

Annual Comprehensive Financial Report

Year Ending June 30, 2022

La Cañada Flintridge, California

**CITY OF LA CAÑADA FLINTRIDGE
CALIFORNIA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022



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



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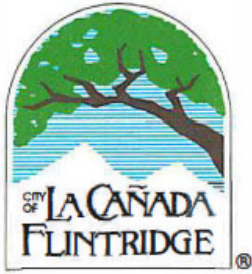
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INTRODUCTORY SECTION





City Council
Keith Eich, Mayor
Richard B. Gunter III, Mayor Pro Tem
Kim Bowman
Michael T. Davitt
Terry Walker

May 10, 2023

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

The Annual Comprehensive Financial Report (ACFR) of the City of La Cañada Flintridge, California, for the fiscal year ended June 30, 2022 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 the 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, 2022, 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, 2022, 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 July 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 at the program and department level. 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 2021-22 amounted to \$23,891,431 and \$11,552,256 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.

Post-pandemic environment

As the City emerged from the COVID-19 pandemic, La Canada Flintridge residents and the rest of the nation were faced with growing inflation, higher interest rates, record-breaking gas prices and a war in

Europe. Yet, for Fiscal Year 2021-22, the City's finances remained stable and even saw some growth in this post-pandemic environment. Increases in funds included the initial one-time distribution of the American Rescue Plan Act (ARPA) funds from the Federal government. Sales tax revenues continued to see growth with online sales contributing a larger portion of the City's sales tax revenues. Although inflation increased building costs, the City continued to see growth in construction which increased development permit fees. Property Tax revenue continued its upward trend with local property values remaining steady or increasing. However, it is anticipated that in FY 2022-23 the real estate market will see a slowdown and potentially impact future property tax revenues. With a return to operational normalcy, there continued to be renewed efforts to hold annual events such as Fiesta Days, Festival of Lights, Music in the Park, theatrical events at Lanterman Auditorium and other various events. In addition, the City renewed its effort to complete various capital projects that were delayed due to the pandemic. Overall, the City emerged from the post-pandemic environment in a positive financial direction.

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 8.9 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 20,081 as of calendar year 2021, a decrease of approximately 0.5 percent from the previous year. Per capita personal income in 2021 was \$82,121, a decrease of nearly 0.4 percent from 2021. The median age of La Cañada Flintridge residents in 2021 was 44.4 as compared to 45.1 in 2020.

The City has approximately 7,120 housing units. The median sales price of a single-family residential home in 2022 was \$2,422,500, an increase of 22.23% over the median sales price of \$1,982,000 in 2021.

The local economy remains stable despite high inflation and rising interest rates at the national economic levels. The unemployment rate among the City's residents was estimated at 4.1% in 2021, lower than the 2020 figure of 6.8%. Major employers located in the City's largely residential community includes: NASA's Jet Propulsion Laboratory, La Cañada Unified School District, Gelson's Market, Ross Stores, Inc., Target, and TJ Maxx. The City's largest private employers are Ralphs Grocery Company, Sprouts Farmers Market and Trader Joe's.

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 because of the lingering effects of the pandemic and increases in inflationary and interest rates. 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 median 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 0.70%.

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 0.37%; in CAMP, the average yield was 0.26%.

The City’s longer-term investments include securities; specifically, corporate notes, obligations of agencies of the U.S. Government, and obligations of U.S. Government sponsored enterprises. These investments are laddered with maturities up to five years. For the year, the yield on the City’s securities holdings was 0.72%.

Investment returns, as measured in the financial statements, include changes in the fair value of the City’s securities. Increases and decreases in the fair market value of investments do not necessarily represent actual value at maturity or 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 187 cases during FY 2021-22. The commercial vacancy rate, including retail and office units, decreased from July, 2021 to June, 2022. The adjusted commercial vacancy rate for July, 2021 was at 4.1% which remained at 3.8% as of June, 2022, still a low vacancy rate.

Mills Act - The City continued its Mills Act Program for residents interested in preserving their historic residences. The Mills Act reduces the amount of property taxes collected on contracted properties in return for preserving the properties in accordance with state and federal regulations. Houses are considered on an individual basis and must meet standards established by the Federal Government. Four houses were approved for contracts during FY 2021-22. In 2020, the City Council increased the limit for foregone taxes from \$20,000 to \$30,000, and, in so doing, increased potential program participation.

CDBG Activity for FY 2021-2022 - 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 \$12,000, respectively. During the 2021-22 fiscal year, the program assisted two households with rehabilitation. In total, \$44,750 was spent on the program for both construction costs and CDBG consultant costs. Two households were assisted with sewer grants for a total program cost of \$19,750 for both construction and CDBG consultant costs. CDBG funding was also available for a City-owned American's with Disability Act (ADA) parking lot improvement project at the Community Center of La Cañada Flintridge (CCLCF). The total project cost was \$15,850. Finally, funding was provided for three small business grants in the amount of \$10,000, each, to businesses in the City that were negatively affected by the COVID-19 pandemic.

Zoning Code Update - Public hearings before the Planning Commission on the Zoning Code Update were held from January, 2021 through June, 2021 and will continue once the Housing Element is approved by the State. Resultant Zoning Code sections will be updated accordingly.

Housing and Safety Element Update - The 6th Cycle Housing Element Update was due by October, 2021. State law requires that, in conjunction with the Housing Element, the Safety Element must also be updated. Throughout FY 2021-22, staff and the consultant conducted public workshops and public hearings on the updates. The adoption of the updated Safety Element took place in May, 2022 and the Housing Element initially adopted by the City Council in October, 2022.

Infrastructure Improvements/Public Works

The City's Public Works Department continues to be 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:

- **2022 Citywide Resurfacing Project** – This included the resurfacing of 17 street segments throughout the City covering approximately 2.86 miles of roadway. The City Council awarded the construction contract in March, 2022 and work was substantially completed in June, 2022.
- **2022 Miscellaneous Concrete Repair Project** – Focused on repairing broken sidewalk and improving accessibility throughout the City; included repair of broken curbs, gutters, and cross gutters. The City Council awarded the construction contract in April, 2022, and work was completed in August, 2022.
- **Citywide Pedestrian Crossing Upgrade (HSIP-Cycle 10):** The project consisted of installation of pedestrian crossing enhancements including Pedestrian Countdown Signal Heads and ADA Pedestrian Push Buttons along Foothill Boulevard at Alta Canada Drive, Castle Road, Lasheart Drive, La Canada Plaza Road, and Ocean View Boulevard; and along Verdugo Boulevard at La Tour Way and Descanso Drive. In addition, the project included the installation of bulb-outs, ADA curb ramps, overhead flashing beacons, striping and signage at Foothill Blvd and Union Street. The City Council awarded contract in February, 2022 for the preparation of Plans, Specifications and Estimates (PS&E) for the project. The construction phase of the project will be completed in early 2024.

- **Descanso Drive Street Improvements** – This project significantly improved multimodal safety, access, and wayfinding by resurfacing the street, creating a new sidewalk on the west side of the street, and improving crossings for pedestrians and bicyclists between the local trail system and community spaces like Descanso Gardens. Design was completed in May, 2021. The City Council awarded the construction contract in November, 2021; construction began in January, 2022 and was completed in June, 2022.
- **Flint Canyon Trail** - This project is to stabilize approximately 1,000 feet of the 2.4 mile intercity trail by reducing the stream erosion that is undercutting the supporting slope. The City Council awarded the contract for the preparation of the environmental document and preliminary design in April, 2020. Design is 85% completed.
- **Foothill Boulevard Link Bikeway and Pedestrian Greenbelt** – This project consisted of construction of approximately a half-mile of Class I bicycle and pedestrian paths and two miles of Class II bike lanes with bicycle amenities, raised medians, bus stops, and other streetscape beautification to enhance bike and pedestrian access, mobility, and safety. The City Council awarded the construction contract in May, 2021; construction began in January, 2022 and the project was completed in April, 2023.
- **Foothill Boulevard Traffic Signal Improvements Project (HSIP Cycle 9)** – This project consisted of upgrading the traffic signals along Foothill Boulevard at Commonwealth Avenue, Hillard Avenue, Gould Avenue and Hampton Road. The City Council awarded the construction contract in March, 2022. A Notice to Proceed for the procurement of the long-lead traffic signal materials was issued to the Contractor in June, 2022. Materials are expected to be delivered in December 2022 and construction was substantially completed at the intersections of Foothill Boulevard and Gould Avenue, and Commonwealth Avenue and Hampton Road. The materials for the intersection of Foothill Boulevard and Hillard Avenue have been delivered and work will be completed by the end of June, 2023.
- **Gazebo at Olberz Park** – This project consists of the installation of a new gazebo including related site works at Olberz Park. The City Council awarded the construction contract in June 2022. Construction was completed and gazebo dedicated in April, 2023.
- **Sister City Friendship Trail** - The project will create a new accessible trail segment for the Descanso Trail, beginning at the existing trailhead and connecting to the Descanso Trail beyond steep switchbacks. The City Council awarded the contract for the preparation of the environmental document and design plans in February 2021. Design is completed and construction is expected to start in June, 2023 and be completed in August, 2023.
- **Soundwall Phase II** – This project includes the construction of one additional soundwall segment along the south side of I-210 Freeway between La Tour Way and Alta Canyada Road. The City Council awarded the contract for the preparation of revised Plans, Specifications and Estimates (PS&E) in September, 2021. This project will be consolidated with phase IV in 2023.
- **Soundwall Phase III** – This project included the construction of three additional soundwalls along I-210 Freeway at select locations throughout the City. The City Council awarded the construction contract in December, 2021. Construction started in January, 2022 and was completed in April, 2023.
- **Soundwall Phase IV** – This project includes the construction of four additional soundwall segments on the north side of I-210 Freeway at select locations throughout the City. The City Council awarded the contract for the preparation of the plans, specifications, estimate and related technical report in June, 2021 and will award the construction contract in mid 2023.
- **Traffic Signal Upgrades at Various Locations** – The project consists of the upgrade of the traffic signal equipment at the following intersections: Foothill Boulevard at Verdugo Boulevard

and La Canada Boulevard; Foothill Boulevard at Oakwood Avenue; and Verdugo Boulevard at Descanso Drive. The City Council awarded a contract in May 2022 for the Preparation of Plans, Specifications and Estimates (PS&E) and Construction Support for the project. A Notice to Proceed was issued to the Consultant in June, 2022. Design is 95% complete. It is expected that construction will start in Spring 2024 and be completed in Fall 2024.

Public Safety

The City Council continues 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 FY 21-22, the City installed 11 additional Flock Safety video cameras. The deployment and installation of Flock Safety cameras integrated with Automatic License Plate Reader (ALPR) technology has assisted the Sheriff's Department with investigating and solving crimes. A total of 50 flock safety video cameras are installed at major entrances and key locations throughout the City.

In November, 2021, the City, in partnership with the Crescenta Valley Sheriff's Station, was awarded a three-year Tobacco Grant through the California Department of Justice to assist with educating minors about the harms of tobacco products, enforcing state and local tobacco laws, and conducting retail enforcement.

In addition, the City continued its enhancement of the Emergency Operation Center. The City utilized new procedures and methodology to establish a "roll out" of EOC equipment allowing for quick and easy setup of the EOC by anyone following simple instructions. Staff is also training regularly on various emergency procedures to learn new skills and maintain proficiency. The City has continued to emphasize its disaster-preparedness activities by supporting the City's mass notification system, "Alert LCF," and conducting semiannual tests to residents and the community to ensure the system is working properly.

Transportation

During FY 2021-22, 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 Governing Board is comprised of one elected official or designee from each of the six agencies. The group was formed primarily to ensure their Measure M Fund allocation and to ensure full fiduciary authority to handle those funds. With the retirement of LCF staff in the role of Executive Director and Treasurer, the Governing Board transferred the Executive Director and Treasurer responsibilities to staff members of the City of Pasadena.

The passage of the Measure M Multi-Year Subregional Program (MSP), approved by the Los Angeles County Metropolitan Transportation Authority, allocated \$953,919 in Measure M Subregional funds for the Foothill Blvd. Link Bikeway and Pedestrian Greenbelt Project. Construction for the Project began on January 10, 2022. The Project created a half mile of Class I bicycle and pedestrian paths, and two miles of Class II bike lanes with bicycle amenities between La Canada Plaza Road and Hillard Avenue. In addition, the existing pavement was resurfaced and restriped, the street lighting and traffic signals were upgraded, and new medians were installed. New trees and plants beautify the streetscape and pedestrian paths.

On March 15, 2022, the City Council approved a match of \$360,000 (20% match) from the allocation of locally approved AVCJPA Measure M MSP transit funding for the purchase of two replacement electric shuttle buses. The City partnered with the City of Glendale in their submission of an application for grant funding to the Transit and Intercity Rail Capital Program (TIRCP) through the California State Transportation Agency (CalSTA) titled "*Making a 'Beeline' for Electrification: City of Glendale and Arroyo Verdugo Communities Zoom towards Cleaner Transportation*".

The City continues to operate fixed-route transit shuttle services through partnership with the City of Glendale. The "LCF Express Shuttle (Route 33)" and its fixed-route line "Routes 33/34", continue to

operate which has allowed for improved services during peak usage times. The Route 34 schedule was aligned with JPL and La Cañada High School arrival, departure times, and the lunch hour. The City extended its contractual arrangement with Glendale 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, resumed after being suspended for two years due to the COVID-19 pandemic.

The City continued the operation of six electric vehicle charging stations. The first electric vehicle charging station installed is located 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 2020, 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 purchased four electric vehicle charging stations and twenty bicycle racks. The City installed one single-port station accessible to the public on the west side of the City Hall public parking lot and at the Lanterman Auditorium public parking lot. Two single-port stations were installed at City Hall’s subterranean garage for the use by City vehicles. Additionally, the City partnered with Descanso Gardens Guild to install twelve bicycle racks at the Descanso Gardens Visitor Center. The remaining racks were installed at City Hall (2), Descanso Trail (2), Gould Canyon Trailhead (2), and Winery Channel Trailhead (2).

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 joint-use facilities, including the LCHS Tennis Courts, 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 is currently looking at ways to enhance the lighting system at the athletic fields. Furthermore, the City is working on innovating ways to extend the longevity of the fields through intermittent closures and scheduled major capital improvement projects. The City has also been investigating potential locations to install new public pickleball courts.

With respect to trails, the City continues to improve and maintain the robust trail system for recreational use. In May 2022, local officials, and Sister City dignitaries from Villanueva de la Canada (Spain) attended the dedication and opening of the new Sister Cities Friendship Trail. In addition, the City has completed the design phases for the Flintridge Canyon Trail improvement and will secure bids for the construction phase of the project. Lastly, the City is seeking permits for the development of the Seco Creek Trail.

Lanterman Auditorium

The City continues 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 greatly expanded since its reopening following the closure due to the COVID pandemic.

Youth Council

The City continued with the format of a nine-member Youth Council. With the expanded Youth Council, each of the four high schools within the City appoint one School Representative to the group, while the other five seats remain at-large appointed by the City Council. The Youth Council discussed various activities to host, including a Battle of the Bands and financial planning seminars. The Youth Council is also working on outreach efforts regarding organic waste.

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 annual comprehensive financial report for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for continued recognition.

