue Funds</b>			
	<b>Traffic Safety</b>	<b>State Gasoline Tax</b>	<b>Bonds and Grants</b>	<b>TDA</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, forfeitures and penalties	76,658	-	-	-
From other agencies	-	837,038	-	27,305
Charges for services	-	-	-	-
Use of money and property	-	2,990	-	-
Total revenues	76,658	840,028	-	27,305
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	788,116	71,956	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	-	788,116	71,956	-
Excess (deficiency) of revenues over (under) expenditures	76,658	51,912	(71,956)	27,305
<b>Other financing sources (uses):</b>				
Transfers in	-	162,771	-	-
Transfers out	(76,658)	-	-	-
Total other financing sources (uses)	(76,658)	162,771	-	-
Net changes in fund balances	-	214,683	(71,956)	27,305
Fund balances (deficits), beginning of fiscal year	-	71,783	32,475	(27,305)
Fund balances (deficits), end of fiscal year	\$ -	\$ 286,466	\$ (39,481)	\$ -

**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, 2020**  
**(Continued)**

	<b>Special Revenue Funds</b>			
	<b>Proposition C Transit Tax</b>	<b>Proposition A Transit Tax</b>	<b>Community Development Block Grant</b>	<b>State/ Federal Law Enforcement Supplemental Funds</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
From other agencies	332,456	400,790	48,250	155,948
Charges for services	-	-	-	-
Use of money and property	22,530	14,265	-	1,375
	<u>354,986</u>	<u>415,055</u>	<u>48,250</u>	<u>157,323</u>
Total revenues				
	<u>354,986</u>	<u>415,055</u>	<u>48,250</u>	<u>157,323</u>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	199,044
Community development	-	-	48,250	-
Public works	153,423	293,825	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
	<u>153,423</u>	<u>293,825</u>	<u>48,250</u>	<u>199,044</u>
Total expenditures				
	<u>153,423</u>	<u>293,825</u>	<u>48,250</u>	<u>199,044</u>
Excess (deficiency) of revenues over (under) expenditures	<u>201,563</u>	<u>121,230</u>	<u>-</u>	<u>(41,721)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	41,721
Transfers out	(4,338)	(33,506)	-	-
	<u>(4,338)</u>	<u>(33,506)</u>	<u>-</u>	<u>41,721</u>
Total other financing sources (uses)				
	<u>(4,338)</u>	<u>(33,506)</u>	<u>-</u>	<u>41,721</u>
Net changes in fund balances	197,225	87,724	-	-
Fund balances (deficits), beginning of fiscal year	<u>822,742</u>	<u>444,165</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of fiscal year	<u>\$ 1,019,967</u>	<u>\$ 531,889</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2020**  
**(Continued)**

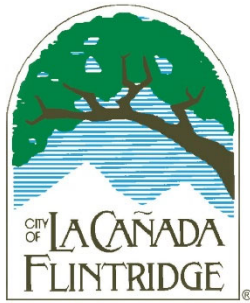
	<b>Special Revenue Funds</b>			
	<b>AQMD Trust</b>	<b>Sanitation</b>	<b>Sewer Redemption AD02-1</b>	<b>Sewer Redemption AD04-1</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ 5,400	\$ -	\$ -
Assessments	-	-	976,147	1,813,858
Fines, forfeitures and penalties	-	-	1,249	8,699
From other agencies	42,618	-	-	-
Charges for services	-	-	36,085	38,082
Use of money and property	6,354	-	806	1,249
	<u>48,972</u>	<u>5,400</u>	<u>1,014,287</u>	<u>1,861,888</u>
<b>Total revenues</b>	<u>48,972</u>	<u>5,400</u>	<u>1,014,287</u>	<u>1,861,888</u>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	6,066	5,400	15,113	16,895
Capital outlay	29,702	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
	<u>35,768</u>	<u>5,400</u>	<u>15,113</u>	<u>16,895</u>
<b>Total expenditures</b>	<u>35,768</u>	<u>5,400</u>	<u>15,113</u>	<u>16,895</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,204</u>	<u>-</u>	<u>999,174</u>	<u>1,844,993</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(999,174)	(1,844,993)
	<u>-</u>	<u>-</u>	<u>(999,174)</u>	<u>(1,844,993)</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(999,174)</u>	<u>(1,844,993)</u>
<b>Net changes in fund balances</b>	<u>13,204</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), beginning of fiscal year	<u>254,187</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of fiscal year	<u>\$ 267,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2020**  
**(Continued)**

	<b>Special Revenue Funds</b>			
	<b>Measure R</b>	<b>Measure M</b>	<b>Sewer Maintenance Operations AD04-1</b>	<b>Measure W</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
From other agencies	248,985	280,216	-	-
Charges for services	-	-	279,417	-
Use of money and property	10,061	2,352	10,736	-
	<u>259,046</u>	<u>282,568</u>	<u>290,153</u>	<u>-</u>
Total revenues	259,046	282,568	290,153	-
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	63,789	-	155,508	120,840
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
	<u>63,789</u>	<u>-</u>	<u>155,508</u>	<u>120,840</u>
Total expenditures	63,789	-	155,508	120,840
Excess (deficiency) of revenues over (under) expenditures	<u>195,257</u>	<u>282,568</u>	<u>134,645</u>	<u>(120,840)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	(177,260)	(169,343)	-	-
	<u>(177,260)</u>	<u>(169,343)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	(177,260)	(169,343)	-	-
Net changes in fund balances	17,997	113,225	134,645	(120,840)
Fund balances (deficits), beginning of fiscal year	<u>341,809</u>	<u>35,530</u>	<u>349,098</u>	<u>-</u>
Fund balances (deficits), end of fiscal year	<u>\$ 359,806</u>	<u>\$ 148,755</u>	<u>\$ 483,743</u>	<u>\$ (120,840)</u>

