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# Comprehensive Annual Financial Report



City of Loma Linda  
Fiscal Year Ended  
June 30, 2018

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# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**CITY OF LOMA LINDA, CALIFORNIA**

For the Fiscal Year Ended June 30, 2018

**Prepared by:**

**City Manager's Office  
Finance Department**

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 For the year ended June 30, 2018

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# City of Loma Linda

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December 18, 2018

To the Honorable Mayor, Members of the City Council, and Citizens of Loma Linda:

It is with great pleasure that we present to you the City of Loma Linda's audited Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. The financial statements contained in this report are presented in conformity with generally accepted accounting principles (GAAP) and have been audited in accordance with generally accepted auditing standards (GAAS) and Government Auditing Standards (GAGAS) by an independent certified public accountants firm.

The Comprehensive Annual Financial Report includes the financial activity for all funds of the City, Housing Authority, Public Financing Authority and Fiduciary Funds. The report is organized into three major sections which include the Introductory Section, the Financial Section, and the Statistical Section.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose, which include an array of administrative procedures. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, as well as the reliability of financial records for accurate and fair presentation of financial reports. The concept of reasonable assurance recognizes that the cost of specific controls should not exceed the benefits likely to be derived from exercising the controls, and that this evaluation involves estimates and judgments by management. It is believed that the City's internal accounting controls adequately safeguard City assets and provide reasonable assurance of proper recording of financial transactions.

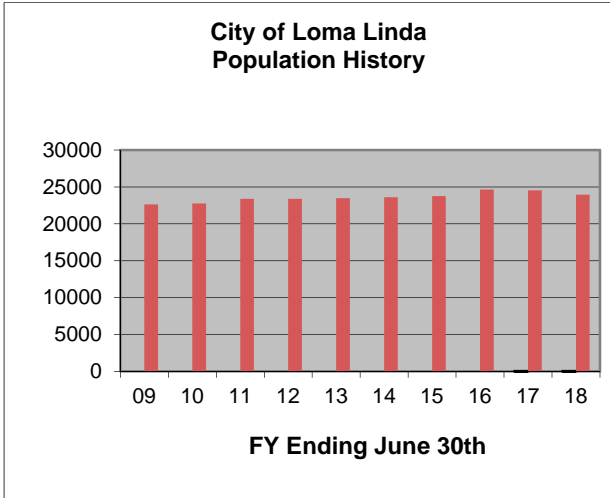
Rogers, Anderson, Malody and Scott, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Loma Linda's financial statements for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE GOVERNMENT

The City of Loma Linda (City), incorporated in September 29, 1970, is located on the south side of Interstate 10, east of the 215 Freeway. Loma Linda is home to the world famous Loma Linda University and Medical Center with over 10,677 employees, the one of the largest employer in San Bernardino County. Loma Linda ("Beautiful Hill"), originally known as "Mound City", has a history of being a health-conscious community, and in 1993 became the first "smoke free" city in San Bernardino County. The Seventh-Day Adventist Church purchased the Loma Linda Resort Hotel from a group of businessmen and physicians from Los Angeles hospitals and converted it into the Loma Linda Sanitarium in 1905.

The Sanitarium eventually became a full service medical facility and medical college, the forerunners of the Loma Linda University and Medical Center. Loma Linda covers an area of 7.7



square miles and has a resident population of 23,946, as certified by the State Department of Finance, as of June 30, 2018. The City once ranked one of the largest growing cities in San Bernardino County has only decreased by 582 residents, mainly due to the turn-over in student population and limited new residential units. Loma Linda's median income is \$51,390, 5.65% lower than the average for San Bernardino County.

As presented in the ten year population history chart, Loma Linda's population has begun to plateau over the past few years. As of the 2010 Census which measured the population at 23,261, the State Department of Finance has

estimated a growth of 685 to its current total of 23,946, with the decline of 582 from 2017 to 2018.

The City is governed under charter by a City Council/City Manager plan. The people of Loma Linda elect five Council Members, from which the City Council chooses the Mayor and the Mayor pro tempore. The City Council appoints the City Manager, who is responsible for the daily operations of all City departments and the Council also appoints the City Attorney.

The City's operating departments are Fire Department, Public Works, Community Development, Economic Development, City Clerk, Finance, Information Systems and Administration.

The City of Loma Linda is a full service Municipal Government. Services provided by the City include police (through contract with San Bernardino County Sheriff's) and fire protection; utilities services for water, sewer and refuse (under contract with a private hauler); internet connection services; street and park maintenance; storm and waste water drainage maintenance; planning and zoning management; general administrative services; a senior center and a library branch (staffed by the County of San Bernardino).

Financial administration of the City is the responsibility of the Finance Director/City Treasurer, who supervises the City's fiscal administration, which includes the day-to-day accounting, budgetary and reporting compliance, business licensing, utility billing operations and cash management.

### **THE REPORTING ENTITY (Activities included in the report)**

The report includes all activities carried out by the City as a legal entity, and also includes the activities of the Loma Linda Successor Agency to the Redevelopment Agency (Successor Agency), the Loma Linda Housing Authority (LLHA) and the Public Financing Authority (PFA), for which the City Council, acting in the capacity of Board to the Successor Agency and both Authorities, is financially accountable as determined under the guidelines of the Governmental Accounting Standards Board (GASB).



## **ACCOUNTING SYSTEMS AND BUDGETARY CONTROL**

The City's fund accounting records are maintained using a modified accrual basis of accounting as explained in the Notes to the Financial Statements, following the accounting practices for governmental units as mandated by the Governmental Accounting Standards Board (GASB). Basic City operations are accounted for in the City's General Fund, with other activities accounted for in separate funds as required by law or determined by management discretion.

The Government-Wide financial statements (*Statement of Net Assets* and *Statement of Activities*) follow the accrual basis of accounting. As required by GASB, an accompanying summary reconciliation schedule is presented following the Governmental fund financial statements. These reconciliation schedules are presented on pages 22 and 25 in the body of the financial statements.

The Finance Director/City Treasurer is charged with the responsibility for the receipt and disbursement of all monies and to maintain control over all expenditures to insure that budget appropriations are not exceeded. The level of budgetary control, that is, the level at which expenditures are not to exceed Council approved appropriations is established at the fund, department, division and categories (personnel, maintenance and operations, and capital outlay) of expenditure levels. Adjustments at the object level within major categories of expenditures are permissible at the department and division level, however, adjustments involving transfers between major categories of expenditures, between departmental and division budgets or between departments within the same fund, require Finance Director recommendation and City Manager approval. Adjustments between funds and additional supplemental appropriation funding require City Council approval. An encumbrance (commitment) accounting system is utilized as a technique to enhance budgetary control during the year. All appropriations lapse at year-end and become available for re-appropriation the following year, upon recommendation by the City Manager. Furthermore, the Citizen's Budget Committee plays a major role in the budgetary recommendations to the City Council.

## **SIGNIFICANT EVENTS AND ACCOMPLISHMENTS**

During 2017/2018, the City achieved many accomplishments that may not be evident from a review of the financial statements. Some of the more important accomplishments as well as on-going projects are summarized below.

### **Community Development**

During the period, the Community Development Department's Planning Division completed the following projects:

Precise Plan of Design Applications:

- KB Homes – 95 single-family residences
- Lennar Homes – 224 single-family residences
- Duplex on Poplar Street
- 4-plex on Polar Street
- Duplex on Lind Avenue

Conditional Use Applications:

- Spreen Honda Auto Dealership Auxiliary Parking Lot
- Candlewood Hotel, 88 rooms

Minor Use Applications:

- Oxygen Tank Enclosure at the Faculty Medical Offices (FMO)

Development Code Amendment/Zone Change Applications:

- Amended Development Code to commercial text
- Amended Zoning Map to change parcels from Neighborhood Commercial (C1) to General Commercial (C2)
- The Groves Specific Plan, removed the East Valley Corridor Specific Plan boundary and changed the area to Planning Community (PC) Zone, which changed the municipal zoning map
- Changed corner lot at Redland and Poplar from High-density Residential (R-3) to East Valley Corridor-General Commercial (EVC-CG), part of a Tentative Parcel Map (TPM) project

Comprehensive Sign Program (Master Sign) Applications:

- Loma Linda University Health (LLUH) Arrival Sequence Districting
- LLUH Monuments
- LLUH Parking Lot Wayfinding
- LLUH New Medical Center
- LLUH Campus Plaza
- LLUH Parking Structure Bridge Signs

Specific Plan Amendment Applications:

- The Groves Specific Plan was drafted and adopted
- The Groves Specific Plan, removed the East Valley Corridor Specific Plan boundary and changed the area to Planning Community (PC) Zone, which changed the East Valley Corridor map

General Plan Amendment Applications:

- The Groves Specific Plan, Special Planning Area-D, to authorize Phase III concept area

Tentative Parcel Applications:

- Combined 2 parcels into 1 at Redlands and Poplar Street
- Tentative Tract Map Applications:
  - Citrus Glen/KB Homes - Approval of Tentative Tract Map to subdivide an approximate 30-acre property into 95 single-family residences and 9 common lettered lots
  - Citrus Trails - reconfigured 9 existing parcels totaling 91.69 acres into 234 numbered lots 4 larger lots intended for mixed-use, residential development, open space, and 3 lettered lots for drainage

In addition, the department processed several small project applications, home occupations, special event permits, sign plan reviews, fence and patio permits, land use permits.

Corresponding with the level of entitlement activity experienced by the community, the Building Division checked plans, issued building permits, and conducted inspections for permit requests.

The Code Enforcement section was very active during the 2017/2018 fiscal year. Animal licensing compliance continues to increase, animal impounds were maintained at the record low levels, and rabies vaccination compliance was improved. The city continues to utilize the City of San Bernardino for shelter services.

## **Fire Department**

During the fiscal year, City of Loma Linda Fire Department continued to see an increase in medical aid calls as a percentage of total calls. Fire Department resources were successful in containing the majority of all residential structure fires to the room of origin and all residential structure fires to the building/residence of origin. Fires in commercial occupancies were also contained as small to medium sized incidents. All vegetation fire incidents in the city boundaries were controlled with the first alarm response resources. Aggressive and successful fire attack operations have not only mitigated the loss of personal property of our residents, but also protected vital property & sales tax revenues that the community relies on to fund essential services. A large portion of our responses were for emergency medical incidents or traffic collisions to which the department deploys resources with rescue and Advanced Life Support capabilities. The Fire department participated in a 16 mutual aid incidents for which the City was reimbursed.

The Department continues to realize an enhancement in its management depth through the resource sharing agreement with our neighboring jurisdiction. The consolidated command staff concept with the City of Colton Fire Department has allowed the combined command staff to dedicate managers to the functional divisions of Training and EMS (Emergency Medical Services) which were previously managed as secondary assignments of the Operational Battalion Chiefs. Both agencies are experiencing an increase in both quantity and quality of training opportunities above the company level.

Our Prevention Division was instrumental in completing the Fire Engineering and Permitting elements of significant commercial developments in the City. Additional hotel facilities are in various stages of engineering or construction and will be welcomed additions to the community. The same can be said for both multi-family and single family housing units. Several projects are also in various stages of engineering and construction. The multi-year campus transformation project is also a focal point of our Prevention Division efforts.

## **Information Systems Department**

The city has completed the second phase of upgrades to the city wide CCTV system providing better security coverage. This included a complete overhaul of the camera network and camera hardware at the city's corporate yard and civic center properties. The city built an additional virtual server to replace multiple dated servers that reached end of life. This was the third installment into the city's virtual server cluster (VMware software) which provides additional failover and stability to the cluster. The city replaced a core network switch that reached end of life.

The City of Loma Linda continues to prepare for the future of its Loma Linda Connected Community Program (LLCCP). The Program, originally started in 2004, includes the deployment of an advanced city-wide fiber optic network as well as modifications to building regulations to ensure that development will be designed to meet the needs of future communication technologies. The city building code requires all new commercial and residential developments (or re-models involving greater than 50% of the structure) to equip the new structures with a fiber-optics interface and copper cabling throughout. In 2007, the LLCCP started expanding into commercial areas via organic growth at existing locations.

The city continues to expand services to commercial customers through focused network expansion and custom designed services. Fiber infrastructure is also being utilized in the monitoring and control of water production, street lights, energy usage, and distributed computing throughout the city.

## **Successor Agency, Oversight Board and Loma Linda Housing Authority:**

### **Successor Agencies**

On February 1, 2012, Successor Agency replaced Redevelopment Agency. On this date, all assets, property contracts, and leases of the former redevelopment agency transferred to the Successor Agency. Loma Linda elected to become the Successor Agency for its former redevelopment agency. The Successor Agency created a Redevelopment Obligation Retirement Fund, which continues to make payments on the approved Recognized Enforceable Obligation Schedules (ROPS), maintain reserves, perform obligations required by Enforceable Obligations, enforce all rights for the benefit of taxing agencies and is pursuing the disposition of property based on the approved Long Range Property Management Plan. In 2016, the ROPS process transitioned to one annual submission. The Successor Agency must submit one ROPS for a fiscal year (bi-annual) operating periods of June – December, and January – June. The ROPS must be approved by the Oversight Board, and submitted to the Department of Finance (DOF), State Controller's Office (SCO) and County Administration Office (CAO) for final review and approval before funds are disbursed to the Successor Agency. In November 2016, the Successor Agency closed on the refinancing of four outstanding bond issues (2003 Tax Allocation Refunding Bonds, 2005 A & B Subordinated Tax Allocation Bonds, and the 2008 Taxable Housing Tax Allocation Bonds) totaling \$33,710,000 into two bond issues (2016 A Tax Allocation Refunding Bonds and 2016 B Taxable Tax Allocation Refunding Bonds). The refinancing will yield saving of approximately \$7,451,850 over the remaining term of the bonds (final redemption August 1, 2030). The Successor Agency is continuing to pursue potential buyers for two properties on the long range property management plan designated for disposal.

### **Countywide Oversight Board**

On July 1, 2018, in accordance with Health and Safety Code section 34179(j), the twenty six Redevelopment Agencies (RDA) oversight boards in San Bernardino County consolidated into one Countywide Oversight Board. The Countywide Oversight Board is composed of one member each appointed by the County Board of Supervisors, City Selection Committee, Independent Special District Selection Committee, San Bernardino County Superintendent of Schools, Chancellor of the California Community Colleges, a public member appointed by the County Board of Supervisors and a member of Recognized Employee Organization (Teamsters Local Union No. 1932). The Countywide Oversight Board has fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from property tax distributions, and will continue to have a critical role in the RDA dissolution process until all Successor Agencies are formally dissolved.

### **Loma Linda Housing Authority**

In February of 2012, redevelopment agencies in the State of California, including the Loma Linda Redevelopment, were dissolved. As part of the dissolution, and in accordance with the laws applicable to the dissolution of redevelopment agencies, and after review and approval by the Oversight Board and the California Department of Finance, the City of Loma Linda designated the Loma Linda Housing Authority as the entity to receive the housing assets of the Redevelopment Agency. Housing assets of the Redevelopment Agency that were transferred include property assets, land, improvements, contracts, loan agreements, leases, rights to enforce agreements and covenants, among other items.



During Fiscal Year 2017/2018, the Loma Linda Housing Authority operated programs, including ongoing monitoring and enforcement of affordability covenants, leases and agreements related to housing matters as previously entered into by the Redevelopment Agency and similar contracts as entered into by the Loma Linda Housing Authority. Units that are monitored for ongoing affordability include 47 single-family ownership units (24 mortgages held by the Loma Linda Housing Authority and 23 down-payment assistance loans) and 238 privately-owned rental units (most of which are operated under ground leases made by the Redevelopment Agency, with respect to which the Loma Linda Housing Authority has assumed the role as landlord). The Loma Linda Authority actively manages the loans and/or the properties. During the 2017/2018 fiscal year, no homeowners moved and no homes were sold.

In addition, the Loma Linda Housing Authority has an Affordable Housing Agreement with Mary Erickson Community Housing, a non-profit affordable housing developer, for the sale of six small lots, commonly referred to as “scattered sites”. Upon the sale of the “scattered sites”, funds are allocated to develop an additional six detached, single-family homes for sale to low income qualified buyers. As of June 30, 2018, five of the small lots have been sold.

### **Economic Development:**

A third national brand hotel, Candlewood Suites, was entitled this past year and is expected to start construction soon. A fourth hotel is on the horizon. Spreen Honda is expanding, with a new auxiliary parking lot to store their growing automobile inventory. Additionally, the city has entitled two car wash facilities, one on Redlands Boulevard and the other on Barton Road, another major commercial thoroughfare. Two large homebuilders, KB Homes and Lennar, have started grading and construction. Together, they will be constructing 319 new single-family residences, providing much needed housing to Loma Linda and its residents. Through the recently adopted “The Groves Specific Plan”, the city expects up to 30 acres of commercial space to be developed along the Redlands Boulevard corridor and California Street. Mansfield Oil continues to be one of the flagship businesses in the city and has expanded into alternative energy markets. The city continues to provide an accepting and supportive environment for its business community.

### **Capital Improvement Program (CIP) Projects:**

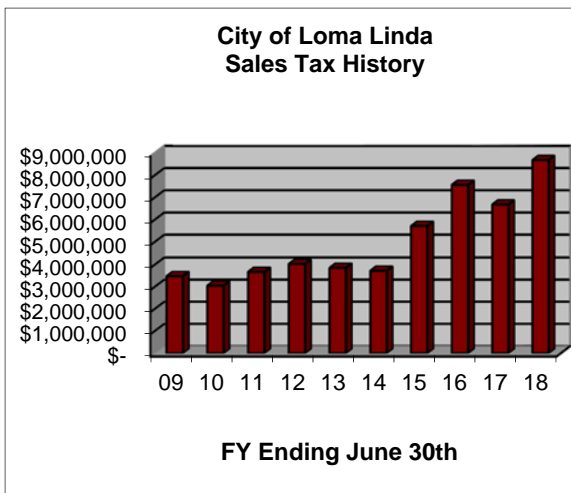
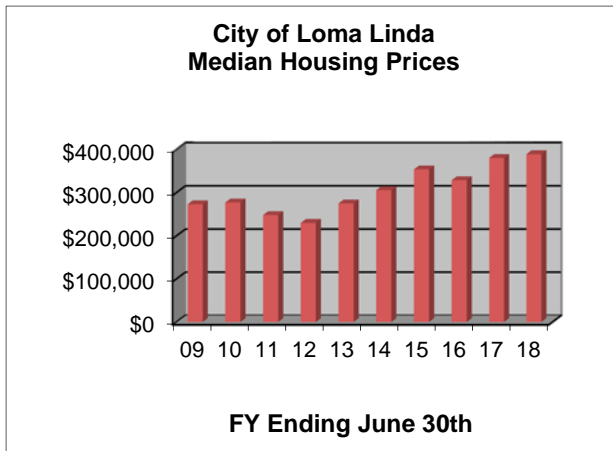
#### **Public Works**

During the 2017/2018 fiscal year, the Public Works Department completed or continued with the following projects: California Avenue and Redlands Boulevard intersection improvement; pavement rehabilitation on University Avenue from Barton Road to Campus Street, Curtis Street, Anderson Street from Barton Road to Lawton Avenue, Mountain View Avenue from Van Leuven Avenue to Prospect Avenue; Waterline replacements on San Marcos Drive, San Juan Drive, Barton Frontage Road and Huron Street from Lawton Avenue to Pecan Way; installed a restroom at Elmer Digneo Park; repaired sidewalks as needed city wide; planted trees at various locations; completed another phase of rehabilitation to the historic homes at Heritage Park; The Water Division continued with the meter replacement program. Project plan checking is completed on an as needed basis. The Department continues with required State and Federal regulation compliance, including air quality, storm water, water conservation, and solid waste diversion.

## LOCAL ECONOMY AND PROSPECTS FOR THE FUTURE

As presented in the Loma Linda General Plan (2009), Loma Linda is a unique community with strong ties to its religious, educational and healing arts roots. The Loma Linda University Medical Center (LLUMC), the Jerry L. Pettis Memorial Veterans Medical Center (VA Medical Center) and the VA Ambulatory Care Center provide much of the economic base of the community through the employment of a highly trained local labor force. The City is seeking to expand upon this economic base with medical support services, research facilities, professional offices and lodging accommodations for visitors to the medical centers and community. In addition to increasing commercial and industrial opportunities, Loma Linda is in the process of managing residential growth to provide an appropriate range of housing opportunities to accommodate the diverse work force needed by the medical facilities. The vision for the future of Loma Linda is for the City to have a balanced economy that meets the needs of the community and is a great place to live and do business. The goal is to attract high-tech industries to the City and create a diverse mix of high paying job opportunities to maintain the City’s high quality standard of living and complement the LLUMC.

In 2018, the median price of a home in Loma Linda was \$388,750, an increase of \$8,750 or 3.0%, from \$380,000 in 2017, according to Trulia.com. This is an overall decrease of 15.0% to the median price since peaking at \$457,200, in 2006. After several years of fluctuations in home values due to uncertain economic conditions, Loma Linda saw a steady increase in the year to year data thru 2018. The City of Loma Linda is expected to continue attracting skilled and educated residents that can be provided with local jobs as well as access to surrounding job markets via Internet technology. The LLCCP has established building requirements to enhance technological access as part of each new development project, providing the technological infrastructure for local residents to stay “connected” from home.

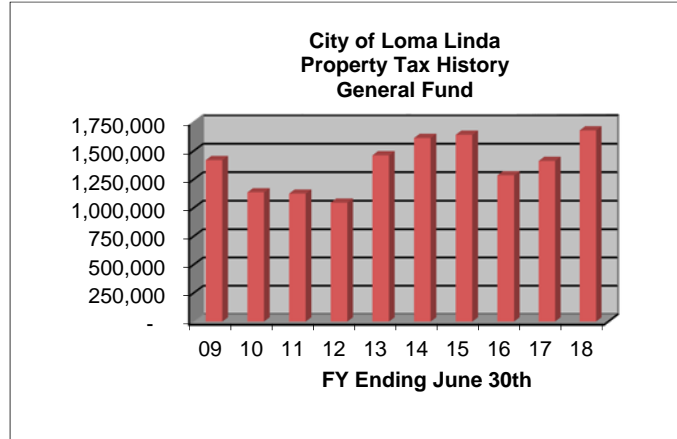


The Sales Tax History chart is a ten year historical presentation of the City’s sales tax revenue through fiscal year ending June 30, 2018. In 2018, the City received \$8,692,611 in sales tax revenues, an increase of 29.9% or \$2,000,516 from \$6,692,094.

The City of Loma Linda continues to rely heavily on retail sales to fund its general government services. In order to improve the availability of retail shopping facilities and attract more shoppers to buy locally, the City is hoping to continue expanding its sales tax base through economic development like recent commercial

projects that have been added to our community and additional commercial development projects planned over the next few years.