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

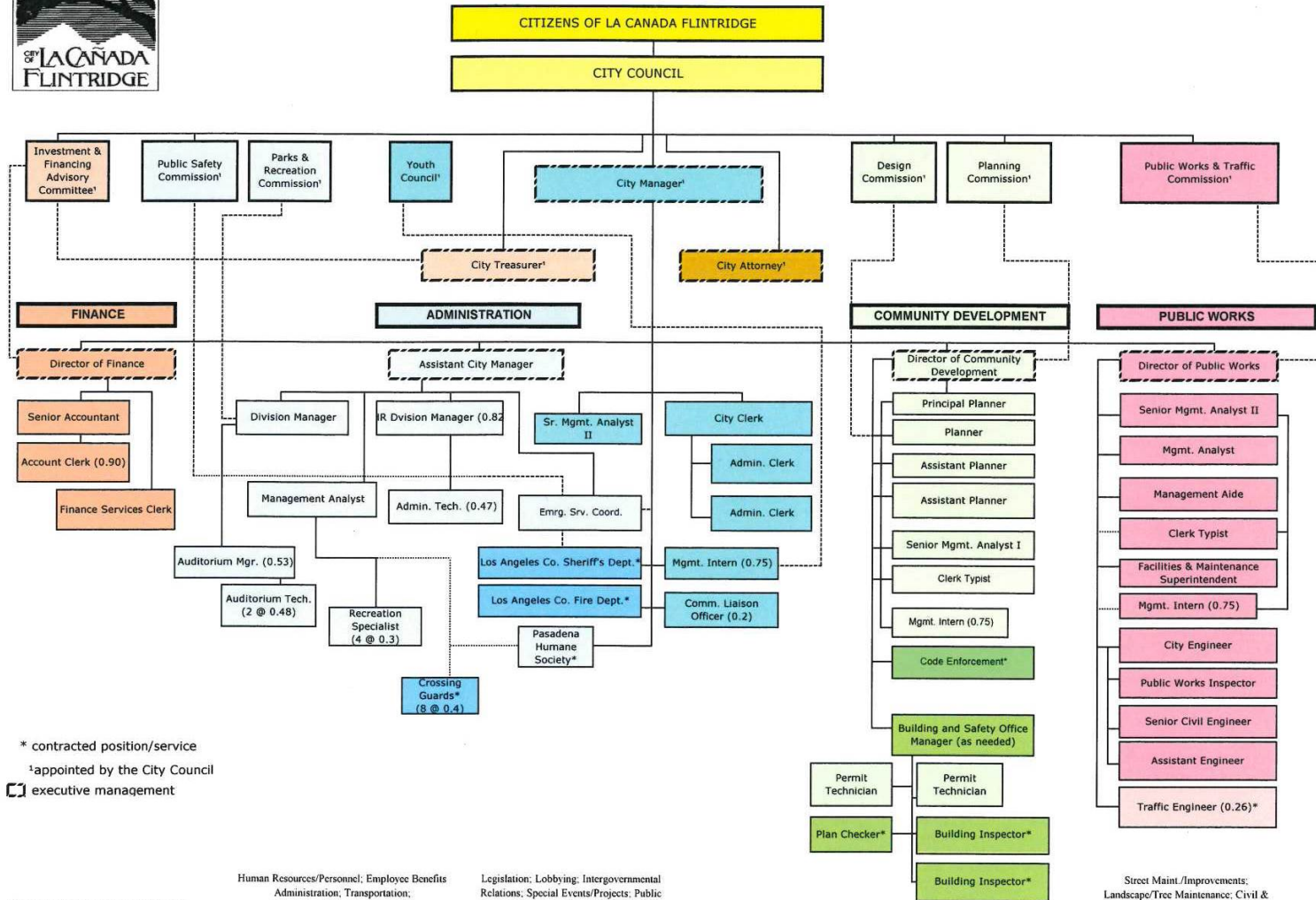
Terry Walker, Mayor
Keith Eich, Mayor Pro Tem
Jonathan C. Curtis, Councilmember
Michael T. Davitt, Councilmember
Richard B. Gunter III, Councilmember

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
 † 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

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 Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City of La Cañada Flintridge's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of La Cañada Flintridge, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of La Cañada Flintridge and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the 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 schedules for the general fund and major special revenue fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of La Cañada Flintridge's basic financial statements. The major fund budgetary comparison schedules, combining and individual fund statements and schedules, and nonmajor budgetary comparison schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Honorable Mayor and City Council
City of La Cañada Flintridge

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2023, on our consideration of the City of La Cañada Flintridge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of La Cañada Flintridge'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 City of La Cañada Flintridge's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Irvine, California
May 10, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2022. 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 \$97,108,364 (*net position*) at the close of this fiscal year. Of this amount, \$64,440,858 (66.4%) is net investment in capital assets, \$20,704,648 (21.2%) is restricted for projects and programs, with \$11,962,858 (12.2%) being unrestricted (*unrestricted net position*), which is available and may be used to meet ongoing obligations.

- The City's total net position increased by \$3,083,019 (3.3%) based on city-wide revenues totaling \$29,692,978 and city-wide expenses totaling \$26,609,959. The increase in the city-wide total net position was due mainly to increases in sales tax, property tax, charges for services and the final installment of ARPA funds. City-wide expenses increase was due primarily to the completion of several Public Works soundwall capital projects.
- For the current fiscal year, the City's total governmental funds reported combined ending fund balances of \$34,748,474, a decrease of \$1,704,523 (4.7%) over the previous fiscal year as a result of the completion of several capital projects.
- The General Fund balance at the end of the fiscal year is \$18,634,683, an increase of \$174,040 (0.9%) over the previous fiscal year. The unassigned portion of that fund balance is \$12,731,143, which is 68.3% of the total fund balance and 83.4% of FY 2021-22 General Fund expenditures. Of the remaining fund balance, \$1,084,871 (5.8%) is nonspendable, \$1,000,000 (5.4%) is committed to economic stabilization, and \$3,818,759 (20.5%) is assigned.

Overview of the Financial Statements

The City's basic financial statements comprise of 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. The basic financial statements and related notes can be found on pages 15-62 of this report.

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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

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 details of this reconciliation can be found on pages 21 and 24.

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, and the City Capital Projects Fund, all of which are major funds. Data from the other twenty-one 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* on pages 75-87.

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 68, 71-73, and 89-108 for details.

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 25-62 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

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 changes in the total OPEB liability and related ratios and budgetary comparison schedule for its General Fund. Required supplementary information can be found on pages 63-71 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 71-108.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. On June 30, 2022, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$97,108,364.

**Table 1
Net Position**

	<u>2022</u>	<u>2021</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change (%)</u>
Current and Other Assets	\$ 51,372,163	\$ 42,478,365	\$ 8,893,798	20.9%
Capital Assets	83,669,500	84,536,292	(866,792)	-1.0%
Total Assets	<u>135,041,663</u>	<u>127,014,657</u>	<u>8,027,006</u>	6.3%
Deferred Outflows	1,140,208	1,311,649	(171,441)	-13.1%
Long-Term Liabilities Outstanding	23,046,245	28,569,950	(5,523,705)	-19.3%
Other Liabilities	11,100,169	5,233,829	5,866,340	112.1%
Total Liabilities	<u>34,146,414</u>	<u>33,803,779</u>	<u>342,635</u>	1.0%
Deferred Inflows	4,927,093	497,182	4,429,911	891.0%
Net Position				
Net Investment in Capital Assets	64,440,858	65,045,996	(605,138)	-0.9%
Restricted	20,704,648	18,738,848	1,965,800	10.5%
Unrestricted	11,962,858	10,240,501	1,722,357	16.8%
Total Net Position	<u>\$ 97,108,364</u>	<u>\$ 94,025,345</u>	<u>\$ 3,083,019</u>	3.3%

As shown in Table 1, net position from governmental activities increased by \$3,083,019 (3.3%). Total Assets increased by \$8,027,006 (6.3%) due to an increase in cash totaling \$2,746,395, which is primarily due to the receipt of ARPA funds. In addition, reimbursable receivables from capital projects totaling \$4,401,482 and an additional \$1,745,921 in rental lease income due to the implementation of GASB 87 for lease accounting contributed to the increase in total assets. However, the City did see a decrease in depreciated Capital Assets by \$866,792. With the completion of Olberz park gazebo and street projects, the City anticipates Capital Assets to increase in future years.

Total liabilities increased \$342,635 (1.0%) from 2021. In recent years long-term liabilities have been reduced by ongoing payment of the principal for two loans from the State Water Resource Control Board for Sewer Assessment Districts AD02-1 and AD04-1.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

Governmental Activities. The City's overall governmental activities, as reflected on the government-wide Statement of Activities, had positive operating results in 2022, with revenues exceeding expenses by \$3,083,019. Table 2 below summarizes 2022 revenues and expenses, compares these revenue and expenses to 2021, and shows the year-over-year change in net position.

Revenues in 2022 totaled \$29,692,978, an increase of \$3,430,916 (13.1%) compared to 2021. The increase was primarily due to reimbursements of \$3,266,904 from capital projects grants for the construction of various sound walls phases and the Foothill Link project. In addition, revenues were higher in 2022 for Property and Sales taxes by \$290,017 and \$630,950, respectively. Other program increases included Charges for services which saw increases in the rental of the Lanterman auditorium and building permit and plan check fees. Other taxes, such as Franchise fees and Real property transfer fees, also increased by a total of \$71,198. These increases listed above offset decreases of \$63,378 in Other revenues. The City also saw a decrease in Use of money due to unrealized loss in the fair market value (FMV) in investments. However, it should be noted that the FMV investment loss will be offset once the investments mature.

Overall expenses in 2022 totaled \$26,609,959, an increase of \$3,616,140 (15.7%) from 2021. A significant portion of the increase was in the areas of Public Works and Public Safety. These increases were due to various Public Works capital projects and anticipated annual CPI increase in the Sheriff's contract. However, the City did see a decrease in General Government expenses as a result of an unfilled staff position.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

**Table 2
Change in Net Position**

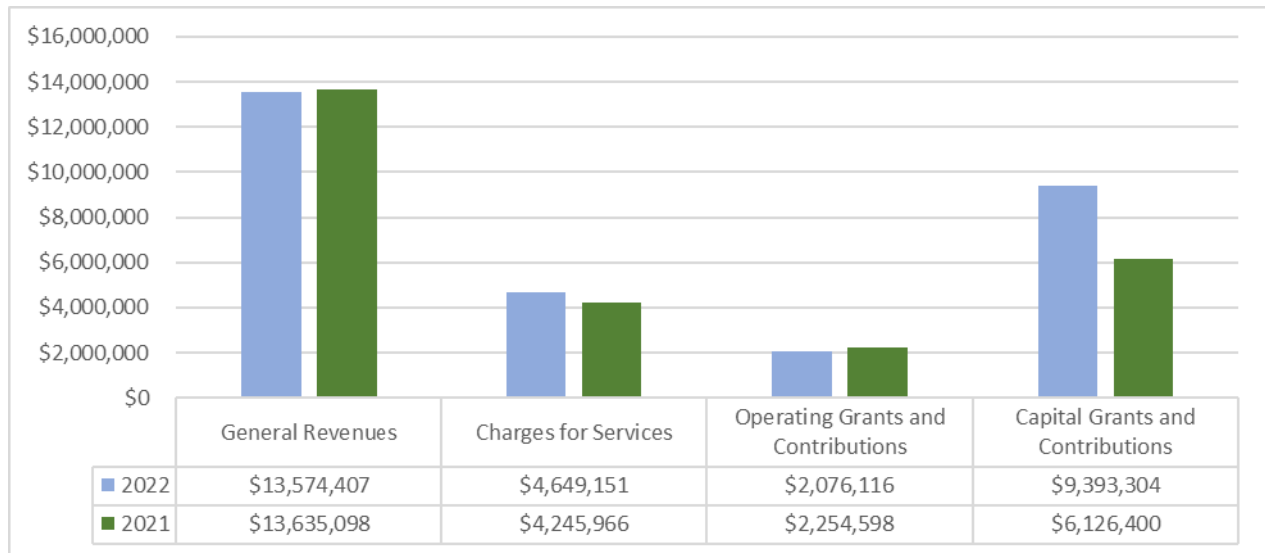
	<u>2022</u>	<u>2021</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change (%)</u>
Program Revenues				
Charges for Services	\$4,649,151	\$4,245,966	\$ 403,185	9.5%
Operating Grants and Contributions	2,076,116	2,254,598	(178,482)	-7.9%
Capital Grants and Contributions	9,393,304	6,126,400	3,266,904	53.3%
General Revenues				
Property Taxes*	9,426,867	9,136,850	290,017	3.2%
Other Taxes	1,385,182	1,313,984	71,198	5.4%
<i>State Shared Revenues - Unrestricted</i>				
Sales Tax	3,510,847	2,879,897	630,950	21.9%
Motor Vehicle	23,389	15,007	8,382	55.9%
Use of Money and Property	(832,134)	165,726	(997,860)	-602.1%
Other	60,256	123,634	(63,378)	-51.3%
Total Revenues	<u>\$29,692,978</u>	<u>\$26,262,062</u>	<u>\$3,430,916</u>	13.1%
Expenses				
Public Works	\$14,061,912	\$10,562,543	\$ 3,499,369	33.1%
General Government	4,965,147	5,087,112	(121,965)	-2.4%
Public Safety	4,437,253	4,182,276	254,977	6.1%
Community Development	2,675,289	2,621,531	53,758	2.1%
Interest Expense	470,358	540,357	(69,999)	-13.0%
Total Expenses	<u>\$26,609,959</u>	<u>\$22,993,819</u>	<u>\$3,616,140</u>	15.7%
Change in Net Position	<u>\$3,083,019</u>	<u>\$3,268,243</u>	<u>(\$185,224)</u>	-6%
Net Position, Beginning of Fiscal Year	<u>\$94,025,345</u>	<u>\$90,757,102</u>	<u>\$3,268,243</u>	4%
Net Position, End of Fiscal Year	<u>\$97,108,364</u>	<u>\$94,025,345</u>	<u>\$90,757,102</u>	

*Property Tax and Property In Lieu have been combined for reporting purposes.

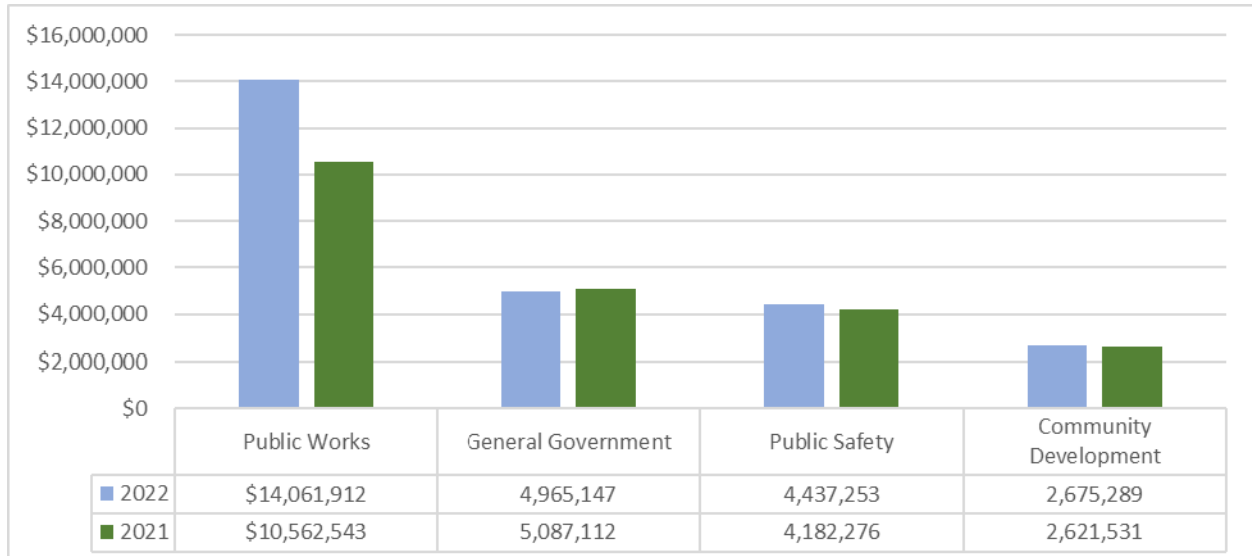
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

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**



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

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.

On June 30, 2022, the City's *governmental funds* reported combined fund balances of \$34,748,474, a decrease of \$1,704,523 (-4.7%) over the prior fiscal year. The fund balance in the General Fund, at \$18,634,683, accounted for 53.6% 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 \$8,254,581, 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, 2022, was \$26,693,672 which is \$527,191 higher (2.0%) than the \$26,166,481 received in 2021. Increases in the category of Taxes (up 7.4%) were due primarily to increases in sales and property taxes revenues. Charges for Services (up 6.4%) was due overall to an increase in building permit and plan check fees. Fines and Forfeitures (up 41.1%) and Other Agencies (up 31%) increased as a result of fines and grant revenues from other governmental agencies. Assessments (down 37.1%) decrease was due to final collections of funds for sewer assessment AD02-1. Other revenues (down 70.9%) was due to a one-time reimbursement in funds that was received in the prior fiscal year. Use of money and property decreased 288.4% from the previous fiscal year was due to the decrease in the fair market value of investments as required by GASB 31. This decrease will be offset at the maturity of the investments.

Expenditures across all governmental funds in 2022 totaled \$28,398,195, which is an increase of \$5,516,148 (up 24.1%) compared to 2021. This was primarily due to various capital projects that were active or completed in 2022. This includes various portions of the soundwalls along the 210 freeway and traffic signal upgrades throughout the City.

The City's Capital Projects Fund balance ended with a negative fund balance of \$1,162,634, a decrease of \$2,199,660 from the prior fiscal year. This is primarily due to the timing of receipts from federal and local grant reimbursements for various soundwall capital projects that were expended in FY 2022. In addition, the fund received a total of \$2,964,986 in state and local grant funds primarily for the reimbursement of various phases of the soundwalls. The General Fund, Measure R, Proposition A, and C transportation funds also transferred in a total of \$3,210,282 toward various capital projects. These funding sources offset a total of \$8,374,936 in capital project expenditures which included various phases of the soundwalls, traffic signal light upgrades, street improvements, pedestrian and bike paths, and trails throughout the City.

In FY 2021-22 the City's Federal Emergency Fund recognized American Rescue Plan Act (ARPA) revenues and interest income totaling \$22,688. In addition, the fund expended \$17,173 in cybersecurity enhancements. The fund will receive a total of \$4,786,575 in ARPA funds and these funds must be obligated by December 31, 2024, and expended by December 31, 2026.

On June 30, 2022, the City's Sewer AD04-1 Debt Service Fund had an ending fund balance of \$8,254,581. The fund had revenues totaling \$15,617 in interest income revenues and a transfer in of \$1,800,227 of sewer assessment fees to pay debt service expenditures totaling \$1,699,402.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

In FY 2022 the City's Sewer AD02-1 assessment fees were collected in full and future debt service payments will be paid using the remaining fund balance in the debt service fund. As a result, the ending fund balance decreased \$874,321 and for FY 2021-22 the ending fund balance was \$3,948,875. The fund continues to earn interest income on the fund balance which totaled \$12,935. In addition, the fund also transferred in \$1,108 in sewer assessment penalty fees. Expenditures totaled \$888,364 consisted of principal and interest debt service payments.