**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, 2020**  
**(Continued)**

	<b>Debt Service Funds</b>		<b>Capital Projects Funds</b>		
	<b>Sewer AD98-1</b>	<b>Civic Center</b>	<b>Property Acquisition Capital Projects</b>	<b>Sewer Improvement AD04-1</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 5,400
Assessments	-	-	-	-	2,790,005
Fines, forfeitures and penalties	-	-	-	-	86,606
From other agencies	-	-	-	-	2,373,606
Charges for services	-	-	-	-	353,584
Use of money and property	5,963	28,583	-	28,199	135,463
	<u>5,963</u>	<u>28,583</u>	<u>-</u>	<u>28,199</u>	<u>5,744,664</u>
Total revenues	5,963	28,583	-	28,199	5,744,664
<b>Expenditures:</b>					
Current:					
Public safety	-	-	-	-	199,044
Community development	-	-	-	-	48,250
Public works	-	-	-	-	1,690,931
Capital outlay	-	-	661,875	-	691,577
Debt service:					
Principal retirement	417,791	-	-	-	417,791
Interest and other charges	-	128,364	-	-	128,364
	<u>417,791</u>	<u>128,364</u>	<u>661,875</u>	<u>-</u>	<u>3,175,957</u>
Total expenditures	417,791	128,364	661,875	-	3,175,957
Excess (deficiency) of revenues over (under) expenditures	(411,828)	(99,781)	(661,875)	28,199	2,568,707
<b>Other financing sources (uses):</b>					
Transfers in	-	140,775	-	-	345,267
Transfers out	-	-	-	-	(3,305,272)
	<u>-</u>	<u>140,775</u>	<u>-</u>	<u>-</u>	<u>(2,960,005)</u>
Total other financing sources (uses)	-	140,775	-	-	(2,960,005)
Net changes in fund balances	(411,828)	40,994	(661,875)	28,199	(391,298)
Fund balances (deficits), beginning of fiscal year	627,548	-	958,528	1,166,806	5,077,366
Fund balances (deficits), end of fiscal year	<u>\$ 215,720</u>	<u>\$ 40,994</u>	<u>\$ 296,653</u>	<u>\$ 1,195,005</u>	<u>\$ 4,686,068</u>



**This page intentionally left blank.**



**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, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance (Negative)</b>
<b>Revenues:</b>			
Fines, forfeitures and penalties	\$ 33,500	\$ 76,658	\$ 43,158
Total revenues	33,500	76,658	43,158
<b>Expenditures</b>	-	-	-
Excess of revenues over expenditures	33,500	76,658	43,158
<b>Other Financing Uses:</b>			
Transfers out	(33,500)	(76,658)	(43,158)
Total other financing uses	(33,500)	(76,658)	(43,158)
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, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 901,900	\$ 837,038	\$ (64,862)
Use of money and property	1,550	2,990	1,440
	<u>903,450</u>	<u>840,028</u>	<u>(63,422)</u>
<b>Total revenues</b>	<u>903,450</u>	<u>840,028</u>	<u>(63,422)</u>
<b>Expenditures:</b>			
Current:			
Public works	620,875	788,116	(167,241)
	<u>620,875</u>	<u>788,116</u>	<u>(167,241)</u>
<b>Total expenditures</b>	<u>620,875</u>	<u>788,116</u>	<u>(167,241)</u>
Excess (deficiency) of revenues over (under) expenditures	282,575	51,912	(230,663)
<b>Other Financing Sources (Uses):</b>			
Transfers in	169,475	162,771	(6,704)
Transfers out	(452,050)	-	452,050
	<u>(282,575)</u>	<u>162,771</u>	<u>445,346</u>
<b>Total other financing sources (uses)</b>	<u>(282,575)</u>	<u>162,771</u>	<u>445,346</u>
Net change in fund balance	-	214,683	214,683
Fund balance, beginning of fiscal year	71,783	71,783	-
Fund balance, end of fiscal year	<u>\$ 71,783</u>	<u>\$ 286,466</u>	<u>\$ 214,683</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Bonds and Grants Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 469,150	\$ -	\$ (469,150)
Total revenues	469,150	-	(469,150)
<b>Expenditures:</b>			
Current:			
Public works	469,150	71,956	397,194
Total expenditures	469,150	71,956	397,194
Excess (deficiency) of revenues over (under) expenditures	-	(71,956)	(71,956)
Fund balance, beginning of fiscal year	32,475	32,475	-
Fund balance (deficit), end of fiscal year	\$ 32,475	\$ (39,481)	\$ (71,956)

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor TDA Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 13,900	\$ 27,305	\$ 13,405
Total revenues	13,900	27,305	13,405
Excess of revenues over expenditures	13,900	27,305	13,405
<b>Other Financing Uses:</b>			
Transfers out	(13,900)	-	13,900
Total other financing uses	(13,900)	-	13,900
Net change in fund balance	-	27,305	27,305
Fund balance (deficit), beginning of fiscal year	(27,305)	(27,305)	-
Fund balance (deficit), end of fiscal year	<u>\$ (27,305)</u>	<u>\$ -</u>	<u>\$ 27,305</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Proposition C Transit Tax Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 339,700	\$ 332,456	\$ (7,244)
Use of money and property	13,000	22,530	9,530
	<u>352,700</u>	<u>354,986</u>	<u>2,286</u>
<b>Total revenues</b>			
	<u>352,700</u>	<u>354,986</u>	<u>2,286</u>
<b>Expenditures:</b>			
Current:			
Public works	182,700	153,423	29,277
	<u>182,700</u>	<u>153,423</u>	<u>29,277</u>
<b>Total expenditures</b>			
	<u>182,700</u>	<u>153,423</u>	<u>29,277</u>
<b>Excess of revenues over expenditures</b>			
	<u>170,000</u>	<u>201,563</u>	<u>31,563</u>
<b>Other Financing Uses:</b>			
Transfers out	(300,000)	(4,338)	295,662
	<u>(300,000)</u>	<u>(4,338)</u>	<u>295,662</u>
<b>Total other financing uses</b>			
	<u>(300,000)</u>	<u>(4,338)</u>	<u>295,662</u>
<b>Net change in fund balance</b>			
	<u>(130,000)</u>	<u>197,225</u>	<u>327,225</u>
<b>Fund balance, beginning of fiscal year</b>			
	<u>822,742</u>	<u>822,742</u>	<u>-</u>
<b>Fund balance, end of fiscal year</b>			
	<u><u>\$ 692,742</u></u>	<u><u>\$ 1,019,967</u></u>	<u><u>\$ 327,225</u></u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Proposition A Transit Tax Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 411,250	\$ 400,790	\$ (10,460)
Use of money and property	14,000	14,265	265
	<u>425,250</u>	<u>415,055</u>	<u>(10,195)</u>
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current:			
Public works	313,675	293,825	19,850
Capital outlay	5,000	-	5,000
	<u>318,675</u>	<u>293,825</u>	<u>24,850</u>
<b>Total expenditures</b>			
Excess of revenues over expenditures	<u>106,575</u>	<u>121,230</u>	<u>14,655</u>
<b>Other Financing Uses:</b>			
Transfers out	(29,450)	(33,506)	(4,056)
	<u>(29,450)</u>	<u>(33,506)</u>	<u>(4,056)</u>
<b>Total other financing uses</b>			
Net change in fund balance	77,125	87,724	10,599
Fund balance, beginning of fiscal year	<u>444,165</u>	<u>444,165</u>	<u>-</u>
Fund balance, end of fiscal year	<u><u>\$ 521,290</u></u>	<u><u>\$ 531,889</u></u>	<u><u>\$ 10,599</u></u>