Property taxes are collected by the City and the Successor Agency to the Redevelopment Agency, with the bulk of the property tax collected by the Agency. The chart on the right is a 10-year history of the City's General Fund property tax revenues through fiscal year ending June 30, 2018. As shown here, General Fund property taxes had declined sharply over fiscal years 2010 through 2012, as the result of the housing market collapse and the ongoing economic recession, but over the next three years have steadily increased. In 2016, net property taxes were less due to a reduced amount of Residual Balances (\$387,400 less) received through the RDA Successor Agency ROPS disbursement process. On June 30, 2018, property tax revenues were reported at \$1,682,461, a net increase of \$268,052 or 19.0% from fiscal year 2017 due to the fluctuation of residual receipts after the repayment of a large obligation by the Successor Agency. Property tax revenue is reported in the attached Statistical table on pages 155-158.

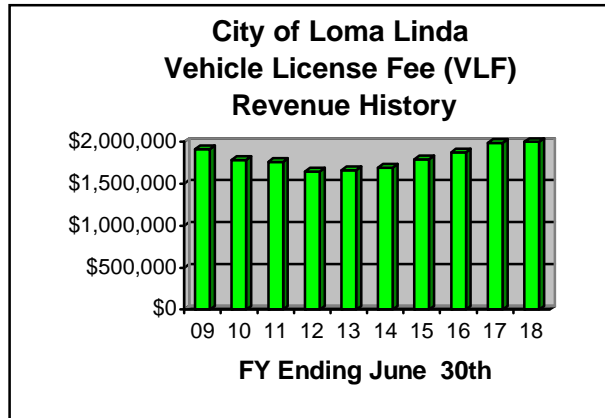


Median housing prices are just one factor in citywide assessed values. Tax-exempt properties continue to be a significant factor in the overall assessed values for the City and the former Redevelopment Agency, now the Successor Agency, in Loma Linda. As of June 30, 2018, the San Bernardino County's Assessor reported an increase in city wide assessed property values of 13.24%, with Loma Linda showing an 11.12% increase.

Overall property tax revenues are showing signs of growth as valuations increase and increase in demand for housing within the City is addressed. Growth has increased in the sales of existing homes and it's evident in the 79.0% increase in property transfer tax from \$39,340 in 2017 to \$70,346 in 2018. With demand high and inventory low the value of existing homes has increased. In order to address increased demands, the City has approved several housing projects that are currently under construction and is reviewing several other projects being proposed for the available undeveloped land within the City's former merged redevelopment project areas. As a taxing entity, the City will receive pass-through taxes and residual balance revenues from the Successor Agency as property values increase and vacant land gets developed.

Overall property tax revenues are showing signs of growth as valuations increase and increase in demand for housing within the City is addressed. Growth has increased in the sales of existing homes and it's evident in the 79.0% increase in property transfer tax from \$39,340 in 2017 to \$70,346 in 2018. With demand high and inventory low the value of existing homes has increased. In order to address increased demands, the City has approved several housing projects that are currently under construction and is reviewing several other projects being proposed for the available undeveloped land within the City's former merged redevelopment project areas. As a taxing entity, the City will receive pass-through taxes and residual balance revenues from the Successor Agency as property values increase and vacant land gets developed.

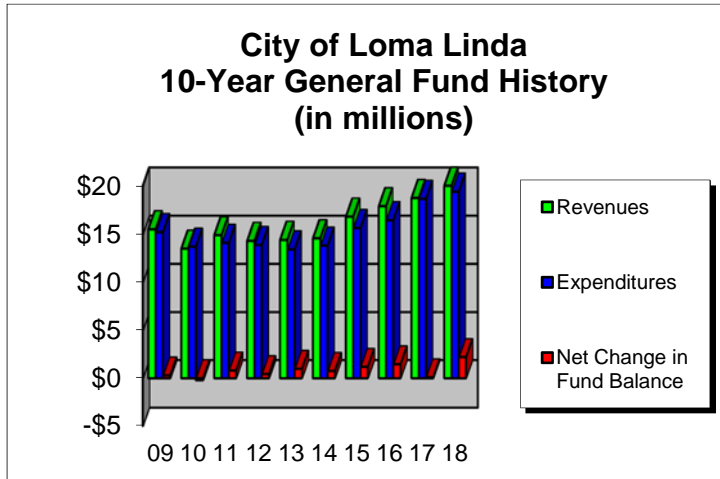
In fiscal year 2004/2005, as part of the Governor's Budget/Constitutional Protection package, a Vehicle License Fee (VLF) swap was approved. What the swap boils down to is an exchange of the current VLF backfill from the State's general fund for an equivalent amount of property tax revenues in fiscal year 2004/2005. Any future growth in VLF revenue would be calculated in proportion to the growth in gross assessed valuation, including the then merged Redevelopment Agency valuation. As presented in the ten year history chart, VLF had been increasing steadily since fiscal year 2009/2010, with slight fluctuations up and down.



In fiscal year 2017/2018, the City collected \$2,197,430 in VLF revenue, an increase of \$210,285 or 10.6% due to an increase in property values within the City.

**ACTUAL OPERATING RESULTS – GENERAL FUND**

The following discussion summarizes the annual operating results of the City’s General Fund, for the fiscal year ended June 30, 2018. Further details are presented in the individual financial statements attached to this transmittal letter.



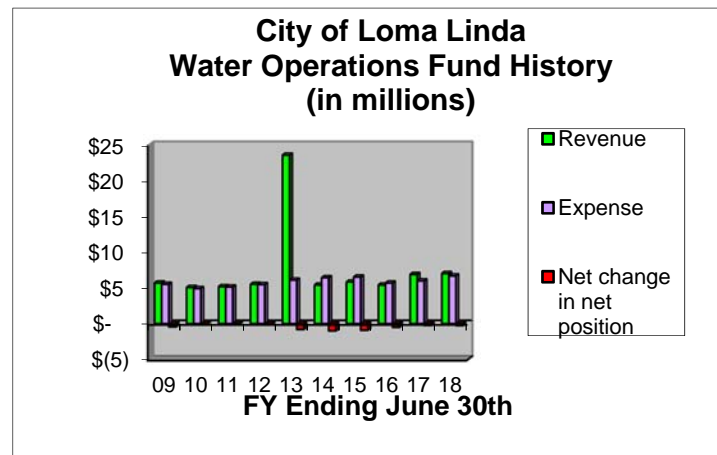
The chart on the left illustrates the ten year history of total revenues, expenditures and net change in fund balance for the General Fund through June 30, 2018. The Net Change in Fund Balance figure in the chart includes operating revenues, operating expenditures, transfers to and from other funds and gain on sale of capital assets. For further detail and breakdown, please refer to the statistical section of these financial statements.

**ANNUAL OPERATING RESULTS – ENTERPRISE FUNDS**

The City accounts for its Water, Sewer and LLCCP operations on an “enterprise” basis, meaning that the activity is treated more like a commercial business, separate and apart from general City operations. In fiscal year 2017/2018, Enterprise Fund operating revenues for Water, Sewer and LLCCP combined, totaled \$11,602,522, an increase of 15.0% over fiscal year 2016/2017, while operating expenses increased by \$977,836, or about 9.2%, over the same period.

**Water Operations**

For Water Operations specifically, the Water fund operating expenses exceeded operating revenues by \$282,872 this year, mainly attributable to the increase in cost of services. Last year the Water Fund showed an operating deficit of \$268,577 for the year. Note that this chart does include any “non-operating” revenues or expenses, such as gain on disposal of assets of \$16,700, loss on disposal of \$106,209 interest revenue of \$43,222, transfers in of \$829,804,

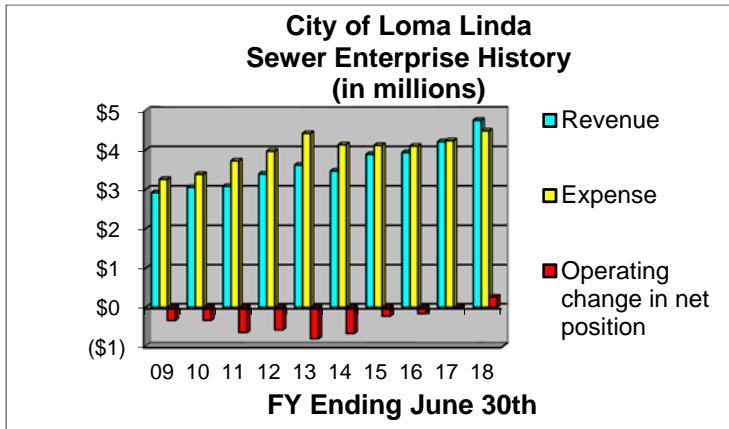


interest expense of \$157,735 and transfer out of \$12,985. Interest expense in the Water Fund has decreased to \$157,735 from \$326,629 in 2017. This constitutes a 51.71% decrease due to the refunding of the 1995 Variable Rate Water Revenue Refunding bond and the issuance costs of the 2016 Water Revenue Refunding Bond. More information on the 2016 Water Revenue Refunding Bonds can be found on page 56 of the notes.



In efforts to reduce operational cost and increase water conservation, the City is in the fifth year of a City-wide meter replacement project that will reduce the loss of revenue and make monitoring water usage more efficient. Additionally, the City is currently conducting an updated five year rate study to address the ongoing operating needs of the water system. New rates will be proposed for fiscal year 2018-2019 and forward.

### Sewer Operations



For the operating period ending June 30, 2018, the Sewer Fund ended the year with a change in net position of \$261,946. Sewer revenues increased by \$540,981, or 12.9%, and operating expenses increased by \$246,867 or 5.8% (see the MD&A for an explanation to this increase). The chart to the left shows the ten-year financial operating history of the Sewer Enterprise Fund. Note that this chart includes “non-operating” revenues or expenses (i.e., interest revenue

or interest expenses, etc.) or contributions and transfers. Interest revenue has increased minimally from prior year due to low cash balances in the fund and increased treatment expenses relate to the contractual services agreement with the City of San Bernardino implemented as a rate increase for treatment services provided. Because the Sewer Fund has no outstanding debt, interest expense is zero. In conjunction with the water rate update, a sewer rate update is also being performed and proposed. New rates will be effective for fiscal year 2018-2019. The increases are deemed necessary in order to eliminate annual operating losses, repay cash loans and build an emergency reserve fund.

### Loma Linda Connected Communities

In Fiscal year 2003/2004 a new Enterprise fund was set up for the purpose of establishing requirements for standardized residential and commercial telecommunications cabling systems. This new system provides some Loma Linda residents and businesses the opportunity to have voice, data, multimedia, home automation systems, environmental control, security, audio, television, sensors, alarms, and intercom services. The revenues and expenses for 2003/2004 and 2004/2005 were minimal as these were the starting years of the program. Fiscal Year 2017/2018 was the fourteenth full year of operations. For the operating period ending June 30, 2018, LLCCP ended the year with operating revenues of \$318,027 compared to \$389,793 in 2016/2017. Operating expenses of \$520,479 are \$25,484 or 5.1% more than expenses for fiscal year 2016/2017. Due to the significant upfront investment in infrastructure, and the annual depreciation of those capital assets, operating revenues are less than expenses, resulting in an operating deficit in net position of \$202,452. Additionally, net non-operating expenses, interest revenue and interest expense, is higher as interest on outstanding loans to construct the Fiber Optic Network, continues to go unpaid and gets added to the outstanding loan balance.

## **PENSION FUNDING STATUS**

The City provides its full-time and certain part-time employees retirement and disability benefits through four defined benefit pension plans; Miscellaneous, Public Employees' Pension Reform Act (PEPRA) Miscellaneous, Safety and PEPRA Safety Fire groups. The plans are all part of the California Public Employees' Retirement System (PERS). The City makes required employer contributions to the plans based on the amounts determined by CalPERS actuaries. All the City employees pay their required employee contribution based on the employees' group/individual retirement plan formulas. For this year, the City paid \$1,526,424 in employer pension costs to PERS. In fiscal year 2017/2018, the "City's" share of retirement costs increased from 8.880% to 8.921% for Miscellaneous employees, decreased from 6.555% to 6.533% for Miscellaneous PEPRA, increased from 17.689% to 17.875% for Safety plans and decreased from 12.082% to 11.990% for Safety PERA. The reason for the changes in the City's (employer) share of retirement costs is due to increases in pool asset values, and differences between projected rate of returns and actual returns on pooled assets.

At the December 21, 2016 meeting the CalPERS Board of Administration approved lowering the CalPERS discount rate of assumption, the long-term rate of return, from 7.50 percent to 7.15 percent over the next three years. Lowering the discount rate means plans will see increases in both the normal costs and the accrued liabilities. Also the PEPRA members may see their contribution rate increase. This will increase public agency employer contribution costs beginning in fiscal year 2018-2019. Please see Note 8 and 9 of the notes for further information.

## **DEBT ADMINISTRATION**

As of June 30, 2018, the City and the Successor Agency had bond debt outstanding in the amount of \$37 million. In 2016/2017, the Successor Agency issued the 2016 Tax Allocation Refunding Bonds A in the amount of \$5,760,000 (2) the Tax Allocation Refunding Bonds series B in the amount of \$27,950,000. At June 30, 2018 the balance of each bond respectively is \$5,360,000 and \$26,450,000. Also in 2016/2017 the City issued the 2016 Water Revenue Refunding bonds in the amount of \$5,615,000. Combined with the (1) 1978 Water bonds (general obligation) of \$10,000, the City had a bond debt balance of \$5,380,000 at June 30, 2018. Other debt recorded in footnote 7 - "Non-City Obligation" of the financial statements is not a legal obligation of the City and therefore not included here.

## **INDEPENDENT AUDIT**

An independent audit of the City's records was performed for the year ended June 30, 2018 by the certified public accounting firm of Rogers, Anderson, Malody and Scott, LLP. The auditors report on the basic financial statements, and combining and individual fund statements and schedules is included in the Financial Section of the CAFR.

In general, the auditors concluded that the financial statements and schedules referred to above present fairly, in all material respects, the financial position of the City of Loma Linda, the Loma Linda Housing Authority and the Loma Linda Redevelopment Agency Successor Agency, as of June 30, 2018, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles generally accepted in the United States of America. The professionalism and knowledge exhibited by Rogers, Anderson, Malody and Scott, LLP during the audit is appreciated.

## AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Loma Linda for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the fourteenth consecutive year the City of Loma Linda has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish as easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both the generally accepted accounting principles and applicable legal requirements.

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

## ACKNOWLEDGMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and other City Departments that provided data for preparation of the Statistical section of the Report. We would like to express our appreciation to members of all departments who assisted and contributed to the preparation of this report.

We would like to extend our appreciation to the Mayor, City Council, and each City Department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully submitted,



T. Jarb Thajpejr  
City Manager



Diana De Anda  
Finance Director/Treasurer



Government Finance Officers Association

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

Presented to

**City of Loma Linda  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morrell*

Executive Director/CEO



CITY OF LOMA LINDA

**PRINCIPAL OFFICIALS**

ELECTED OFFICIALS

**Rhodes Rigsby**  
Mayor

**Phill Dupper**  
Mayor pro tempore

**Ovidiu Popescu**  
Councilmember

**Ron Dailey**  
Councilmember

**John Lenart**  
Councilmember

APPOINTED OFFICIALS

**Jarb Thaipejr**  
City Manager/Public Works Director

**Richard Holdaway**  
City Attorney

Barbara Nicholson ..... City Clerk

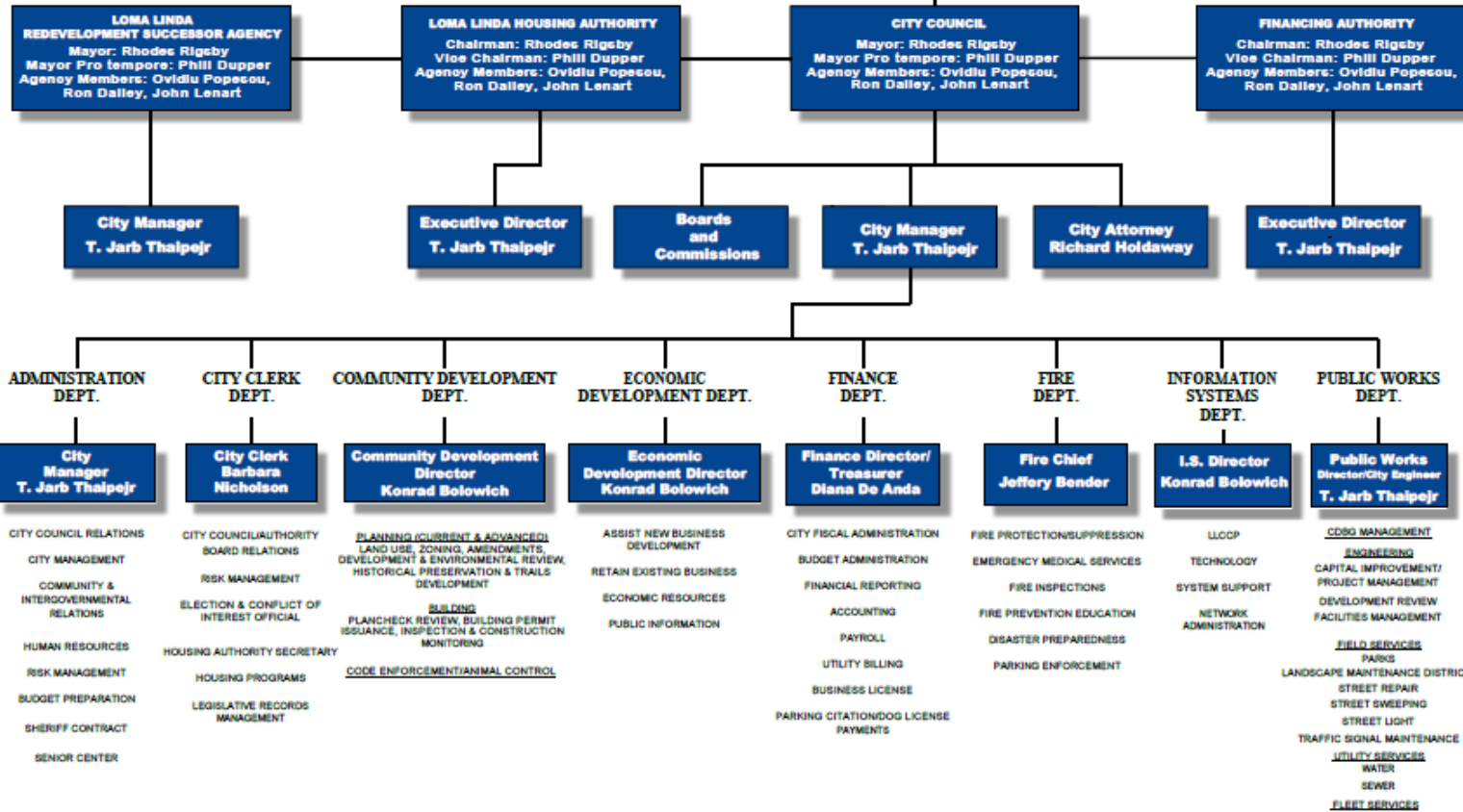
Konrad Bolowich ..... Assistant City Manager

Diana De Anda ..... Finance Director/Treasurer

Jeff Bender ..... Fire Chief

# CITY OF LOMA LINDA ORGANIZATION CHART

## The People of Loma Linda





ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

## INDEPENDENT AUDITOR'S REPORT

735 E. Carnegie Dr. Suite 100  
San Bernardino, CA 92408  
909 889 0871 T  
909 889 5361 F  
ramscpa.net

To the Honorable Mayor and Members of the City Council  
of the City of Loma Linda  
Loma Linda, California

### PARTNERS

Brenda L. Odle, CPA, MST  
Terry P. Shea, CPA  
Kirk A. Franks, CPA  
Scott W. Manno, CPA, CGMA  
Leena Shanbhag, CPA, MST, CGMA  
Bradferd A. Welebir, CPA, MBA, CGMA  
Jay H. Zercher, CPA (Partner Emeritus)  
Phillip H. Waller, CPA (Partner Emeritus)

### MANAGERS / STAFF

Jenny Liu, CPA, MST  
Seong-Hyea Lee, CPA, MBA  
Charles De Simoni, CPA  
Gardenya Duran, CPA  
Brianna Schultz, CPA  
Lisa Dongxue Guo, CPA, MSA  
Samuel Singery, CPA  
Jing Wu, CPA  
Evelyn Morentin-Barcena, CPA  
Jin Gu, CPA, MT

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of City of Loma Linda (City), California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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



### MEMBERS

American Institute of  
Certified Public Accountants

PCPS The AICPA Alliance  
for CPA Firms

Governmental Audit  
Quality Center

Employee Benefit Plan  
Audit Quality Center

California Society of  
Certified Public Accountants

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principles***

As described in Note 1 of the financial statements, the City adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Our opinion is not modified with respect to this matter.

The cumulative effects of applying the provisions of GASB Statement No. 75 have been reported as a restatement of beginning net position for the year ended June 30, 2018 in accordance with the Statement.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Loma Linda's basic financial statements. The introductory section, supplementary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and supporting schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Loma Linda's internal control over financial reporting and compliance.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
December 18 2018

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Loma Linda's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

### FINANCIAL HIGHLIGHTS

- In the Government-Wide – Statement of Net Position: The City's assets exceeded its liabilities by \$134,049,841 (net position); of this amount \$105,615,717 is from governmental activities and \$28,434,124 is from business-type activities, with \$11,961,248 positive and \$7,304,285 in negative unrestricted net position, respectively.
- In the Government-Wide – Statement of Activities: The City's net position increased .29% or \$393,154, from the adjusted \$133,656,687 at the beginning of the year, to \$134,049,841 at the end of the year. The increase is the net result of a positive \$947,966 change in governmental activities and a negative \$554,812 change in business-type activities.
- In the Government-Wide – Statement of Activities: During the current year, Governmental activities program revenues increased by \$1,167,676, due to a steady increase in charges for services in all government functions of \$1,511,860 offset by a decrease of combined operating/capital contributions and grants of \$344,184. Business-type program revenues increased by a net \$1,393,694 due to an increase in charges for services in all enterprise funds except for a \$72,218 decrease in the Loma Linda Connected Communities.
- In the Governmental Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance: During the year, the General Fund reported a positive net change in fund balance of \$2,215,542 due to the \$1,079,683 revenues over expenditures combined with other financing sources of \$1,135,859.
- In the Required Supplementary Information – Budgetary Comparison Schedule: For the General Fund, the actual revenues available for appropriation was more than the final budget by \$720,833, while actual expenditures were \$1,176,750 less than the final budget. Net actual other financing sources were \$510,259 more than the final budget, resulting in a positive \$2,407,842 net change in budget variance and an actual positive fund balance of \$2,215,542.
- In the 2018/2019 Adopted Budget – the City Council and management annually make great efforts to adopt a balanced budget that preserves general fund - fund balance. This year City Council adopted a general fund budget which is projected to net a positive change in net position of \$169,400. Overall, the general fund maintains a solid financial position with committed funds of \$5,500,000 (emergency contingency) and assigned funds of \$1,250,000 (capital equipment replacement). In the adopted budget for fiscal year 2018/2019, committed fund balance represent 26.6% of the general fund annual budget.