Sewer Improvement AD02-1 fund includes a negative fund balance totaling \$995,104 in cost associated with the acquisition and construction of a residential and commercial sewer systems. It is anticipated that this negative fund balance will be reimbursed once the Sewer AD02-1 debt service payments have been completed in FY 2024-25.

General Fund Financial and Budgetary Highlights

The General Fund is the chief operating fund of the City. On June 30, 2022, the fund balance reported in the General Fund was \$18,634,683 which is \$ (0.1%) greater than in 2021. The unassigned portion of that fund balance was \$12,731,143, accounting for 68.3% of total fund balance. As a measure of liquidity, it is useful to compare total and unassigned fund balances to annual General Fund expenditures. In 2022, total ending fund balance represented 122.1% of 2022 expenditures, and unassigned fund balance represented 83.4% of expenditures.

General fund revenue for the fiscal year totaled \$18,128,378, which exceeded budgeted revenues of \$17,762,975 by \$365,403 (2.1%). Actual revenue exceeded the budgeted amount in each category except for "From Other Agencies" and "Use of Money and Property", which came in below budget by \$26,602 (-31.4%) and \$1,243,755 (-273.40%), respectively. As previously noted a decrease in "Use of Money and Property" is due to unrealized loss in the fair market value (FMV) in investments and fluctuates based on market conditions. Favorable budget-to-actual results occurred with respect to Property Tax and Sales Tax (both included in the "Taxes" category) and "Charges for Service" category indicated continued strength in permit and planning applications.

General Fund expenditures totaled \$15,266,578, which is \$1,436,847 less than the final budgeted amount. Moderate savings relative to budgeted expectations were across all categories - general government, public safety, public works, and community development.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2022, the City's investment in capital assets for its governmental activities totaled \$83,669,500 (net of accumulated depreciation). Capital assets include land and easements, buildings, equipment and vehicles, park facilities, infrastructure, sewer improvements, and construction in progress. Overall, capital assets decreased by \$866,792 (-1.0%) from 2021, with a total increase in assets of \$1,598,870 being offset by accumulated depreciation of \$2,465,662. The increase in assets was due primarily to investments in capital projects that are currently in process. Information about capital asset activity can be found on page 42. Table 3 below compares the capital asset balances in each category for this and the previous fiscal year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

**Table 3
Capital Assets**

Asset Type	2022	2021	Increase/ Decrease	Percentage Change (%)
Land and Easements	\$ 11,922,395	\$ 11,922,395	\$ -	0.0%
Buildings and Improvements	17,524,773	17,524,773	-	0.0%
Equipment and Vehicles	2,154,240	2,127,746	26,494	1.2%
Infrastructure	82,862,982	82,519,425	343,557	0.4%
Construction in Progress	2,271,374	1,042,555	1,228,819	117.9%
Total Capital Assets	<u>\$ 116,735,764</u>	<u>\$ 115,136,894</u>	<u>\$ 1,598,870</u>	1.4%
Accumulated Depreciation	<u>(33,066,264)</u>	<u>(30,600,602)</u>	<u>(2,465,662)</u>	8.1%
Capital Assets, Net of Depreciation	<u>\$ 83,669,500</u>	<u>\$ 84,536,292</u>	<u>\$ (866,792)</u>	-1.0%

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 \$2,931,884) totaled \$23,046,245, a decrease of \$5,523,705 (19.3%) from 2021 due primarily to the actuaries' revaluation of the OPEB and Pension Liability. The City has continued to make debt service payments on two sewer assessment district loans to the State Water Resources Control Board (SWRCB), resulting in a reduction in principal and the long term debt. There are two sewer assessment loans outstanding.

The City's Pension and Other Post-Employment Benefits (OPEB) long-term liability, which consist solely of obligations for current and future retiree pension and health benefits, decreased by \$2,005,868 and \$1,124,672, respectively. The liability for employee leave benefits also decreased by \$27,295 over the previous fiscal year. More detailed information on long-term liabilities can be found on pages 43-46 and 49-59. Table 4 below provides a summary of the changes in the City's long-term liabilities.

**Table 4
Long-Term Liabilities**

	2022	2021	Increase/ (Decrease)	Percentage Change (%)
SWRCB Loan AD 02-1	\$2,542,118	\$3,350,080	(\$807,962)	-24.1%
SWRCB Loan AD 04-1	9,416,525	10,864,787	(1,448,262)	-13.3%
Ibank Financing Lease	4,748,268	4,857,914	(109,646)	-2.3%
Employee Leave Benefits	425,649	452,944	(27,295)	-6.0%
Total OPEB Liability	3,951,896	5,076,568	(1,124,672)	-22.2%
Net Pension Liability	1,961,789	3,967,657	(2,005,868)	-50.6%
Long-Term Obligations	<u>\$23,046,245</u>	<u>\$28,569,950</u>	<u>(\$5,523,705)</u>	-19.3%

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

Economic Factors and Next Year's Budgets and Rates

The City's fiscal year 2022-23 budget considers historical trends to project revenues. Expenditures were estimated based upon program and project needs. The City continues to budget conservatively due to inflationary volatility. Although there are uncertainties with the national economy, City continues to maintain a healthy General Fund balance of \$18,634,683 as of June 30, 2022

In FY 2023 the City will continue to monitor sales tax revenues as it returns to pre-pandemic figures along with decreased revenues associated with the slowdown in the housing market. In addition, during the fiscal year 2022-23 budget meeting, the City Council approved a list of planning and capital projects to be funded through Federal ARPA (American Resource Plan Act) funds. The City received a total of \$4,786,575 in ARPA funds that must be expended by December 31, 2026.

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.

BASIC FINANCIAL STATEMENTS



**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**



**CITY OF LA CAÑADA FLINTRIDGE
STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 42,464,370
Restricted Cash and Investments - Retention Escrow	108,227
Accounts Receivable	6,836,689
Interest Receivable	127,279
Prepays	50,829
Loans Receivable	38,848
Lease Receivable	1,745,921
Capital Assets:	
Not Being Depreciated	14,193,769
Being Depreciated (Net of Accumulated Depreciation)	69,475,731
Total Assets	<u>135,041,663</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	828,659
Deferred Outflows Related to OPEB	311,549
Total Deferred Outflows of Resources	<u>1,140,208</u>
LIABILITIES	
Accounts Payable and Accrued Liabilities	5,703,207
Deposits Payable	2,635,855
Unearned Revenue	2,525,734
Interest Payable	235,373
Long-Term Debt:	
Due Within One Year:	
Long-Term Liabilities	2,750,961
Total OPEB Liability	180,923
Due in More Than One Year:	
Long-Term Liabilities	14,381,599
Net Pension Liability	1,961,789
Total OPEB Liability	3,770,973
Total Liabilities	<u>34,146,414</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension	1,728,769
Deferred Inflows Related to OPEB	1,494,336
Deferred Inflows Related to Leases	1,703,988
Total Deferred Inflow of Resources	<u>4,927,093</u>
NET POSITION	
Net Investment in Capital Assets	64,440,858
Restricted for:	
Transit	3,059,878
Storm Water Capital Projects	193,340
Air Quality Improvements	324,840
Sewer Improvements and Operations	1,870,580
Debt Service	12,676,373
Capital Projects	2,574,122
General Government	5,515
Unrestricted	11,962,858
Total Net Position	<u><u>\$ 97,108,364</u></u>

See accompanying Notes to Financial Statements.

**CITY OF LA CAÑADA FLINTRIDGE
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 4,965,147	\$ 209,570	\$ 22,688	\$ -	\$ (4,732,889)
Public Safety	4,437,253	182,573	188,439	-	(4,066,241)
Community Development	2,675,289	3,455,123	136,659	-	916,493
Public Works	14,061,912	801,885	1,728,330	9,393,304	(2,138,393)
Interest	470,358	-	-	-	(470,358)
Total Governmental Activities	\$ 26,609,959	\$ 4,649,151	\$ 2,076,116	\$ 9,393,304	(10,491,388)
General Revenues:					
Taxes:					
Property					9,426,867
Franchise					752,219
Real Property Transfer					467,530
Business Operations					165,433
State Shared Revenues - Unrestricted:					
Sales Tax					3,510,847
Motor Vehicle					23,389
Use of Money and Property					(832,134)
Other					60,256
Total General Revenues					13,574,407
Change in Net Position					3,083,019
Net Position - Beginning of Fiscal Year					94,025,345
Net Position - End of Fiscal Year					\$ 97,108,364

See accompanying Notes to Financial Statements.

FUND FINANCIAL STATEMENTS





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**CITY OF LA CAÑADA FLINTRIDGE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	American Rescue Plan Act (ARPA) Special Revenue	Sewer AD04-1 Debt Service	Sewer AD02-1 Debt Service
ASSETS				
Cash and Investments	\$ 20,749,430	\$ 2,382,080	\$ 8,254,581	\$ 3,948,875
Restricted Cash and Investments - Retention Escrow	-	-	-	-
Receivables:				
Accounts	1,384,843	-	-	-
Interest	127,279	-	-	-
Loans Receivable	38,848	-	-	-
Lease Receivable	1,745,921	-	-	-
Due from Other Funds	393,023	-	-	-
Advances to Other Funds	995,104	-	-	-
Prepaid Items	50,829	-	-	-
Total Assets	<u>\$ 25,485,277</u>	<u>\$ 2,382,080</u>	<u>\$ 8,254,581</u>	<u>\$ 3,948,875</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 2,198,441	\$ 450	\$ -	\$ -
Deposits Payable	2,635,855	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	149,619	2,376,115	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	<u>4,983,915</u>	<u>2,376,565</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	162,691	-	-	-
Leases	1,703,988	-	-	-
Total Deferred Inflows of Resources	<u>1,866,679</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepays	50,829	-	-	-
Advances to Other Funds	995,104	-	-	-
Loans	38,848	-	-	-
Restricted:				
Transit	-	-	-	-
Storm Water Capital Project	-	-	-	-
Air Quality Improvements	-	-	-	-
Sewer Improvements and Operations	-	-	-	-
Debt Service	-	-	8,254,581	3,948,875
General Government	-	5,515	-	-
Committed:				
Property Acquisition	-	-	-	-
Economic Stabilization	1,000,000	-	-	-
Assigned:				
Tree Fund	206,227	-	-	-
Joint Use Projects	100,000	-	-	-
DAE Fees	31,607	-	-	-
Other Postemployment Benefits	995,925	-	-	-
Capital Reserve - Sewer 02-1	60,000	-	-	-
Capital Reserve - Sewer 04-1	925,000	-	-	-
Disaster Relief	1,500,000	-	-	-
Unassigned	12,731,143	-	-	-
Total Fund Balances (Deficits)	<u>18,634,683</u>	<u>5,515</u>	<u>8,254,581</u>	<u>3,948,875</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 25,485,277</u>	<u>\$ 2,382,080</u>	<u>\$ 8,254,581</u>	<u>\$ 3,948,875</u>

See accompanying Notes to Financial Statements.

**CITY OF LA CAÑADA FLINTRIDGE
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	City Capital Projects	Sewer Improvement AD02-1 Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 746,935	\$ -	\$ 6,382,469	\$ 42,464,370
Restricted Cash and Investments - Retention Escrow	108,227	-	-	108,227
Receivables:				
Accounts	4,578,974	-	872,872	6,836,689
Interest	-	-	-	127,279
Loans Receivable	-	-	-	38,848
Lease Receivable	-	-	-	1,745,921
Due from Other Funds	-	-	-	393,023
Advances to Other Funds	-	-	-	995,104
Prepaid Items	-	-	-	50,829
Total Assets	<u>\$ 5,434,136</u>	<u>\$ -</u>	<u>\$ 7,255,341</u>	<u>\$ 52,760,290</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 3,269,299	\$ -	\$ 235,017	\$ 5,703,207
Deposits Payable	-	-	-	2,635,855
Due to Other Funds	-	-	393,023	393,023
Unearned Revenue	-	-	-	2,525,734
Advances from Other Funds	-	995,104	-	995,104
Total Liabilities	<u>3,269,299</u>	<u>995,104</u>	<u>628,040</u>	<u>12,252,923</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	3,327,471	-	564,743	4,054,905
Leases	-	-	-	1,703,988
Total Deferred Inflows of Resources	<u>3,327,471</u>	<u>-</u>	<u>564,743</u>	<u>5,758,893</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepays	-	-	-	50,829
Advances to Other Funds	-	-	-	995,104
Loans	-	-	-	38,848
Restricted:				
Transit	-	-	3,059,878	3,059,878
Storm Water Capital Project	-	-	193,340	193,340
Air Quality Improvements	-	-	318,198	318,198
Sewer Improvements and Operations	-	-	1,870,580	1,870,580
Debt Service	-	-	472,917	12,676,373
General Government	-	-	-	5,515
Committed:				
Property Acquisition	-	-	306,023	306,023
Economic Stabilization	-	-	-	1,000,000
Assigned:				
Tree Fund	-	-	-	206,227
Joint Use Projects	-	-	-	100,000
DAE Fees	-	-	-	31,607
Other Postemployment Benefits	-	-	-	995,925
Capital Reserve - Sewer 02-1	-	-	-	60,000
Capital Reserve - Sewer 04-1	-	-	-	925,000
Disaster Relief	-	-	-	1,500,000
Unassigned	(1,162,634)	(995,104)	(158,378)	10,415,027
Total Fund Balances (Deficits)	<u>(1,162,634)</u>	<u>(995,104)</u>	<u>6,062,558</u>	<u>34,748,474</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 5,434,136</u>	<u>\$ -</u>	<u>\$ 7,255,341</u>	<u>\$ 52,760,290</u>

See accompanying Notes to Financial Statements.



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**CITY OF LA CAÑADA FLINTRIDGE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund Balances for Governmental Funds		\$ 34,748,474
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>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.</p>		
Capital Assets Not Being Depreciated	\$ 14,193,769	
Capital Assets Being Depreciated	102,541,995	
Accumulated Depreciation	<u>(33,066,264)</u>	83,669,500
<p>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 earned, regardless of its availability.</p>		
		4,054,905
<p>Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds.</p>		
		(235,373)
<p>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.</p>		
Loans Payable	(11,958,643)	
IBank Financing Lease	(4,748,268)	
Employee Leave Benefits	<u>(425,649)</u>	(17,132,560)
<p>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.</p>		
Net Pension Liability	(1,961,789)	
Total OPEB Liability	(3,951,896)	
Deferred Outflows of Resources Related to Pensions	828,659	
Deferred Outflows of Resources Related to OPEB	311,549	
Deferred Inflows of Resources Related to Pensions	(1,728,769)	
Deferred Inflows of Resources Related to OPEB	<u>(1,494,336)</u>	<u>(7,996,582)</u>
Net Position of Governmental Activities		<u>\$ 97,108,364</u>

See accompanying Notes to Financial Statements.

CITY OF LA CAÑADA FLINTRIDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

	General	American Rescue Plan Act (ARPA) Special Revenue	Sewer AD04-1 Debt Service	Sewer AD02-1 Debt Service
REVENUES				
Taxes	\$ 14,322,896	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, Forfeitures, and Penalties	201,606	-	-	-
From Other Agencies	58,223	17,174	-	-
Charges for Services	4,288,194	-	-	-
Use of Money and Property	(788,830)	5,514	15,617	12,935
Other Revenue	46,289	-	-	-
Total Revenues	<u>18,128,378</u>	<u>22,688</u>	<u>15,617</u>	<u>12,935</u>
EXPENDITURES				
Current:				
General Government	4,688,843	17,173	-	-
Public Safety	4,244,365	-	-	-
Community Development	2,645,685	-	-	-
Public Works	3,397,209	-	1,250	-
Capital Outlay	290,476	-	-	-
Debt Service:				
Principal Retirement	-	-	1,448,262	807,962
Interest and Other Charges	-	-	249,890	80,402
Total Expenditures	<u>15,266,578</u>	<u>17,173</u>	<u>1,699,402</u>	<u>888,364</u>
Excess (Deficiency) Over Expenditures	2,861,800	5,515	(1,683,785)	(875,429)
OTHER FINANCING SOURCES (USES)				
Transfers In	184,742	-	1,800,227	1,108
Transfers Out	(2,872,502)	-	-	-
Total Other Financing Sources (Uses)	<u>(2,687,760)</u>	<u>-</u>	<u>1,800,227</u>	<u>1,108</u>
Net Change in Fund Balances	174,040	5,515	116,442	(874,321)
Fund Balances (Deficits) - Beginning of Fiscal Year	<u>18,460,643</u>	<u>-</u>	<u>8,138,139</u>	<u>4,823,196</u>
Fund Balances (Deficits) - End of Fiscal Year	<u>\$ 18,634,683</u>	<u>\$ 5,515</u>	<u>\$ 8,254,581</u>	<u>\$ 3,948,875</u>

See accompanying Notes to Financial Statements.