**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Community Development Block Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 74,350	\$ 48,250	\$ (26,100)
Total revenues	74,350	48,250	(26,100)
<b>Expenditures:</b>			
Current:			
Community development	80,600	48,250	32,350
Total expenditures	80,600	48,250	32,350
Excess (deficiency) of revenues over (under) expenditures	(6,250)	-	(6,250)
Fund balance, beginning of fiscal year	-	-	-
Fund balance (deficit), end of fiscal year	\$ (6,250)	\$ -	\$ (6,250)

**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, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 148,500	\$ 155,948	\$ 7,448
Use of money and property	<u>1,500</u>	<u>1,375</u>	<u>(125)</u>
Total revenues	<u>150,000</u>	<u>157,323</u>	<u>7,323</u>
<b>Expenditures:</b>			
Current:			
Public safety	<u>204,625</u>	<u>199,044</u>	<u>5,581</u>
Total expenditures	<u>204,625</u>	<u>199,044</u>	<u>5,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(54,625)</u>	<u>(41,721)</u>	<u>12,904</u>
<b>Other Financing Sources:</b>			
Transfers in	<u>54,625</u>	<u>41,721</u>	<u>(12,904)</u>
Total other financing sources	<u>54,625</u>	<u>41,721</u>	<u>(12,904)</u>
Net change in fund balance	-	-	-
Fund balance, beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of fiscal year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor AQMD Trust Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 75,000	\$ 42,618	\$ (32,382)
Use of money and property	4,975	6,354	1,379
	<u>79,975</u>	<u>48,972</u>	<u>(31,003)</u>
<b>Total revenues</b>			
	<u>79,975</u>	<u>48,972</u>	<u>(31,003)</u>
<b>Expenditures:</b>			
Current:			
Public works	7,875	6,066	1,809
Capital outlay	40,000	29,702	10,298
	<u>47,875</u>	<u>35,768</u>	<u>12,107</u>
<b>Total expenditures</b>			
	<u>47,875</u>	<u>35,768</u>	<u>12,107</u>
Excess (deficiency) of revenues over (under) expenditures	32,100	13,204	(18,896)
	<u>32,100</u>	<u>13,204</u>	<u>(18,896)</u>
Fund balance, beginning of fiscal year	254,187	254,187	-
	<u>254,187</u>	<u>254,187</u>	<u>-</u>
Fund balance, end of fiscal year	\$ 286,287	\$ 267,391	\$ (18,896)
	<u>\$ 286,287</u>	<u>\$ 267,391</u>	<u>\$ (18,896)</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Sanitation Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Taxes	\$ 5,500	\$ 5,400	\$ (100)
Total revenues	5,500	5,400	(100)
<b>Expenditures:</b>			
Current:			
Public works	5,500	5,400	100
Total expenditures	5,500	5,400	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 AD02-1 Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Assessments	\$ 961,800	\$ 976,147	\$ 14,347
Fines, forfeitures and penalties	1,500	1,249	(251)
Charges for services	36,100	36,085	(15)
Use of money and property	200	806	606
	<u>999,600</u>	<u>1,014,287</u>	<u>14,687</u>
<b>Total revenues</b>	<u>999,600</u>	<u>1,014,287</u>	<u>14,687</u>
<b>Expenditures:</b>			
Current:			
Public works	16,000	15,113	887
	<u>16,000</u>	<u>15,113</u>	<u>887</u>
<b>Total expenditures</b>	<u>16,000</u>	<u>15,113</u>	<u>887</u>
Excess of revenues over expenditures	983,600	999,174	15,574
	<u>983,600</u>	<u>999,174</u>	<u>15,574</u>
<b>Other financing uses:</b>			
Transfers out	(983,600)	(999,174)	(15,574)
	<u>(983,600)</u>	<u>(999,174)</u>	<u>(15,574)</u>
<b>Total other financing uses</b>	<u>(983,600)</u>	<u>(999,174)</u>	<u>(15,574)</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, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Assessments	\$ 1,804,000	\$ 1,813,858	\$ 9,858
Fines, forfeitures and penalties	3,000	8,699	5,699
Charges for services	37,825	38,082	257
Use of money and property	1,250	1,249	(1)
	<u>1,846,075</u>	<u>1,861,888</u>	<u>15,813</u>
Total revenues			
<b>Expenditures:</b>			
Current:			
Public works	<u>17,000</u>	<u>16,895</u>	<u>105</u>
Total expenditures	<u>17,000</u>	<u>16,895</u>	<u>105</u>
Excess of revenues over expenditures	<u>1,829,075</u>	<u>1,844,993</u>	<u>15,918</u>
<b>Other financing uses:</b>			
Transfers out	<u>(1,829,075)</u>	<u>(1,844,993)</u>	<u>(15,918)</u>
Total other financing uses	<u>(1,829,075)</u>	<u>(1,844,993)</u>	<u>(15,918)</u>
Net change in fund balance	-	-	-
Fund balance, beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of fiscal year	<u><u>\$ -</u></u>	<u><u>\$ -</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, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 256,250	\$ 248,985	\$ (7,265)
Use of money and property	5,675	10,061	4,386
	<u>261,925</u>	<u>259,046</u>	<u>(2,879)</u>
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current:			
Public works	143,800	63,789	80,011
Capital outlay	26,400	-	26,400
	<u>170,200</u>	<u>63,789</u>	<u>106,411</u>
<b>Total expenditures</b>			
Excess of revenues over expenditures	91,725	195,257	103,532
<b>Other financing uses:</b>			
Transfers out	(97,575)	(177,260)	(79,685)
	<u>(97,575)</u>	<u>(177,260)</u>	<u>(79,685)</u>
<b>Total other financing uses</b>			
Net change in fund balance	(5,850)	17,997	23,847
Fund balance, beginning of fiscal year	341,809	341,809	-
Fund balance, end of fiscal year	<u>\$ 335,959</u>	<u>\$ 359,806</u>	<u>\$ 23,847</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Measure M Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 284,650	\$ 280,216	\$ (4,434)
Use of money and property	500	2,352	1,852
	<u>285,150</u>	<u>282,568</u>	<u>(2,582)</u>
<b>Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>285,150</u>	<u>282,568</u>	<u>(2,582)</u>
<b>Other financing uses:</b>			
Transfers out	<u>(302,725)</u>	<u>(169,343)</u>	<u>133,382</u>
Total other financing uses	<u>(302,725)</u>	<u>(169,343)</u>	<u>133,382</u>
Net change in fund balance	(17,575)	113,225	130,800
Fund balance, beginning of fiscal year	<u>35,530</u>	<u>35,530</u>	<u>-</u>
Fund balance, end of fiscal year	<u><u>\$ 17,955</u></u>	<u><u>\$ 148,755</u></u>	<u><u>\$ 130,800</u></u>