### USING THIS ANNUAL REPORT

The discussion and analysis is intended to serve as an introduction to the City of Loma Linda's basic financial statements. The basic financial statements consist of three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes* to the financial statements.

The *government-wide statements* provide information about the activities of the City as a whole and present a longer-term view of the City's finances. These statements consist of the *statement of net position* and *statement of activities*.

The *fund financial statements*, which consist of the *governmental funds*, *proprietary funds* and *fiduciary funds*, report the City's operations in more detail than the government-wide statements by providing information about the City's most significant (major) funds. The *governmental fund* statements also tell how City services were financed in the short term as well as what remains for future spending. The *proprietary funds* statements use the same accounting method as the business-type activities, but provide more detail of the activities. The *fiduciary fund* statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

## Reporting the City as a Whole

### The Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of this year's activities?" The *statement of net position* and the *statement of activities* report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in it. The reader can think of the City's net position - the difference between assets and liabilities - as one way to measure the City's financial health. Over time, *increases* or *decreases* in the City's net position is one indicator of whether its *financial health* is improving or deteriorating. However, to assess the *overall health* of the City the reader will need to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's roads and other infrastructure.

The *statement of net position* and the *statement of activities* present information about the following:

- Governmental activities - All of the City's basic services are considered to be governmental activities, including general government, community development, public safety and public works. Property taxes, motor vehicle in lieu, sales taxes, and franchise fees, finance most of these activities.
- Business-type activities – All Proprietary Funds (enterprise funds), water acquisition, water enterprise, sewer capital, and Loma Linda connected communities program, which receive funding through service charges and developer contributions.
- Component units - The City's governmental activities include the Public Financing Authority (Authority) and the Loma Linda Housing Authority (LLHA).

## Reporting the City's Most Significant Funds

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State Law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds – *governmental*, *proprietary* and *fiduciary* - use different accounting approaches.

**Governmental funds** - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted into cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the

*statement of net position* and the *statement of activities*) and governmental *funds* in a reconciliation schedule accompanying the fund financial statements.

The City of Loma Linda maintains thirty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general fund, Loma Linda Housing Authority, special projects construction fund, regional traffic development impact, and the park development fund; which are considered to be *major* funds. The remaining twenty-five *non-major* funds are combined and presented in the *non-major* governmental funds column. Individual fund detail for the *nonmajor* funds is presented in the *combining statements* located on pages 99-112 of this report.

**Proprietary funds** - When the City charges customers for certain services it provides, these services are generally reported in proprietary funds. There are two types of proprietary funds: enterprise fund (*business-type activities*) and internal service funds (internal allocation of costs). Proprietary funds are reported on the full accrual basis of accounting, which is the same method that all activities are reported in the *statement of net position* and the *statement of activities*.

The City of Loma Linda maintains four enterprise funds to account for Water (two funds), Sewer and the LLCCP activities. The four funds are considered to be *major* funds and as such detail activity is presented in the *statement of net position, statement of revenues, expenditures and changes in net position, and statement of cash flows* on pages 27-30.

**Fiduciary Funds** - The City is the trustee, or fiduciary, for certain amounts held on behalf of developers, property owners, and others. The City's fiduciary activities are reported in separate *statement of fiduciary net position and changes in fiduciary net position*. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The statement of fiduciary net position can be found on page 32.

**Fiduciary Fund - Private Purpose Trust Fund** - The City acting as Successor Agency to the Loma Linda Redevelopment Agency (Successor Agency) is the trustee, or fiduciary, for amounts held on behalf of bond holders, enforceable obligations, and taxing entities. The City's fiduciary activities are reported in separate *statement of private purpose trust fund net position and changes in net position*. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City acting as the Successor Agency is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The statement of private purpose trust fund net position can be found on page 32-33.

**Notes to the financial statements** – Additional information that is crucial to a full understanding of the figures provided in the government-wide and fund financial statements is provided in the notes to the financial statements. The notes to the financial statements can be found on pages 34-82 of this report.

**Required supplementary information** - The *budget and budgetary accounting and postemployment benefit plans* information can be found on pages 84-90 of this report.

## **Government-Wide Financial Analysis**

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities reported in the government-wide statements.

### **Net Position**

As shown in Table 1, the City's net position from governmental activities increased .9% from \$104,667,751 (adjusted balance) to \$105,615,717. The \$947,966 positive change in net position is the result of a negative \$15,798,725 in program operations, netted with \$16,746,691 in general revenues. In the business-type activities, the decrease was 1.9% or \$554,812, net position changed from an adjusted \$28,988,936 to \$28,434,124, the net result of a negative \$1,285,411 position change from operations and

a positive \$730,599 in general revenues. These changes are recorded in the *statement of activities* (Table 2) which flows through to the *statement of net position*.

**Table 1**  
**City of Loma Linda's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 66,290,249	\$ 63,023,318	\$ 14,736,710	\$ 13,946,440	\$ 81,026,959	\$ 76,969,758
Capital assets	<u>53,757,721</u>	<u>54,816,458</u>	<u>40,475,436</u>	<u>41,245,392</u>	<u>94,233,157</u>	<u>96,061,850</u>
Total Assets	<u>120,047,970</u>	<u>117,839,776</u>	<u>55,212,146</u>	<u>55,191,832</u>	<u>175,260,116</u>	<u>173,031,608</u>
Deferred Outflow of Resources	<u>3,710,981</u>	<u>2,897,265</u>	<u>1,100,871</u>	<u>788,573</u>	<u>4,811,852</u>	<u>3,685,838</u>
Long-term liabilities	13,667,794	12,044,890	26,341,754	25,317,484	40,009,548	37,362,374
Other liabilities	<u>3,863,312</u>	<u>2,757,376</u>	<u>1,270,330</u>	<u>1,158,447</u>	<u>5,133,642</u>	<u>3,915,823</u>
Total Liabilities	<u>17,531,106</u>	<u>14,802,266</u>	<u>27,612,084</u>	<u>26,475,931</u>	<u>45,143,190</u>	<u>41,278,197</u>
Deferred Inflow of Resources	<u>612,128</u>	<u>946,687</u>	<u>266,809</u>	<u>308,526</u>	<u>878,937</u>	<u>1,255,213</u>
Net Position:						
Net Invested in Capital Assets	53,645,346	54,669,551	35,053,848	35,575,964	88,699,194	90,245,515
Restricted	40,009,123	34,485,551	684,561	760,313	40,693,684	35,245,864
Unrestricted	<u>11,961,248</u>	<u>15,832,986</u>	<u>(7,304,285)</u>	<u>(7,140,329)</u>	<u>4,656,963</u>	<u>8,692,657</u>
Total Net Position before restatements	105,615,717	104,988,088	28,434,124	29,195,948	134,049,841	134,184,036
Restatements	-	(320,337)	-	(207,012)	-	(527,349.00)
Total Net Position	<u>\$ 105,615,717</u>	<u>\$ 104,667,751</u>	<u>\$ 28,434,124</u>	<u>\$ 28,988,936</u>	<u>\$ 134,049,841</u>	<u>\$ 133,656,687</u>

As shown in Table 2, the change in net position is a positive \$947,966 for *governmental activities* and negative \$554,812 for *business-type activities*, with a combined total increase in net position of \$393,154 for the fiscal year ending June 30, 2018.

*Governmental activity* both program revenues and general revenues increased over last year by \$1,167,676, and \$3,384,726, respectively. The net increase in program revenues is due to increases in charges for services for all functions of \$1,511,860, net decreases across functions in operating contributions and grants of \$145,542 and decrease in public works capital contributions and grants of \$198,642. Charges for services increases in General Government of \$383,809 was mainly due to lease income from two new cellular towers and an easement right to Southern California Edison (SCE) for expansion for their energy transmission lines. In Public Safety program revenues increased by net of \$469,921, as a result of significant increases in emergency strike team response reimbursements and a full year of contractual services with the Loma Linda University Medical Center for fire services netted with less significant decreases in emergency medical service (EMS) response fees and vehicle code fines. Community Development program revenues increased by \$313,159 as a result of construction activity related to two new housing projects, a Veteran's apartment complex and a new hotel in the community. The City collected more than \$553,000 in development impact fees and \$67,300 in building related permits/planning/inspection fees over last year. Public Works program revenues increased by \$209,607 as a result of engineering and plan checks related to new proposed building projects. Net decrease in operating contributions and grants were the result of decrease in public safety for a final grant reimbursement and a community development grant received last year, and an increase in public works gas tax revenue (SB1) for road improvements. Capital contributions and grants were less this year due to a decrease in Community Development Block Grant (CDBG) funding received for public works waterline improvement project. Overall general revenues were up by \$3,384,726, mainly due to the increases in all major tax categories: property taxes - \$296,572 (current secured - \$46,114, Statutory pass-through -

\$35,378, residual balances from RDA Successor Agency - \$169,735 and property transfer - \$31,006), sales taxes - \$585,752 (fuel prices and construction industries materials), Franchise - \$74,158 (communications and service utilities), and other taxes - \$1,175,016 (transient occupancy tax - \$116,999, business license tax - \$61,595 and Measure I - major street arterial sub-program - \$988,518). Intergovernmental revenues – increased \$210,285 mainly due to increases in Motor Vehicle License in Lieu of Property Taxes which increase as property valuations increase. Investment revenues nearly doubled over last year with an increase of \$482,726 resulting from increases in cash balances and the rise in interest rates. Gain on sales of assets increased by \$352,311 due mainly to the sale of City owned property (Richardson Street) for a gain of \$487,402. Miscellaneous revenues increased \$202,460 primarily due to deferred income from prior year and several smaller reimbursements from outside agencies for City expenditures. And finally, transfers in/out between governmental and business-type fund related to shared capital equipment purchases which were less in fiscal year 2018.

**Table 2**  
**City of Loma Linda's Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Program Revenues:</b>						
Charges for services	\$ 8,017,484	\$ 6,505,624	\$ 11,005,578	\$ 9,611,884	\$ 19,023,062	\$ 16,117,508
Operating grants and contributions	772,551	918,093	-	-	772,551	918,093
Capital grants and contributions	151,081	349,723	-	-	151,081	349,723
<b>General Revenues:</b>						
Taxes	13,025,843	10,888,899	-	-	13,025,843	10,888,899
Intergovernmental	2,197,430	1,987,145	-	-	2,197,430	1,987,145
Use of money and property	970,488	487,762	167,515	86,522	1,138,003	574,284
Other	637,846	83,075	478,168	477,429	1,116,014	560,504
<b>Total Revenues</b>	<b>25,772,723</b>	<b>21,220,321</b>	<b>11,651,261</b>	<b>10,175,835</b>	<b>37,423,984</b>	<b>31,396,156</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
General government	3,446,226	4,183,558	-	-	3,446,226	4,183,558
Public safety	12,531,692	11,026,804	-	-	12,531,692	11,026,804
Community development	2,530,022	2,390,338	-	-	2,530,022	2,390,338
Public works	6,231,901	4,411,533	-	-	6,231,901	4,411,533
Interest on long-term debt	-	6,053	-	-	-	6,053
<b>Business-Type Activities:</b>						
Water acquisition	-	-	142,488	231,003	142,488	231,003
Water	-	-	6,581,432	5,956,326	6,581,432	5,956,326
Sewer	-	-	4,484,711	4,237,844	4,484,711	4,237,844
LL Connected Communities	-	-	1,082,358	1,056,877	1,082,358	1,056,877
<b>Total Expenses</b>	<b>24,739,841</b>	<b>22,018,286</b>	<b>12,290,989</b>	<b>11,482,050</b>	<b>37,030,830</b>	<b>33,500,336</b>
<b>Changes in Net Position before</b>						
Transfers	1,032,882	(797,965)	(639,728)	(1,306,215)	393,154	(2,104,180)
Transfers	(84,916)	(290,619)	84,916	290,619	-	-
<b>Change in Net Position</b>	<b>947,966</b>	<b>(1,088,584)</b>	<b>(554,812)</b>	<b>(1,015,596)</b>	<b>393,154</b>	<b>(2,104,180)</b>
<b>Net Position at Beginning of Year</b>	<b>104,988,088</b>	<b>106,076,672</b>	<b>29,195,948</b>	<b>30,211,544</b>	<b>134,184,036</b>	<b>136,288,216</b>
Restatements	(320,337)	-	(207,012)	-	(527,349)	-
<b>Net Position at End of Year</b>	<b>\$ 105,615,717</b>	<b>\$ 104,988,088</b>	<b>\$ 28,434,124</b>	<b>\$ 29,195,948</b>	<b>\$ 134,049,841</b>	<b>\$ 134,184,036</b>

*Business-type* program revenues were up a net of \$1,393,694, when compared to last year. Primary increases totaling \$1,465,912 were across the board related to service charges for water, sewer and water acquisition netted with a decrease in Loma Linda Connected Communities of \$72,218. The increase in water and sewer operations were \$701,941 and \$488,182, respectively, were due to annual rate increases, and consumption increases resulting from the lifting of conservation restrictions and new connections within the City. Water acquisition increases (\$267,789) were from development impact fees of building activities. The decrease of \$72,218 in Loma Linda Connected Communities was due to the discontinuance of a support service agreement with a neighboring City of \$62,722 and decreases internet service connections. General revenues were down a net of \$123,971, mainly due to reductions in transfers in of \$205,703 from governmental activities of jointly purchased assets. Miscellaneous revenues were also down by \$19,323, resulting from a \$138,838 loss on disposal of assets for the implementation of an increase to the Capitalization threshold from \$1,000 to \$5,000, netted with other miscellaneous revenues that were higher for reimbursement of operational expenses from Lockheed Martin for the arsenic treatment facility. These decreases were minimized by increases in investment revenues by \$80,993, almost doubling as a result of interest earning on higher cash balances and increases in the interest rate. Also, there was a gain on sales of assets of \$20,062; this gain was from the sale of disposable assets by auction. The net result of all business type activities are shown in the *statement of activities*.

*Governmental activities* program expenses increased by \$2,721,555. The result was the net of increases and decreases within specific programs during the fiscal year. Program increases of \$1.5 million occurred in Public Safety due to increased overtime, salaries and the benefits associated with this increase; the re-allocation insurance based on workers comp incidents; an increase in the police contract; and the adjustment to the long term debt for net pension liability. The \$1.8 million increase in Public Works is mainly attributed to the reclassification of capital outlay that was not considered a capital asset but rather a maintenance type of expenditure (such as pavement rehabilitation or City street striping) or an improvement that would not be a City asset (such as the I10 freeway of the 64% portion of the California Street re-alignment that falls in the City of Redlands). Furthermore, there was a \$139,684 increase in Community Development for personnel costs, utilities increased in the Landscape Maintenance District and the adjustment for pension liability increase. Program decreases of \$737,332 that occurred in the General Government operations are due primarily to the decrease in the economic development incentives, decrease in insurance costs, and a decrease in the contribution to a nonprofit organization and an increase in the amount allocated to retro JPIA insurance balance due to a larger adjustment/reduction in 2017.

The *business-type activities* expenses reflected a net increase of \$808,939 in program expenses. The majority of this increase \$625,106 was from the Water Enterprise fund due to the annual adjustment of net pension obligation adjustment, an increase in electricity expense, and an increase in repairs and maintenance for water meter replacement. Additionally, increases occurred in the Sewer fund related to contractual services with the City of San Bernardino and increase in the net pension obligation adjustment. In the Water Acquisition fund, a decrease of \$88,515 is attributed to a decrease in overhead and lastly, the increase in the Connected Communities fund is due to an increase in contractual agreements. In comparison to fiscal year 2017, the overall change in net position from operations for *governmental activities* was an increase of \$947,996 and *business-type activities* decreased by \$554,812 resulting in an overall City net position increase of \$393,154 for fiscal year 2018.

### **Government Activities**

Table 3 presents the *total cost* (expenses) of each of the City's major public services in general government, public safety, community development, public works, and interest expense. Also included is each program's *net cost* (total cost less program revenues generated by the activities). The *net cost* shows the financial burden that was placed on the City's taxpayers by each of these functions.



**Table 3**  
**City of Loma Linda**  
**Net Cost of Governmental Activities**

	Total Cost			Net Cost		
	2018	2017	Change	2018	2017	Change
Functions:						
General government	\$ 3,446,226	\$ 4,183,558	\$ (737,332)	\$ 844,314	\$ 1,772,167	\$ (927,853)
Public safety	12,531,692	11,026,804	1,504,888	9,887,107	8,836,608	1,050,499
Community development	2,530,022	2,390,338	139,684	1,218,525	1,392,000	(173,475)
Public works	6,231,901	4,411,533	1,820,368	3,848,779	2,238,018	1,610,761
Interest on long-term debt	-	6,053	(6,053)	-	6,053	(6,053)
Total Governmental Activities	<u>\$ 24,739,841</u>	<u>\$ 22,018,286</u>	<u>\$ 2,721,555</u>	<u>\$ 15,798,725</u>	<u>\$ 14,244,846</u>	<u>\$ 1,553,879</u>

In looking at table 3, you will note the major changes in both in total cost and net cost. In 2018, total costs increased by \$2,721,555, a result of increases in public safety, community development, and public works, with decreases in general government and interest in long-term debt. Specific changes in program costs were discussed in the previous section.

#### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

At year-end, the City's *governmental funds* reported combined fund balances of \$52,237,348 a net increase of \$7,140,352 in fund balance; included in this amount are an increase in fund balance for the General Fund of \$2,215,542, combined with increases in the Housing Authority of \$204,438, the Special Projects Construction Fund of \$5,870,853, the Park Fund of \$144,434 and a decrease in the Non-Major Fund of \$1,294,915. The General Fund had a net increase in fund balance of \$2,215,542, resulting from net revenues exceeding expenditures by \$1,079,683, and netted with other financing sources of \$1,135,859 (of which \$513,001 were related to the sale of equipment and land held). The significant increases in the governmental funds occurred in the major funds – the Housing Authority had \$439,539 less in expenditures for housing program costs over last year. The Special Projects Construction fund increased significantly due to a fund balance adjustment done to the prior year to recognize \$4.5 million in deferred revenue on a loan payment made from the City of Loma Linda Successor Agency. Although the Park fund has a negative fund balance, it is less than last year by a positive \$144,434 net change in fund balance. This increase is mainly attributed to the higher developer fees collected from the Citrus lane development on California Street as well as open space acquisition developer fees from development that will be coming in the following years. The non-major funds did have a combined \$1,294,915 decrease in fund balance due to an increase in capital outlay expenditures primarily for the alignment of California Street at Redlands Boulevard for a total spent of \$1.5 million from the Measure I MSART fund and the Traffic Impact Fund. Although \$988,518 was spent out of the Measure I MSART fund, only \$265,111 was reimbursed at year-end with the difference recorded as deferred revenue.

In total, the *Proprietary Funds* reported a negative change in net position of \$554,812, with the water enterprise and the sewer capital showing a positive change and the water acquisition and connected communities reporting a negative net change. The Water Enterprise ended with a positive change in net position of \$329,925, as a result of ongoing operating expenses exceeding operating revenues offset by transfers in for capital contributions. These capital contributions totaling \$730,706 contributed to the negative net position of \$367,963 for the water acquisition fund. The Sewer Fund ended the year with a positive change of \$261,946, current revenues of \$4,751,392 are in excess over operating expenses of \$4,484,711; rate increases have been adopted and ongoing efforts continue to be made to reduce overall expenditures for operations. The Loma Linda Connected Communities Fund reported a negative change of \$778,720 reflects the ongoing operational gap between charges for services (revenues), and operating expenses and interest expenses. Efforts to reduce operational expenses have been implemented, but annual depreciation expense and non-operational expenses (interest on loans) continue to exceed revenues adding to the negative net position.

## General Fund Budgetary Highlights

The actual expenditures of the *General Fund* at year-end were \$1,079,683 less than the actual revenues. The positive budget-to-actual variance of \$1,176,750 in appropriations was due to conservative spending city wide with saving in personnel cost, professional and contractual services and repairs and maintenance, a decrease in economic incentives as well as savings in the cost for the master plan environmental report for Area D. In addition to the unspent budget, actual revenues were \$720,833 higher than anticipated compared to the final budget, with the major increases occurring in sales taxes, permitting activities, interest earnings and federal grants. Additionally, increases from charges for services relating to Loma Linda University Medical Center fire protection contract, engineering inspections and weed abatement fees. Budget amendments and supplemental appropriations were made during the year to diminish budget overruns and to increase appropriations for unanticipated expenditures after adoption of the original budget. The original revenue budget was increased by \$811,200, primarily for public safety services related to mutual aid incident response reimbursements. While the expenditure appropriations budget was increased by \$1,159,500 for general government, public safety, community development, and public works (anticipated additional economic incentive, contract of a temporary planner, fire personnel overtime, uniforms, cover of operational budget shortages and street maintenance such as tree trimming), and capital outlay for vehicles, fiber optic equipment at traffic signals and technology anticipated needs, as of the final budget on June 30, 2018.

Although, the final adopted budget projected a \$192,300 negative change in fund balance, favorable results in revenues of \$720,833, expenditures of \$1,176,750 and other financing uses of \$510,259, resulted in the combined favorable results of \$2,407,842, and an actual \$2,215,542 net change in fund balance for the fiscal year ending June 30, 2018.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

Table 4  
City of Loma Linda  
Capital Assets at Year End  
Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Asset Type:						
Land	\$ 14,651,396	\$ 14,792,082	\$ 1,387,764	\$ 1,387,764	\$ 16,039,160	\$ 16,179,846
Construction in progress	1,348,216	856,863	49,769	-	1,397,985	856,863
Structures, machinery & equipment	11,117,374	11,765,447	8,289,327	8,868,421	19,406,701	20,633,868
Infrastructure	<u>26,640,735</u>	<u>27,402,066</u>	<u>30,748,576</u>	<u>30,989,207</u>	<u>57,389,311</u>	<u>58,391,273</u>
Total	\$ 53,757,721	\$ 54,816,458	\$ 40,475,436	\$ 41,245,392	\$ 94,233,157	\$ 96,061,850

At the end of fiscal year 2018, the City had \$94,233,157 invested in a broad range of capital assets, governmental activities including fire and public works equipment, buildings, land, park facilities, and roads. Business-type activities include the fiber optic network, sewer transmission system and a water production and distribution system (See Table 4 above). The total decrease in the City of Loma Linda investment in capital assets for fiscal year 2018 was 1.9% (a 1.93% decrease in *governmental activities* and 1.87% decrease in *business-type activities*). Net decreases are the result of depreciation greater than new additions. The major capital assets added for *governmental activities* and *business-type activities* are highlighted in explanation of Table 5.