CITY OF LA CAÑADA FLINTRIDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2022

	City Capital Projects	Sewer Improvement AD02-1 Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 6,899	\$ 14,329,795
Assessments	-	-	1,801,972	1,801,972
Fines, Forfeitures, and Penalties	-	-	120,898	322,504
From Other Agencies	2,964,986	-	3,268,308	6,308,691
Charges for Services	-	-	335,556	4,623,750
Use of Money and Property	8	-	15,427	(739,329)
Other Revenue	-	-	-	46,289
Total Revenues	<u>2,964,994</u>	<u>-</u>	<u>5,549,060</u>	<u>26,693,672</u>
EXPENDITURES				
Current:				
General Government	-	-	-	4,706,016
Public Safety	-	-	204,616	4,448,981
Community Development	-	-	79,019	2,724,704
Public Works	-	-	1,568,895	4,967,354
Capital Outlay	8,374,936	-	20,813	8,686,225
Debt Service:				
Principal Retirement	-	-	109,646	2,365,870
Interest and Other Charges	-	-	168,753	499,045
Total Expenditures	<u>8,374,936</u>	<u>-</u>	<u>2,151,742</u>	<u>28,398,195</u>
Excess (Deficiency) Over Expenditures	(5,409,942)	-	3,397,318	(1,704,523)
OTHER FINANCING SOURCES (USES)				
Transfers In	3,210,282	-	645,277	5,841,636
Transfers Out	-	-	(2,969,134)	(5,841,636)
Total Other Financing Sources (Uses)	<u>3,210,282</u>	<u>-</u>	<u>(2,323,857)</u>	<u>-</u>
Net Change in Fund Balances	(2,199,660)	-	1,073,461	(1,704,523)
Fund Balances (Deficits) - Beginning of Fiscal Year	<u>1,037,026</u>	<u>(995,104)</u>	<u>4,989,097</u>	<u>36,452,997</u>
Fund Balances (Deficits) - End of Fiscal Year	<u>\$ (1,162,634)</u>	<u>\$ (995,104)</u>	<u>\$ 6,062,558</u>	<u>\$ 34,748,474</u>

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
YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ (1,704,523)

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	\$ 1,598,870	
Depreciation Expense	<u>(2,465,662)</u>	(866,792)

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		28,687
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Certain revenues in the governmental fund are deferred inflows of resources because they are not collected within the prescribed time after fiscal year-end. However, the revenues are recognized on the accrual basis used in government-wide statements.

2,999,306

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	2,365,870	
Change in Employee Leave Benefits, Net	<u>27,295</u>	2,393,165

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.

288,875

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.

(55,699)

Change in Net Position of Governmental Activities

\$ 3,083,019

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS



**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 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, 2022. 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, 2022. 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 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 FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 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.

CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-Wide Financial Statements (Continued)

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 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.

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 it 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 leases are reported as other financing sources. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

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.

American Rescue Plan Act (ARPA) Special Revenue Fund – This fund is to account for the proceeds received from ARPA in response to the COVID-19 pandemic.

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.

CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance

1. Cash and Investments

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

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

2. Prepaid Items

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

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 noncurrent 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.

CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets (Continued)

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

Vehicles	6 to 15 Years
Equipment	5 to 30 Years
Buildings and Building Improvements	3 to 50 Years
Infrastructure	20 to 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, 2022 is recorded as a long-term liability. Payments for employee leave benefits are made from the General Fund.

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 assets 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 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.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 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 (Continued)

- 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 assets 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 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 changes in assumptions and differences between actual and expected experiences. 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 FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 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, 2022.

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. 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, 2022, this reserve totals \$8,881,488.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Net Position and Fund Balances (Continued)

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.

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. Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized 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. Under this standard, 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.

The City adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the earliest comparative period presented.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. 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.

NOTE 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, 2022:

Fund	Type of Fund	Final Budget	Actual	Amount Over Budget
Nonmajor Fund:				
AQMD Trust	Special Revenue	\$ 2,300	\$ 2,415	\$ 115

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, 2022:

Fund	Type of Fund	Deficit
Major Funds:		
City Capital Projects	Capital Projects	\$ (1,162,634)
Sewer Improvement AD02-1	Capital Projects	(995,104)
Nonmajor Funds:		
State Gasoline Tax	Special Revenue	(9,472)
Bonds and Grants	Special Revenue	(148,816)
State/Federal Law Enforcement		
Supplemental Funds	Special Revenue	(84)
Sewer Redemption AD02-1	Special Revenue	(6)

The Sewer Improvement AD02-1 Capital Projects Fund deficit will be eliminated through future sewer assessment revenue. The City Capital Projects Fund, Nonmajor State Gasoline Tax, Bonds and Grants, State/Federal Law Enforcement Supplemental Funds and Sewer Redemption AD02-1 Funds deficit will be eliminated through future grant reimbursements and revenue from other agencies.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 42,464,370
Restricted Cash and Investments - Retention Escrow	<u>108,227</u>
Total	<u><u>\$ 42,572,597</u></u>

Cash and investments as of June 30, 2022 consist of the following:

Cash on Hand	\$ 1,034
Deposits with Financial Institutions	149,078
Investments	<u>42,422,485</u>
Total	<u><u>\$ 42,572,597</u></u>

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 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

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

Investment Type	Fair Value	Remaining Maturity (in Months)		
		12 Months or Less	13-24 Months	25-60 Months
Money Market Mutual Funds	\$ 6,559,503	\$ 6,559,503	\$ -	\$ -
LAIF	15,716,234	15,716,234	-	-
U.S. Treasury Securities	7,835,156	2,983,281	966,094	3,885,781
Federal Agency Securities	8,388,634	1,000,014	-	7,388,620
Corporate Medium Term Notes	3,922,958	503,569	2,505,846	913,543
Total	<u>\$ 42,422,485</u>	<u>\$ 26,762,601</u>	<u>\$ 3,471,940</u>	<u>\$ 12,187,944</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	A	Not Rated
Money Market Mutual Funds	\$ 6,559,503	N/A	\$ 6,559,503	\$ -	\$ -	\$ -
LAIF	15,716,234	N/A	-	-	-	15,716,234
U.S. Treasury Securities	7,835,156	N/A	-	7,835,156	-	-
Federal Agency Securities	8,388,634	N/A	-	8,388,634	-	-
Corporate Medium Term Notes	3,922,958	A	-	1,457,714	2,465,244	-
Total	<u>\$ 42,422,485</u>		<u>\$ 6,559,503</u>	<u>\$ 17,681,504</u>	<u>\$ 2,465,244</u>	<u>\$ 15,716,234</u>

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 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 Amount	Maturity	Interest Rate
Federal Home Loan Bank	Federal Agency Securities	\$ 4,593,964	2025-2026	0.56 - 1.125%
Federal Farm Credit Bank	Federal Agency Securities	2,794,656	2025-2027	0.7 - 1.86%

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, 2022, 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 FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 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, 2022:

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)
U.S. Treasury Securities	\$ 7,835,156	\$ -	\$ 7,835,156	\$ -
Federal Agency Securities	8,388,634	-	8,388,634	-
Corporate Medium Term Notes	3,922,958	-	3,922,958	-
Total Leveled Investments	20,146,748	\$ -	\$ 20,146,748	\$ -
Money Market Mutual Funds*	6,559,503			
LAIF*	15,716,234			
Total Investment Portfolio	\$ 42,422,485			

* Not subject to fair value measurement hierarchy.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables

General Fund receivables of \$1,384,843 as of June 30, 2022 consist of \$1,017,326 of taxes receivable and \$367,517 of other receivables. City Capital Projects Capital Projects Fund and Total Nonmajor Governments Funds total accounts receivable as of June 30, 2022 of \$4,578,974 and \$872,872, respectively, consist of other receivables.

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022 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	\$ 393,023	\$ -
Nonmajor Special Revenue Funds:		
Traffic Safety Fund	-	8,820
Gas Tax Fund	-	131,017
Bonds and Grants Fund	-	141,921
Community Development Block Grant Fund	-	39,087
Sewer Redemption AD04-1 Fund	-	72,178
Total	<u>\$ 393,023</u>	<u>\$ 393,023</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
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, 2022; however, the City anticipates this balance will be repaid with excess funds available at the conclusion of making all debt service payments on the AD02-1 loan payable.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables, and Transfers (Continued)

Transfers In/Transfers Out:

Transfers In	Transfers Out		
	General Fund	Nonmajor Funds	Total
General Fund	\$ -	\$ 184,742	\$ 184,742
Sewer AD04-1 Debt Service Fund	-	1,800,227	1,800,227
Sewer AD02-1 Debt Service Fund	-	1,108	1,108
City Capital Projects Capital Projects Fund	2,227,225	983,057	3,210,282
Nonmajor Funds	645,277	-	645,277
Total	<u>\$ 2,872,502</u>	<u>\$ 2,969,134</u>	<u>\$ 5,841,636</u>

Transfers to the City Capital Projects Capital Projects Fund of \$2,227,225 from the General Fund were used for the following capital projects:

- \$704,350 for Street Resurface & Slurry Seal
- \$160,000 for Olberz Park Gazebo
- \$150,000 for Descanso Drive Street Improvements
- \$135,000 for Concrete Repairs
- \$25,000 for Padres Trail Desilting Basin
- \$85,000 for Milmada Drive Traffic Study
- \$130,000 for Lanterman House Concrete Work
- \$50,000 for Hillard (Foothill to Fairmont)
- \$100,000 for Sewer Feasibility Study
- \$300,000 for Sister Cities Friendship Trail
- \$194,300 for Gould Avenue Sidewalk Project
- \$193,575 for Knight Way – Gould Improvement

Transfers to the Nonmajor Funds from the General Fund consisted of \$147,760 for street sweeping, \$42,962 for traffic investigator, \$2,880 for Flint Canyon Trail Restoration Project, \$16,275 for repair of the Civic Center Gate, and \$435,400 for IBank financing loan interest totaling \$645,277. Transfers to the General Fund from nonmajor funds included \$114,420 of law enforcement costs, \$1 from CDBG, and \$70,321 of administrative costs for a total of \$184,742.

Transfers of \$1,800,227 and \$1,108 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 \$983,057 from the nonmajor funds to the City Capital Projects Capital Projects Fund were for street resurface and slurry seal, Foothill Boulevard Link, Soundwalls Phase III, traffic signal at Foothill and Palm, Foothill Boulevard traffic signal improvements, and traffic signal upgrade at Foothill and Oakwood.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Leases

The City, acting as lessor, leases certain real property under long-term non-cancelable lease agreements. The leases expire at various dates through 2039 and provide for renewal options ranging from three to five years. During the year ended June 30, 2022, the City recognized \$210,117 and \$33,400 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

E. Capital Assets

A summary of changes in capital asset activity for the fiscal year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land and Easements	\$ 11,922,395	\$ -	\$ -	\$ 11,922,395
Construction in Progress	1,042,555	1,231,910	(3,091)	2,271,374
Total Capital Assets, Not Being Depreciated	12,964,950	1,231,910	(3,091)	14,193,769
Capital Assets, Being Depreciated:				
Buildings	17,050,294	-	-	17,050,294
Improvements Other Than Buildings	474,479	-	-	474,479
Equipment	1,084,156	26,494	-	1,110,650
Vehicles	1,043,590	-	-	1,043,590
Infrastructure	82,519,425	343,557	-	82,862,982
Total Capital Assets, Being Depreciated	102,171,944	370,051	-	102,541,995
Less Accumulated Depreciation:				
Buildings	(2,510,402)	(342,164)	-	(2,852,566)
Improvements Other Than Buildings	(417,810)	(9,445)	-	(427,255)
Equipment	(732,395)	(65,088)	-	(797,483)
Vehicles	(772,004)	(59,145)	-	(831,149)
Infrastructure	(26,167,991)	(1,989,820)	-	(28,157,811)
Total Accumulated Depreciation	(30,600,602)	(2,465,662)	-	(33,066,264)
Total Capital Assets, Being Depreciated, Net	71,571,342	(2,095,611)	-	69,475,731
Total Governmental Activities Capital Assets, Net	<u>\$ 84,536,292</u>	<u>\$ (863,701)</u>	<u>\$ (3,091)</u>	<u>\$ 83,669,500</u>

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 455,643
Community Development	2,816
Public Works	<u>2,007,203</u>
Total	<u><u>\$ 2,465,662</u></u>

F. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Direct Borrowings and Placements:					
Loans Payable	\$ 14,214,867	\$ -	\$ 2,256,224	\$ 11,958,643	\$ 2,308,925
IBank Financed Purchase	4,857,914	-	109,646	4,748,268	113,166
Other Long-Term Liabilities:					
Employee Leave Benefits	452,944	301,575	328,870	425,649	328,870
Total	<u>\$ 19,525,725</u>	<u>\$ 301,575</u>	<u>\$ 2,694,740</u>	<u>\$ 17,132,560</u>	<u>\$ 2,750,961</u>

Legal Debt Margin

The City's legal debt margin is 15% of the gross assessed valuation, which is \$1,374,584,750 for the fiscal year ended June 30, 2022.

Loans and Notes Payable

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, 2022 is \$2,542,118.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Liabilities (Continued)

Loans and Notes Payable (Continued)

AD 02-1 (Continued)

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, 2022, total revenues collected are \$7,287 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 assessment has concluded and the remaining cash on hand in the debt service fund will be utilized to make the remaining debt service payments.

The annual requirements to amortize the outstanding State Loan for Sewer Assessment District 02-1 as of June 30, 2022 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 827,353	\$ 61,011
2024	847,210	41,154
2025	867,555	20,821
Total	<u>\$ 2,542,118</u>	<u>\$ 122,986</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 \$60,000, which is included in the assigned fund balance of the General Fund in the governmental funds balance sheet as capital reserve - sewer 02-1.

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, 2022 is \$9,416,525.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Liabilities (Continued)

Loans and Notes Payable (Continued)

AD 04-1 (Continued)

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, 2022, total revenues collected are \$1,794,685 as compared to the total debt service payments made of \$1,698,152. 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, 2022 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,481,572	\$ 216,580
2024	1,515,648	182,504
2025	1,550,508	147,644
2026	1,586,170	111,982
2027	1,622,652	75,500
2028	1,659,975	38,179
Total	<u>\$ 9,416,525</u>	<u>\$ 772,389</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 \$925,000, which is included in the assigned fund balance of the general fund in the governmental funds balance sheet as capital reserve - sewer 04-1.

IBank Financed Purchase

On April 1, 2019, the City entered into a financed purchase 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 financed purchase 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 payment that consists of principal and interest payments, an additional 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).

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Liabilities (Continued)

IBank Financed Purchase (Continued)

The City has certain reporting covenants required by the financed purchase 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:

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

The annual payments required for the financed purchase as of June 30, 2022 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 113,166	\$ 164,848
2024	116,799	160,817
2025	120,548	156,658
2026	124,418	152,364
2027	128,411	147,933
2028-2032	706,598	668,057
2033-2037	827,525	533,888
2038-2042	969,148	376,756
2043-2047	1,135,008	192,733
2048-2049	506,647	18,684
Total	<u>\$ 4,748,268</u>	<u>\$ 2,572,738</u>

Employee Leave Benefits

Employee leave benefits are payable to employees upon termination and are primarily liquidated from the General Fund. The City's policies relating to the payment of these benefits are discussed in Note 1 C.5.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 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 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA 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.

Primary Liability Program – Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 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 \$50 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/coverage/risk-sharing-pools>.

Primary Workers' Compensation Program – Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2021-2022, 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 \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

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 \$21,969,004. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

3. Purchased Insurance (Continued)

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 \$12,487,950. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

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 2021 - 2022.

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.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Employee Retirement System Pension Plans (Continued)

1. General Information about the Pension Plans (Continued)

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.

The Plan's provision and benefits in effect as of the measurement date June 30, 2021, 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%	6.75%
Required Employer Contribution Rates:		
Normal Cost Rate	10.88%	7.59%
Payment of Unfunded Liability	\$ 286,023	\$ 1,840

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. For the fiscal year ended June 30, 2022, the City's contributions totaled \$594,161.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Employee Retirement System Pension Plans (Continued)

2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of 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, 2020 and 2021 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2020	0.09406%
Proportion - June 30, 2021	0.10332%
Change - Increase (Decrease)	0.00926%

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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2021, 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	<u>\$ 1,961,789</u>
--	---------------------

For the year ended June 30, 2022, the City recognized pension expense of \$305,285. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 594,161	\$ -
Differences Between Actual and Expected Experience	219,994	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	14,504	(16,231)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(1,712,538)
Total	<u>\$ 828,659</u>	<u>\$ (1,728,769)</u>

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Employee Retirement System Pension Plans (Continued)

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

The \$594,161 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (313,123)
2024	(333,536)
2025	(374,354)
2026	(473,258)
2027	-
Thereafter	-

Actuarial Assumptions

The total pension liability was based on the following assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	(1)
Mortality Rate Table	(2)
Post-Retirement Benefit Increase	(3)

- (1) Varies by entry age and service.
- (2) The mortality table used was developed based on CalPERS-specific data. The 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 FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Employee Retirement System Pension Plans (Continued)

2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of 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:

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global Equity	50.00 %	4.80%	5.98%
Fixed Income	28.00	1.00%	2.62%
Inflation Assets	-	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 FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Employee Retirement System Pension Plans (Continued)

2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of 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	\$ 4,471,998
Current Discount Rate	7.15%
Net Pension Liability	\$ 1,961,789
1% Increase	8.15%
Net Pension Liability (Asset)	\$ (113,365)

Pension Plan Fiduciary Net Position

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

Pension Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-2021. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Employee Retirement System Pension Plans (Continued)

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

Pension Subsequent Events (Continued)

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Payable to the Pension Plan

At June 30, 2022, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

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.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (OPEB) (Continued)

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 \$143 per month in 2021, \$149 per month in 2022, and indexed in future years). The monthly stipend is prorated by service as follows:

Years of City Service	City Paid Stipend*
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 2021 - 2022, the City paid \$180,923 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.