**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Sewer Maintenance Operations AD04-1 Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Charges for services	\$ 250,000	\$ 279,417	\$ 29,417
Use of money and property	-	10,736	10,736
	<hr/>	<hr/>	<hr/>
Total revenues	250,000	290,153	40,153
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current:			
Public works	195,000	155,508	39,492
	<hr/>	<hr/>	<hr/>
Total expenditures	195,000	155,508	39,492
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	55,000	134,645	79,645
	<hr/>	<hr/>	<hr/>
Fund balance, beginning of fiscal year	349,098	349,098	-
	<hr/>	<hr/>	<hr/>
Fund balance, end of fiscal year	<u>\$ 404,098</u>	<u>\$ 483,743</u>	<u>\$ 79,645</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Measure W Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
From other agencies	\$ 400,000	\$ -	\$ (400,000)
Use of money and property	5,000	-	(5,000)
	<u>405,000</u>	<u>-</u>	<u>(405,000)</u>
<b>Total revenues</b>			
	<u>405,000</u>	<u>-</u>	<u>(405,000)</u>
<b>Expenditures:</b>			
Current:			
Public works	303,500	120,840	182,660
	<u>303,500</u>	<u>120,840</u>	<u>182,660</u>
<b>Total expenditures</b>			
	<u>303,500</u>	<u>120,840</u>	<u>182,660</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	101,500	(120,840)	(222,340)
<b>Fund balance, beginning of fiscal year</b>	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance (deficit), end of fiscal year</b>	<u>\$ 101,500</u>	<u>\$ (120,840)</u>	<u>\$ (222,340)</u>

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Sewer AD98-1 Debt Service Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Use of money and property	\$ 6,000	\$ 5,963	\$ (37)
Total revenues	6,000	5,963	(37)
<b>Expenditures:</b>			
Debt service:			
Principal retirement	417,800	417,791	9
Interest and other fiscal charges	15,875	-	15,875
Total expenditures	433,675	417,791	15,884
Excess (deficiency) of revenues over (under) expenditures	(427,675)	(411,828)	15,847
Fund balance, beginning of fiscal year	627,548	627,548	-
Fund balance, end of fiscal year	\$ 199,873	\$ 215,720	\$ 15,847

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Civic Center Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Use of money and property	\$ 200	\$ 28,583	\$ 28,383
Total revenues	200	28,583	28,383
<b>Expenditures:</b>			
Debt service:			
Interest and other fiscal charges	128,375	128,364	11
Total expenditures	128,375	128,364	11
Excess (deficiency) of revenues over (under) expenditures	(128,175)	(99,781)	28,394
<b>Other financing sources:</b>			
Transfers in	140,775	140,775	-
Total other financing sources	140,775	140,775	-
Net change in fund balance	12,600	40,994	28,394
Fund balance, beginning of fiscal year	-	-	-
Fund balance, end of fiscal year	\$ 12,600	\$ 40,994	\$ 28,394

**CITY OF LA CAÑADA FLINTRIDGE**  
**Budgetary Comparison Schedule**  
**Nonmajor Property Acquisition Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures:</b>			
Capital outlay	<u>918,900</u>	<u>661,875</u>	<u>257,025</u>
Total expenditures	<u>918,900</u>	<u>661,875</u>	<u>257,025</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(918,900)</u>	<u>(661,875)</u>	<u>257,025</u>
<b>Other financing sources:</b>			
Proceeds from long-term debt	<u>4,915,000</u>	<u>-</u>	<u>(4,915,000)</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(918,900)</u>	<u>(661,875)</u>	<u>257,025</u>
Fund balance, beginning of fiscal year	<u>958,528</u>	<u>958,528</u>	<u>-</u>
Fund balance, end of fiscal year	<u><u>\$ 39,628</u></u>	<u><u>\$ 296,653</u></u>	<u><u>\$ 257,025</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, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Use of money and property	\$ 23,500	\$ 28,199	\$ 4,699
Total revenues	23,500	28,199	4,699
<b>Expenditures:</b>	-	-	-
Excess of revenues over expenditures	23,500	28,199	4,699
Fund balance, beginning of fiscal year	1,166,806	1,166,806	-
Fund balance, end of fiscal year	<u>\$ 1,190,306</u>	<u>\$ 1,195,005</u>	<u>\$ 4,699</u>