**Table 5**  
**City of Loma Linda**  
**Schedule of Changes in Capital Assets/Infrastructure**

Asset Type:	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	491,353	293,859	49,769	-	541,122	293,859
Structures, machinery and equipment	545,407	891,288	199,529	432,984	744,936	1,324,272
Infrastructure	374,721	964,311	812,045	1,208,547	1,186,766	2,172,858
<b>Total Additions</b>	<b>1,411,481</b>	<b>2,149,458</b>	<b>1,061,343</b>	<b>1,641,531</b>	<b>2,472,824</b>	<b>3,790,989</b>
Less: Decreases and depreciation	(2,470,218)	(2,229,806)	(1,831,299)	(1,797,085)	(4,301,517)	(4,026,891)
<b>Capital Asset Increase/(Decrease)</b>	<b>\$ (1,058,737)</b>	<b>\$ (80,348)</b>	<b>\$ (769,956)</b>	<b>\$ (155,554)</b>	<b>\$ (1,828,693)</b>	<b>\$ (235,902)</b>

As shown in Table 5, above, *capital assets* current year activity decreased \$1,058,737 (net of depreciation) for *governmental activities* and decreased \$769,956 (net of depreciation) for *business-type activities* for a total decrease of \$1,828,693. In the *governmental activities*, the increase includes the purchase of machinery and equipment (four vehicles, first-in alerting core systems for each of the two fire stations, camera equipment for the storage server, tire balancer and wheel lift, tire changer, traffic signal control cabinet and an illuminated pedestrian walk way for the Anderson Street and University Avenue interchange, CCTV camera systems, air handler, air conditioning unit and computer equipment for the network) and the completion of Campus Street widening, Fiber optic improvements from Stewart to University Street, and the installation of a prefabricated bathroom at Elmer Digneo Park is shown in the increase of infrastructure. Some of the Water enterprise major asset additions included in machinery and equipment include the purchase of four service trucks and equipment, a push camera digital viewer/converter and a 40 kw generator. Additions in infrastructure include waterline improvements at San Lucas, Huron and Anderson Street. In addition, the City updated its capital asset policy to raise the capitalization threshold to items over \$5,000 with an estimated useful life of more than two years. Deletions and depreciation totaled \$4,301,517; of that amount \$2,231,821 was for governmental and \$1,391,171 for enterprise deletion of items that were under the new capitalization threshold of \$5,000. Detailed information regarding capital assets activities can be found in Notes 1i and 5 of the financial statements.

### Long-Term Debt

In June 2012, GASB (Governmental Accounting Standards Board) issued Statement No. 68, requiring public employers to comply with new accounting and financial reporting standards. Statement No. 68 outlines a different approach to the recognition and calculation of pension obligations. Under the new GASB standards, employers that participate in a defined benefit pension plan administered as a trust or equivalent arrangement are required to record the net pension liability, pension expense, and deferred outflows/deferred inflows of resources related to pensions in their financial statements as part of their financial position. These amounts are presented in the statement of activities on page 16 and in Note 8 to the financial statements.

**Governmental Activities - Governmental Activities** - The City governmental funds have \$13,667,794 in outstanding long-term debt as of June 30, 2018; with the majority (\$12,645,716) related to post-employment related obligations (pensions and OPEB). Table 6 on the next page and Note 6 to the financial statements offer a more detailed view of governmental long-term debt.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Master Lease Purchase - Fire apparatus	\$ 112,375	\$ 146,907	\$ -	\$ -	\$ 112,375	\$ 146,907
1978 Water Bonds (General Obligation)	-	-	10,000	10,000	10,000	10,000
1995 Water Revenue Refunding Bonds	-	-	-	-	-	-
2016 Water Revenue Refunding Bonds			5,370,000	5,615,000	5,370,000	5,615,000
Compensated absences	613,953	590,919	280,672	283,657	894,625	874,576
JPIA Retrospective deposit	295,750	511,439	133,153	171,098	428,903	682,537
OPEB liability	277,522	2,075	227,064	1,697	504,586	3,772
Net Pension liability	12,368,194	10,793,550	3,882,609	3,356,817	16,250,803	14,150,367
Add: Unamortized bond premium	-	-	51,588	54,428	51,588	54,428
Total	\$ 13,667,794	\$ 12,044,890	\$ 9,955,086	\$ 9,492,697	\$ 23,622,880	\$ 21,537,587

**Business-type Activities** - The enterprise funds have \$9,955,086 in outstanding long-term debt as of June 30, 2018. The Water Enterprise fund has bonded debt of \$5,380,000 consisting of the 2016 Water Revenue Refunding Bonds originally issued for \$5,615,000 with the first payment made on July 1, 2017; and the 1978 Water Bonds (General Obligation) with a current outstanding balance of \$10,000. Both bond issues are paid with water operating revenues. In the enterprise funds retirement and pension related obligations total \$4,109,673. Additional detailed information for business-type long-term debt is shown in Note 6 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

According to several economic forecast groups, the Inland Empire (IE - San Bernardino and Riverside Counties) has a steady economy and is continuing to grow. Job growth has been steady since 2012 and as of September 2018, 49,453 new jobs were added to the IE area. In September of 2018, the unemployment rate reached 4.3 percent, a record low since the 2007 economic downturn. Greatest job growth in the IE area continues in industries such as trade and logistics, construction, and with education coming in third. San Bernardino County's personal income has seen steady growth with the IE annual tax receipts increasing by 5.2 percent. Overall spending is up by 7.9 percent, led by building and construction, and business and industry. The housing market in San Bernardino County, has slowly improved with recent uptick in new construction. Median home prices in San Bernardino County increased by 6.8 percent for existing homes and 6.3 percent for new homes. The IE area and San Bernardino County is projected to continue down the path of economic growth, fueled by continued job and population growth, gains personal income leading to consumer spending and a need for population service industries which in turn will contribute to growth in new businesses and taxable sales.

Similar to what has been seen regionally, and as stated last year, Loma Linda has experienced the impacts of job growth. Over the last year new development activity has increased and additional projects are being proposed in the coming year. With three major medical facilities within the community, Loma Linda University Medical Center, the Veteran's Administration (VA) Hospital, and the VA Ambulatory Care Center, the City is seeing a need for temporary and permanent housing of patients receiving medical treatment. In 2018, the City celebrated the opening of its second major hotel, with a third hotel completing the planning process. Other development projects currently under construction include New Loma Linda University Medical Hospital, an apartment complex for Veterans and several housing projects at various stages of development/construction. The City has experienced economic growth, employment has started to stabilize with unemployment at 2.9 percent and consumer confidence has increased consumer spending, property valuations, and ultimately leading to increases in City revenues (sales tax, property tax, franchise fees, transfer tax, transient occupancy tax, and business license) as reflected in the governmental activities tax and assessments revenues by source table in the statistical section (page 155). In the last year, Loma Linda has restored some of the operational cost cutting efforts implemented

during the recession, such as filling vacant positions and giving pay and benefit increases to employees, as well as addressing some deferred capital outlay purchases. The challenges faced by the City is balancing the resources available to meet the increasing demands on city services (fire, police and general community services), the ongoing maintenance of infrastructure (parks, landscaping, streets, and utility services), unfunded liabilities in rising pension obligations and contractual service costs that are outside the control of the City. Although the City has seen growth in revenues, it continues to operate in a lean conservative capacity, work on addressing the demands for services with staff and designated committees to implement new policies, and work on economic development project proposals to maintain solid economic growth for the community while preserving the necessary level of services.

On May 8, 2018, the City Council adopted the City of Loma Linda Operating and Capital Improvement Program (CIP) Budget for the Fiscal Year beginning July 1, 2018 and ending June 30, 2019. The General Fund operating budget totals \$20,833,200, and is funded by operating revenue of \$20,063,000, transfers in and other financing sources of \$770,200, with a small amount of revenues going into unassigned fund balance of \$169,400. The fund balance in the General Fund is expected to increase to \$12,935,000 with \$6,185,000 in unassigned and \$6,750,000 designated (committed or assigned) as budgetary reserves. The total City operating budget amounts to \$45,119,700, with total estimated resources available for budget purposes of \$40,987,200, for fiscal year 2018/2019. The approved CIP budget for fiscal year 2018/2019 totals \$8,362,000 with a five-year CIP investment plan estimated at \$25,837,050.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. For any questions about this report or additional financial information, please contact the City Manager and/or Finance Director/Treasurer of the City of Loma Linda, located at 25541 Barton Road, Loma Linda, CA 92354, (909) 799-2840, or visit their website at [www.lomalinda-ca.gov](http://www.lomalinda-ca.gov).

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**CITY OF LOMA LINDA**  
**Statement of Net Position**  
**June 30, 2018**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 37,382,348	\$ 7,804,053	\$ 45,186,401
Receivables:			
Accounts	440,960	1,209,624	1,650,584
Taxes	1,863,067	-	1,863,067
Interest	171,108	38,001	209,109
Contracts and loans	15,621,509	-	15,621,509
Internal balances	(850,000)	850,000	-
Due from other governments	1,209,430	50,314	1,259,744
Inventories	14,944	184,139	199,083
Prepaid items	3,281	5,588	8,869
Loan receivable from the Successor Agency	7,158,943	3,910,430	11,069,373
Land held for resale	2,849,080	-	2,849,080
Restricted assets:			
Cash and investments with fiscal agents	425,579	684,561	1,110,140
Capital assets:			
Non-depreciable	15,999,612	1,437,533	17,437,145
Depreciable, net	37,758,109	39,037,903	76,796,012
Total capital assets	<u>53,757,721</u>	<u>40,475,436</u>	<u>94,233,157</u>
<b>Total assets</b>	<u>120,047,970</u>	<u>55,212,146</u>	<u>175,260,116</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	<u>3,710,981</u>	<u>1,100,871</u>	<u>4,811,852</u>
<b>Total deferred outflows of resources</b>	<u>3,710,981</u>	<u>1,100,871</u>	<u>4,811,852</u>
<b>LIABILITIES</b>			
Accounts payable	2,533,920	798,101	3,332,021
Interest payable	-	80,247	80,247
Accrued liabilities	153,685	44,573	198,258
Due to other governments	1,989	-	1,989
Deposits payable	882,651	347,409	1,230,060
Unearned revenue	291,067	-	291,067
Noncurrent liabilities:			
Advances from the Loma Linda Successor Agency	-	16,386,668	16,386,668
Due within one year	407,216	338,227	745,443
Due in more than one year	614,862	5,507,186	6,122,048
Net pension liability	12,368,194	3,882,609	16,250,803
Net OPEB obligation	277,522	227,064	504,586
<b>Total liabilities</b>	<u>17,531,106</u>	<u>27,612,084</u>	<u>45,143,190</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	<u>612,128</u>	<u>266,809</u>	<u>878,937</u>
<b>Total deferred inflows of resources</b>	<u>612,128</u>	<u>266,809</u>	<u>878,937</u>
<b>NET POSITION</b>			
Net investment in capital assets	53,645,346	35,053,848	88,699,194
Restricted for:			
Public works project	20,662,107	-	20,662,107
Public safety	735,937	-	735,937
Community development	18,181,278	-	18,181,278
General government	329,740	-	329,740
Debt service	100,061	684,561	784,622
Unrestricted	11,961,248	(7,304,285)	4,656,963
<b>Total Net Position</b>	<u>\$ 105,615,717</u>	<u>\$ 28,434,124</u>	<u>\$ 134,049,841</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF LOMA LINDA**  
**Statement of Activities**  
**For the year ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
General government	\$ 3,446,226	\$ 2,601,912	\$ -	\$ -	\$ 2,601,912
Public safety	12,531,692	2,542,110	102,475	-	2,644,585
Community development	2,530,022	1,311,497	-	-	1,311,497
Public works	6,231,901	1,561,965	670,076	151,081	2,383,122
Interest on long-term debt	-	-	-	-	-
Total governmental activities	<u>24,739,841</u>	<u>8,017,484</u>	<u>772,551</u>	<u>151,081</u>	<u>8,941,116</u>
<b>Business-type activities:</b>					
Water acquisition	142,488	392,278	-	-	392,278
Water enterprise	6,581,432	5,620,078	-	-	5,620,078
Sewer capital	4,484,711	4,675,647	-	-	4,675,647
Loma Linda Connected Communities	1,082,358	317,575	-	-	317,575
Total business-type activities	<u>12,290,989</u>	<u>11,005,578</u>	<u>-</u>	<u>-</u>	<u>11,005,578</u>
<b>Total primary government</b>	<u>\$ 37,030,830</u>	<u>\$ 19,023,062</u>	<u>\$ 772,551</u>	<u>\$ 151,081</u>	<u>\$ 19,946,694</u>
<b>General revenues:</b>					
Taxes:					
Property tax, levied for general purpose					
Sales tax					
Franchise tax					
Other taxes					
Intergovernmental revenues					
Investment revenue					
Gain on sale of assets					
Miscellaneous					
Transfers in (out)					
<b>Total general revenues and transfers</b>					
<b>Change in net position</b>					
<b>Net position, beginning of year, as restated</b>					
<b>Net position, end of year</b>					

*The accompanying notes are an integral part of these financial statements.*

(Continued)

<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (844,314)	\$ -	\$ (844,314)
(9,887,107)	-	(9,887,107)
(1,218,525)	-	(1,218,525)
(3,848,779)	-	(3,848,779)
-	-	-
<u>(15,798,725)</u>	<u>-</u>	<u>(15,798,725)</u>
-	249,790	249,790
-	(961,354)	(961,354)
-	190,936	190,936
-	(764,783)	(764,783)
<u>-</u>	<u>(1,285,411)</u>	<u>(1,285,411)</u>
<u>(15,798,725)</u>	<u>(1,285,411)</u>	<u>(17,084,136)</u>
2,489,895	-	2,489,895
8,692,611	-	8,692,611
960,660	-	960,660
882,677	-	882,677
2,197,430	-	2,197,430
970,488	167,515	1,138,003
426,863	20,062	446,925
210,983	458,106	669,089
(84,916)	84,916	-
<u>16,746,691</u>	<u>730,599</u>	<u>17,477,290</u>
947,966	(554,812)	393,154
<u>104,667,751</u>	<u>28,988,936</u>	<u>133,656,687</u>
<u>\$ 105,615,717</u>	<u>\$ 28,434,124</u>	<u>\$ 134,049,841</u>

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## **Governmental Fund Financial Statements**

**General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

**Loma Linda Housing Authority – Special Revenue Fund** accounts for low/mod housing activities and is funded through re-payments of existing housing loans.

**Special Projects Construction – Capital Projects Fund** accounts for special or extraordinary projects, activities and allocations that might be recommended by staff and determined needed by the City Council.

**Park Development – Capital Projects Fund** accounts for developer fees collected and expended for future park development and acquisition.

**CITY OF LOMA LINDA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	General	Special Revenue Fund Loma Linda Housing Authority
<b>ASSETS</b>		
Cash and investments	\$ 15,229,490	\$ 1,152,393
Restricted cash	-	425,579
Receivables:		
Accounts	438,878	-
Taxes	1,802,397	-
Interest	64,037	6,697
Contract and loans	9,659	15,611,850
Due from other funds	33,522	-
Due from other governments	98,605	-
Inventories	14,944	-
Prepaid items	3,261	15
Land held for resale	-	2,849,080
Advances to other funds	-	-
Loan receivable from Successor Agency	-	-
<b>Total assets</b>	<b>\$ 17,694,793</b>	<b>\$ 20,045,614</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 954,437	\$ 2,256
Accrued liabilities	151,999	-
Due to other funds	-	-
Due to other governments	1,989	-
Deposits payable	822,242	37,868
Unearned revenue	-	-
Advances from other funds	-	-
<b>Total liabilities</b>	<b>1,930,667</b>	<b>40,124</b>
<b>Deferred inflows of resources:</b>		
Unavailable revenue	1,547	2,303,017
<b>Fund balances (deficit):</b>		
Non spendable:		
Inventories	14,944	-
Prepaid items	3,261	15
Restricted for:		
Cultural and recreational	-	-
State mandated	5,848	-
Public safety	-	-
Street improvements	-	-
Storm drains	-	-
Municipal facilities	-	-
Air quality management	-	-
General government	-	-
Debt service	-	-
Low/mod housing programs	-	17,702,458
Committed for:		
Emergency contingency	5,500,000	-
Assigned for:		
Refuse services	99,033	-
Fire equipment replacement	224,776	-
Capital equipment replacement	1,250,000	-
Unfunded liabilities	2,000,000	-
Unassigned	6,664,717	-
<b>Total fund balances (deficit)</b>	<b>15,762,579</b>	<b>17,702,473</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 17,694,793</b>	<b>\$ 20,045,614</b>

*The accompanying notes are an integral part of these financial statements.*

(continued)

Capital Projects Funds		Nonmajor Governmental Funds	Total Governmental Funds
Special Projects Construction	Park Development		
\$ 3,632,949	\$ 405,610	\$ 16,961,906	\$ 37,382,348
-	-	-	425,579
-	-	2,082	440,960
-	-	60,670	1,863,067
16,447	1,728	82,199	171,108
-	-	-	15,621,509
-	-	1,043,161	1,076,683
-	-	1,110,825	1,209,430
-	-	-	14,944
-	-	5	3,281
-	-	-	2,849,080
3,201,069	-	-	3,201,069
7,158,943	-	-	7,158,943
<u>\$ 14,009,408</u>	<u>\$ 407,338</u>	<u>\$ 19,260,848</u>	<u>\$ 71,418,001</u>
\$ 37,318	\$ 150	\$ 1,539,759	\$ 2,533,920
-	-	1,686	153,685
-	-	1,076,683	1,076,683
-	-	-	1,989
1,500	-	21,041	882,651
-	-	291,067	291,067
850,000	3,197,300	3,769	4,051,069
<u>888,818</u>	<u>3,197,450</u>	<u>2,934,005</u>	<u>8,991,064</u>
<u>7,158,943</u>	<u>-</u>	<u>726,082</u>	<u>10,189,589</u>
-	-	-	14,944
-	-	5	3,281
-	-	375,309	375,309
-	-	-	5,848
-	-	735,937	735,937
5,961,647	-	13,853,335	19,814,982
-	-	847,125	847,125
-	-	165,984	165,984
-	-	27,763	27,763
-	-	-	-
-	-	139,003	139,003
-	-	200,562	17,903,020
-	-	-	5,500,000
-	-	-	99,033
-	-	-	224,776
-	-	-	1,250,000
-	-	-	2,000,000
-	(2,790,112)	(744,262)	3,130,343
<u>5,961,647</u>	<u>(2,790,112)</u>	<u>15,600,761</u>	<u>52,237,348</u>
<u>\$ 14,009,408</u>	<u>\$ 407,338</u>	<u>\$ 19,260,848</u>	<u>\$ 71,418,001</u>

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**CITY OF LOMA LINDA**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2018**

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Fund Balances - Total Governmental Funds	\$ 52,237,348
<p>Amounts reported for governmental activities in the statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not current financial resources. Therefore, they are not reported in the governmental funds.</p>	53,757,721
<p>Long-term liabilities are not due and payable in the current period. Therefore they are not reported in the governmental funds:</p>	
Long term liabilities, net of premium and discount	(408,125)
Compensated absences	(613,953)
Net pension liability	(12,368,194)
Net OPEB liability	(277,522)
<p>Deferred outflow and inflow of resources in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>	
Deferred outflows of resources - pension related items	3,710,981
Deferred inflows of resources - pension related items	(612,128)
<p>Revenues are recorded as unavailable revenue in the governmental funds because they do not meet the revenue recognition criteria. However, they are classified as revenues in the Government-Wide Financial Statements.</p>	10,189,589
	<hr/>
Net Position of Governmental Activities	<u>\$ 105,615,717</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF LOMA LINDA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the year ended June 30, 2018**

	General	Special Revenue Fund Housing Authority
<b>REVENUES</b>		
Taxes	\$ 13,076,867	\$ -
Licenses and permits	463,878	-
Intergovernmental	40,576	-
Charges for services	3,529,409	1,438
Use of money and property	607,226	206,489
Fines and forfeitures	7,427	-
Miscellaneous	2,691,650	2,635
Developer fees	-	-
<b>Total revenues</b>	<b>20,417,033</b>	<b>210,562</b>
<b>EXPENDITURES</b>		
Current:		
General government	2,870,793	-
Public safety	12,118,763	-
Community development	1,781,344	59,977
Public works	2,228,366	-
Capital outlay	338,084	603
Debt service:		
Principal retirement	-	-
Interest and fiscal charges	-	-
<b>Total expenditures</b>	<b>19,337,350</b>	<b>60,580</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,079,683</b>	<b>149,982</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from disposal of assets, net	513,001	54,548
Transfers in	677,858	-
Transfers out	(55,000)	(92)
<b>Total other financing sources (uses)</b>	<b>1,135,859</b>	<b>54,456</b>
<b>Net change in fund balances</b>	<b>2,215,542</b>	<b>204,438</b>
<b>FUND BALANCE (Deficit):</b>		
Beginning of year, as restated	13,547,037	17,498,035
End of year	<b>\$ 15,762,579</b>	<b>\$ 17,702,473</b>

*The accompanying notes are an integral part of these financial statements.*

(continued)

Capital Projects Funds		Nonmajor	Total
Special Projects	Park	Governmental	Governmental
Construction	Development	Funds	Funds
\$ -	\$ -	\$ 1,422,999	\$ 14,499,866
-	-	-	463,878
-	-	847,945	888,521
-	-	32,643	3,563,490
1,760,546	4,519	241,441	2,820,221
-	-	107,778	115,205
-	49,103	104,684	2,848,072
-	305,342	430,348	735,690
<u>1,760,546</u>	<u>358,964</u>	<u>3,187,838</u>	<u>25,934,943</u>
-	-	-	2,870,793
-	-	34,287	12,153,050
-	35,755	495,511	2,372,587
89,641	-	503,927	2,821,934
162,292	178,775	2,731,058	3,410,812
-	-	-	-
34,532	-	-	34,532
6,053	-	-	6,053
<u>292,518</u>	<u>214,530</u>	<u>3,764,783</u>	<u>23,669,761</u>
<u>1,468,028</u>	<u>144,434</u>	<u>(576,945)</u>	<u>2,265,182</u>
-	-	-	567,549
10,288	-	55,000	743,146
-	-	(772,970)	(828,062)
<u>10,288</u>	<u>-</u>	<u>(717,970)</u>	<u>482,633</u>
1,478,316	144,434	(1,294,915)	2,747,815
<u>4,483,331</u>	<u>(2,934,546)</u>	<u>16,895,676</u>	<u>49,489,533</u>
<u>\$ 5,961,647</u>	<u>\$ (2,790,112)</u>	<u>\$ 15,600,761</u>	<u>\$ 52,237,348</u>

# CITY OF LOMA LINDA

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Government-Wide Statement of Activities and Changes in Net Position For the year ended June 30, 2018

Net change in Fund Balance - Total Governmental Funds \$ 2,747,815

Amounts reported for governmental activities in the Statement of Activities were different because:

Governmental funds report capital outlays as expenditures. However, in the Government-Wide Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Net book value of assets disposed	\$ (436,428)	
Capital outlay	\$ 1,411,481	
Depreciation expense	<u>(2,033,790)</u>	(1,058,737)

Proceeds from long-term debt provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position.