Employees Covered

As of the June 30, 2022 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	25
Inactive Employees or Beneficiaries Entitled to But Not Yet Receiving Benefits	-
Active Employees	40
Total	65

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (OPEB) (Continued)

Total OPEB Liability and Actuarial Assumptions

The City's total OPEB liability of \$3,951,896 was measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2022. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Discount Rate	4.09%
Inflation	2.30%
Payroll Increases	2.75%
Healthcare Trend Rates	6.50% for 2023, decreasing by decrements of 0.25% to an ultimate rate of 4.5% in 2031 and later years
Mortality Factors	According to the post-retirement and pre-retirement mortality rates under the most recent CalPERS pension plan experience study (2021).
Retirement Rates	According to the retirement rates under the most recent CalPERS pension plan experience study (2021) for the following retirement tables: Misc Tier 1 2.0% @55 and Misc Tier 2 2.0% @62

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 4.09% 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, 2022.

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (OPEB) (Continued)

Change in Actuarial Assumptions

The discount rate utilized for the June 30, 2021 measurement date was 2.19% as compared to the discount rate utilized for the June 30, 2022 measurement date of 4.09%. 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, 2021 to June 30, 2022. In addition, the payroll increase was changed from 3.00% to 2.75% for the measurement dates ended June 30, 2021 and 2022, respectively.

Changes in the Total OPEB Liability

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

	Increase (Decrease)
	Total OPEB Liability
Balance at June 30, 2021 (Measurement Date)	\$ 5,076,568
Changes in the Year:	
Service Cost	280,723
Interest on the Total OPEB Liability	115,354
Differences Between Actual and Expected Experience	(132,737)
Changes in Assumptions	(1,207,089)
Benefit Payments	(180,923)
Net Changes	(1,124,672)
Balance at June 30, 2022 (Measurement Date)	\$ 3,951,896

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 (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB Liability	\$ 4,483,845	\$ 3,951,896	\$ 3,512,591

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (OPEB) (Continued)

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	\$ 3,483,730	\$ 3,951,896	\$ 4,529,047

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.

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

For the year ended June 30, 2022, the City recognized OPEB expenses of \$236,622. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Actual and Expected Experience	\$ -	\$ (459,688)
Changes in Assumptions	311,549	(1,034,648)
Total	<u>\$ 311,549</u>	<u>\$ (1,494,336)</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (215,208)
2024	(215,208)
2025	(215,210)
2026	(172,878)
2027	(172,876)
Thereafter	(191,407)

**CITY OF LA CAÑADA FLINTRIDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (OPEB) (Continued)

Payable to the OPEB Plan

At June 30, 2022, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2022.

NOTE 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.

NOTE 6 JOINT VENTURE

The City is one of six members of the Arroyo Verdugo Communities Joint Powers Authority (AVCJPA) created in 2017. The other agencies include the City of Burbank, City of Glendale, County of Los Angeles (5th District - La Crescenta/Montrose), City of Pasadena, and City of South Pasadena. The Authority was created to provide a vehicle for the members to coordinate regional and cooperative planning, primarily in the area of transportation and determining how to prioritize regional transportation projects and the allocation of Measure M funds and other public monies, including building a more connective transportation system between the member agencies. Each member may cast one vote for each issue before the governing board and is responsible for annual dues assessed by the AVCJPA. Should the AVCJPA be terminated, all general assets will be distributed to the members in proportion to the then-existing proportional obligation of those members' dues except that any special assessments or funds contributed by members for specific purposes that are identifiable and segmented for the respective members' benefit, shall be returned to the member. During the fiscal year ended June 30, 2022, the City contributed \$7,406 for the AVCJPA's operations. Separate financial statements for AVCJPA are available by contacting the City of La Cañada Flintridge's finance department.



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REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF LA CAÑADA FLINTRIDGE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS***

Fiscal Year Ended	CalPERS Miscellaneous		
	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period	June 30, 2021	June 30, 2020	June 30, 2019
Plan's Proportion of the Net Pension Liability	0.10332%	0.09406%	0.08941%
Plan's Proportionate Share of the Net Pension Liability	\$ 1,961,789	\$ 3,967,657	\$ 3,580,267
Plan's Covered Payroll	\$ 3,230,662	\$ 2,908,009	\$ 2,742,605
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	60.72%	136.44%	130.54%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	89.68%	77.89%	75.26%

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, 2022:

There were no significant changes in assumptions.

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

CITY OF LA CAÑADA FLINTRIDGE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
LAST TEN FISCAL YEARS*

Fiscal Year Ended	CalPERS Miscellaneous				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
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%

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, 2021:

There were no significant changes in assumptions.

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

**CITY OF LA CAÑADA FLINTRIDGE
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS***

CalPERS Miscellaneous

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020
Contractually Required Contribution (Actuarially Determined)	\$ 594,161	\$ 545,239	\$ 421,967
Contributions in Relation to the Actuarially Determined Contributions	<u>(594,161)</u>	<u>(545,239)</u>	<u>(421,967)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,327,125	\$ 3,230,662	\$ 2,908,009
Contributions as a Percentage of Covered Payroll	17.86%	16.88%	14.51%
Notes to Schedule:			
Valuation Date	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)
Mortality	(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) Classic: 50-67 and PEPR: 52-67
- (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 eight years are shown.

**CITY OF LA CAÑADA FLINTRIDGE
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
LAST TEN FISCAL YEARS***

Fiscal Year Ended	CalPERS Miscellaneous				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 399,240	\$ 333,771	\$ 308,223	\$ 285,477	\$ 262,412
Contributions in Relation to the Actuarially Determined Contributions	(399,240)	(333,771)	(308,223)	(285,477)	(262,412)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,742,605	\$ 2,484,581	\$ 2,485,697	\$ 2,467,539	\$ 2,358,312
Contributions as a Percentage of Covered Payroll	14.56%	13.43%	12.40%	11.57%	11.13%

Notes to Schedule:

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

Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15 Year Smoothed Fair Value
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) Classic: 50-67 and PEPR: 52-67
- (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 eight 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, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Measurement Period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability:					
Service Cost	\$ 280,723	\$ 250,017	\$ 213,555	\$ 192,251	\$ 189,882
Interest on Total OPEB Liability	115,354	130,173	153,940	154,703	144,626
Differences Between Expected and Actual Experience	(132,737)	(197,972)	(409,009)	-	-
Changes in Assumptions	(1,207,089)	327,649	155,031	223,014	(60,223)
Benefit Payments, Including Refunds of Member Contributions	<u>(180,923)</u>	<u>(153,021)</u>	<u>(134,449)</u>	<u>(114,311)</u>	<u>(106,202)</u>
Net Change in Total OPEB Liability	<u>(1,124,672)</u>	<u>356,846</u>	<u>(20,932)</u>	<u>455,657</u>	<u>168,083</u>
Total OPEB Liability - Beginning of Year	<u>5,076,568</u>	<u>4,719,722</u>	<u>4,740,654</u>	<u>4,284,997</u>	<u>4,116,914</u>
Total OPEB Liability - End of Year (A)	<u>\$ 3,951,896</u>	<u>\$ 5,076,568</u>	<u>\$ 4,719,722</u>	<u>\$ 4,740,654</u>	<u>\$ 4,284,997</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 3,457,192	\$ 3,230,662	\$ 2,908,009	\$ 2,742,605	\$ 2,484,581
Total OPEB Liability as Percentage of Covered-Employee Payroll	114.31%	157.14%	162.30%	172.85%	172.46%

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	4.09%	2.19%	2.66%	3.15%	3.50%
Payroll Increase	2.75%	3.00%	2.75%	3.00%	3.00%
Healthcare Cost Trend Rate	(3)	(2)	(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.
- (3) 6.5% for 2023, decreasing by decrements of 0.25% to an ultimate rate of 4.5% in 2031 and later years.

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

**CITY OF LA CAÑADA FLINTRIDGE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 12,748,525	\$ 13,061,550	\$ 14,322,896	\$ 1,261,346
Fines, Forfeitures, and Penalties	92,550	156,950	201,606	44,656
From Other Agencies	22,300	84,825	58,223	(26,602)
Charges for Services	4,006,975	3,962,475	4,288,194	325,719
Use of Money and Property	492,425	454,925	(788,830)	(1,243,755)
Other Revenue	42,250	42,250	46,289	4,039
Total Revenues	<u>17,405,025</u>	<u>17,762,975</u>	<u>18,128,378</u>	<u>365,403</u>
EXPENDITURES				
Current:				
General Government				
City Council	304,175	292,175	193,507	98,668
Legal Services	371,450	371,450	373,941	(2,491)
City Manager	590,550	593,225	447,783	145,442
City Clerk	377,250	389,425	371,390	18,035
Non-Departmental	906,725	960,600	922,796	37,804
Human Resources	241,450	178,475	143,235	35,240
Elections	68,625	68,625	76,468	(7,843)
Finance	770,050	782,050	710,190	71,860
Recreation and Human Services	1,109,650	997,200	938,533	58,667
Lanterman House	24,050	152,650	151,429	1,221
Lanterman Auditorium	142,850	149,825	169,214	(19,389)
Civic Center	162,625	175,225	190,357	(15,132)
Total General Government	<u>5,069,450</u>	<u>5,110,925</u>	<u>4,688,843</u>	<u>422,082</u>
Public Safety	4,372,075	4,439,975	4,244,365	195,610
Community Development	2,768,500	2,762,475	2,645,685	116,790
Public Works				
Public Works	2,048,575	2,176,925	1,911,210	265,715
Parks and Landscape	1,477,200	1,579,275	1,326,196	253,079
Storm Water Management (NPDES)	171,200	171,425	118,025	53,400
Accessibility Improvements	15,250	21,250	13,437	7,813
Solid Waste	66,500	66,500	28,341	38,159
Total Public Works	<u>3,778,725</u>	<u>4,015,375</u>	<u>3,397,209</u>	<u>618,166</u>
Capital Outlay	355,175	374,675	290,476	84,199
Total Expenditures	<u>16,343,925</u>	<u>16,703,425</u>	<u>15,266,578</u>	<u>1,436,847</u>
Excess (Deficiency) of Revenues Over Expenditures	1,061,100	1,059,550	2,861,800	1,802,250
OTHER FINANCING SOURCES (USES)				
Transfers In	140,325	140,325	184,742	44,417
Transfers Out	(2,905,425)	(2,903,875)	(2,872,502)	31,373
Total Other Financing Sources (Uses)	<u>(2,765,100)</u>	<u>(2,763,550)</u>	<u>(2,687,760)</u>	<u>75,790</u>
Net Change in Fund Balance	(1,704,000)	(1,704,000)	174,040	1,878,040
Fund Balance - Beginning of Fiscal Year	<u>18,460,643</u>	<u>18,460,643</u>	<u>18,460,643</u>	<u>-</u>
Fund Balance - End of Fiscal Year	<u>\$ 16,756,643</u>	<u>\$ 16,756,643</u>	<u>\$ 18,634,683</u>	<u>\$ 1,878,040</u>

See accompanying Note to Required Supplementary Information.

**CITY OF LA CAÑADA FLINTRIDGE
BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN ACT (ARPA) SPECIAL REVENUE FUND
FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
From Other Agencies	\$ 2,393,275	\$ 2,393,275	\$ 17,174	\$ (2,376,101)
Use of Money and Property	-	-	5,514	5,514
Total Revenues	<u>2,393,275</u>	<u>2,393,275</u>	<u>22,688</u>	<u>(2,370,587)</u>
EXPENDITURES				
Current:				
General Government	<u>50,000</u>	<u>50,000</u>	<u>17,173</u>	<u>32,827</u>
Excess (Deficiency) of Revenues Over Expenditures	2,343,275	2,343,275	5,515	(2,337,760)
Fund Balance - Beginning of Fiscal Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Fiscal Year	<u><u>\$ 2,343,275</u></u>	<u><u>\$ 2,343,275</u></u>	<u><u>\$ 5,515</u></u>	<u><u>\$ (2,337,760)</u></u>

See accompanying Note to Required Supplementary Information.

CITY OF LA CAÑADA FLINTRIDGE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 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 Redemption AD98-1 Special Revenue Fund and 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 (U.S. 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 fund level within all other funds. 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.

SUPPLEMENTARY INFORMATION



**MAJOR FUND
BUDGETARY COMPARISON SCHEDULES**



**CITY OF LA CAÑADA FLINTRIDGE
BUDGETARY COMPARISON SCHEDULE
SEWER AD04-1 DEBT SERVICE FUND – MAJOR FUND
FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Use of Money and Property	\$ 117,500	\$ 117,500	\$ 15,617	\$ (101,883)
EXPENDITURES				
Current:				
Public Works	1,250	1,250	1,250	-
Debt Service:				
Principal Retirement	1,448,250	1,448,250	1,448,262	(12)
Interest and Other Charges	249,900	249,900	249,890	10
Total Expenditures	<u>1,699,400</u>	<u>1,699,400</u>	<u>1,699,402</u>	<u>(2)</u>
Deficiency of Revenues Over Expenditures	(1,581,900)	(1,581,900)	(1,683,785)	(101,885)
OTHER FINANCING SOURCES				
Transfers In	<u>1,846,525</u>	<u>1,846,525</u>	<u>1,800,227</u>	<u>(46,298)</u>
Total Other Financing Sources	<u>1,846,525</u>	<u>1,846,525</u>	<u>1,800,227</u>	<u>(46,298)</u>
Net Change in Fund Balance	264,625	264,625	116,442	(148,183)
Fund Balance - Beginning of Fiscal Year	<u>8,138,139</u>	<u>8,138,139</u>	<u>8,138,139</u>	<u>-</u>
Fund Balance - End of Fiscal Year	<u><u>\$ 8,402,764</u></u>	<u><u>\$ 8,402,764</u></u>	<u><u>\$ 8,254,581</u></u>	<u><u>\$ (148,183)</u></u>

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 SEWER AD02-1 DEBT SERVICE FUND – MAJOR FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Use of Money and Property	\$ 74,750	\$ 74,750	\$ 12,935	\$ (61,815)
EXPENDITURES				
Debt Service:				
Principal Retirement	807,975	807,975	807,962	13
Interest and Other Charges	80,400	80,400	80,402	(2)
Total Expenditures	<u>888,375</u>	<u>888,375</u>	<u>888,364</u>	<u>11</u>
Deficiency of Revenues Over Expenditures	(813,625)	(813,625)	(875,429)	(61,804)
OTHER FINANCING SOURCES				
Transfers In	<u>996,950</u>	<u>7,650</u>	<u>1,108</u>	<u>(6,542)</u>
Net Change in Fund Balance	183,325	(805,975)	(874,321)	(68,346)
Fund Balance - Beginning of Fiscal Year	<u>4,823,196</u>	<u>4,823,196</u>	<u>4,823,196</u>	<u>-</u>
Fund Balance - End of Fiscal Year	<u><u>\$ 5,006,521</u></u>	<u><u>\$ 4,017,221</u></u>	<u><u>\$ 3,948,875</u></u>	<u><u>\$ (68,346)</u></u>

**CITY OF LA CAÑADA FLINTRIDGE
BUDGETARY COMPARISON SCHEDULE
CITY CAPITAL PROJECTS FUND – MAJOR FUND
FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
From Other Agencies	\$ 14,876,200	\$ 15,620,900	\$ 2,964,986	\$ (12,655,914)
Use of Money and Property	-	-	8	8
Total Revenues	<u>14,876,200</u>	<u>15,620,900</u>	<u>2,964,994</u>	<u>(12,655,906)</u>
EXPENDITURES				
Capital Outlay	<u>20,278,300</u>	<u>21,093,250</u>	<u>8,374,936</u>	<u>12,718,314</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,402,100)	(5,472,350)	(5,409,942)	62,408
OTHER FINANCING SOURCES				
Transfers In	<u>4,756,000</u>	<u>5,026,250</u>	<u>3,210,282</u>	<u>(1,815,968)</u>
Net Change in Fund Balance	(646,100)	(446,100)	(2,199,660)	(1,753,560)
Fund Balance - Beginning of Fiscal Year	<u>1,037,026</u>	<u>1,037,026</u>	<u>1,037,026</u>	<u>-</u>
Fund Balance (Deficit) - End of Fiscal Year	<u><u>\$ 390,926</u></u>	<u><u>\$ 590,926</u></u>	<u><u>\$ (1,162,634)</u></u>	<u><u>\$ (1,753,560)</u></u>



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**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**



**CITY OF LA CAÑADA FLINTRIDGE
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022**

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, and 2107.5 of the Street and Highway Code.

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

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

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

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

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

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

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

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

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

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

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

**CITY OF LA CAÑADA FLINTRIDGE
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2022**

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 Financed Purchase.