## STATISTICAL SECTION







**CITY OF LA CAÑADA FLINTRIDGE**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2020**

**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.

***Table of Contents***

	<i><b>Page(s)</b></i>
<b>Financial Trends</b>	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time .....</i>	106-113
<b>Revenue Capacity</b>	
<i>These schedules contain trend information to help the reader assess the government's most significant current local revenue source, the property tax .....</i>	114-116
<b>Debt Capacity</b>	
<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
<b>Demographic and Economic Information</b>	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place .....</i>	123-124
<b>Operating Information</b>	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs .....</i>	125-127

**CITY OF LA CAÑADA FLINTRIDGE**

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	<b>Fiscal Year</b>				
	<u>2011</u>	<u>2012 (1)</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015</u>
Governmental Activities:					
Net Investment in capital assets	\$ 42,188,872	\$ 44,923,413	\$ 47,058,948	\$ 50,863,970	\$ 53,125,809
Restricted	3,238,118	2,776,665	12,370,867	13,075,427	15,871,777
Unrestricted	21,632,219	19,977,083	12,094,832	13,230,914	13,093,623
Total Primary Government Net Position	<u>\$ 67,059,209</u>	<u>\$ 67,677,161</u>	<u>\$ 71,524,647</u>	<u>\$ 77,170,311</u>	<u>\$ 82,091,209</u>

(1) As restated

**CITY OF LA CAÑADA FLINTRIDGE**

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	<b>Fiscal Year</b>				
	<u>2016</u>	<u>2017 (1)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities:					
Net Investment in capital assets	\$ 54,616,632	\$ 56,486,096	\$ 57,934,638	\$ 63,678,262	\$ 64,002,809
Restricted	16,362,080	16,433,593	16,925,230	16,245,273	17,756,978
Unrestricted	<u>13,859,733</u>	<u>5,858,711</u>	<u>6,860,498</u>	<u>7,444,784</u>	<u>8,997,315</u>
Total Primary Government Net Position	<u>\$ 84,838,445</u>	<u>\$ 78,778,400</u>	<u>\$ 81,720,366</u>	<u>\$ 87,368,319</u>	<u>\$ 90,757,102</u>

(1) As restated

**CITY OF LA CAÑADA FLINTRIDGE**

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

	Fiscal Year				
	2011	2012	2013	2014	2015
Expenses:					
Governmental activities:					
General government	\$ 4,608,775	\$ 4,562,241	\$ 4,503,048	\$ 2,353,045	\$ 4,609,131
Public safety	2,755,392	2,751,585	2,930,154	3,055,234	3,124,207
Community development	581,731	703,459	626,181	2,471,285	725,922
Public works	6,865,791	8,139,289	7,143,608	6,622,919	7,419,030
Interest	1,068,045	828,662	779,056	732,084	681,519
Total Governmental Activities Expenses	15,879,734	16,985,236	15,982,047	15,234,567	16,559,809
Program Revenues:					
Governmental activities:					
Charges for services:					
Community Development (1)	-	-	-	-	-
Public Works	2,440,310	2,334,541	2,226,595	2,632,444	2,820,796
Other activities	313,829	326,581	414,562	482,132	478,925
Operating grants and contributions	528,793	281,051	1,611,041	2,134,470	1,780,052
Capital grants and contributions	7,023,119	5,708,601	6,063,026	7,846,376	5,624,691
Total Governmental Activities					
Program Revenues	10,306,051	8,650,774	10,315,224	13,095,422	10,704,464
Net Revenues (Expenses):					
Governmental activities	(5,573,683)	(8,334,462)	(5,666,823)	(2,139,145)	(5,855,345)
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property taxes (2)	3,722,303	3,815,640	3,992,151	4,229,162	4,429,351
Other taxes	2,790,998	2,856,157	2,950,944	3,084,333	3,312,466
State shared revenues - unrestricted:					
Sales tax	2,104,425	2,245,895	2,539,880	2,669,216	2,707,738
Motor vehicle	98,921	10,690	11,077	9,167	8,855
Use of money and property	585,214	647,624	(49,207)	111,490	81,254
Other	67,930	46,639	69,464	119,782	236,579
Loss on Capital Assets Disposal	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Gain on early payment of debt	-	-	-	-	-
Total Primary Government	9,369,791	9,622,645	9,514,309	10,223,150	10,776,243
Changes in Net Position					
Governmental Activities	\$ 3,796,108	\$ 1,288,183	\$ 3,847,486	\$ 8,084,005	\$ 4,920,898