Principal payment of capital lease	34,532
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Governmental funds report revenues and expenditures primarily pertaining to long-term liabilities, which are not reported in the statement of activities. At the government-wide level, these activities are reported in the statement of net position. This is the net expenditure reported in the governmental funds, which is not reported in the statement of activities.

Pension related net adjustments	\$ (426,369)	
OPEB liability increase	41,100	
JPIA insurance rolling retro increase	<u>215,689</u>	(169,580)

Long-term compensated absences is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, long-term compensated absences is not reported as an expenditure in the governmental funds. The reconciling amount is the change in long term compensated absences from the prior year. (23,034)

Accrued interest expense on long-term debt is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, interest expense is not reported as an expenditure in the governmental funds. The reconciling amount is the change in accrued interest from the prior year. 6,053

Certain revenues are recorded as unavailable revenue in the governmental funds because they do not meet the revenue recognition criteria of availability. However, they are included as revenue in the Governmental-Wide Statement of Activities. (589,083)

Change in Net Position of Governmental Activities \$ 947,966

*The accompanying notes are an integral part of these financial statements.*



## ***Proprietary Fund Financial Statements***

***Water Acquisition Fund*** accounts for developer fees collected to pay for the expansion of the water system and for debt service on qualifying projects.

***Water Enterprise Fund*** is used to account for water production, distribution and meters.

***Sewer Capital Fund*** accounts for the operation and maintenance of the City's sewer, storm drain and catch basin systems.

***Loma Linda Connected Communities Program Fund*** provides Loma Linda residents and businesses with the opportunities for voice, data, video, multimedia, home automation systems, environmental control, security, audio, television, sensors, alarms and intercom services. The program establishes the standardized requirements for residential and commercial telecommunications cabling systems. The initial intent is to connect new development to the system, but the long-term goal is to eventually retrofit and extend these services to the entire community.

**CITY OF LOMA LINDA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	Enterprise Funds				Total
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 4,461,324	\$ 2,678,649	\$ 429,022	\$ 235,058	\$ 7,804,053
Receivables:					
Accounts	-	638,531	539,606	31,487	1,209,624
Interest	20,938	13,388	2,612	1,063	38,001
Inventories	-	183,548	591	-	184,139
Due from other governments	-	18,094	16,649	15,571	50,314
Prepaid items	-	5,351	237	-	5,588
Total current assets	<u>4,482,262</u>	<u>3,537,561</u>	<u>988,717</u>	<u>283,179</u>	<u>9,291,719</u>
Noncurrent assets:					
Advances to other funds	850,000	1,162,021	-	-	2,012,021
Loan receivable from Successor Agency	3,910,430	-	-	-	3,910,430
Restricted assets:					
Cash and investments with fiscal agents	-	684,561	-	-	684,561
Capital assets:					
Non-depreciable	-	1,437,533	-	-	1,437,533
Depreciable, net	-	31,373,281	3,183,780	4,480,842	39,037,903
Total capital assets	-	32,810,814	3,183,780	4,480,842	40,475,436
Total noncurrent assets	<u>4,760,430</u>	<u>34,657,396</u>	<u>3,183,780</u>	<u>4,480,842</u>	<u>47,082,448</u>
Total assets	<u>9,242,692</u>	<u>38,194,957</u>	<u>4,172,497</u>	<u>4,764,021</u>	<u>56,374,167</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related items	-	763,868	292,068	44,935	1,100,871
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	27,455	243,609	512,499	14,538	798,101
Interest payable - Bonds	-	80,247	-	-	80,247
Accrued liabilities	-	31,545	10,896	2,132	44,573
Deposits payable	16,582	93,133	221,763	15,931	347,409
Long-term debt - due within one year	-	299,088	31,407	7,732	338,227
Total current liabilities	<u>44,037</u>	<u>747,622</u>	<u>776,565</u>	<u>40,333</u>	<u>1,608,557</u>
Noncurrent liabilities:					
Advances from other funds	-	-	1,152,395	9,626	1,162,021
Advances from Loma Linda Successor Agency	-	-	-	16,386,668	16,386,668
Long-term debt - due in more than one year	-	5,436,787	63,001	7,398	5,507,186
Net pension liability	-	2,694,055	1,030,080	158,474	3,882,609
Net OPEB obligation	-	136,238	65,849	24,977	227,064
Total noncurrent liabilities	-	8,267,080	2,311,325	16,587,143	27,165,548
Total liabilities	<u>44,037</u>	<u>9,014,702</u>	<u>3,087,890</u>	<u>16,627,476</u>	<u>28,774,105</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related items	-	185,133	70,785	10,891	266,809
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	-	27,389,226	3,183,780	4,480,842	35,053,848
Restricted for debt service	-	684,561	-	-	684,561
Unrestricted	9,198,655	1,685,203	(1,877,890)	(16,310,253)	(7,304,285)
Total net position (deficit)	<u>\$ 9,198,655</u>	<u>\$ 29,758,990</u>	<u>\$ 1,305,890</u>	<u>\$ (11,829,411)</u>	<u>\$ 28,434,124</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF LOMA LINDA**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2018**

	Enterprise Funds				Total
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 392,278	\$ 5,620,078	\$ 4,675,647	\$ 317,575	\$ 11,005,578
Miscellaneous	-	520,747	75,745	452	596,944
<b>Total operating revenues</b>	<u>392,278</u>	<u>6,140,825</u>	<u>4,751,392</u>	<u>318,027</u>	<u>11,602,522</u>
<b>OPERATING EXPENSES</b>					
Treatment	-	-	3,693,215	-	3,693,215
Cost of sales and services	142,488	3,055,045	-	255,322	3,452,855
Administration and general	-	1,963,698	640,775	111,236	2,715,709
Depreciation	-	1,404,954	150,721	153,921	1,709,596
<b>Total operating expenses</b>	<u>142,488</u>	<u>6,423,697</u>	<u>4,484,711</u>	<u>520,479</u>	<u>11,571,375</u>
<b>Operating change in net position</b>	<u>249,790</u>	<u>(282,872)</u>	<u>266,681</u>	<u>(202,452)</u>	<u>31,147</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain on disposal of assets, net	-	16,700	3,362	-	20,062
Interest revenue	112,953	43,222	8,038	3,302	167,515
Interest expense	-	(157,735)	-	(561,879)	(719,614)
Loss on disposal	-	(106,209)	(15,068)	(17,561)	(138,838)
<b>Net nonoperating revenues (expenses)</b>	<u>112,953</u>	<u>(204,022)</u>	<u>(3,668)</u>	<u>(576,138)</u>	<u>(670,875)</u>
<b>Change in net position (deficit) before transfers</b>	<u>362,743</u>	<u>(486,894)</u>	<u>263,013</u>	<u>(778,590)</u>	<u>(639,728)</u>
<b>TRANSFERS</b>					
Transfer in	-	829,804	-	-	829,804
Transfer out	(730,706)	(12,985)	(1,067)	(130)	(744,888)
<b>Total transfers</b>	<u>(730,706)</u>	<u>816,819</u>	<u>(1,067)</u>	<u>(130)</u>	<u>84,916</u>
<b>Change in net position</b>	<u>(367,963)</u>	<u>329,925</u>	<u>261,946</u>	<u>(778,720)</u>	<u>(554,812)</u>
<b>NET POSITION (DEFICIT)</b>					
Beginning of year, as restated	<u>9,566,618</u>	<u>29,429,065</u>	<u>1,043,944</u>	<u>(11,050,691)</u>	<u>28,988,936</u>
End of year	<u>\$ 9,198,655</u>	<u>\$ 29,758,990</u>	<u>\$ 1,305,890</u>	<u>\$ (11,829,411)</u>	<u>\$ 28,434,124</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF LOMA LINDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2018**

	Enterprise Funds				Total
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 392,278	\$ 6,060,873	\$ 4,679,503	\$ 315,410	\$ 11,448,064
Payments to suppliers for operations	(186,240)	(3,040,295)	(3,615,854)	(289,064)	(7,131,453)
Payments for general and administrative expenses	(2,091)	(1,826,768)	(588,614)	(101,423)	(2,518,896)
<b>Net cash provided (used) by operating activities</b>	<b>203,947</b>	<b>1,193,810</b>	<b>475,035</b>	<b>(75,077)</b>	<b>1,797,715</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Advances to other funds	-	208,878	-	-	208,878
Advances from other funds	850,000	(18,094)	(357,849)	(15,571)	458,486
Transfer in	-	829,804	(16,649)	-	813,155
Transfer out	(730,706)	(12,985)	(1,067)	(130)	(744,888)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>119,294</b>	<b>1,007,603</b>	<b>(375,565)</b>	<b>(15,701)</b>	<b>735,631</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	-	(1,051,031)	(10,312)	-	(1,061,343)
Proceeds from sale of assets	-	6,031	(2,786)	(317)	2,928
Proceeds (payments) on long-term debt	876,629	(270,364)	(13,073)	(2,349)	590,843
Interest paid on long-term debt	-	(77,488)	-	-	(77,488)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>876,629</b>	<b>(1,392,852)</b>	<b>(26,171)</b>	<b>(2,666)</b>	<b>(545,060)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	99,136	34,806	6,223	2,892	143,057
<b>Net cash provided by investing activities</b>	<b>99,136</b>	<b>34,806</b>	<b>6,223</b>	<b>2,892</b>	<b>143,057</b>
<b>Net increase in cash and equivalents</b>	<b>1,299,006</b>	<b>843,367</b>	<b>79,522</b>	<b>(90,552)</b>	<b>2,131,343</b>
<b>CASH AND CASH EQUIVALENTS</b>					
Beginning of year	3,162,318	2,519,843	349,500	325,610	6,357,271
End of year	\$ 4,461,324	\$ 3,363,210	\$ 429,022	\$ 235,058	\$ 8,488,614
<b>COMPRISED AS FOLLOWS</b>					
Cash and cash equivalents	\$ 4,461,324	\$ 2,678,649	\$ 429,022	\$ 235,058	\$ 7,804,053
Cash and investments with fiscal agents	-	684,561	-	-	684,561
<b>Total cash and investments</b>	<b>\$ 4,461,324</b>	<b>\$ 3,363,210</b>	<b>\$ 429,022</b>	<b>\$ 235,058</b>	<b>\$ 8,488,614</b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF LOMA LINDA**  
**Statement of Cash Flows, continued**  
**Proprietary Funds**  
**For the year ended June 30, 2018**

	Enterprise Funds				
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	Total
<b>RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating change in net position	\$ 249,790	\$ (282,872)	\$ 266,681	\$ (202,452)	\$ 31,147
Adjustments to reconcile operating change in net position to net cash provided (used) by operating activities:					
Depreciation	-	1,404,954	150,721	153,921	1,709,596
(Increase) decrease in accounts receivable	(2,091)	(79,952)	(71,889)	(2,616)	(156,548)
(Increase) decrease in due from other funds	-	-	-	-	-
(Increase) decrease in inventories	-	(18,732)	175	-	(18,557)
(Increase) decrease in prepaid items	-	5,151	4,432	1,619	11,202
(Increase) decrease in construction in progress	-	-	-	-	-
(Increase) decrease in deferred outflows of resources	-	(216,696)	(82,854)	(12,748)	(312,298)
Increase (decrease) in accounts payable	(38,441)	10,509	73,734	(35,543)	10,259
Increase (decrease) in accrued liabilities	-	5,995	3,032	639	9,666
Increase (decrease) in deposits payable	(5,311)	17,822	(980)	181	11,712
Increase (decrease) in due to other funds	-	-	-	-	-
Increase (decrease) in OPEB obligation	-	12,267	5,930	2,249	20,446
Increase (decrease) in compensated absences	-	(524)	(2,375)	(86)	(2,985)
Increase (decrease) in net pension liability	-	364,835	139,496	21,461	525,792
Increase (decrease) in deferred inflows of resources	-	(28,947)	(11,068)	(1,702)	(41,717)
<b>Total adjustments</b>	<b>(45,843)</b>	<b>1,476,682</b>	<b>208,354</b>	<b>127,375</b>	<b>1,766,568</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 203,947</b>	<b>\$ 1,193,810</b>	<b>\$ 475,035</b>	<b>\$ (75,077)</b>	<b>\$ 1,797,715</b>

*The accompanying notes are an integral part of these financial statements.*

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## ***Fiduciary Fund Financial Statements***

***Fiduciary Funds*** - The Fiduciary Funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

***Agency Funds*** - The Agency Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

***Private Purpose Trust Fund*** - The Private Purpose Trust Fund is used to report resources of other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The Private Purpose Trust Fund reflects the activities of the Successor Agency to the former Loma Linda Redevelopment Agency.

**CITY OF LOMA LINDA**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	Agency Funds	Private Purpose Trust Fund
<b>ASSETS</b>		
Cash and investments	\$ 91,312	\$ 5,029,170
Receivables:		
Accounts	-	-
Interest	-	14,843
Contract and loans	-	79,862
Prepaid Items	-	200,569
Land held for resale	-	6,259,960
Advances to the City of Loma Linda	-	16,386,668
Restricted assets:		
Cash and investments with fiscal agents	-	4,535
<b>Total assets</b>	<u>\$ 91,312</u>	<u>27,975,607</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 2,417	2,350
Interest payable	-	381,328
Due to other governments		111,301
Deposits payable	88,895	30,986
Long-term debt	-	42,861,414
<b>Total liabilities</b>	<u>\$ 91,312</u>	<u>43,387,379</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Gain on debt refunding		<u>28,377</u>
<b>NET POSITION (DEFICIT)</b>		
Deficiency in net position held in trust		<u>\$ (15,440,149)</u>

*The accompanying notes are an integral part of these financial statements.*



**CITY OF LOMA LINDA**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds – Private Purpose Trust Fund**  
**For the year ended June 30, 2018**

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	<u>Private Purpose Trust Fund</u>
<b>ADDITIONS</b>	
Property taxes	\$ 7,198,133
Use of money and property	<u>592,912</u>
<b>Total additions</b>	<u>7,791,045</u>
<b>DEDUCTIONS</b>	
General and administrative	269,696
Debt service:	
Interest and fiscal charges	<u>1,096,006</u>
<b>Total deductions</b>	<u>1,365,702</u>
<b>Change in net position</b>	6,425,343
<b>NET POSITION (DEFICIT):</b>	
Beginning of year, as restated	<u>(21,865,492)</u>
End of year	<u>\$ (15,440,149)</u>

*The accompanying notes are an integral part of these financial statements.*

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**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1:       SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Loma Linda, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

***A. Reporting Entity***

The City of Loma Linda, California (City), was incorporated on September 29, 1970 under the laws of the State of California. The City became a chartered City in 1981. It is governed by an elected five-member City Council. As required by generally accepted accounting principles (GAAP), the accompanying financial statements present the City and its component units. GAAP, defines component units as legally separate entities that meet any one of the following tests:

- The City appoints the voting majority of the board of the component unit and:
  - is able to impose its will on the component unit and/or
  - is in a relationship of financial benefit or burden with the component unit.
- The component unit is fiscally dependent upon the City.
- The financial statements of the City would be misleading if data from the component unit were omitted.

Component units are entities for which the City is considered to be financially accountable, in accordance with generally accepted accounting principles. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and (1) it is able to impose its will on that organization, or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the City's operations, and data from these units are combined with data of the primary government.

Based on the criteria above, the City has two component units, both of which are blended component units. These component units are described as follows:

*Loma Linda Public Financing Authority* - The Loma Linda Public Financing Authority (Authority) was established on September 10, 2002 pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code in order to jointly exercise powers of the Agency and the City and to establish a vehicle to reduce local borrowing costs and promote greater use of existing and new financial instruments

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***A. Reporting Entity, Continued***

*Loma Linda Housing Authority* - The City of Loma Linda Housing Authority (the Housing Authority) was established by the City Council on January 10, 2012, and is responsible for the administration of providing affordable housing in the City. The Housing Authority is governed by a five-member Board of Directors which consists of members of the City Council. The Housing Authority is considered a blended component unit due to the financial benefit or burden relationship the Housing Authority shares with the City as its financial transactions are reported in the Special Revenue Fund.

Since the City Council serves as the governing board for these component units, all of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the interfund data of the primary government. These component units do not issue separate component unit financial statements.

***B. Basis of Accounting and Measurement Focus***

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

*Government-Wide Financial Statements*

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

The Government-Wide Financial Statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*Government-Wide Financial Statements, continued*

Certain eliminations have been made as prescribed by GAAP in regards to interfund activities, payables and receivables including the corresponding deferred revenues. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated. However, transactions between governmental and business-type activities have not been eliminated.

- Due to and from other funds
- Advances to and from other funds
- Transfers in and out

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

*Governmental Fund Financial Statements*

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-Wide financial statements. The City has presented all major funds that met the qualifications for major fund reporting.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1:       SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*Governmental Fund Financial Statements, continued*

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end, except sales tax which is considered available if collected within 90 days) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, taxpayer-assessed tax revenues (transient occupancy taxes, franchise taxes, etc.), certain grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the balance sheet and revenue is recognized.

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of generally accepted accounting principles.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the unrestricted components of fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

*Proprietary Fund Financial Statements*

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1:       SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*Proprietary Fund Financial Statements, continued*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Fiduciary Fund Financial Statements*

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position. The City's Fiduciary Funds represent:

Agency Funds – are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds are accounted for using the accrual basis of accounting.

Private Purpose Trust Fund – report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Private purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. This fund is used to report the assets, liabilities, and activities of the City of Loma Linda Redevelopment Agency Successor Agency.

*Major Funds*

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The Loma Linda Housing Authority is responsible for the administration of providing affordable housing in the City.

The Special Projects Construction Capital Projects Fund accounts for special or extraordinary projects, activities and allocations that might be recommended by staff and determined needed by the City Council.

The Park Development Capital Projects Fund accounts for developer fees collected and expended for future park development and acquisition.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*Major Funds, continued*

The City reports the following major proprietary funds:

The Water Acquisition Fund accounts for developer fees collected to pay for the expansion of the water system and for debt service on qualifying projects.

The Water Enterprise Fund is used to account for water production, distribution and meters.

The Sewer Capital Fund accounts for the operation and maintenance of the City's sewer, storm drain and catch basin systems.

The Loma Linda Connected Communities Fund provides Loma Linda residents and businesses with the opportunities for voice, data, video, multimedia, home automation systems, environmental control, security, audio, television, sensors, alarms and intercom services. The program establishes the standardized requirements for residential and commercial telecommunications cabling systems. The initial intent is to connect new development to the system, but the long-term goal is to eventually retrofit and extend these services to the entire community.

Additionally, the City reports the following fiduciary funds:

Agency Funds – These funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

Private Purpose Trust Fund – This fund is used to account for the assets, liabilities, and activities of the Successor Agency to the former City of Loma Linda Redevelopment Agency.

Fiduciary Funds are not included in the City's Government Wide Financial Statements.

***C. Use of Restricted/Unrestricted Net Position***

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

***D. Cash, Cash Equivalents and Investments***

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.



**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***D. Cash, Cash Equivalents and Investments, Continued***

All cash and investments of proprietary funds are held in the City's investment pool. Therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for the purpose of the statement of cash flows as these cash pools have the general characteristics of a demand deposit account. In accordance with GAAP, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled *Local Agency Investment Fund (LAIF)* which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

In accordance with GAAP certain disclosure requirements, if applicable, for Deposits and Investment Risks are specified in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk
- Foreign Currency Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

***E. Receivables***

All receivables, contracts, loans and accounts are shown net of an allowance for doubtful accounts. In the proprietary funds, the City accrues for unbilled water and sewer services at year-end.

***F. Interfund Transactions***

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). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***F. Interfund Transactions, Continued***

Interfund services provided and used are accounted for as revenue, expenditures or expenses, as appropriate. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursed fund. All other interfund transactions, except interfund services provided and used, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as transfers.

***G. Inventories and Prepaid Items***

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories in the General Fund consist of expendable supplies held for consumption, whereas in the Enterprise Funds it represents water supplies in the water utility. Inventory costs are recorded as expenditures when used.

The General Fund inventory is accounted for on the consumption method and is equally offset by a reservation of fund balance in the fund-level statements, which indicates that it does not constitute "available spendable resources".

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

***H. Restricted Cash and Investments with Fiscal Agents***

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects.

***I. Capital Assets***

Government-Wide Financial statements - capital assets, which include land, structures and improvements, machinery and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and construction in progress are reported in the applicable governmental or business-type activity columns 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 an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed and donated capital assets are valued at acquisition value on the date of acquisition.

For infrastructure systems, the City elected to use the "Basic Approach" as defined by generally accepted accounting principles for infrastructure reporting.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***I. Capital Assets, Continued***

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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of the capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Type of asset	Years
Structures and improvements	15-50
Machinery and equipment	5-20
Infrastructure	20-50

Fund Financial Statements - The fund financial statements do not present capital assets. Consequently, capital assets are presented as reconciling items in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

***J. Interest Payable***

In the Government-Wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred for all fund types.

***K. Unearned Revenues***

In the Government-Wide Financial Statements, unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the Government-Wide Financial Statements are prepaid charges for services.

***L. Compensated Absences***

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally an employee cannot accrue more than 26 to 46 days depending on length of employment.

Sick leave is payable when an employee is unable to work because of illness. Upon termination an employee will be paid one-third of unused sick leave up to 344 hours for miscellaneous employees and 516 hours for safety employees. Sick leave hours earned above the maximum are paid out on a one-for-one basis.

All vacation and one-third of sick leave pay is accrued when incurred in the Government-Wide Financial Statements and Proprietary Funds.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***M. Long-Term Debt***

Government-Wide Financial Statements - Long-term debt and other financial obligations are reported as liabilities in the appropriate funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable premium or discount.