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, 2022**

	Special Revenue Funds			
	Traffic Safety	State Gasoline Tax	Bonds and Grants	TDA
ASSETS				
Cash and Investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	8,820	159,656	181,251	15,000
Total Assets	<u>\$ 8,820</u>	<u>\$ 159,656</u>	<u>\$ 181,251</u>	<u>\$ 15,000</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ -	\$ 38,111	\$ 6,895	\$ -
Due to Other Funds	8,820	131,017	141,921	-
Total Liabilities	<u>8,820</u>	<u>169,128</u>	<u>148,816</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	181,251	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>181,251</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted:				
Transit	-	-	-	15,000
Storm Water Capital Project	-	-	-	-
Air Quality Improvements	-	-	-	-
Sewer Improvements and Operations	-	-	-	-
Debt Service Reserve	-	-	-	-
Committed:				
Property Acquisition	-	-	-	-
Unassigned	-	(9,472)	(148,816)	-
Total Fund Balances (Deficits)	<u>-</u>	<u>(9,472)</u>	<u>(148,816)</u>	<u>15,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 8,820</u>	<u>\$ 159,656</u>	<u>\$ 181,251</u>	<u>\$ 15,000</u>

**CITY OF LA CAÑADA FLINTRIDGE
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds			
	Proposition C Transit Tax	Proposition A Transit Tax	Community Development Block Grant	State/ Federal Law Enforcement Supplemental Funds
ASSETS				
Cash and Investments	\$ 930,686	\$ 926,825	\$ -	\$ 34,018
Receivables:				
Accounts	-	-	40,714	-
Total Assets	<u>\$ 930,686</u>	<u>\$ 926,825</u>	<u>\$ 40,714</u>	<u>\$ 34,018</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 24,791	\$ 72,657	\$ 1,627	\$ 34,102
Due to Other Funds	-	-	39,087	-
Total Liabilities	<u>24,791</u>	<u>72,657</u>	<u>40,714</u>	<u>34,102</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted:				
Transit	905,895	854,168	-	-
Storm Water Capital Project	-	-	-	-
Air Quality Improvements	-	-	-	-
Sewer Improvements and Operations	-	-	-	-
Debt Service Reserve	-	-	-	-
Committed:				
Property Acquisition	-	-	-	-
Unassigned	-	-	-	(84)
Total Fund Balances (Deficits)	<u>905,895</u>	<u>854,168</u>	<u>-</u>	<u>(84)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 930,686</u>	<u>\$ 926,825</u>	<u>\$ 40,714</u>	<u>\$ 34,018</u>

**CITY OF LA CAÑADA FLINTRIDGE
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds				
	AQMD Trust	Sanitation	Sewer Redemption AD98-1	Sewer Redemption AD02-1	Sewer Redemption AD04-1
ASSETS					
Cash and Investments	\$ 318,198	\$ -	\$ -	\$ 1,125	\$ -
Receivables:					
Accounts	6,642	-	-	-	72,178
Total Assets	<u>\$ 324,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,125</u>	<u>\$ 72,178</u>
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ 1,131	\$ -
Due to Other Funds	-	-	-	-	72,178
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,131</u>	<u>72,178</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	6,642	-	-	-	-
Total Deferred Inflows of Resources	<u>6,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Restricted:					
Transit	-	-	-	-	-
Storm Water Capital Project	-	-	-	-	-
Air Quality Improvements	318,198	-	-	-	-
Sewer Improvements and Operations	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-
Committed:					
Property Acquisition	-	-	-	-	-
Unassigned	-	-	-	(6)	-
Total Fund Balances (Deficits)	<u>318,198</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 324,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,125</u>	<u>\$ 72,178</u>

**CITY OF LA CAÑADA FLINTRIDGE
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds			
	Measure R	Measure M	Sewer Maintenance Operations AD04-1	Measure W
ASSETS				
Cash and Investments	\$ 640,224	\$ 669,927	\$ 656,469	\$ 196,288
Receivables:				
Accounts	-	-	11,761	376,850
Total Assets	<u>\$ 640,224</u>	<u>\$ 669,927</u>	<u>\$ 668,230</u>	<u>\$ 573,138</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 25,336	\$ -	\$ 6,264	\$ 2,948
Due to Other Funds	-	-	-	-
Total Liabilities	<u>25,336</u>	<u>-</u>	<u>6,264</u>	<u>2,948</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	376,850
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>376,850</u>
FUND BALANCES (DEFICITS)				
Restricted:				
Transit	614,888	669,927	-	-
Storm Water Capital Project	-	-	-	193,340
Air Quality Improvements	-	-	-	-
Sewer Improvements and Operations	-	-	661,966	-
Debt Service Reserve	-	-	-	-
Committed:				
Property Acquisition	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>614,888</u>	<u>669,927</u>	<u>661,966</u>	<u>193,340</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 640,224</u>	<u>\$ 669,927</u>	<u>\$ 668,230</u>	<u>\$ 573,138</u>

**CITY OF LA CAÑADA FLINTRIDGE
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Debt Service Funds		Capital Projects Funds		Total Nonmajor Governmental Funds
	Sewer AD98-1	Civic Center	Property Acquisition Capital Projects	Sewer Improvement AD04-1	
ASSETS					
Cash and Investments	\$ 52,706	\$ 420,211	\$ 327,178	\$ 1,208,614	\$ 6,382,469
Receivables:					
Accounts	-	-	-	-	872,872
Total Assets	<u>\$ 52,706</u>	<u>\$ 420,211</u>	<u>\$ 327,178</u>	<u>\$ 1,208,614</u>	<u>\$ 7,255,341</u>
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 21,155	\$ -	\$ 235,017
Due to Other Funds	-	-	-	-	393,023
Total Liabilities	-	-	21,155	-	628,040
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	-	-	-	-	564,743
Total Deferred Inflows of Resources	-	-	-	-	564,743
FUND BALANCES (DEFICITS)					
Restricted:					
Transit	-	-	-	-	3,059,878
Storm Water Capital Project	-	-	-	-	193,340
Air Quality Improvements	-	-	-	-	318,198
Sewer Improvements and Operations	-	-	-	1,208,614	1,870,580
Debt Service Reserve	52,706	420,211	-	-	472,917
Committed:					
Property Acquisition	-	-	306,023	-	306,023
Unassigned	-	-	-	-	(158,378)
Total Fund Balances (Deficits)	<u>52,706</u>	<u>420,211</u>	<u>306,023</u>	<u>1,208,614</u>	<u>6,062,558</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 52,706</u>	<u>\$ 420,211</u>	<u>\$ 327,178</u>	<u>\$ 1,208,614</u>	<u>\$ 7,255,341</u>



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**CITY OF LA CAÑADA FLINTRIDGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds			
	Traffic Safety	State Gasoline Tax	Bonds and Grants	TDA
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, Forfeitures, and Penalties	114,420	-	-	-
From Other Agencies	-	886,754	99,850	15,000
Charges for Services	-	-	-	-
Use of Money and Property	-	1,441	-	-
Total Revenues	<u>114,420</u>	<u>888,195</u>	<u>99,850</u>	<u>15,000</u>
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
Community Development	-	-	-	-
Public Works	-	586,356	114,678	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>586,356</u>	<u>114,678</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	114,420	301,839	(14,828)	15,000
OTHER FINANCING SOURCES (USES)				
Transfers In	-	147,760	2,880	-
Transfers Out	(114,420)	(409,890)	(11,707)	-
Total Other Financing Sources (Uses)	<u>(114,420)</u>	<u>(262,130)</u>	<u>(8,827)</u>	<u>-</u>
Net Changes in Fund Balances	-	39,709	(23,655)	15,000
Fund Balances (Deficits) - Beginning of Fiscal Year	-	(49,181)	(125,161)	-
Fund Balances (Deficits) - End of Fiscal Year	<u>\$ -</u>	<u>\$ (9,472)</u>	<u>\$ (148,816)</u>	<u>\$ 15,000</u>

CITY OF LA CAÑADA FLINTRIDGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS) (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Proposition C Transit Tax	Proposition A Transit Tax	Community Development Block Grant	State/ Federal Law Enforcement Supplemental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
From Other Agencies	428,594	516,702	79,020	161,285
Charges for Services	-	-	-	-
Use of Money and Property	4,800	1,986	-	285
Total Revenues	<u>433,394</u>	<u>518,688</u>	<u>79,020</u>	<u>161,570</u>
EXPENDITURES				
Current:				
Public Safety	-	-	-	204,616
Community Development	-	-	79,019	-
Public Works	166,640	323,601	-	-
Capital Outlay	-	19,328	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	<u>166,640</u>	<u>342,929</u>	<u>79,019</u>	<u>204,616</u>
Excess (Deficiency) of Revenues Over Expenditures	266,754	175,759	1	(43,046)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	42,962
Transfers Out	(433,302)	(37,855)	(1)	-
Total Other Financing Sources (Uses)	<u>(433,302)</u>	<u>(37,855)</u>	<u>(1)</u>	<u>42,962</u>
Net Changes in Fund Balances	(166,548)	137,904	-	(84)
Fund Balances (Deficits) - Beginning of Fiscal Year	<u>1,072,443</u>	<u>716,264</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - End of Fiscal Year	<u>\$ 905,895</u>	<u>\$ 854,168</u>	<u>\$ -</u>	<u>\$ (84)</u>

CITY OF LA CAÑADA FLINTRIDGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS) (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	AQMD Trust	Sanitation	Sewer Redemption AD98-1	Sewer Redemption AD02-1	Sewer Redemption AD04-1
REVENUES					
Taxes	\$ -	\$ 6,899	\$ -	\$ -	\$ -
Assessments	-	-	-	7,287	1,794,685
Fines, Forfeitures, and Penalties	-	-	-	1,387	5,091
From Other Agencies	19,156	-	-	-	-
Charges for Services	-	-	-	-	37,680
Use of Money and Property	678	-	-	(6)	451
Total Revenues	<u>19,834</u>	<u>6,899</u>	<u>-</u>	<u>8,668</u>	<u>1,837,907</u>
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Public Works	2,415	6,899	-	7,566	16,921
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Total Expenditures	<u>2,415</u>	<u>6,899</u>	<u>-</u>	<u>7,566</u>	<u>16,921</u>
Excess (Deficiency) of Revenues Over Expenditures	17,419	-	-	1,102	1,820,986
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	(1,108)	(1,820,986)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,108)</u>	<u>(1,820,986)</u>
Net Changes in Fund Balances	17,419	-	-	(6)	-
Fund Balances (Deficits) - Beginning of Fiscal Year	<u>300,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - End of Fiscal Year	<u>\$ 318,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6)</u>	<u>\$ -</u>

CITY OF LA CAÑADA FLINTRIDGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS) (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Measure R	Measure M	Sewer Maintenance Operations AD04-1	Measure W
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
From Other Agencies	321,393	363,694	-	376,860
Charges for Services	-	-	297,876	-
Use of Money and Property	1,785	683	1,005	(491)
Total Revenues	<u>323,178</u>	<u>364,377</u>	<u>298,881</u>	<u>376,369</u>
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
Community Development	-	-	-	-
Public Works	52,377	-	171,086	120,356
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	<u>52,377</u>	<u>-</u>	<u>171,086</u>	<u>120,356</u>
Excess (Deficiency) of Revenues Over Expenditures	270,801	364,377	127,795	256,013
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(139,865)	-	-	-
Total Other Financing Sources (Uses)	<u>(139,865)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	130,936	364,377	127,795	256,013
Fund Balances (Deficits) - Beginning of Fiscal Year	<u>483,952</u>	<u>305,550</u>	<u>534,171</u>	<u>(62,673)</u>
Fund Balances (Deficits) - End of Fiscal Year	<u>\$ 614,888</u>	<u>\$ 669,927</u>	<u>\$ 661,966</u>	<u>\$ 193,340</u>

CITY OF LA CAÑADA FLINTRIDGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS) (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

	Debt Service Funds		Capital Projects Funds		Total Nonmajor Governmental Funds
	Sewer AD98-1	Civic Center	Property Acquisition Capital Projects	Sewer Improvement AD04-1	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 6,899
Assessments	-	-	-	-	1,801,972
Fines, Forfeitures, and Penalties	-	-	-	-	120,898
From Other Agencies	-	-	-	-	3,268,308
Charges for Services	-	-	-	-	335,556
Use of Money and Property	123	(107)	-	2,794	15,427
Total Revenues	123	(107)	-	2,794	5,549,060
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	204,616
Community Development	-	-	-	-	79,019
Public Works	-	-	-	-	1,568,895
Capital Outlay	-	-	1,485	-	20,813
Debt Service:					
Principal Retirement	-	109,646	-	-	109,646
Interest and Other Charges	-	168,753	-	-	168,753
Total Expenditures	-	278,399	1,485	-	2,151,742
Excess (Deficiency) of Revenues Over Expenditures	123	(278,506)	(1,485)	2,794	3,397,318
OTHER FINANCING SOURCES (USES)					
Transfers In	-	435,400	16,275	-	645,277
Transfers Out	-	-	-	-	(2,969,134)
Total Other Financing Sources (Uses)	-	435,400	16,275	-	(2,323,857)
Net Changes in Fund Balances	123	156,894	14,790	2,794	1,073,461
Fund Balances (Deficits) - Beginning of Fiscal Year	52,583	263,317	291,233	1,205,820	4,989,097
Fund Balances (Deficits) - End of Fiscal Year	\$ 52,706	\$ 420,211	\$ 306,023	\$ 1,208,614	\$ 6,062,558



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**NONMAJOR FUND
BUDGETARY COMPARISON SCHEDULES**



**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR TRAFFIC SAFETY SPECIAL REVENUE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines, Forfeitures, and Penalties	\$ 55,000	\$ 114,420	\$ 59,420
EXPENDITURES	-	-	-
Excess of Revenues Over Expenditures	55,000	114,420	59,420
OTHER FINANCING USES			
Transfers Out	(55,000)	(114,420)	(59,420)
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
FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
From Other Agencies	\$ 929,875	\$ 886,754	\$ (43,121)
Use of Money and Property	7,800	1,441	(6,359)
Total Revenues	<u>937,675</u>	<u>888,195</u>	<u>(49,480)</u>
EXPENDITURES			
Current:			
Public Works	<u>660,000</u>	<u>586,356</u>	<u>73,644</u>
Excess (Deficiency) of Revenues Over Expenditures	277,675	301,839	24,164
OTHER FINANCING SOURCES (USES)			
Transfers In	180,000	147,760	(32,240)
Transfers Out	<u>(402,650)</u>	<u>(409,890)</u>	<u>(7,240)</u>
Total Other Financing Sources (Uses)	<u>(222,650)</u>	<u>(262,130)</u>	<u>(39,480)</u>
Net Change in Fund Balance	55,025	39,709	(15,316)
Fund Balance (Deficit) - Beginning of Fiscal Year	<u>(49,181)</u>	<u>(49,181)</u>	<u>-</u>
Fund Balance (Deficit) - End of Fiscal Year	<u>\$ 5,844</u>	<u>\$ (9,472)</u>	<u>\$ (15,316)</u>

**CITY OF LA CAÑADA FLINTRIDGE
BUDGETARY COMPARISON SCHEDULE
NONMAJOR BONDS AND GRANTS SPECIAL REVENUE FUND
FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
From Other Agencies	\$ 325,225	\$ 99,850	\$ (225,375)
EXPENDITURES			
Current:			
Public Works	<u>236,225</u>	<u>114,678</u>	<u>121,547</u>
Excess (Deficiency) of Revenues Over Expenditures	89,000	(14,828)	(103,828)
OTHER FINANCING SOURCES (USES)			
Transfers In	2,875	2,880	(5)
Transfers Out	<u>-</u>	<u>(11,707)</u>	<u>11,707</u>
Total Other Financing Sources (Uses)	2,875	(8,827)	11,702
Net Change in Fund Balance	91,875	(23,655)	(92,126)
Fund Balance (Deficit) - Beginning of Fiscal Year	<u>(125,161)</u>	<u>(125,161)</u>	<u>-</u>
Fund Balance (Deficit) - End of Fiscal Year	<u><u>\$ (33,286)</u></u>	<u><u>\$ (148,816)</u></u>	<u><u>\$ (92,126)</u></u>

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR TDA SPECIAL REVENUE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
From Other Agencies	\$ 15,000	\$ 15,000	\$ -
EXPENDITURES	-	-	-
Excess of Revenues Over Expenditures	15,000	15,000	-
OTHER FINANCING USES			
Transfers Out	(15,000)	-	15,000
Net Change in Fund Balance	-	15,000	15,000
Fund Balance - Beginning of Fiscal Year	-	-	-
Fund Balance - End of Fiscal Year	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR PROPOSITION C TRANSIT TAX SPECIAL REVENUE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
From Other Agencies	\$ 436,600	\$ 428,594	\$ (8,006)
Use of Money and Property	19,800	4,800	(15,000)
Total Revenues	456,400	433,394	(23,006)
 EXPENDITURES			
Current:			
Public Works	207,700	166,640	41,060
Capital Outlay	170,000	-	170,000
Total Expenditures	377,700	166,640	211,060
 Excess of Revenues Over Expenditures	78,700	266,754	188,054
 OTHER FINANCING USES			
Transfers Out	(994,900)	(433,302)	561,598
Net Change in Fund Balance	(916,200)	(166,548)	749,652
Fund Balance - Beginning of Fiscal Year	1,072,443	1,072,443	-
Fund Balance - End of Fiscal Year	\$ 156,243	\$ 905,895	\$ 749,652

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR PROPOSITION A TRANSIT TAX SPECIAL REVENUE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
From Other Agencies	\$ 413,200	\$ 516,702	\$ 103,502
Use of Money and Property	12,550	1,986	(10,564)
Total Revenues	<u>425,750</u>	<u>518,688</u>	<u>92,938</u>
EXPENDITURES			
Current:			
Public Works	406,750	323,601	83,149
Capital Outlay	58,325	19,328	38,997
Total Expenditures	<u>465,075</u>	<u>342,929</u>	<u>122,146</u>
Excess (Deficiency) of Revenues Over Expenditures	(39,325)	175,759	215,084
OTHER FINANCING USES			
Transfers Out	<u>(66,725)</u>	<u>(37,855)</u>	<u>28,870</u>
Net Change in Fund Balance	(106,050)	137,904	243,954
Fund Balance - Beginning of Fiscal Year	<u>716,264</u>	<u>716,264</u>	<u>-</u>
Fund Balance - End of Fiscal Year	<u>\$ 610,214</u>	<u>\$ 854,168</u>	<u>\$ 243,954</u>