(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				
	2016	2017	2018	2019	2020
Expenses:					
Governmental activities:					
General government	\$ 5,106,198	\$ 6,151,267	\$ 5,816,415	\$ 4,918,063	\$ 5,452,507
Public safety	3,235,107	3,415,773	3,650,220	3,716,291	3,933,058
Community development	709,933	739,459	848,481	2,109,684	2,710,840
Public works	8,629,125	8,304,487	8,040,300	8,165,402	7,948,297
Interest	630,250	575,959	521,343	500,129	565,346
Total Governmental Activities Expenses	<u>18,310,613</u>	<u>19,186,945</u>	<u>18,876,759</u>	<u>19,409,569</u>	<u>20,610,048</u>
Program Revenues:					
Governmental activities:					
Charges for services:					
Community Development (1)	-	-	-	2,381,635	2,911,226
Public Works	2,931,464	2,955,387	3,325,171	788,226	738,836
Other activities	419,850	364,239	390,792	334,255	270,283
Operating grants and contributions	1,644,405	1,963,976	2,048,243	2,454,543	1,973,491
Capital grants and contributions	<u>4,462,995</u>	<u>4,562,967</u>	<u>4,114,364</u>	<u>3,545,910</u>	<u>4,653,091</u>
Total Governmental Activities					
Program Revenues	<u>9,458,714</u>	<u>9,846,569</u>	<u>9,878,570</u>	<u>9,504,569</u>	<u>10,546,927</u>
Net Revenues (Expenses):					
Governmental activities	(8,851,899)	(9,340,376)	(8,998,189)	(9,905,000)	(10,063,121)
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property taxes (2)	4,661,834	4,920,152	5,271,832	8,166,745	8,606,227
Other taxes	3,401,762	3,484,856	3,643,219	1,123,785	1,125,140
State shared revenues - unrestricted:					
Sales tax	2,922,948	2,629,347	2,649,512	2,989,941	2,893,363
Motor vehicle	8,308	9,209	10,789	9,928	16,306
Use of money and property	384,346	(83,298)	16,456	841,755	669,016
Other	218,483	63,005	348,347	83,893	141,852
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>11,597,681</u>	<u>6,200,858</u>	<u>11,940,155</u>	<u>15,552,953</u>	<u>13,451,904</u>
Changes in Net Position					
Governmental Activities	<u>\$ 2,745,782</u>	<u>\$ (3,139,518)</u>	<u>\$ 2,941,966</u>	<u>\$ 5,647,953</u>	<u>\$ 3,388,783</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				
	2011	2012 (1)	2013	2014 (1)	2015
General Fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	2,086,661	2,092,915	1,965,471	1,880,376	1,660,587
Restricted	-	-	-	1,734	2,300
Committed	-	-	-	-	-
Assigned	176,572	240,674	301,575	880,605	915,025
Unassigned	12,734,288	12,336,577	11,629,691	13,539,816	14,570,723
Total General Fund	<u>\$ 14,997,521</u>	<u>\$ 14,670,166</u>	<u>\$ 13,896,737</u>	<u>\$ 16,302,531</u>	<u>\$ 17,148,635</u>
All Other Governmental Funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	11,909,759	12,067,715	12,751,117	13,365,027	16,204,258
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(1,066,484)	(995,104)	(1,304,344)	(1,002,600)	(1,000,195)
Total All Other Governmental Funds	<u>\$ 10,843,275</u>	<u>\$ 11,072,611</u>	<u>\$ 11,446,773</u>	<u>\$ 12,362,427</u>	<u>\$ 15,204,063</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				
	2016	2017	2018	2019	2020
General Fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	1,531,938	1,408,352	1,274,852	1,118,176	1,126,744
Restricted	4,244	-	-	-	-
Committed	-	5,580,000	-	-	1,000,000
Assigned	1,040,122	1,109,468	1,220,544	3,988,357	4,280,191
Unassigned	15,528,725	4,970,216	5,845,399	8,684,631	10,623,778
Total General Fund	<u>\$ 18,105,029</u>	<u>\$ 13,068,036</u>	<u>\$ 8,340,795</u>	<u>\$ 13,791,164</u>	<u>\$ 17,030,713</u>
All Other Governmental Funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	16,401,530	16,835,327	17,125,792	16,202,749	17,115,416
Committed	-	-	891,397	958,528	296,653
Assigned	-	-	-	1,241,121	-
Unassigned	(995,104)	(995,104)	(995,104)	(1,022,409)	(1,274,219)
Total All Other Governmental Funds	<u>\$ 15,406,426</u>	<u>\$ 15,840,223</u>	<u>\$ 17,022,085</u>	<u>\$ 17,379,989</u>	<u>\$ 16,137,850</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				
	2011	2012 (1)	2013	2014 (1)	2015
Revenues:					
Taxes	\$ 8,617,725	\$ 8,917,692	\$ 9,409,326	\$ 9,988,959	\$ 10,493,566
Assessments	3,998,046	3,615,874	3,542,856	3,599,761	3,624,741
Fines,forfeitures and penalties	215,166	192,844	217,886	284,375	276,650
From other agencies	3,510,964	2,589,411	3,413,166	4,909,647	4,566,257
Charges for services	2,538,972	2,468,283	2,500,380	2,914,147	3,109,570
Use of money and property	585,214	638,100	138,042	380,624	325,730
Other	67,930	46,639	74,689	157,973	204,712
Total Revenues	<u>19,534,017</u>	<u>18,468,843</u>	<u>19,296,345</u>	<u>22,235,486</u>	<u>22,601,226</u>
Expenditures					
Current:					
General government	4,350,230	4,284,650	4,963,199	2,124,153	4,505,532
Public safety	2,741,144	2,742,367	2,925,247	3,050,327	3,121,322
Community development	559,782	689,057	617,924	2,465,201	724,584
Public works	4,441,350	4,548,065	4,126,559	4,107,535	4,021,412
Capital outlay	2,121,309	3,243,691	4,008,934	4,118,831	3,498,753
Debt service:					
Principal retirement	2,167,978	2,208,855	2,250,687	2,293,497	2,337,305
Interest and fiscal charges	896,038	850,177	803,012	754,494	704,578
Loan origination fees	-	-	-	-	-
Total Expenditures	<u>17,277,831</u>	<u>18,566,862</u>	<u>19,695,562</u>	<u>18,914,038</u>	<u>18,913,486</u>
Excess (Deficiency) of					
Revenues Over (Under)					
Expenditures	<u>2,256,186</u>	<u>(98,019)</u>	<u>(399,217)</u>	<u>3,321,448</u>	<u>3,687,740</u>
Other financing sources (uses):					
Proceeds from sales of capital assets	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-
Transfers in	5,608,379	6,104,229	5,230,113	5,126,058	6,677,868
Transfers out	(5,608,379)	(6,104,229)	(5,230,113)	(5,126,058)	(6,677,868)
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>\$ 2,256,186</u>	<u>\$ (98,019)</u>	<u>\$ (399,217)</u>	<u>\$ 3,321,448</u>	<u>\$ 3,687,740</u>
Debt service as a percentage of noncapital expenditures	14.3%	14.4%	14.3%	15.5%	15.2%