Fund Financial Statements - The fund financial statements do not present long-term debt. As such, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

***N. Pension Plans***

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2016
Measurement Date (MD)	June 30, 2017
Measurement Period (MP)	July 1, 2016 to June 30, 2017

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***O. Other Postemployment Benefits (OPEB)***

For purposes of measuring net OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2017
Measurement Date (MD)	June 30, 2017
Measurement Period (MP)	July 1, 2016 to June 30, 2017

***P. Net Position***

In the Government-Wide Financial Statements, Net Position are classified in the following categories:

*Net Investment in Capital Assets* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

*Restricted Net Position* – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

*Unrestricted Net Position* – This amount is all net position that does not meet the definition of "net invested in capital assets" or "restricted net position".

***Q. Fund Balance***

In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

*Nonspendable* – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

*Restricted* – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***Q. Fund Balance, Continued***

*Committed* – Committed fund balances encompass the portion of net fund resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that it employed to previously commit those amounts. If the Council action that limits the use of the funds was separate from the action that initially created the revenues that form the basis for the fund balance, then the resultant fund balance is considered to be committed, not restricted. The City Council considers a resolution to constitute a formal action of the City Council for the purposes of establishing committed fund balance.

*Assigned* – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has established a resolution that authorized the City Manager for that purpose.

*Unassigned* – This category is for any balances that have no restrictions placed upon them. The General Fund is the only fund that could report a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance. However, in governmental funds other than the general fund, if expenditures incurred for a specific purpose exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When expenditures are incurred for purposes for which all restricted, committed, assigned and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

A City Council Action is the formal action required by the Government to establish and modify or rescind a fund balance commitment.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**R. Property Taxes**

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of San Bernardino collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent if unpaid on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

**S. Use of Estimates**

The preparation of the basic financial statements in conformity with GAAP generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**T. Implementation of New Pronouncement**

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for other postemployment benefits. This statement established standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses. For postemployment benefits other than pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

**Note 2: CASH AND INVESTMENTS**

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. This pooled cash is invested by the City Treasurer to enhance interest earnings. The City has the following cash and investments at June 30, 2018:

	Government-Wide Statements		Fiduciary Funds Statements		Totals
	Governmental Activities	Business-Type Activities	Agency Funds	Private Purpose Trust Fund	
Cash and investments	\$ 37,382,348	\$ 7,804,053	\$ 91,312	\$ 5,029,170	\$ 50,306,883
Restricted cash and investments	425,579	684,561	-	4,535	1,114,675
Total cash and investments	<u>\$ 37,807,927</u>	<u>\$ 8,488,614</u>	<u>\$ 91,312</u>	<u>\$ 5,033,705</u>	<u>\$ 51,421,558</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 2: CASH AND INVESTMENTS, Continued**

The City's cash and investments at June 30, 2018 in more detail were as follows:

Cash and cash equivalents	
Petty cash	\$ 1,350
Demand deposits	1,336,438
Total cash and cash equivalents	<u>1,337,788</u>
Investments not subject to GASB 72	
Local Agency Investment Fund	48,969,095
Total cash and investments	<u>50,306,883</u>
Cash and Investments with Fiscal Agents	<u>1,114,675</u>
Total	<u>\$ 51,421,558</u>

**A. Deposits**

The carrying amounts of the City's demand deposits were \$1,336,438 at June 30, 2018. Bank balances before reconciling items were \$1,480,106 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code (Code) requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

**B. Investments**

Under the provisions of the City's investment policy, and in accordance with the Code, the following investments were authorized:

- Securities of the U.S. Government, or its agencies
- Certificates of Deposits (or Time Deposits)
- State of California Local Agency Investment Fund (LAIF)
- Other investments that are approved through the State of California Government Code



**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 2: CASH AND INVESTMENTS, Continued**

***B. Investments, continued***

As of June 30, 2018, the City had \$48,969,095 invested in LAIF. The City has complied with the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. No current adjustments have been made to the accompanying basic financial statements, because the City's investments were only in LAIF and the fair value adjustment was immaterial.

The City's investments with LAIF at June 30, 2018 included 2.67% of the pooled funds invested in structured notes and asset-backed securities. This is a decrease of 0.22% from the prior year. These investments included the following:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

***C. Investments Authorized by Debt Agreements***

Investment of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the Code or the City's investment policy.

***D. Risk Disclosures***

Interest Rate Risk – The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City has elected to invest all in LAIF which has a maturity of less than one year.

External Pool:	Invested Maturities in Years	
	Value	Less than 1 Year
State of California - Local Agency Investment Fund	\$ 48,969,095	\$ 48,969,095

Credit Risk – As of June 30, 2018, the City's investments in external investment pools are unrated.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 2: CASH AND INVESTMENTS, Continued**

***D. Risk Disclosures, continued***

Custodial Credit Risk – For deposits, custodial credit risk is the risk that, in the event of the failure of a deposit 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. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City’s investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the provision for deposits stated in Note 2A. \$1,230,106 of the City’s deposits with financial institutions was in excess of the FDIC limits however, the City’s bank participates in the FDIC’s temporary Transaction Account Guarantee Program which provides unlimited coverage. Of the City and Successor Agency’s investments, \$1,114,675 of securities was held by the counterparty’s trust department, the trustee for the bonds, not in the name of the City as of June 30, 2018.

Concentration of Credit Risk – The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Code. Although the City’s policy allows other forms of investments, per City Council direction, the City currently only invests in LAIF.

***E. Fair Value Measurements***

Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs that are observable for an asset or liability, either directly or indirectly, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability.

For the fiscal year ended June 30, 2018, the City of Loma Linda did not maintain any investments subject to the fair value hierarchy. The City maintains a \$48,969,095 investment in the California State Investment Pool, which is valued at Net Asset Value.

**Note 3: CONTRACTS AND LOANS RECEIVABLE**

Contracts and loans receivable consisted of the following at June 30, 2018:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Big Bear Valley Water Stock	\$ 1,075	\$ -	\$ -	\$ 1,075
LL Chamber of Commerce Loan	8,584	-	-	8,584
Deferred Housing Plan	55,033		(6,433)	48,600
Developers Loans	10,987,377	297,400		11,284,777
First Time Homebuyers	4,387,987	17,617	(127,131)	4,278,473
<b>Total</b>	<b>\$ 15,440,056</b>	<b>\$ 315,017</b>	<b>\$ (133,564)</b>	<b>\$ 15,621,509</b>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**Note 4: INTERFUND TRANSACTIONS**

**A. Fund Financial Statements**

**Due To/Due From Other Funds** - At June 30, 2018, the City had the following due to/from other funds:

<u>Due From Other Funds</u>	<u>Due to Other Funds</u>	
	<u>Governmental Funds</u>	
	Nonmajor Governmental	Total
<b>Governmental Funds:</b>		
General Fund	\$ 33,522	\$ 33,522
Nonmajor Governmental	1,043,161	1,043,161
Total	<u>\$ 1,076,683</u>	<u>\$ 1,076,683</u>

The Due From in the General Fund is made up of \$24,896 to cover overspent charges from the Gas Tax for the RMRA funds, \$8,626 from the CDBG to cover negative cash. The Capital Projects Bond Proceed fund had a Due from Traffic Impact fund of \$54,643 and \$988,518 from the Measure I MSART fund for re-allocated and reclassified California street expenditures.

**Advances To/From Other Funds** - At June 30, 2018, the City had the following advances to/from other funds:

<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>					<u>Total</u>
	<u>Governmental Funds</u>			<u>Enterprise Funds</u>		
	Special Projects Construction	Park Development	Nonmajor Governmental	Sewer Capital	Loma Linda Connected Communities	
<b>Governmental Funds:</b>						
Special Projects Construction	\$ -	\$ 3,197,300	\$ 3,769	\$ -	\$ -	\$ 3,201,069
<b>Enterprise Funds:</b>						
Water Acquisition	850,000	-	-	-	-	850,000
Water Enterprise	-	-	-	1,152,395	9,626	1,162,021
Total	<u>\$ 850,000</u>	<u>\$ 3,197,300</u>	<u>\$ 3,769</u>	<u>\$ 1,152,395</u>	<u>\$ 9,626</u>	<u>\$ 5,213,090</u>

\$3,769 from Special Projects Construction Fund to Non-major Governmental Funds, \$1,152,395 and \$9,626 from Water Enterprise Fund to Sewer Capital Fund and LL Connected Communities Fund, respectively, were to cover negative cash at year end.

The remaining receivables to and from governmental funds and enterprise funds were to acquire funds to assist the Parks Fund with the acquisition of the open space property in the City's South Hills.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 4: INTERFUND TRANSACTIONS, Continued**

**A. Fund Financial Statements, Continued**

**Transfers** - At June 30, 2018, the City had the following transfers in and out:

<u>Fund receiving transfers</u>	<u>Fund making transfers</u>	<u>Amount</u>
General Fund	Nonmajor funds	\$ 673,872
	Loma Linda Housing Authority	\$ 92
	Sewer Capital	1,067
	Loma Linda Connected Communities	130
	Water Enterprise	2,697
Capital Projects Fund	Water Enterprise	10,288
Nonmajor funds	General Fund	55,000
Water Enterprise	Water Acquisition	730,706
	Nonmajor funds	<u>99,098</u>
	Total transfers	<u>\$ 1,572,950</u>

Certain Non-major Governmental funds made payments in the amount of \$673,964 to the General Fund for street maintenance, to cover operational cost and for the purchase of small capital asset expenditures. The Enterprise funds transferred funds for a total of \$3,894 to cover capital asset expenditures. The General Fund transferred \$55,000 to a non-major fund to assist with Landscape Maintenance operations.

Transfers to Capital Projects fund of \$10,288 from Water Enterprise and \$829,804 to Water enterprise from Water acquisition and non-major funds were noncash transfers of capital assets. Purchases were paid from originating funds however the assets will be owned, operated and maintained by the receiving funds.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**Note 5: CAPITAL ASSETS**

The following is a summary of capital assets for the governmental activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 14,792,082	\$ -	\$ (140,686)	\$ 14,651,396
Construction in progress	856,863	491,353	-	1,348,216
Total capital assets, not being depreciated	<u>15,648,945</u>	<u>491,353</u>	<u>(140,686)</u>	<u>15,999,612</u>
Capital assets, being depreciated:				
Structures and improvements	24,607,829	130,168	(129,157)	24,608,840
Machinery and equipment	8,955,695	415,239	(1,843,262)	7,527,672
Infrastructure	52,581,080	374,721	(523,535)	52,432,266
Total capital assets, being depreciated	<u>86,144,604</u>	<u>920,128</u>	<u>(2,495,954)</u>	<u>84,568,778</u>
Less accumulated depreciation/amortization for:				
Structures and improvements	(15,095,594)	(798,311)	119,508	(15,774,397)
Machinery and equipment	(6,702,483)	(312,578)	1,770,320	(5,244,741)
Infrastructure	(25,179,014)	(922,901)	310,384	(25,791,531)
Total accumulated depreciation	<u>(46,977,091)</u>	<u>(2,033,790)</u>	<u>2,200,212</u>	<u>(46,810,669)</u>
Total capital assets, being depreciated net	<u>39,167,513</u>	<u>(1,113,662)</u>	<u>(295,742)</u>	<u>37,758,109</u>
Governmental activities capital assets, net	<u>\$ 54,816,458</u>	<u>\$ (622,309)</u>	<u>\$ (436,428)</u>	<u>\$ 53,757,721</u>

Depreciation expense was charged to functions of the primary government's governmental activities as follows:

Governmental activities:	
General government	\$ 595,299
Public safety	221,131
Community development	114,872
Public works	1,102,488
Total depreciation - governmental activities	<u>\$ 2,033,790</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**Note 5: CAPITAL ASSETS, Continued**

The following is a summary of capital assets for the business-type activities:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land and improvements	\$ 1,387,764	\$ -	\$ -	\$ 1,387,764
Construction in progress	-	49,769	-	49,769
Total capital assets, not being depreciated	<u>1,387,764</u>	<u>49,769</u>	<u>-</u>	<u>1,437,533</u>
Capital assets, being depreciated:				
Structures and improvements	27,440,057	-	(446,653)	26,993,404
Machinery and equipment	6,803,434	199,529	(1,055,999)	5,946,964
Infrastructure	37,952,245	812,045	(15,900)	38,748,390
Total capital assets, being depreciated	<u>72,195,736</u>	<u>1,011,574</u>	<u>(1,518,552)</u>	<u>71,688,758</u>
Less accumulated depreciation for:				
Structures and improvements	(19,669,839)	(426,082)	343,532	(19,752,389)
Machinery and equipment	(5,705,231)	(243,558)	1,050,137	(4,898,652)
Infrastructure	(6,963,038)	(1,039,956)	3,180	(7,999,814)
Total accumulated depreciation	<u>(32,338,108)</u>	<u>(1,709,596)</u>	<u>1,396,849</u>	<u>(32,650,855)</u>
Total capital assets, being depreciated net	<u>39,857,628</u>	<u>(698,022)</u>	<u>(121,703)</u>	<u>39,037,903</u>
Business-type activities capital assets, net	<u>\$ 41,245,392</u>	<u>\$ (648,253)</u>	<u>\$ (121,703)</u>	<u>\$ 40,475,436</u>

Depreciation expense was charged to functions of the primary government's business-type activities as follows:

<b>Business-type activities:</b>	
Water Enterprise	\$ 1,404,954
Sewer Capital	150,721
Loma Linda Connected Communities	153,921
Total depreciation - business-type activities	<u>\$ 1,709,596</u>

**Note 6: LONG-TERM DEBT**

The following is a summary of long-term debt transactions for the fiscal year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
<b>Governmental activities:</b>					
Master Lease Purchase - fire apparatus	\$ 146,907	\$ -	\$ (34,532)	\$ 112,375	\$ 35,955
Insurance Retrospective Deposit	511,439	-	(215,689)	295,750	134,670
Compensated absences	590,919	632,062	(609,028)	613,953	236,591
Net pension liability	10,793,550	2,663,859	(1,089,215)	12,368,194	-
Net OPEB liability, as restated	(318,622)	24,988	(66,088)	(359,722)	-
Total governmental activities	<u>\$ 11,724,193</u>	<u>\$ 3,320,909</u>	<u>\$ (2,014,552)</u>	<u>\$ 13,030,550</u>	<u>\$ 407,216</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**Note 6: LONG-TERM DEBT, Continued**

<b>Business-type activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
Revenue Bonds:					
1978 Water Bonds (General Obligation)	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 10,000
2016 Water Revenue Refunding Bonds	5,615,000	-	(245,000)	5,370,000	215,000
Unamortized bond premium	54,428	-	(2,840)	51,588	2,840
Insurance Retrospective Deposit	171,098	-	(37,945)	133,153	27,350
Compensated absences	283,657	233,181	(236,166)	280,672	83,037
Net pension liability	3,356,817	810,613	(284,821)	3,882,609	-
Net OPEB liability, as restated	(206,618)	74,518	(54,072)	(186,172)	-
<b>Total business-type activities</b>	<b>\$ 9,284,382</b>	<b>\$ 1,118,312</b>	<b>\$ (860,844)</b>	<b>\$ 9,541,850</b>	<b>\$ 338,227</b>

For the liability for pension-related, the general fund normally liquidates 51 percent, and the remaining 49 percent is liquidated by the Proprietary funds. For the liability for OPEB-related, the general fund normally liquidates 55 percent and the remaining 45 percent is liquidated by the Proprietary funds.

**A. Governmental Activities Long-Term Debt**

For the governmental activities, compensated absences, the OPEB liability and the net pension liability are generally liquidated primarily by the General Fund, with a small portion by the Street Lighting District and Land Maintenance District.

Capital Lease

On October 9, 2010 the City entered into a ten year capital lease agreement with Oshkosh Capital to acquire a new Fire Incident Support Apparatus in the amount of \$330,513. Payments in the amount of \$40,585 are due on July 9th of each year with the first payment due on July 9, 2011. Payments include interest of 4.12%. The principal balance at June 30, 2018 was \$112,375. The annual debt service payments are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 35,955	\$ 4,630	\$ 40,585
2020	37,436	3,149	40,585
2021	38,984	1,606	40,590
<b>Total</b>	<b>\$ 112,375</b>	<b>\$ 9,385</b>	<b>\$ 121,760</b>

The total leased assets by major asset class consisted of the following:

	<u>June 30, 2018</u>
Equipment	
Equipment under capitalized lease, at cost	\$ 333,273
Accumulated depreciation	(124,978)
Equipment under capitalized lease, net	<u>\$ 208,295</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 6: LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

JPIA Retrospective Deposit

Since its inception, the California JPIA, "Authority", has operated under a retrospective funding model for its liability and workers' compensation programs. Historically, members have paid for retrospective deposit adjustments and received retrospective refunds in annual rolling installments of up to eight years in duration. A change to the funding model was adopted in 2010 that fully implemented during fiscal year 2013-14 coverage period. The unpaid portion of all retrospective adjustments on coverage periods up to and including fiscal year 2009-10 have been consolidated into a single aggregate retrospective balance and temporarily deferred from payment. Payments resumed beginning July 1, 2014 for the Liability program and July 1, 2015 for the Workers' Compensation program. The City of Loma Linda's portion owed for the General Liability program is \$152,027 and \$143,723 for the Worker's compensation portion.

Compensated Absences

The City's liability for vested and unpaid compensated absences in the governmental activities has been accrued and amounted to \$613,953. This amount is made up of accrued vacation, one third sick pay plus any amount over the maximum sick hours accrued, and any comp time earned. Compensated absences are primarily liquidated by the General Fund. For further explanation see Note 1.

**B. Business-Type Activities Long-Term Debt**

1978 Water Bonds (General Obligation) – Original Issue \$1,000,000

On February 14, 1978, the City issued \$1,000,000 of 1978 Water Bonds (General Obligation). The purpose of the bonds was to finance water system improvements.

The bonds matured from April 1, 1979 to April 1, 2003 in varying amounts. The bonds accrued interest at rates between 4.80% and 6.75%. Interest on the bonds was payable semiannually on each April 1 and October 1. Principal was payable in annual installments commencing April 1, 1979. The revenues of the Water Fund were being used to pay the annual debt service requirements of the bonds. The bonds matured in fiscal year 2003; however, at June 30, 2010, not all bonds have been presented for payment. The amount outstanding as of June 30, 2018 was \$10,000. Interest no longer accrues on these bonds.

1995 Variable Rate Water Revenue Refunding Bonds – Original Issue \$10,000,000

On December 1, 1995, the City issued 1995 variable rate water revenue refunding bonds in the amount of \$10,000,000. The purpose of the bonds was to refund the City's outstanding water revenue refunding bonds of 1993 and to provide funds to finance an expansion of the storage capacity of the City's water enterprise.



**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 6: LONG-TERM DEBT, Continued**

***B. Business-Type Activities Long-Term Debt, Continued***

*2016 Water Revenue Refunding Bonds – Original Issue \$5,615,000*

On September 14, 2016, the City issued \$5,615,000 in Revenue Refunding Bonds, Series 2016 for the purpose of refunding the 1995 Variable Rate Water Revenue Refunding Bonds, of which \$5,075,000 was outstanding, and to fund a reserve fund and pay issuance costs for the 2016 bonds. The bonds mature annually each July 1, 2017 through 2036 in amounts ranging from \$215,000 to \$365,000. The bonds bear variable interest rates ranging from 2.000% to 3.750% and are payable semi-annually each January 1 and July 1, commencing July 1, 2017.

The annual requirements to amortize the 2016 Water Revenue Refunding Bonds outstanding at June 30, 2018 were as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 215,000	\$ 160,494	\$ 375,494
2020	220,000	156,194	376,194
2021	225,000	150,969	375,969
2022	230,000	145,625	375,625
2023	235,000	140,143	375,143
2024-2028	1,310,000	561,688	1,871,688
2029-2033	1,535,000	343,038	1,878,038
2034-2037	1,400,000	106,500	1,506,500
Total	<u>\$ 5,370,000</u>	<u>\$ 1,764,649</u>	<u>\$ 7,134,649</u>

*JPIA Retrospective Deposit*

Since its inception, the California JPIA, "Authority", has operated under a retrospective funding model for its liability and workers' compensation programs. Historically, members have paid for retrospective deposit adjustments and received retrospective refunds in annual rolling installments of up to eight years in duration. A change to the funding model was adopted in 2010 that fully implemented during fiscal year 2013-14 coverage period. The unpaid portion of all retrospective adjustments on coverage periods up to and including fiscal year 2009-10 have been consolidated into a single aggregate retrospective balance and temporarily deferred from payment. Payments resumed beginning July 1, 2014 for the Liability program and are schedule to resume July 1, 2015 for the Workers' Compensation program. In proprietary funds, portions owed for the General Liability program are \$78,042 and \$55,111 for the Worker's Compensation portion.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 6: LONG-TERM DEBT, Continued**

***B. Business-Type Activities Long-Term Debt, Continued***

*Compensated absences*

In proprietary funds, the liability for vested and unpaid compensated absences is reported in the fund as the benefits are vested and earned. The compensated absences accrued in the proprietary funds amounted to \$280,672 at June 30, 2018. This amount is made up of accrued vacation, one third sick pay plus any amount over the maximum sick hours accrued, and any comp time earned. For further explanation see Note 1.

**Note 7: NON-CITY OBLIGATIONS**

The following bond issues are not reflected as City long-term debt because these debts are solely payable from and secured by specific revenue sources not related to the City as described in the official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the Agency, the State of California or any political subdivision thereof, is pledged for payment of these bonds. The City is acting only as an agent.