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
From Other Agencies	\$ 88,450	\$ 79,020	\$ (9,430)
EXPENDITURES			
Current:			
Community Development	88,450	79,019	9,431
Excess (Deficiency) of Revenues Over Expenditures	-	1	(1)
OTHER FINANCING USES			
Transfers Out	-	(1)	(1)
Net Change in Fund Balance	-	-	(2)
Fund Balance - Beginning of Fiscal Year	-	-	-
Fund Balance - End of Fiscal Year	\$ -	\$ -	\$ (2)

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR STATE/FEDERAL LAW ENFORCEMENT SUPPLEMENTAL FUNDS
 SPECIAL REVENUE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
From Other Agencies	\$ 161,450	\$ 161,285	\$ (165)
Use of Money and Property	1,075	285	(790)
Total Revenues	162,525	161,570	(955)
 EXPENDITURES			
Current:			
Public Safety	204,625	204,616	9
Deficiency of Revenues Over Expenditures	(42,100)	(43,046)	(946)
 OTHER FINANCING SOURCES			
Transfers In	42,100	42,962	862
Net Change in Fund Balance	-	(84)	(84)
Fund Balance - Beginning of Fiscal Year	-	-	-
Fund Balance (Deficit) - End of Fiscal Year	\$ -	\$ (84)	\$ (84)

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR AQMD TRUST SPECIAL REVENUE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
From Other Agencies	\$ 26,000	\$ 19,156	\$ (6,844)
Use of Money and Property	4,550	678	(3,872)
Total Revenues	30,550	19,834	(10,716)
 EXPENDITURES			
Current:			
Public Works	2,300	2,415	(115)
Excess (Deficiency) of Revenues Over Expenditures	28,250	17,419	(10,831)
 OTHER FINANCING USES			
Transfers Out	(205,900)	-	205,900
Net Change in Fund Balance	(177,650)	17,419	195,069
Fund Balance - Beginning of Fiscal Year	300,779	300,779	-
Fund Balance - End of Fiscal Year	\$ 123,129	\$ 318,198	\$ 195,069

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR SANITATION SPECIAL REVENUE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 6,899	\$ 6,899	\$ -
EXPENDITURES			
Current:			
Public Works	<u>6,899</u>	<u>6,899</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-
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 SEWER REDEMPTION AD02-1 SPECIAL REVENUE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Assessments	\$ 1,500	\$ 7,287	\$ 5,787
Fines, Forfeitures, and Penalties	1,250	1,387	137
Charges for Services	36,000	-	(36,000)
Use of Money and Property	4,900	(6)	(4,906)
Total Revenues	43,650	8,668	(34,982)
EXPENDITURES			
Current:			
Public Works	16,000	7,566	8,434
Excess (Deficiency) of Revenues Over Expenditures	27,650	1,102	(26,548)
OTHER FINANCING USES			
Transfers Out	(27,650)	(1,108)	26,542
Net Change in Fund Balance	-	(6)	(6)
Fund Balance - Beginning of Fiscal Year	-	-	-
Fund Balance - End of Fiscal Year	\$ -	\$ (6)	\$ (6)

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR SEWER REDEMPTION AD04-1 SPECIAL REVENUE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Assessments	\$ 1,838,875	\$ 1,794,685	\$ (44,190)
Fines, Forfeitures, and Penalties	4,500	5,091	591
Charges for Services	37,000	37,680	680
Use of Money and Property	3,150	451	(2,699)
Total Revenues	<u>1,883,525</u>	<u>1,837,907</u>	<u>(45,618)</u>
EXPENDITURES			
Current:			
Public Works	<u>17,000</u>	<u>16,921</u>	<u>79</u>
Excess (Deficiency) of Revenues Over Expenditures	1,866,525	1,820,986	(45,539)
OTHER FINANCING USES			
Transfers Out	<u>(1,866,525)</u>	<u>(1,820,986)</u>	<u>45,539</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>

**CITY OF LA CAÑADA FLINTRIDGE
BUDGETARY COMPARISON SCHEDULE
NONMAJOR MEASURE R SPECIAL REVENUE FUND
FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
From Other Agencies	\$ 257,050	\$ 321,393	\$ 64,343
Use of Money and Property	7,850	1,785	(6,065)
Total Revenues	<u>264,900</u>	<u>323,178</u>	<u>58,278</u>
EXPENDITURES			
Current:			
Public Works	105,950	52,377	53,573
Debt Service:			
Principal Retirement	-	-	-
Total Expenditures	<u>105,950</u>	<u>52,377</u>	<u>53,573</u>
Excess of Revenues Over Expenditures	158,950	270,801	111,851
OTHER FINANCING USES			
Transfers Out	<u>(566,250)</u>	<u>(139,865)</u>	<u>426,385</u>
Net Change in Fund Balance	(407,300)	130,936	538,236
Fund Balance - Beginning of Fiscal Year	<u>483,952</u>	<u>483,952</u>	<u>-</u>
Fund Balance - End of Fiscal Year	<u>\$ 76,652</u>	<u>\$ 614,888</u>	<u>\$ 538,236</u>

**CITY OF LA CAÑADA FLINTRIDGE
BUDGETARY COMPARISON SCHEDULE
NONMAJOR MEASURE M SPECIAL REVENUE FUND
FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
From Other Agencies	\$ 291,325	\$ 363,694	\$ 72,369
Use of Money and Property	5,300	683	(4,617)
Total Revenues	<u>296,625</u>	<u>364,377</u>	<u>67,752</u>
EXPENDITURES			
Current:			
Public Works	<u>5,250</u>	<u>-</u>	<u>5,250</u>
Excess of Revenues Over Expenditures	291,375	364,377	73,002
OTHER FINANCING USES			
Transfers Out	<u>(592,925)</u>	<u>-</u>	<u>592,925</u>
Net Change in Fund Balance	(301,550)	364,377	665,927
Fund Balance - Beginning of Fiscal Year	<u>305,550</u>	<u>305,550</u>	<u>-</u>
Fund Balance - End of Fiscal Year	<u><u>\$ 4,000</u></u>	<u><u>\$ 669,927</u></u>	<u><u>\$ 665,927</u></u>

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR SEWER MAINTENANCE OPERATIONS AD04-1 SPECIAL REVENUE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for Services	\$ 281,300	\$ 297,876	\$ 16,576
Use of Money and Property	7,875	1,005	(6,870)
Total Revenues	<u>289,175</u>	<u>298,881</u>	<u>9,706</u>
EXPENDITURES			
Current:			
Public Works	<u>262,000</u>	<u>171,086</u>	<u>90,914</u>
Excess of Revenues Over Expenditures	27,175	127,795	100,620
Fund Balance - Beginning of Fiscal Year	<u>534,171</u>	<u>534,171</u>	<u>-</u>
Fund Balance - End of Fiscal Year	<u><u>\$ 561,346</u></u>	<u><u>\$ 661,966</u></u>	<u><u>\$ 100,620</u></u>

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR MEASURE W SPECIAL REVENUE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
From Other Agencies	\$ 380,000	\$ 376,860	\$ (3,140)
Use of Money and Property	5,000	(491)	(5,491)
Total Revenues	<u>385,000</u>	<u>376,369</u>	<u>(8,631)</u>
EXPENDITURES			
Current:			
Public Works	<u>168,400</u>	<u>120,356</u>	<u>48,044</u>
Excess of Revenues Over Expenditures	216,600	256,013	39,413
Fund Balance (Deficit) - Beginning of Fiscal Year	<u>(62,673)</u>	<u>(62,673)</u>	<u>-</u>
Fund Balance - End of Fiscal Year	<u><u>\$ 153,927</u></u>	<u><u>\$ 193,340</u></u>	<u><u>\$ 39,413</u></u>

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR SEWER AD98-1 DEBT SERVICE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Use of Money and Property	\$ 2,575	\$ 123	\$ (2,452)
EXPENDITURES	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	2,575	123	(2,452)
Fund Balance - Beginning of Fiscal Year	52,583	52,583	-
Fund Balance - End of Fiscal Year	\$ 55,158	\$ 52,706	\$ (2,452)

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR CIVIC CENTER DEBT SERVICE FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Use of Money and Property	\$ 250	\$ (107)	\$ (357)
EXPENDITURES			
Debt Service:			
Principal Retirement	109,650	109,646	4
Interest and Other Fiscal Charges	168,750	168,753	(3)
Total Expenditures	278,400	278,399	1
Deficiency of Revenues Over Expenditures	(278,150)	(278,506)	(356)
OTHER FINANCING SOURCES			
Transfers In	435,400	435,400	-
Net Change in Fund Balance	157,250	156,894	(356)
Fund Balance - Beginning of Fiscal Year	263,317	263,317	-
Fund Balance - End of Fiscal Year	\$ 420,567	\$ 420,211	\$ (356)

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR PROPERTY ACQUISITION CAPITAL PROJECTS FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Capital Outlay	<u>307,950</u>	<u>1,485</u>	<u>306,465</u>
Excess (Deficiency) of Revenues Over Expenditures	(307,950)	(1,485)	306,465
OTHER FINANCING SOURCES			
Transfers In	<u>16,275</u>	<u>16,275</u>	<u>-</u>
Net Change in Fund Balance	(291,675)	14,790	306,465
Fund Balance - Beginning of Fiscal Year	<u>291,233</u>	<u>291,233</u>	<u>-</u>
Fund Balance (Deficit) - End of Fiscal Year	<u>\$ (442)</u>	<u>\$ 306,023</u>	<u>\$ 306,465</u>

**CITY OF LA CAÑADA FLINTRIDGE
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR SEWER IMPROVEMENT AD04-1 CAPITAL PROJECTS FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Use of Money and Property	\$ 18,125	\$ 2,794	\$ (15,331)
EXPENDITURES	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	18,125	2,794	(15,331)
Fund Balance - Beginning of Fiscal Year	1,205,820	1,205,820	-
Fund Balance - End of Fiscal Year	\$ 1,223,945	\$ 1,208,614	\$ (15,331)

STATISTICAL SECTION



**CITY OF LA CAÑADA FLINTRIDGE
STATISTICAL SECTION (UNAUDITED)
CONTENTS**

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

Contents	Pages
Financial Trends: These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	110-117
Revenue Capacity: These schedules contain trend information to help the reader assess the government's most significant current local revenue source, the property tax.	118-120
Debt Capacity: 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.	121-126
Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	127-128
Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	129-131

**CITY OF LA CAÑADA FLINTRIDGE
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	<u>2013</u>	<u>2014 (1)</u>	<u>2015</u>	<u>2016</u>	<u>2017 (1)</u>
Governmental Activities:					
Net Investment in Capital Assets	\$ 47,058,948	\$ 50,863,970	\$ 53,125,809	\$ 54,616,632	\$ 56,486,096
Restricted	12,370,867	13,075,427	15,871,777	16,362,080	16,433,593
Unrestricted	12,094,832	13,230,914	13,093,623	13,859,733	5,858,711
Total Primary Government Net Position	<u>\$ 71,524,647</u>	<u>\$ 77,170,311</u>	<u>\$ 82,091,209</u>	<u>\$ 84,838,445</u>	<u>\$ 78,778,400</u>

(1) As restated

**CITY OF LA CAÑADA FLINTRIDGE
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year				
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 57,934,638	\$ 63,678,262	\$ 64,002,809	\$ 65,045,996	\$ 64,440,858
16,925,230	16,245,273	17,756,978	18,738,848	20,704,648
6,860,498	7,444,784	8,997,315	10,240,501	11,962,858
<u>\$ 81,720,366</u>	<u>\$ 87,368,319</u>	<u>\$ 90,757,102</u>	<u>\$ 94,025,345</u>	<u>\$ 97,108,364</u>

**CITY OF LA CAÑADA FLINTRIDGE
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses:					
Governmental Activities:					
General Government	\$ 4,503,048	\$ 2,353,045	\$ 4,609,131	\$ 5,106,198	\$ 6,151,267
Public Safety	2,930,154	3,055,234	3,124,207	3,235,107	3,415,773
Community Development	626,181	2,471,285	725,922	709,933	739,459
Public Works	7,143,608	6,622,919	7,419,030	8,629,125	8,304,487
Interest	779,056	732,084	681,519	630,250	575,959
Total Governmental Activities Expenses	15,982,047	15,234,567	16,559,809	18,310,613	19,186,945
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Community Development (1)	-	-	-	-	-
Public Works	2,226,595	2,632,444	2,820,796	2,931,464	2,955,387
Other Activities	414,562	482,132	478,925	419,850	364,239
Operating Grants and Contributions	1,611,041	2,134,470	1,780,052	1,644,405	1,963,976
Capital Grants and Contributions	6,063,026	7,846,376	5,624,691	4,462,995	4,562,967
Total Governmental Activities Program Revenues	10,315,224	13,095,422	10,704,464	9,458,714	9,846,569
Net Revenues (Expenses):					
Governmental Activities	(5,666,823)	(2,139,145)	(5,855,345)	(8,851,899)	(9,340,376)
General Revenues and Other Changes in Net Position:					
Governmental Activities:					
Taxes:					
Property Taxes (2)	3,992,151	4,229,162	4,429,351	4,661,834	4,920,152
Other Taxes	2,950,944	3,084,333	3,312,466	3,401,762	3,484,856
State Shared Revenues - Unrestricted:					
Sales Tax	2,539,880	2,669,216	2,707,738	2,922,948	2,629,347
Motor Vehicle	11,077	9,167	8,855	8,308	9,209
Use of Money and Property	(49,207)	111,490	81,254	384,346	(83,298)
Other	69,464	119,782	236,579	218,483	63,005
Loss on Capital Assets Disposal	-	-	-	-	(4,822,413)
Gain on Disposal of Capital Assets	-	-	-	-	-
Gain on Early Payment of Debt	-	-	-	-	-
Total Primary Government	9,514,309	10,223,150	10,776,243	11,597,681	6,200,858
Changes in Net Position					
Governmental Activities	\$ 3,847,486	\$ 8,084,005	\$ 4,920,898	\$ 2,745,782	\$ (3,139,518)

(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 (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

		Fiscal year							
		2018	2019	2020	2021	2022			
\$	5,816,415	\$	4,918,063	\$	5,452,507	\$	5,087,112	\$	4,965,147
	3,650,220		3,716,291		3,933,058		4,182,276		4,437,253
	848,481		2,109,684		2,710,840		2,621,531		2,675,289
	8,040,300		8,165,402		7,948,297		10,562,543		14,061,912
	521,343		500,129		565,346		540,357		470,358
	<u>18,876,759</u>		<u>19,409,569</u>		<u>20,610,048</u>		<u>22,993,819</u>		<u>26,609,959</u>
	-		2,381,635		2,911,226		3,188,360		3,455,123
	3,325,171		788,226		738,836		883,908		801,885
	390,792		334,255		270,283		173,698		392,143
	2,048,243		2,454,543		1,973,491		2,254,598		2,076,116
	4,114,364		3,545,910		4,653,091		6,126,400		9,393,304
	<u>9,878,570</u>		<u>9,504,569</u>		<u>10,546,927</u>		<u>12,626,964</u>		<u>16,118,571</u>
	(8,998,189)		(9,905,000)		(10,063,121)		(10,366,855)		(10,491,388)
	5,271,832		8,166,745		8,606,227		9,136,850		9,426,867
	3,643,219		1,123,785		1,125,140		1,313,984		1,385,182
	2,649,512		2,989,941		2,893,363		2,879,897		3,510,847
	10,789		9,928		16,306		15,007		23,389
	16,456		841,755		669,016		165,726		(832,134)
	348,347		83,893		141,852		123,634		60,256
	-		-		-		-		-
	-		2,140,906		-		-		-
	-		196,000		-		-		-
	<u>11,940,155</u>		<u>15,552,953</u>		<u>13,451,904</u>		<u>13,635,098</u>		<u>13,574,407</u>
\$	<u>2,941,966</u>	\$	<u>5,647,953</u>	\$	<u>3,388,783</u>	\$	<u>3,268,243</u>	\$	<u>3,083,019</u>

**CITY OF LA CAÑADA FLINTRIDGE
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2013	2014 (1)	2015	2016	2017
General Fund:					
Nonspendable	\$ 1,965,471	\$ 1,880,376	\$ 1,660,587	\$ 1,531,938	\$ 1,408,352
Restricted	-	1,734	2,300	4,244	-
Committed	-	-	-	-	5,580,000
Assigned	301,575	880,605	915,025	1,040,122	1,109,468
Unassigned	11,629,691	13,539,816	14,570,723	15,528,725	4,970,216
Total General Fund	<u>\$ 13,896,737</u>	<u>\$ 16,302,531</u>	<u>\$ 17,148,635</u>	<u>\$ 18,105,029</u>	<u>\$ 13,068,036</u>
All Other Governmental Funds:					
Restricted	\$ 12,751,117	\$ 13,365,027	\$ 16,204,258	\$ 16,401,530	\$ 16,835,327
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(1,304,344)	(1,002,600)	(1,000,195)	(995,104)	(995,104)
Total All Other Governmental Funds	<u>\$ 11,446,773</u>	<u>\$ 12,362,427</u>	<u>\$ 15,204,063</u>	<u>\$ 15,406,426</u>	<u>\$ 15,840,223</u>