(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				
	2016	2017	2018	2019	2020
Revenues:					
Taxes	\$ 10,879,338	\$ 11,170,104	\$ 11,578,263	\$ 12,286,071	\$ 12,630,130
Assessments	3,604,045	3,570,647	3,571,619	2,811,598	2,790,005
Fines,forfeitures and penalties	191,742	120,315	158,194	181,605	176,783
From other agencies	2,245,419	2,720,993	2,347,796	2,497,480	2,423,304
Charges for services	3,248,307	3,283,333	3,629,255	3,661,633	4,102,506
Use of money and property	623,850	152,465	298,920	1,144,262	940,850
Other	224,483	68,585	354,556	93,976	151,256
Total Revenues	<u>21,017,184</u>	<u>21,086,442</u>	<u>21,938,603</u>	<u>22,676,625</u>	<u>23,214,834</u>
Expenditures					
Current:					
General government	4,970,335	5,689,992	5,348,823	4,185,555	4,423,459
Public safety	3,232,839	3,413,505	3,442,315	3,703,931	3,908,929
Community development	702,561	730,678	794,315	2,026,411	2,538,744
Public works	3,931,211	4,051,433	4,251,082	4,286,635	4,945,670
Capital outlay	3,987,586	14,355,673	3,046,570	7,888,949	2,267,950
Debt service:					
Principal retirement	2,382,139	2,428,019	2,474,972	7,907,022	2,572,196
Interest and fiscal charges	653,210	600,338	545,905	489,849	560,476
Loan origination fees	-	-	-	49,150	-
Total Expenditures	<u>19,859,881</u>	<u>31,269,638</u>	<u>19,903,982</u>	<u>30,537,502</u>	<u>21,217,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,157,303</u>	<u>(10,183,196)</u>	<u>2,034,621</u>	<u>(7,860,877)</u>	<u>1,997,410</u>
Other financing sources (uses):					
Proceeds from sales of capital assets	-	-	-	3,125,000	-
Proceeds from long-term debt	-	-	-	4,964,150	-
Transfers in	6,117,742	10,662,629	6,582,662	7,597,259	5,069,558
Transfers out	(6,117,742)	(10,662,629)	(6,582,662)	(7,597,259)	(5,069,558)
Proceeds from long-term note	-	5,580,000	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,580,000</u>	<u>-</u>	<u>8,089,150</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 1,157,303</u>	<u>\$ (4,603,196)</u>	<u>\$ 2,034,621</u>	<u>\$ 228,273</u>	<u>\$ 1,997,410</u>
Debt service as a percentage of noncapital expenditures	15.0%	14.4%	14.7%	35.1%	13.6%

(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		
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
2020	\$8,392,720,842	\$60,295,930	\$8,453,016,772	0.06694

**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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	0.0354	0.0455	0.0440	0.0392	0.0597	0.0506	0.0570	0.0529	0.0505	0.0484
Glendale Community College	0.0234	0.0245	0.0247	0.0234	0.0222	0.0212	0.0212	0.0349	0.0325	0.0258
Pasadena Unified	0.1020	0.1112	0.1140	0.1035	0.1060	0.1117	0.1067	0.1055	0.0949	0.0453
Pasadena Community College	0.0199	0.0196	0.0183	0.0190	0.0103	0.0087	0.0089	0.0082	0.0077	0.0072
La Cañada Unified	0.0733	0.0709	0.0697	0.0672	0.0648	0.0617	0.0611	0.0591	0.0579	0.0552
Metropolitan Water District	0.0037	0.0037	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
<b>Total Direct &amp; Overlapping Tax Rate</b>	<b>\$ 1.2577</b>	<b>\$ 1.2754</b>	<b>\$ 1.2742</b>	<b>\$ 1.2558</b>	<b>\$ 1.2665</b>	<b>\$ 1.2575</b>	<b>\$ 1.2583</b>	<b>\$ 1.2640</b>	<b>\$ 1.2469</b>	<b>\$ 1.1854</b>
City's Share of 1% Levy Per Prop 13	0.06705	0.06705	0.06705	0.06705	0.06705	0.06705	0.06703	0.06703	0.06703	0.06703
<b>Total Direct Rate</b>	<b>0.06688</b>	<b>0.06689</b>	<b>0.06689</b>	<b>0.06690</b>	<b>0.06690</b>	<b>0.06691</b>	<b>0.06692</b>	<b>0.06693</b>	<b>0.06693</b>	<b>0.06694</b>

**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	2020		2011	
	Assessed Value	Percent of Total Assessed Value	Assessed Value	Percent of Total Assessed Value
La Cañada Retail LLC	\$ 45,489,761	0.54%	\$	
ROIC California LLC	33,855,777	0.40%		
B K La Cañada Property LLC	18,376,060	0.22%	8,015,743	0.15%
La Cañada Properties			30,370,142	0.56%
Valley Water Company			13,446,959	0.25%
Seung Choon Lim Co-Trustee	15,436,815	0.18%		
Gordon & Dona Crawford Trust	12,743,576	0.15%	8,195,451	0.15%
Vincent Dundee III Co-Trustee	12,128,176	0.14%	10,481,057	0.19%
University of Southern California	11,780,389	0.14%		
Bradford A and Judy Kolb Trust	11,297,200	0.13%		
Caltech Employees Federal Credit Union	9,672,924	0.12%		
Vons Companies The			12,697,952	0.23%
Karl Frankel Trust			8,914,051	0.16%
Bradford Cornell & Mary D.Series			7,622,587	0.14%
Zentmyer Properties			7,531,148	0.14%
Dewitt K. McCluggage Trust			7,259,252	0.13%
Total	<u>\$ 170,780,678</u>	<u>2.03%</u>	<u>\$ 114,534,342</u>	<u>2.11%</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
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%
2020	\$5,972,276	\$5,799,817	97.11%	\$132,127	\$5,931,944	99.32%

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				Total Governmental Activities	Percentage of Personal Income	Debt Per Capita
	Certificates of Participation	Revenue Bonds	Loans Payable	Capital Lease Obligation			
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
2020	-	-	\$21,383,743	-	\$21,383,743	1.34%	\$1,045