<u>Multifamily Housing Revenue Bonds  Poplar Street Apartments</u>	<u>Original  Amount</u>	<u>Outstanding at  June 30, 2018</u>
Series 2008 A	\$ 9,000,000	\$ 1,055,000
<u>Multifamily Housing Revenue Bonds  Loma Linda Commons Project</u>	<u>Original  Amount</u>	<u>Outstanding at  June 30, 2018</u>
Series 2009 A	\$ 13,275,000	\$ 6,510,298

**Note 8: EMPLOYEE RETIREMENT PLAN**

***A. General Information about the Pension Plan***

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors two rate plans (one miscellaneous and one safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 8: EMPLOYEE RETIREMENT PLAN, Continued**

***A. General Information about the Pension Plan (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 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 8: EMPLOYEE RETIREMENT PLAN, Continued**

**A. General Information about the Pension Plan, Continued**

**Benefits Provided, continued**

The Plan's provisions and benefits in effect during the year ended June 30, 2018 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2 % @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years 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 employer contribution rates	8.921%	6.533%
Annual lump sum payment toward unfunded liability	\$351,735	\$346
	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3 % @ 55	2.7 % @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	50-67
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	2.0% to 2.7%
Required employer contribution rates	17.875%	11.990%
Annual lump sum payment toward unfunded liability	\$420,925	\$546

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be 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. For public agency cost-sharing plan covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 8: EMPLOYEE RETIREMENT PLAN, Continued**

**A. General Information about the Pension Plan, Continued**

**Contributions, Continued**

Employer 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 contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2018 were \$1,526,424. The actual employer payments of \$1,374,037 made to CalPERS by the City during the measurement period ended June 30, 2017 differed from the City's proportionate share of the employer's contributions of \$1,580,424 by \$206,387, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

**B. Net Pension Liability**

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases (1)	3.3% - 14.2%
Investment Rate of Return (2)	7.65%
Mortality Rate Table (3)	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) Annual increases vary by category, entry age, and duration of service

(2) Net of pension plan investment and administrative expenses; includes inflation

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 8: EMPLOYEE RETIREMENT PLAN, Continued**

***B. Net Pension Liability, Continued***

***Actuarial Methods and Assumptions Used to Determine Total Pension Liability, Continued***

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

***Change of Assumptions***

In fiscal year 2016-17, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results can be found on CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

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.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 8: EMPLOYEE RETIREMENT PLAN, Continued**

***B. Net Pension Liability, Continued***

***Discount Rate, Continued***

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2015.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	<u>100%</u>		

<sup>1</sup> An expected inflation of 2.5% used for this period

<sup>2</sup> An expected inflation of 3.0% used for this period

***Pension Plan Fiduciary Net Position***

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**Note 8: EMPLOYEE RETIREMENT PLAN, Continued**

**C. Proportionate Share of Net Pension Liability**

The following table shows the Plan's proportionate share of the net pension liability over the measurement period.

	Increase(Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2016 (VD)	\$ 54,044,495	\$ 39,894,128	\$ 14,150,367
Balance at: 6/30/2017 (MD)	59,951,035	43,700,232	16,250,803
Net Changes during 2016-17	<u>\$ 5,906,540</u>	<u>\$ 3,806,104</u>	<u>\$ 2,100,436</u>

Valuation Date (VD), Measurement Date (MD).

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, 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, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The City's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

Proportionate Share - June 30, 2016	0.16353%
Proportionate Share - June 30, 2017	0.16386%
Change - Increase (Decrease)	0.00033%

**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 the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
\$ 24,568,659	\$ 16,250,803	\$ 9,407,430



**Note 8: EMPLOYEE RETIREMENT PLAN, Continued**

***C. Proportionate Share of Net Pension Liability, Continued***

***Subsequent Events***

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

***Recognition of Gains and Losses***

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for the Plan for the 2016-17 measurement period is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of the active employees) by 130,595 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**Note 8: EMPLOYEE RETIREMENT PLAN, Continued**

***D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions***

As of the start of the measurement period (July 1, 2016), the City's net pension liability was \$14,150,367. For the measurement period ending June 30, 2017 (the measurement date), the City incurred a pension expense of \$2,131,148.

As of June 30, 2018, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 98,417	\$ (166,003)
Changes of Assumptions	2,520,562	(192,800)
Differences Between Projected and Actual Investment Earnings	559,633	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	(311,044)
Change in Employer's Proportion	106,816	(209,090)
Pension Contributions Made Subsequent to the Measurement Date	1,526,424	-
	<u>\$ 4,811,852</u>	<u>\$ (878,937)</u>

These amounts above are net of outflows and inflow recognized in the 2016-17 measurement period expense. Contributions subsequent to the measurement date of \$1,526,424 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Measurement Period Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2018	\$ 340,650
2019	1,495,700
2020	900,005
2021	(329,864)
2022	-
Thereafter	-

***E. Payable to the Pension Plan***

At June 30, 2018, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description** - The City provides other postemployment benefits (OPEB) for all of its employee groups through the CalPERS's California Employers' Retiree Benefit Trust (CERBT) trust fund. The plan that covers all general and public safety retirees, spouses and eligible dependents. The Plan provides medical insurance benefits to eligible retirees and their spouses and dependents. The benefit provisions and all other requirements meet the definition of an other post-employment benefit plan (OPEB Plan)

**Employees covered** –As of July 1, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan.

Active employees	78
Inactive employees or beneficiaries currently receiving benefits	22
<b>Total</b>	<b>100</b>

**Contributions** - The contribution requirements are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. Net OPEB obligation is expected to be liquidated by the General Fund and all the enterprise funds in the future periods.

**Net OPEB Liability/Asset**

The City's net OPEB liability was measured as of July 1, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions.

**Actuarial Assumptions:**

Discount Rate	7.00%
Inflation	2.75% per year
Salary Increases	2.75% per year
Investment Rate of Return	7.00%
Mortality Rate (1)	2014 CalPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover Healthcare Trend Rate (2)	2009 CalPERS Rates for Sworn Fire Employees

(1) The mortality assumptions are based on the 2014 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

(2) The turnover assumptions are based on the 2009 CalPERS Rates for Sworn Fire Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB), Continued**

***Net OPEB Liability/Asset, continued***

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Inflation Assets	5%	1.25%
Global Debt Securities	18%	2.25%
Global Equities	66%	5.25%
REIT's	8%	4.50%
Commodities	3%	1.25%
Total	<u>100%</u>	

***Discount Rate***

The discount rate used to measure the total OPEB liability was 7.00% percent. The projection of cash flows used to determine the discount rate assumed that the City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**Note 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB), Continued**

***Changes in the OPEB Liability***

The changes in the net OPEB Liability for the OPEB Plan are as follows:

	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net OPEB Liability/(Asset) (c)= (a) - (b)</u>
<b>Balance at June 30, 2017</b> (Valuation Date June 30, 2016)	\$ 810,182	\$ 230,870	\$ 579,312
<b>Changes recognized for the measurement period:</b>			
Service Cost	18,964	-	18,964
Interest	56,269	-	56,269
Changes of assumptions	-	-	-
Plan experience differences	-	-	-
Investment experience differences	-	-	-
Contributions - employer	-	120,160	(120,160)
Net investment income	-	29,955	(29,955)
Benefit payments	(31,110)	(31,110)	-
Administrative expenses	-	(156)	156
<b>Net Changes</b>	<u>44,123</u>	<u>118,849</u>	<u>(74,726)</u>
<b>Balance at June 30, 2018</b> (Measurement Date June 30, 2017)	<u>\$ 854,305</u>	<u>\$ 349,719</u>	<u>\$ 504,586</u>

***Sensitivity of the Net OPEB Asset to Changes in the Discount Rate***

The following presents the net OPEB asset of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Net OPEB Liability	\$ 623,954	\$ 504,586	\$ 406,429

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**Note 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB), Continued**

***Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rates***

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2017:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 404,999	\$ 504,586	\$ 621,651

***Recognition of Deferred Outflows and Deferred Inflows of Resources***

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (6.06 Years at June 30, 2017)

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

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$45,434. As of June 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ -	\$ -
Changes of assumptions	-	-
Differences between expected and actual experience	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB), Continued**

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)***

The amount recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as expense as follows:

<b>Fiscal Year Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2019	\$ -
2020	-
2021	-
2022	-
2023	-
Thereafter:	-

**Note 10: LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION**

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

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

***B. Self-Insurance Programs of the Authority***

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 10:      LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION,**  
**Continued**

***B. Self-Insurance Programs of the Authority (continued)***

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 \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance.

Workers' Compensation

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

For 2017-18 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.



**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 10:      LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION,**  
***Continued***

***C. Purchased Insurance***

Pollution Legal Liability Insurance

The City of Loma Linda participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Loma Linda. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has an aggregate limit of \$50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year policy term.

Property Insurance

The City of Loma Linda participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Loma Linda property is currently insured according to a schedule of covered property submitted by the City of Loma Linda to the Authority. City of Loma Linda property currently has all-risk property insurance protection in the amount of \$38,619,031. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance

The City of Loma Linda 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 Loma Linda property currently has earthquake protection in the amount of \$0. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000

Crime Insurance.

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

Special Event Tenant User Liability Insurance

The City of Loma Linda further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Loma Linda according to a schedule. The City of Loma Linda then pays for the insurance. The insurance is facilitated by the Authority.

***D. Adequacy of Protection***

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2017-18.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 11: JOINTLY GOVERNED ORGANIZATIONS**

**A. San Bernardino International Airport Authority**

The City is a member of the San Bernardino International Airport Authority (SBIAA), a joint powers authority of the County of San Bernardino and the Cities of Colton, Highland, Loma Linda and San Bernardino. The SBIAA was formed May 12, 1992 for the purpose of acquiring, operating, maintaining, repairing and administering the aviation related portions of the former Norton Air Base as a public airport.

The governing board consists of two elected officials from the City of San Bernardino and one elected official from each of the County of San Bernardino and the Cities of Colton, Highland and Loma Linda. Each member has one vote.

The City has no significant equity interest in the San Bernardino International Airport Authority, and accordingly neither assets nor liabilities have been recorded in the City's basic financial statements.

A copy of the financial statements of the San Bernardino International Airport Authority can be obtained by contacting them directly at 1601 E. Third Street, Suite 100, San Bernardino, California 92408, (909) 382-4100.

**B. Inland Valley Development Agency**

The City is a member of the Inland Valley Development Agency (IVDA), a joint powers authority of three cities and the County of San Bernardino.

The member agencies have the following number of board members:

City of San Bernardino	3
County of San Bernardino	2
City of Colton	2
City of Loma Linda	2

Each board member has one vote.

The IVDA was formed for the purpose of acquiring, owning, maintaining, leasing and operating the Norton Air Force Base property, and for the purpose of reusing and redeveloping the Norton Air Force Base, the adjacent property and the other properties in proximity thereto. As of June 30, 2018, the City has no significant equity interest in the IVDA, and accordingly neither assets nor liabilities have been recorded in the City's basic financial statements.

A copy of the financial statements of the IVDA can be obtained by contacting the IVDA directly at 1601 E. Third Street, Suite 100, San Bernardino, California, 92408.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 12: JOINT VENTURES**

**A. San Bernardino/Colton/Loma Linda Joint Powers Financing Authority**

The Agency is a member of the San Bernardino/Colton/Loma Linda Joint Powers Financing Authority (Financing Authority), a joint powers authority of the Redevelopment Agencies of the Cities of San Bernardino, Colton, Loma Linda and the County of San Bernardino. The Financing Authority was formed September 30, 1991 for the purpose of issuing debt.

Tax Allocation Notes for \$7,500,000 were issued November 1, 1991 and the proceeds were used to make a loan to the Inland Valley Development Agency (IVDA), of which the three cities and the County of San Bernardino are members. The loan was used to pay certain operating and redevelopment costs of the Inland Valley Redevelopment Project Area. Since 1991, the original obligation has been refunded twice and in 1997 expanded to incorporate monies for school district purposes. The total 1997 refunding was \$44,485,000 of which 63% (\$28,025,550) is applicable to IVDA.

These obligations are secured by loan repayments made by the IVDA to the Financing Authority. The obligation of the IVDA under the loan agreement will be payable from the IVDA's tax revenues from the project area. In the event that such tax revenues are unavailable, the obligations are further secured by commitments from the member agencies in the following percentages:

Redevelopment Agency of the City of San Bernardino	92.08%
Redevelopment Agency of the City of Colton	3.06%
Redevelopment Agency of the City of Loma Linda	4.86%

The governing board of the Financing Authority is composed of the Executive Directors of the City of Colton and the City of Loma Linda Redevelopment Agencies, the Agency Administrator of the Economic Development Agency of the City of San Bernardino and representatives of the County of San Bernardino.

Since the City is not directly liable for repayment of these bonds, they have not been reflected in the accompanying financial statements.

On October 13, 1999, the IVDA's Board adopted a motion stating that the use of its cash balance is necessary to pay for scheduled debt service obligations and that suspension of further disbursements of 20% set-aside funds for affordable housing is necessary until further notice. At the end of fiscal year 2011-12, a receivable has been set-up reflecting the current Agency's portion of tax increment set-aside revenues.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 12: JOINT VENTURES, Continued**

***B. CONFIRE Joint Powers Authority***

The City is a member of the CONFIRE Joint Powers Authority, a regional fire agency of the Cities of Redlands, Colton, Rialto, Rancho Cucamonga, Loma Linda and the Central Valley Fire Protection District and the San Bernardino County Consolidated Fire Agency. The CONFIRE JPA was formed August 20, 1990 for the purpose of providing hardware, software, services and other items necessary and appropriate for the establishment, operation, and maintenance of a joint centralized public safety communications system and a cooperative program of fire related functions for the mutual benefit of the members of the CONFIRE JPA, to provide such services on a contract basis to other governmental units, and to provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding public safety communications and related matters within member agencies.

The activities of the CONFIRE JPA are financed by a cost-sharing formula, which requires prorating among the participating members based on the demand percentage on the system by the members to be determined by the CONFIRE JPA Board of Director's Administrative Committee and approved by their Board of Directors. In fiscal year 2018, the City of Loma Linda's contribution totaled \$263,465. The City has no other significant equity interest in CONFIRE JPA, and accordingly neither assets nor liabilities of CONFIRE JPA have been recorded in the City's basic financial statements.

A copy of the financial statements of the CONFIRE JPA can be obtained by contacting the authority directly at 1743 W. Miro Way, Rialto, CA 92376-8630, (909) 356-2375.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 13: DEFICIT FUND BALANCES**

At June 30, 2018, the following governmental funds had deficit fund balances:

Funds	Fund Type	Deficit
Major funds:		
Park Development	Capital Projects	\$ (2,790,112)
Nonmajor governmental funds:		
Community Development	Special Revenue	(20,855)
Measure I MSART	Special Revenue	(723,407)

Park Development – The Park Development has an accumulated deficit balance of \$2,790,112 as a result from the purchase of open space property in the City’s South Hills with advances from other funds.

Community Development – The Community Development Fund has a deficit of \$20,855 which resulted from transfers paid to Water Enterprise fund for waterline improvements.

Measure I MSART – The Measure I MSART fund has a deficit of \$723,407 which resulted from street widening expenditures, awaiting reimbursement from MSART funds.

**Note 14: EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Excess of expenditures over appropriations of the Special Projects Construction and the Traffic Impact Fund (budgeted major special revenue fund) on a function level occurred during the fiscal year 2018 as follows:

Fund	Appropriated	Expended	Excess
<b>Special Projects Construction:</b>			
Public Works	\$ 67,800	\$ 89,641	\$ (21,841)
Principal retirement	34,500	34,532	(32)
<b>Nonmajor Funds:</b>			
Landscape Maintenance District	462,300	474,481	(12,181)
Public Meeting Facilities	-	14,946	(14,946)
CASp CERT & Training	-	671	(671)

The excesses of expenditures over appropriations were financed with available fund balances. No other material violations of budgeted or appropriated amounts occurred in other major or nonmajor funds of the City during the year.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 15: ENCUMBRANCES**

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue, Capital Projects and Debt Service funds. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities for the current year. Encumbrances outstanding as of June 30, 2018 are as follows:

Significant Encumbrances as of June 30, 2018		
Traffic Impact	\$	1,005,214
Measure I		1,426,551
Water Acquisition		1,124,395
Special Projects Construction		135,227

**Note 16: COMMITMENTS AND CONTINGENCIES**

***Commitments***

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize. As of June 30, 2018, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 16: COMMITMENTS AND CONTINGENCIES, Continued**

***Federal and State Grant Programs***

The City participates in Federal and State grant programs. These programs are audited by the City's independent accountants in accordance with the provisions of the Single Audit Act, as amended, the Uniform Guidance, and applicable State requirements. No cost disallowance is expected as a result of these audits; however, these programs are subject to further examination by the grantors. Expenditures which may be disallowed by the granting agencies cannot be determined at this time; however, the City management expects such amounts, if any, to be immaterial.

**Note 17: SUCCESSOR AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Loma Linda that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit. The Bill provided that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 10, 2012 the City Council of the City of Loma Linda elected to become the Successor Agency for the former Redevelopment Agency (RDA) in accordance with the Bill as part of City Resolution No. 2722. The activities of the Successor Agency are reported under a Private Purpose Trust Fund on the Fiduciary Financial Statements of the City.

Successor agencies are only allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill. Management believed, in consultation with legal counsel, that the obligations of the former RDA due to the City were valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue was not a position of settled law and there was considerable legal uncertainty regarding this issue. In July of 2015, the City and the State reached a settlement agreement that recognized the action on May 8, 2012, of the Oversight Board for the Successor Agency to the Loma Linda Redevelopment Agency approving the re-entry of the 2011 Loan Agreement with certain modifications, including a reduction in the interest rate, revised payment schedule, and 15-year term.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 17: SUCCESSOR AGENCY, Continued**

In 2016, the Successor Agency received approval of its Long Range Property Management Plan, and upon reaching a settlement agreement with State was issued a Finding of Completion.

***Successor Agency Long-Term Debt***

The bonded debt of the Successor Agency as of June 30, 2018 is as follows:

**2016 Tax Allocation Refunding Bonds, Series A & B – Original Issue \$33,710,000**

On November 10, 2016, the City issued \$33,710,000 in Tax Allocation Refunding Bonds, Series A and B, for the purpose of refunding the 2003 Tax Allocation Refunding Bonds, 2005 A & B Taxable Tax Allocation Bonds and 2008 Taxable Housing Tax Allocation Bonds. The bonds mature annually each August 1, 2017 through 2030 in amounts ranging from \$350,000 to \$470,000. The bonds bear variable interest rates ranging from 1.500% to 5.000% and are payable semi-annually each February 1 and August 1, commencing February 1, 2017.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$31,996. The difference is reported in the accompanying Statement of Fiduciary Net Position as a deferred gain on refunding and is being amortized as a component of interest expense through August 1, 2030, using the straight line method of amortization. The City in effect reduced its aggregate debt service cash flow by \$7,451,843 over the next 20 years. This resulted in an economic gain (difference between the present values of the debt service payments on the old debt and new debt) of \$6,159,460.

The annual requirements for the 2016 Tax Allocation Refunding Bonds, Series A and B outstanding at June 30, 2018 were as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 400,000	\$ 200,125	\$ 600,125
2020	405,000	190,050	595,050
2021	415,000	180,863	595,863
2022	425,000	171,375	596,375
2023	435,000	156,300	591,300
2024-2028	2,020,000	523,900	2,543,900
2029-2031	1,260,000	96,500	1,356,500
Total	<u>\$ 5,360,000</u>	<u>\$ 1,519,113</u>	<u>\$ 6,879,113</u>



**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 17: SUCCESSOR AGENCY, Continued**

***Successor Agency Long-Term Debt, Continued***

***2016 Tax Allocation Refunding Bonds, Series A & B – Original Issue \$33,710,000, Continued***

Year Ending June 30,	Principal	Interest	Total
2019	\$ 1,755,000	\$ 697,900	\$ 2,452,900
2020	1,790,000	670,194	2,460,194
2021	1,820,000	638,588	2,458,588
2022	1,845,000	601,922	2,446,922
2023	1,890,000	559,875	2,449,875
2024-2028	10,630,000	2,005,222	12,635,222
2029-2031	6,720,000	335,476	7,055,476
Total	<u>\$ 26,450,000</u>	<u>\$ 5,509,176</u>	<u>\$ 31,959,176</u>

***Loan Payable to the City of Loma Linda***

On March 8, 2011, the City of Loma Linda (City) entered into a cooperation agreement with the Redevelopment Agency of the City of Loma Linda (RDA), which set forth certain pre-existing indebtedness of the RDA to the City and provided a repayment schedule for such debts (“2011 Loan Agreement”). Between March and June 2011, the RDA remitted to the City payments totaling \$2,273,000 pursuant to the 2011 Loan Agreement.

On March 8, 2012, the Oversight Board for the Successor Agency of the RDA approved the reentry of a modified version of the 2011 Loan Agreement.

On January 15, 2013, the Successor Agency submitted to the California Department of Finance (Finance) the Other Funds and Accounts Due Diligence Review (OFA DDR). Finance determined that the \$2,273,000 loan repayment was not made pursuant to an enforceable obligation and determined the funds were available to be returned to the taxing entities. On July 31, 2013, the City legally challenged Finance’s determination.

On July 31, 2015, the City of Loma Linda and the State of California signed a settlement agreement. The agreement recognized the 2011 re-entered agreement with an outstanding balance of \$21,174,012, as of June 1, 2012, and accrued interest as enforcement obligations within the meaning of the Dissolution Law. Under the terms of the agreement, Finance shall recognize payments under the re-entered agreement including repayment of past due balances of \$5,759,804, as of July 31, 2015, and approve payments via the ROPS process. Additionally, the settlement agreement addressed the \$2,273,000 loan repayment previously deemed unauthorized by both Finance and the State Controller’s Office (SCO). Finance agreed to issue a revised OFA DDR determination letter reducing the OFA balance available for distribution to affected taxing entities by the loan repayment amount and the SCO agreed to issue a revised Asset Transfer Review Report authorizing the City to retain the loan repayment.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**Note 17: SUCCESSOR AGENCY, Continued**

Loan Payable to the City of Loma Linda (continued)

In August 2015, the Successor Agency, upon reaching a settlement agreement with the State, was issued a finding of completion. By December of the same year, the Successor Agency and the State's Department of Finance approved the Long Range Property Management Plan. On September 12, 2017, the Oversight Board and City Council approved the sale of a property listed in the Long Range Property Management Plan. The property has not sold as of the issuance of these Financial Statements.

The following is a summary of the bonded debt activity of the Successor Agency as of June 30, 2018:

<u>TAX ALLOCATION BONDS</u>	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
2016 Tax Allocation Refunding Bonds Series A	\$ 5,760,000	\$ -	\$ (400,000)	\$ 5,360,000	\$ 400,000
2016 Tax Allocation Refunding Bonds Series B	27,950,000	-	(1,500,000)	26,450,000	1,755,000
Unamortized bond premium	618,687	-	(46,114)	572,573	46,113
Unamortized bond discount	(638,092)	-	47,560	(590,532)	(47,650)
Loan payable to the City of Loma Linda	13,555,343	164,609	(2,650,579)	11,069,373	744,200
Total	<u>\$ 47,245,938</u>	<u>\$ 164,609</u>	<u>\$ (4,549,133)</u>	<u>\$ 42,861,414</u>	<u>\$ 2,897,663</u>

The following amount was reported as deferred outflow of resources:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
Deferred inflows of resources:					
Unamortized gain on refunding	<u>\$ 31,996</u>	<u>-</u>	<u>\$ (2,461)</u>	<u>\$ 29,535</u>	<u>\$ 2,461</u>

**Note 18: Prior Period Restatement**

During the fiscal year ended June 30, 2018, the City discovered an improper entry made to deferred revenue for ROPS principal and interest payments made in fiscal year 2017. Therefore, an adjustment to beginning fund balance and net position has been recorded to account for these variances. The restatement to beginning net position is as follows:

	Beginning Net Position, as previously reported	Restatement	Beginning Net Position, as restated
Governmental Fund			
Special Projects Construction	<u>\$ 90,794</u>	<u>\$ 4,392,537</u>	<u>\$ 4,483,331</u>
Proprietary Fund			
Water Acquisition	<u>\$ 9,568,709</u>	<u>\$ (2,091)</u>	<u>\$ 9,566,618</u>
Fiduciary Fund			
Redevelopment Obligation Retirement	<u>\$ (21,871,373)</u>	<u>\$ 5,881</u>	<u>\$ (21,865,492)</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 18: Prior Period Restatement, Continued**

**Change in Accounting Principle**

As discussed in Note 1, the City implemented GASB statement No. 75 (GASB 75) effective July 1, 2017. GASB 75, among other provisions, amended prior guidance with respect to the reporting of postemployment benefits other than pensions (OPEB). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses. GASB 75 requires that accounting changes adopted to conform to the provisions of the Statement be applied retroactively by restating financial statements. The cumulative effects of applying the provisions of GASB 75 have been reported as a restatement of the beginning net position for the year ended June 30, 2018 in accordance with the Statement.