(1)As restated

**CITY OF LA CAÑADA FLINTRIDGE
 FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

		Fiscal Year							
		2018	2019	2020	2021	2022			
\$	1,274,852	\$	1,118,176	\$	1,126,744	\$	1,121,175	\$	1,084,781
	-		-		-		-		-
	5,580,000		-		1,000,000		1,000,000		1,000,000
	1,220,544		3,988,357		4,280,191		3,853,538		3,818,759
	5,845,399		8,684,631		10,623,778		12,485,930		12,731,143
\$	13,920,795	\$	13,791,164	\$	17,030,713	\$	18,460,643	\$	18,634,683
\$	17,125,792	\$	16,202,749	\$	17,115,416	\$	17,896,214	\$	18,123,884
	891,397		958,528		296,653		291,233		306,023
	-		1,241,121		-		1,037,026		-
	(995,104)		(1,022,409)		(1,274,219)		(1,232,119)		(2,316,116)
\$	17,022,085	\$	17,379,989	\$	16,137,850	\$	17,992,354	\$	16,113,791

CITY OF LA CAÑADA FLINTRIDGE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2013	2014 (1)	2015	2016	2017
Revenues:					
Taxes	\$ 9,409,326	\$ 9,988,959	\$ 10,493,566	\$ 10,879,338	\$ 11,170,104
Assessments	3,542,856	3,599,761	3,624,741	3,604,045	3,570,647
Fines, Forfeitures and Penalties	217,886	284,375	276,650	191,742	120,315
From Other Agencies	3,413,166	4,909,647	4,566,257	2,245,419	2,720,993
Charges for Services	2,500,380	2,914,147	3,109,570	3,248,307	3,283,333
Use of Money and Property	138,042	380,624	325,730	623,850	152,465
Other	74,689	157,973	204,712	224,483	68,585
Total Revenues	19,296,345	22,235,486	22,601,226	21,017,184	21,086,442
Expenditures					
Current:					
General Government	4,963,199	2,124,153	4,505,532	4,970,335	5,689,992
Public Safety	2,925,247	3,050,327	3,121,322	3,232,839	3,413,505
Community Development	617,924	2,465,201	724,584	702,561	730,678
Public Works	4,126,559	4,107,535	4,021,412	3,931,211	4,051,433
Capital Outlay	4,008,934	4,118,831	3,498,753	3,987,586	14,355,673
Debt Service:					
Principal Retirement	2,250,687	2,293,497	2,337,305	2,382,139	2,428,019
Interest and Fiscal Charges	803,012	754,494	704,578	653,210	600,338
Loan Origination Fees	-	-	-	-	-
Total Expenditures	19,695,562	18,914,038	18,913,486	19,859,881	31,269,638
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	(399,217)	3,321,448	3,687,740	1,157,303	(10,183,196)
Other Financing Sources (Uses):					
Proceeds from Sales of Capital Assets	-	-	-	-	-
Proceeds from Long-Term Debt	-	-	-	-	-
Transfers In	5,230,113	5,230,113	6,677,868	6,117,742	10,662,629
Transfers Out	(5,230,113)	(5,230,113)	(6,677,868)	(6,117,742)	(10,662,629)
Proceeds from Long-Term Note	-	-	-	-	5,580,000
Total Other Financing Sources (Uses)	-	-	-	-	5,580,000
Net Change in Fund Balances	\$ (399,217)	\$ 3,321,448	\$ 3,687,740	\$ 1,157,303	\$ (4,603,196)
Debt service as a percentage of noncapital expenditures					
	14.3%	15.5%	15.2%	15.0%	14.4%

(1) As restated

CITY OF LA CAÑADA FLINTRIDGE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2018	2019	2020	2021	2022
\$	11,578,263	\$ 12,286,071	\$ 12,630,130	\$ 13,336,940	\$ 14,329,795
	3,571,619	2,811,598	2,790,005	2,866,990	1,801,972
	158,194	181,605	176,783	249,613	322,504
	2,347,796	2,497,480	2,423,304	4,814,620	6,308,691
	3,629,255	3,661,633	4,102,506	4,346,699	4,623,750
	298,920	1,144,262	940,850	392,353	(739,329)
	354,556	93,976	151,256	159,266	46,289
	<u>21,938,603</u>	<u>22,676,625</u>	<u>23,214,834</u>	<u>26,166,481</u>	<u>26,693,672</u>
	5,348,823	4,185,555	4,423,459	4,219,996	4,706,016
	3,442,315	3,703,931	3,908,929	4,159,009	4,448,981
	794,315	2,026,411	2,538,744	2,489,308	2,724,704
	4,251,082	4,286,635	4,945,670	5,188,798	4,967,354
	3,046,570	7,888,949	2,267,950	3,959,647	8,686,225
	2,474,972	7,907,022	2,572,196	2,310,962	2,365,870
	545,905	489,849	560,476	554,327	499,045
	-	49,150	-	-	-
	<u>19,903,982</u>	<u>30,537,502</u>	<u>21,217,424</u>	<u>22,882,047</u>	<u>28,398,195</u>
	<u>2,034,621</u>	<u>(7,860,877)</u>	<u>1,997,410</u>	<u>3,284,434</u>	<u>(1,704,523)</u>
	-	3,125,000	-	-	-
	-	4,964,150	-	-	-
	6,582,662	7,597,259	5,069,558	7,216,405	5,841,636
	(6,582,662)	(7,597,259)	(5,069,558)	(7,216,405)	(5,841,636)
	-	-	-	-	-
	-	8,089,150	-	-	-
\$	<u><u>2,034,621</u></u>	<u><u>\$ 228,273</u></u>	<u><u>\$ 1,997,410</u></u>	<u><u>\$ 3,284,434</u></u>	<u><u>\$ (1,704,523)</u></u>
	14.7%	35.1%	13.6%	12.2%	8.8%

**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		
2013	\$5,828,710,840	\$37,005,753	\$5,865,716,593	0.06705
2014	\$6,092,337,982	\$36,564,674	\$6,128,902,656	0.06705
2015	\$6,414,320,719	\$36,486,841	\$6,450,807,560	0.06705
2016	\$6,776,711,070	\$39,013,224	\$6,815,724,294	0.06705
2017	\$7,165,642,080	\$37,031,646	\$7,202,673,726	0.06703
2018	\$7,559,284,412	\$36,089,074	\$7,595,373,486	0.06703
2019	\$7,985,384,142	\$36,364,682	\$8,021,748,824	0.06703
2020	\$8,392,720,842	\$60,295,930	\$8,453,016,772	0.06703
2021	\$8,796,155,194	\$66,467,709	\$8,862,622,903	0.06703
2022	\$9,101,588,530	\$62,309,800	\$9,163,898,330	0.06695

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**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	0.0440	0.0392	0.0597	0.0506	0.0570	0.0529	0.0505	0.0484	0.0439	0.0488
Glendale Community College	0.0247	0.0234	0.0222	0.0212	0.0212	0.0349	0.0325	0.0258	0.0362	0.0358
Pasadena Unified	0.1140	0.1035	0.1060	0.1117	0.1067	0.1055	0.0949	0.0453	0.0229	0.0536
Pasadena Community College	0.0206	0.0190	0.0103	0.0087	0.0089	0.0082	0.0077	0.0072	0.0055	0.0090
La Cañada Unified	0.0697	0.0672	0.0648	0.0617	0.0611	0.0591	0.0579	0.0552	0.0562	0.0552
Metropolitan Water District	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
 Total Direct & Overlapping Tax Rate	<u>\$ 1.2764</u>	<u>\$ 1.2558</u>	<u>\$ 1.2665</u>	<u>\$ 1.2575</u>	<u>\$ 1.2583</u>	<u>\$ 1.2640</u>	<u>\$ 1.2469</u>	<u>\$ 1.1854</u>	<u>\$ 1.1683</u>	<u>\$ 1.2058</u>
City's Share of 1% Levy Per Prop 13	0.06705	0.06705	0.06705	0.06705	0.06705	0.06703	0.06703	0.06703	0.06703	0.06703
Total Direct Rate	0.06689	0.06690	0.06691	0.06691	0.06692	0.06693	0.06693	0.06694	0.06694	0.06695

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.

Total Direct Rate is the weighted average of all individual direct rates applied by the City.

Source: HdL Coren & Cone

**CITY OF LA CAÑADA FLINTRIDGE
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2022		2013	
	Assessed Value	Percent of Total Assessed Value	Assessed Value	Percent of Total Assessed Value
La Cañada Retail LLC	\$ 46,880,244	0.52%	\$ 40,400,000	0.69%
ROIC California LLC	34,890,648	0.38%	-	-
B K La Cañada Property LLC	19,322,955	0.21%	16,320,000	0.28%
Bradford A and Judy Kolb Trust	14,392,517	0.16%	-	-
Valley Water Company	-	-	14,174,391	0.24%
Seung Choon Lim Co-Trustee	13,335,573	0.15%	-	-
Gordon & Dona Crawford Trust	13,133,106	0.14%	8,357,365	0.14%
Vons Companies The	-	-	12,664,932	0.22%
Vincent Dundee III Co-Trustee	12,498,898	0.14%	10,771,177	0.18%
University of Southern California	12,140,479	0.13%	-	-
Brad and Asheley Barrett	11,562,960	0.13%	-	-
GTR Realty LLC	-	-	10,914,000	0.19%
Frankel Chorub La Canada Center LLC	-	-	10,317,329	0.18%
Bradford Cornell & Mary D.Serles	-	-	7,854,926	0.13%
Dewitt K. McCluggage Trust	-	-	7,460,191	0.13%
Total	\$ 178,157,380	1.96%	\$ 139,234,311	2.38%

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
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%
2021	\$6,263,755	\$6,058,013	96.72%	\$168,260	\$6,226,273	99.40%
2022	\$6,597,996	\$6,260,815	94.89%	\$156,534	\$6,417,349	97.26%

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			
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
2021	-	-	\$19,072,781	-	\$19,072,781	1.15%	\$944
2022	-	-	\$16,706,911	-	\$16,706,911	1.01%	\$832

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, 2022**

City Assessed Valuation		\$ 8,862,622,903	
	Percentage Applicable	Gross Outstanding Debt 6/30/22	Estimated Share of Overlapping Debt (1)
Foothill MWD 1113 DS	0.554%	\$ 9,835,780	\$ 54,523
Glendale CCD DS 2002 Series C	1.870%	4,162,032	77,842
Glendale CCD 2021	1.870%	65,495,000	1,224,950
Glendale CCD DS 2002, 2013 Series F	1.870%	900,000	16,833
Glendale CCD DS 2014 Refunding Bonds	1.870%	4,970,000	92,954
Glendale CCD DS 2016 Series A	1.870%	56,055,000	1,048,394
Glendale CCD DS 2020	1.870%	198,899,763	3,720,013
Glendale CCD DS 2020 Refunding Bonds	1.870%	30,365,000	567,915
Pasadena CCD DS 2014 Refunding Series A	8.222%	9,280,000	762,992
Pasadena CCD DS 2016 Refunding Series A	8.222%	27,435,000	2,255,678
Pasadena CCD DS 2020 Ref Bonds	8.222%	21,950,000	1,804,707
Glendale USD DS 2011 SR A 1 CREB	1.870%	4,300,000	80,423
Glendale USD DS 2012 Refund Bonds	1.870%	1,230,000	23,005
Glendale USD DS 2015 Refunding Bonds Series A	1.870%	9,145,000	171,038
Glendale USD DS 2015 Refunding Bonds Series B	1.870%	250,000	4,676
Glendale USD DS 2011 Series C	1.870%	2,012,951	37,648
Glendale USD DS 2011 Series D	1.870%	38,105,000	712,676
Glendale USD DS 2018 Refunding Bonds	1.870%	35,385,000	661,804
Glendale USD DS 2020 Refunding Bonds	1.870%	67,690,000	1,266,003
Glendale USD DS 2020	1.870%	76,545,000	1,431,617
Glendale USD DS 2020 Refunding Bonds Series B	1.870%	143,325,000	2,680,600
La Cañada USD DS 1999 Series A	98.148%	930,000	912,780
La Cañada USD DS 2017 Refund Bond	98.148%	5,380,000	5,280,385
La Cañada USD DS 2017 Series A	98.148%	28,425,000	27,898,689
La Cañada USD DS 2017 Series B	98.148%	30,000,000	29,444,526
La Cañada USD DS 2020 Refund Bond	98.148%	7,480,000	7,341,502
Total overlapping debt		\$ 879,550,526	\$ 89,574,173
City direct debt		\$16,706,911	\$16,706,911
Total direct and overlapping debt		\$ 896,257,437	\$ 106,281,084

(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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed valuation	\$ 5,865,716,593	\$ 6,128,902,656	\$ 6,450,807,560	\$ 6,815,724,294
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	879,857,489	919,335,398	967,621,134	1,022,358,644
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 879,857,489</u>	<u>\$ 919,335,398</u>	<u>\$ 967,621,134</u>	<u>\$ 1,022,358,644</u>
Total debt applicable to the limit as a percentage of debt limit	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 (CONTINUED)
LAST TEN FISCAL YEARS**

2017	2018	2019	2020	2021	2022
\$ 7,202,673,726	\$ 7,595,373,486	\$ 8,021,748,824	\$ 8,453,016,772	\$ 8,862,622,903	\$ 9,163,898,330
15%	15%	15%	15%	15%	15%
1,080,401,059	1,139,306,023	1,203,262,324	1,267,952,516	1,329,393,435	1,374,584,750
-	-	-	-	-	-
<u>\$ 1,080,401,059</u>	<u>\$ 1,139,306,023</u>	<u>\$ 1,203,262,324</u>	<u>\$ 1,267,952,516</u>	<u>\$ 1,329,393,435</u>	<u>\$ 1,374,584,750</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**CITY OF LA CAÑADA FLINTRIDGE
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Revenue Bonds Series 2004A			
	Assessments Revenue	Debt Service		Coverage
		Principal	Interest	
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	-
2021	\$1,908,283	\$0	\$0	-
2022	\$1,794,685	\$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**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2011	20,335	\$1,522,278	\$74,860	4.9%
2012	20,441	\$1,505,561	\$73,654	4.8%
2013	20,535	\$1,529,632	\$74,489	3.5%
2014	20,544	\$1,562,227	\$76,043	2.9%
2015	20,556	\$1,469,384	\$71,482	4.4%
2016	20,497	\$1,473,705	\$71,898	3.5%
2017	20,683	\$1,530,931	\$74,018	2.7%
2018	20,602	\$1,597,977	\$77,564	2.0%
2019	20,461	\$1,599,335	\$78,165	2.0%
2020	20,194	\$1,665,308	\$82,465	2.0%
2021	20,081	\$1,649,088	\$82,121	4.1%

Source: HdL Coren & Cone

**CITY OF LA CAÑADA FLINTRIDGE
PRINCIPAL EMPLOYERS (1)
CURRENT AND NINE YEARS AGO**

<u>Employer</u>	<u>2022</u>		<u>2013</u>	
	<u>Number of Employees</u>	<u>Percent of Total Employment</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Sport Chalet	-	-	244	17.82%
Ralph's Grocery Co.	99	3.59%	-	0.00%
Dilbeck Real Estate	-	-	93	6.79%
Sprouts Farmers Market	87	3.15%	66	4.82%
Trader Joe's	86	3.12%	65	4.75%
Gelson's Market	82	2.97%	-	-
T J Maxx	81	2.93%	56	4.09%
La Cañada Flintridge Country Club	-	-	73	5.33%
Allen Lund Company LLC	-	-	69	5.04%
Target Store T-3293	76	2.75%	-	-
Ross Dress for Less Inc	68	2.46%	77	5.62%
McDonald's La Canada	64	2.32%	62	4.53%
Hill Street Café	50	1.81%	-	-
First Element Fuel Inc.	50	1.81%	-	-
Podley Realtors	-	-	<u>53</u>	3.87%
Total Employees	2,760		1,369	

(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**

Full-Time and Part-time Employees as of June 30										
Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	25	24	24	27	27	26	25	27	25	20
Public safety	1	1	1	1	-	1	2	2	2	3
Community development	8	9	8	7	8	9	9	10	10	10
Public works	9	9	9	8	7	9	9	9	10	11
Total	43	43	42	43	42	45	45	48	47	44

Source: City of La Cañada Flintridge

**CITY OF LA CAÑADA FLINTRIDGE
OPERATING INDICATORS
BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Arrests	276	387	292	344	156	193	254	253	230	272
Parking citations issued	1,235	451	1,159	602	445	596	1,195	1,136	193	198
Fire:										
Number of emergency calls	1,237	1,211	1,396	2,115	1,495	1,477	1,489	1,513	1,388	1,423
Inspections	963	226	254	361	321	1,566	1,498	1,127	750	1,982
Public works:										
Street resurfacing (miles)	2.60	2.67	2.73	2.81	3.13	1.98	2.80	4.50	1.70	2.86
Parks and recreation:										
Number of facilities rented	14	15	15	15	15	15	15	15	15	15

Only readily available data presented

Source: City of La Cañada Flintridge

**CITY OF LA CAÑADA FLINTRIDGE
CAPITAL ASSET STATISTICS
BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	84	84	84	84	84	84	84	84	84	84
Traffic signals	18	18	18	18	18	18	25	25	25	26
Parks and recreation:										
Parks	6	6	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



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