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, 2020

City Assessed Valuation		\$	8,453,016,772	
	Percentage Applicable		Gross Outstanding Debt 6/30/20	Estimated Share of Overlapping Debt (1)
Foothill MWD 1113 DS	0.656%	\$	18,151,752	\$ 119,060
Glendale CCD DS 2002 Series C	1.840%		5,336,111	98,177
Glendale CCD DS 2002, 2011 Series E	1.840%		3,325,000	61,175
Glendale CCD DS 2002, 2013 Series F	1.840%		12,245,000	225,290
Glendale CCD DS 2014 Refunding Bonds	1.840%		22,265,000	409,643
Glendale CCD DS 2016 Series A	1.840%		109,075,000	2,006,820
Pasadena CCD DS 2014 Refunding Series A	8.260%		12,405,000	1,024,636
Pasadena CCD DS 2016 Refunding Series A	8.260%		54,045,000	4,464,044
Glendale USD DS 2010 Ref Bonds	1.840%		1,870,000	34,405
Glendale USD DS 2010 Ref Bonds Series B	1.840%		3,590,000	66,051
Glendale USD DS 2011 Series A Bonds	1.840%		1,438,601	26,468
Glendale USD DS 2011 Refunding Bonds	1.840%		7,285,000	134,033
Glendale USD DS 2011 SR A 1 CREB	1.840%		4,300,000	79,114
Glendale USD DS 2012 Ref Bonds	1.840%		32,770,000	602,920
Glendale USD DS 2015 Refunding Bonds Series A	1.840%		17,020,000	313,143
Glendale USD DS 2011 Series C	1.840%		84,830,563	1,560,758
Glendale USD DS 2011 Series D	1.840%		60,155,000	1,106,764
Glendale USD DS 2018 Refunding Bonds	1.840%		107,880,000	1,984,834
La Cañada Unified SD 1995 SD	98.190%		470,868	462,346
La Cañada Unified SD DS 1999 Series A	98.190%		1,320,000	1,296,110
La Cañada USD DS 2011 Refund Bond	98.190%		1,725,000	1,693,780
La Cañada USD DS 2017 Refund Bond	98.190%		73,905,000	72,567,438
Total overlapping debt		\$	<u>635,407,895</u>	<u>\$ 90,337,008</u>
City direct debt				21,788,386
Total direct and overlapping debt		\$	<u>635,407,895</u>	<u>\$ 112,125,394</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed valuation	\$ 5,466,344,522	\$ 5,641,626,988	\$ 5,865,716,593	\$ 6,128,902,656	\$ 6,450,807,560
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	819,951,678	846,244,048	879,857,489	919,335,398	967,621,134
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 819,951,678</u>	<u>\$ 846,244,048</u>	<u>\$ 879,857,489</u>	<u>\$ 919,335,398</u>	<u>\$ 967,621,134</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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed valuation	\$ 6,815,724,294	\$ 7,202,673,726	\$ 7,595,373,486	\$ 8,021,748,824	\$ 8,453,016,772
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	1,022,358,644	1,080,401,059	1,139,306,023	1,203,262,324	1,267,952,516
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 1,022,358,644</u>	<u>\$ 1,080,401,059</u>	<u>\$ 1,139,306,023</u>	<u>\$ 1,203,262,324</u>	<u>\$ 1,267,952,516</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 Principal	Interest	Coverage
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	-
2020	\$1,813,858	\$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
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%
2019	20,461	\$1,599,335	\$78,165	2.0%

Source: HdL Coren & Cone

**CITY OF LA CAÑADA FLINTRIDGE**

Principal Employers (1)  
Current Year and Nine Years Ago

Employer	2020		2011	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Sprouts Farmers Market	102	4.59%	74	2.47%
Trader Joe's	95	4.28%	71	2.37%
Mortgage Capital Partners Inc.	90	4.05%		
Gelson's Market	82	3.69%		
T J Maxx	81	3.65%	56	1.87%
Sport Chalet			249	8.31%
Dilbeck Real Estate		0.00%	95	3.17%
Allen Lund Company LLC		0.00%	59	1.97%
Ralph's Grocery Co.		0.00%	86	2.87%
La Cañada Flintridge Country Club		0.00%	71	2.37%
Ross Dress for Less Inc	76	3.42%	72	2.40%
Target Store T-3293	76	3.42%		
McDonald's La Canada	70	3.15%	44	1.47%
Hill Street Café	62	2.79%		
Patina Group Newco LLC	55	2.48%		
FirstElement Fuel Inc	50	2.25%		
Miracle Smile Delivery	50	2.25%		
Dickson Podley Realtors			59	1.97%
United Artists Theater D B A UA		0.00%	60	2.00%
Dish Breakfast, Lunch & Dinner			50	1.67%
Von's			51	1.70%
Taylor's Steak House			48	1.60%
Regal Corporate Headquarters	45	2.03%		
Total Employees	2,221		2,996	

(1) Private for-profit employers only

"Total Employment" as used above represents the total employment of all private for-profit 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

<u>Function</u>	<u>Full-Time and Part-time Employees as of June 30</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>	<u>2020</u>
General	24	23	25	24	24	27	27	26	25	27
government										
Public safety	1	1	1	1	1	1	-	1	2	2
Community	9	9	8	9	8	7	8	9	9	10
development										
Public works	9	9	9	9	9	8	7	9	9	9
Total	<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>	<u>48</u>

Source: City of La Cañada Flintridge

**CITY OF LA CAÑADA FLINTRIDGE**

Operating Indicators  
by Function  
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Arrests	248	228	276	387	292	344	156	193	254	253
Parking citations issued	1,143	1,262	1,235	451	1,159	602	445	596	1,195	1,136
Fire:										
Number of emergency calls	1,206	1,172	1,237	1,211	1,396	2,115	1,495	1,477	1,489	1,513
Inspections	1,661	1,353	963	226	254	361	321	1,566	1,498	1,127
Public works:										
Street resurfacing (miles)	1.50	5.36	2.60	2.67	2.73	2.81	3.13	1.98	2.80	4.50
Parks and recreation:										
Number of facilities rented	14	14	14	15	15	15	15	15	15	15*

\* All available facilities were closed on June 30, 2020 due to Los Angeles County Health Department orders, as a consequence of the COVID-19 pandemic. However, there had been no change to the number of facilities in the City from the previous year.

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

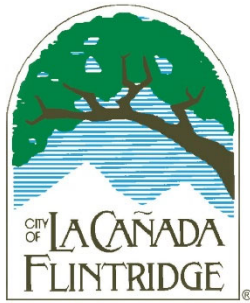
	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Stations (1)	0	0	0	0	0	0	0	0	0	0
Fire:										
Fire stations (1)	0	0	0	0	0	0	0	0	0	0
Public works:										
Streets - miles (2)	87.7	87.7	87.7	87.7	87.7	87.7	87.7	87.7	87.7	87.7
Streetlights	81	82	84	84	84	84	84	84	84	84
Traffic signals	18	18	18	18	18	18	18	18	25	25
Parks and recreation:										
Parks	5	5	6	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



**This page intentionally left blank.**