	Governmental Activities
	<hr/>
Beginning net position, as previously reported	\$ 104,988,088
Elimination of prior year OPEB liability in accordance with GASB 45	2,075
Recording of beginning balance of OPEB liability in accordance with GASB 75	(318,622)
To correct deferred revenue for ROPS Interest	(3,790)
	<hr/>
Beginning net position, as restated	<u>\$ 104,667,751</u>

	Business-type Activities
	<hr/>
Beginning net position, as previously reported	\$ 29,195,948
Elimination of prior year OPEB asset in accordance with GASB 45	1,696
Recording of beginning balance of OPEB liability in accordance with GASB 75	(206,618)
To correct deferred revenue for ROPS Interest	(2,090)
	<hr/>
Beginning net position, as restated	<u>\$ 28,988,936</u>

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

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**1. BUDGET AND BUDGETARY ACCOUNTING**

***A. General Budget Policies***

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. Supplemental appropriations, where required during the period, are also approved by the Council. Intradepartmental budget changes are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the department level. At fiscal year-end, all operating budget appropriations lapsed.

***B. Basis of Accounting***

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets were legally adopted for all governmental funds with the exception of the Measure I MSART, Public Improvement Per MOU Fund, Asset Forfeiture Fund, Grant Fund, Traffic Congestion Relief Grant Fund and Federal State Construction Fund.

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

**1. BUDGET AND BUDGETARY ACCOUNTING, Continued**

**C. Budgetary Comparison Schedule**

The following is the budgeted comparison schedule for the General Fund.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 12,226,100	\$ 12,561,300	\$ 13,076,867	\$ 515,567
Licenses and permits	709,300	445,500	463,878	18,378
Intergovernmental	12,600	12,600	40,576	27,976
Charges for services	3,653,000	3,361,900	3,529,409	167,509
Use of money and property	329,000	429,800	607,226	177,426
Fines and forfeitures	9,600	8,200	7,427	(773)
Miscellaneous	1,858,800	2,876,900	2,691,650	(185,250)
<b>Total revenues</b>	<b>18,798,400</b>	<b>19,696,200</b>	<b>20,417,033</b>	<b>720,833</b>
<b>EXPENDITURES</b>				
Current:				
General government	3,386,700	3,531,400	2,870,793	660,607
Public safety	11,964,100	12,304,800	12,118,763	186,037
Community development	1,680,700	1,964,900	1,781,344	183,556
Public works	2,250,300	2,356,300	2,228,366	127,934
Capital outlay	72,800	356,700	338,084	18,616
<b>Total expenditures</b>	<b>19,354,600</b>	<b>20,514,100</b>	<b>19,337,350</b>	<b>1,176,750</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(556,200)</b>	<b>(817,900)</b>	<b>1,079,683</b>	<b>1,897,583</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets, net	-	25,200	513,001	487,801
Transfers in	716,200	711,500	677,858	(33,642)
Transfers out	(111,100)	(111,100)	(55,000)	56,100
<b>Total other financing sources (uses)</b>	<b>605,100</b>	<b>625,600</b>	<b>1,135,859</b>	<b>510,259</b>
<b>Net change in fund balance</b>	<b>48,900</b>	<b>(192,300)</b>	<b>2,215,542</b>	<b>2,407,842</b>
<b>FUND BALANCE</b>				
Beginning of year	13,547,037	13,547,037	13,547,037	-
End of year	<u>\$ 13,595,937</u>	<u>\$ 13,354,737</u>	<u>\$ 15,762,579</u>	<u>\$ 2,407,842</u>

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

**1. BUDGET AND BUDGETARY ACCOUNTING, Continued**

**C. Budgetary Comparison Schedule, Continued**

The following is the budgeted comparison schedule for the Loma Linda Housing Authority Fund.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 1,438	\$ 1,438
Use of money and property	155,800	171,000	206,489	35,489
Miscellaneous	200	1,900	2,635	735
<b>Total revenues</b>	<b>156,000</b>	<b>172,900</b>	<b>210,562</b>	<b>37,662</b>
<b>EXPENDITURES</b>				
Current:				
Community development	108,900	109,100	59,977	49,123
Capital outlay	50,300	50,800	603	50,197
<b>Total expenditures</b>	<b>159,200</b>	<b>159,900</b>	<b>60,580</b>	<b>99,320</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,200)</b>	<b>13,000</b>	<b>149,982</b>	<b>136,982</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets, net	-	-	54,548	54,548
Transfers out	-	-	(92)	(92)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>54,456</b>	<b>54,456</b>
<b>Net change in fund balance</b>	<b>(3,200)</b>	<b>13,000</b>	<b>204,438</b>	<b>191,438</b>
<b>FUND BALANCE</b>				
Beginning of year	17,498,035	17,498,035	17,498,035	-
End of year	<b>\$ 17,494,835</b>	<b>\$ 17,511,035</b>	<b>\$ 17,702,473</b>	<b>\$ 191,438</b>



**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

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**2. SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS – LAST TEN YEARS**

Measurement Period	<u>2017</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 18,964
Interest on the Total OPEB Liability	56,269
Actual and expected experience difference	-
Changes in assumptions	-
Changes in benefit terms	-
Benefit payments	(31,110)
<b>Net change in Total OPEB Liability</b>	<u>44,123</u>
<b>Total OPEB Liability - beginning</b>	810,182
<b>Total OPEB Liability - ending (a)</b>	<u><u>\$ 854,305</u></u>
 <b>Plan Fiduciary Net Position</b>	
Contribution - employer	\$ 120,160
Net investment income	29,955
Benefit payments	(31,110)
Administrative expense	(156)
<b>Net change in Plan Fiduciary Net Position</b>	<u>118,849</u>
<b>Plan Fiduciary Net Position - beginning</b>	230,870
<b>Plan Fiduciary Net Position - ending (b)</b>	<u><u>\$ 349,719</u></u>
 <b>Net OPEB Liability - ending (a) - (b)</b>	 \$ 504,586
 Plan fiduciary net position as a percentage of the total OPEB liability	 40.94%
 Covered employee payroll	 \$ 6,017,239
 Net OPEB liability as a percentage of covered employee payroll	 8.39%

Notes to schedule:  
*None.*

\*Historical information is required only for measurement period for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

\*Fiscal Year 2017-18 was the first year of implementation.

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

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**3. SCHEDULE OF OPEB PLAN CONTRIBUTIONS – LAST TEN YEARS**

**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ended June 30	2018
Actuarially Determined Contributions (ADC)	\$ -
Contributions in relation to the ADC	-
	-
Contribution deficiency/(excess)	\$ -
Covered employee payroll	\$ 6,017,239
Contribution as a percentage of covered payroll	0.00%

**Notes to schedule:**

rates are calculated as of June 30, one year prior

**Methods and assumptions used to determine contributions:**

<i>Actuarial Cost Method</i>	Entry Age Normal
<i>Inflation</i>	2.75% per annum
<i>Salary Increases</i>	2.75% per year, since benefits are not related to pay, this is used only to allocate the cost of benefits between service years
<i>Investment Rate of Return</i>	7.00%, net of OPEB plan investments expense, including inflation.
<i>Retirement Age</i>	Retirement rates developed in the 2009 CalPERS Experiences Study.
<i>Mortality</i>	Mortality assumptions are based on the 2014 CalPERS Active Mortality for Miscellaneous and Safety Employees tables created by CalPERS.

\*Historically information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

\*Fiscal Year 2017-18 was the first year of implementation.

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

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**4. SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE LAST 10 YEARS\***

<u>Measurement Date</u>	<u>Employer's Proportion of the Collective Net Pension Liability<sup>1</sup></u>	<u>Employer's Proportion Share of the Collective Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered-Employee Payroll</u>	<u>Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
6/30/2014	0.17451%	\$ 10,859,039	\$ 5,271,125	206.01%	78.28%
6/30/2015	0.16141%	\$ 11,079,145	\$ 5,472,209	202.46%	78.45%
6/30/2016	0.16353%	\$ 14,150,367	\$ 5,604,205	252.50%	73.82%
6/30/2017	0.16386%	\$ 16,250,803	\$ 5,680,908	286.06%	72.89%

<sup>1</sup> Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation.

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

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**5. SCHEDULE OF PENSION PLAN CONTRIBUTIONS**  
**LAST 10 YEARS\***

<u>Fiscal Year</u>	<u>Contractually Determined Contributions</u>	<u>Contribution in Relation to the Contractually Determined Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
2014-15	\$ 1,047,183	(1,047,183)	\$ -	\$ 5,472,209	18.22%
2015-16	\$ 1,232,549	(1,232,549)	\$ -	\$ 5,604,205	22.52%
2016-17	\$ 1,374,037	(1,374,037)	\$ -	\$ 5,680,908	24.52%
2017-18	\$ 1,526,424	(1,526,424)	\$ -	\$ 6,017,239	25.37%

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation.

*Notes to Schedule:*

Change in Benefit Terms: None

Change in Assumptions: In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

## **SUPPLEMENTARY INFORMATION**

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**MAJOR GOVERNMENTAL FUNDS BUDGETARY  
COMPARISON SCHEDULES**

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**CITY OF LOMA LINDA**  
**Special Projects Construction Capital Projects Fund**  
**Major Governmental Fund Budgetary Comparison Schedule**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 3,000	\$ 113,600	\$ 1,760,546	\$ 1,646,946
<b>Total revenues</b>	<u>3,000</u>	<u>113,600</u>	<u>1,760,546</u>	<u>1,646,946</u>
<b>EXPENDITURES</b>				
Current:				
Public works	28,900	67,800	89,641	(21,841)
Capital outlay	148,100	347,700	162,292	185,408
Debt service:				
Principal retirement	34,500	34,500	34,532	(32)
Interest and fiscal charges	6,100	6,100	6,053	47
<b>Total expenditures</b>	<u>217,600</u>	<u>456,100</u>	<u>292,518</u>	<u>163,582</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(214,600)</u>	<u>(342,500)</u>	<u>1,468,028</u>	<u>1,810,528</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	10,288	10,288
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>10,288</u>	<u>10,288</u>
<b>Net change in fund balance</b>	<u>(214,600)</u>	<u>(342,500)</u>	<u>1,478,316</u>	<u>1,820,816</u>
<b>FUND BALANCE</b>				
Beginning of year	<u>4,483,331</u>	<u>4,483,331</u>	<u>4,483,331</u>	<u>-</u>
End of year	<u>\$ 4,268,731</u>	<u>\$ 4,140,831</u>	<u>\$ 5,961,647</u>	<u>\$ 1,820,816</u>

**CITY OF LOMA LINDA**  
**Park Development Capital Projects Fund**  
**Major Governmental Fund Budgetary Comparison Schedule**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 3,800	\$ 3,800	\$ 4,519	\$ 719
Miscellaneous	-	1,000	49,103	48,103
Developer fees	1,706,700	331,900	305,342	(26,558)
<b>Total revenues</b>	<b>1,710,500</b>	<b>336,700</b>	<b>358,964</b>	<b>22,264</b>
<b>EXPENDITURES</b>				
Current:				
Community development	35,000	36,400	35,755	645
Capital outlay	175,000	182,000	178,775	3,225
<b>Total expenditures</b>	<b>210,000</b>	<b>218,400</b>	<b>214,530</b>	<b>3,870</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,500,500</b>	<b>118,300</b>	<b>144,434</b>	<b>26,134</b>
<b>Net change in fund balance</b>	<b>1,500,500</b>	<b>118,300</b>	<b>144,434</b>	<b>26,134</b>
<b>FUND BALANCE (Deficit)</b>				
Beginning of year	(2,934,546)	(2,934,546)	(2,934,546)	-
End of year	<u>\$ (1,434,046)</u>	<u>\$ (2,816,246)</u>	<u>\$ (2,790,112)</u>	<u>\$ 26,134</u>

**NONMAJOR GOVERNMENTAL  
FUNDS  
COMBINING SCHEDULES**

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## **Nonmajor Governmental Funds**

### Special Revenue Funds

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted for expenditures related to specific purposes.

**Traffic Safety Fund** – This fund is to account for monies received from parking control violation fines.

**Gas Tax Fund** – This fund is to account for monies received and expended from the state and county gas allocation.

**CASp CERT & Training** – This fund is used to collect and track a set fee included in each business license to be used for increased certified access specialist (CASp) training and certification within the City and to facilitate compliance with construction-related accessibility requirements. The fee was established by the state in the California Government Code 4467.

**Measure I Fund** – This fund is to account for monies received from the County is one-half of one percent retail transaction and use tax.

**Measure I MSART Fund** – This fund is to track projects that fall under the Measure I Valley Major Arterial Street Program – Arterial Sub-Program. The funding is distributed by San Bernardino County Transportation Authority (SBCTA) when they do a Capital Project Needs Analysis (CPNA) and it is to be used on major street and arterial projects identified in the five year plan and that will serve the regional area.

**Street Lighting District Fund** – This fund is to account for monies received from property assessments restricted to fund district street lighting activities.

**Landscape Maintenance District Fund** – This fund is to account for monies received from property assessments restricted to fund district landscaping activities.

**Air Quality Management District Fund** – This fund is to account for monies received from AB2766 license fees.

**Public Improvement Per MOU Fund** – This fund is to manage the Stewart Street Pedestrian Bridge project. The funding will be received from the Loma Linda University.

**Asset Forfeiture Fund** – This fund is to account for assets seized by law enforcement.

**Community Development Fund** – This fund is to account for Federal grants received from the Department of Housing and Urban Development and expended in community development.

**Grant Fund** – This fund is to account for miscellaneous grants provided by Federal, State and County agencies such as the Code Enforcement Grant Program to purchase capital items related to Code Enforcement and California Healthy Cities to promote health and physical activity for Loma Linda residents.

**Citizens Option for Public Safety Fund** – This is to account for AB3229 Public Safety Grant revenue received from the State and expended for front-line law enforcement.

## **Nonmajor Governmental Funds**

### Special Revenue Funds, Continued

**Regional Traffic Development Fund** – This fund is for the portion of Transportation Projects identified by SANBAG (San Bernardino Associated Governments) that will serve the regional area. SANBAG came up with an allocation of Loma Linda's share.

**Traffic Congestion Relief Grant Fund** – This fund is to account for allocation from the state for street or road maintenance or reconstruction. The City is required to maintain existing commitment of general funds for street or roadwork in order to remain eligible for allocation of the specified funds.

**Development Agreement Consideration Fund** – This fund is to account for the monies received from developers to produce, improve, or preserve affordable housing within Redevelopment Project Areas that meet the needs to those whose income is 80% of the county median or below.

### Capital Projects Funds

The *Capital Projects Funds* account for financial resources to be used for the acquisition or construction of major capital facilities by the City except for those financed by Proprietary Funds. The Capital Projects Funds account for the following projects:

**Storm Drain Fund** – This fund is to account for developer fees collected and expended for improving and expanding the storm drain system city-wide.

**Traffic Impact Fund** – This fund is to account for developer fees collected and expended for major traffic control devices necessitated by development.

**Fire Facilities Fund** – This fund is to account for developer fees collected and expended for major fire facilities and equipment necessitated by development.

**General Facilities Fund** – This fund is to account for developer fees collected and expended for major general facilities necessitated by development.

**Federal/State Construction Grants Fund** – This fund is to account for miscellaneous grants provided by Federal, State and County agencies and expended for various street, park and recreation purposes.

**Public Meeting Facilities Fund** – This fund is to account for developer fees collected and expended for public meeting facilities as necessitated by development.

**Public Library Facilities Fund** – This fund is to account for developer fees collected and expended for public library facilities as necessitated by development.

**Art in Public Places Fund** – This fund is to account for developer fees collected and expended for art in public places as necessitated by development.

### ***Nonmajor Governmental Funds***

***Capital Projects Bond Proceeds Fund*** – This fund is used to track proceeds from bonds originally issued by the former Redevelopment agency and transferred to the City upon dissolution and after approval was received by the state Department of Finance for the construction of public works projects originally identified in the bond issuance.

#### ***Debt Service Funds***

The *Debt Service Funds* account for the accumulation of resources and the payment of general long-term debt principal and interest of the City's related entities in the following funds:

***Water Bond Redemption Fund*** – This fund is to account for the contribution from the Water Operations Fund and Water Acquisition Fund for the payment of principal and interest on Water Enterprise general obligation bonds issued to complete water system capital projects.

***Assessment District 72-1 Fund*** – This fund is to account for the accumulation of funds for the payment of principal and interest on bonds issued in 1973, for sewer line improvements on Redlands Blvd.

***Loma Linda Public Financing Authority Fund*** – This fund is used to jointly exercise powers of the City and Redevelopment Agency and to establish a vehicle to reduce local borrowing costs and promote greater use of existing and new financial instruments.

**CITY OF LOMA LINDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Special Revenue Funds			
	Traffic Safety	Gas Tax	CASp Cert & Training	Measure I
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 5,948	\$ 322,345
Receivables:				
Accounts	1,651	-	110	-
Taxes	-	51,987	-	-
Interest	-	-	-	1,389
Due from other funds	-	-	-	-
Due from other governments	14,421	-	-	97,024
Prepaid items	-	-	-	-
<b>Total assets</b>	<u>\$ 16,072</u>	<u>\$ 51,987</u>	<u>\$ 6,058</u>	<u>\$ 420,758</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 10,178	\$ 15	\$ 16,403
Accrued liabilities	-	-	-	-
Due to other funds	-	24,896	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>35,074</u>	<u>15</u>	<u>16,403</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	-	-
<b>Fund balance:</b>				
Non spendable:				
Prepaid items	-	-	-	-
Restricted for:				
Cultural and recreational	-	-	-	-
Public safety	-	-	-	-
Street improvements	16,072	16,913	6,043	404,355
Storm drains	-	-	-	-
Municipal facilities	-	-	-	-
Air quality management	-	-	-	-
Debt service	-	-	-	-
Low mod housing programs	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficit)</b>	<u>16,072</u>	<u>16,913</u>	<u>6,043</u>	<u>404,355</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 16,072</u>	<u>\$ 51,987</u>	<u>\$ 6,058</u>	<u>\$ 420,758</u>



(Continued)

Special Revenue Funds					
Measure I MSART	Street Lighting District	Landscape Maintenance District	Air Quality Management District	Public Improvement Per MOU	Asset Forfeiture
\$ -	\$ 180,258	\$ 73,824	\$ 27,351	\$ 61,662	\$ 2
-	230	91	-	-	-
-	4,991	3,692	-	-	-
-	940	433	142	278	-
-	-	-	-	-	-
988,518	-	-	8,075	-	-
-	2	3	-	-	-
<u>\$ 988,518</u>	<u>\$ 186,421</u>	<u>\$ 78,043</u>	<u>\$ 35,568</u>	<u>\$ 61,940</u>	<u>\$ 2</u>
\$ -	\$ 13,176	\$ 15,082	\$ 7,805	\$ -	\$ -
-	1,055	631	-	-	-
988,518	-	-	-	-	-
-	-	21,041	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>988,518</u>	<u>14,231</u>	<u>36,754</u>	<u>7,805</u>	<u>-</u>	<u>-</u>
<u>723,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	2	3	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2
-	172,188	41,286	-	61,940	-
-	-	-	-	-	-
-	-	-	27,763	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(723,407)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(723,407)</u>	<u>172,190</u>	<u>41,289</u>	<u>27,763</u>	<u>61,940</u>	<u>2</u>
<u>\$ 988,518</u>	<u>\$ 186,421</u>	<u>\$ 78,043</u>	<u>\$ 35,568</u>	<u>\$ 61,940</u>	<u>\$ 2</u>

**CITY OF LOMA LINDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Special Revenue Funds			
	Community Development	Grant Fund	Citizens Option for Public Safety Fund	Regional Traffic Development Impact Fund
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 26,766	\$ 277,202	\$ 6,688,866
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	133	-	1,614	29,983
Due from other funds	-	-	-	-
Due from other governments	2,787	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<u>\$ 2,920</u>	<u>\$ 26,766</u>	<u>\$ 278,816</u>	<u>\$ 6,718,849</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 8,705	\$ -	\$ 1,149	\$ 191,902
Accrued liabilities	-	-	-	-
Due to other funds	8,626	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	13,400	277,667	-
Advances from other funds	3,769	-	-	-
<b>Total liabilities</b>	<u>21,100</u>	<u>13,400</u>	<u>278,816</u>	<u>191,902</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	2,675	-	-	-
<b>Fund balance:</b>				
Non spendable:				
Prepaid items	-	-	-	-
Restricted for:				
Cultural and recreational	-	-	-	-
Public safety	-	13,366	-	-
Street improvements	-	-	-	6,526,947
Storm drains	-	-	-	-
Municipal facilities	-	-	-	-
Air quality management	-	-	-	-
Debt service	-	-	-	-
Low mod housing programs	-	-	-	-
Unassigned	(20,855)	-	-	-
<b>Total fund balances (deficit)</b>	<u>(20,855)</u>	<u>13,366</u>	<u>-</u>	<u>6,526,947</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 2,920</u>	<u>\$ 26,766</u>	<u>\$ 278,816</u>	<u>\$ 6,718,849</u>

(Continued)

Special Revenue Funds			Capital Projects Funds		
Traffic Congestion Relief Grant	Development Agreement Consideration	Total Special Revenue Funds	Storm Drain	Traffic Impact	Fire Facilities
\$ 1,652	\$ 199,663	\$ 7,865,539	\$ 843,344	\$ 2,952,198	\$ 719,343
-	-	2,082	-	-	-
-	-	60,670	-	-	-
8	899	35,819	3,781	13,480	3,226
-	-	-	-	-	-
-	-	1,110,825	-	-	-
-	-	5	-	-	-
<u>\$ 1,660</u>	<u>\$ 200,562</u>	<u>\$ 9,074,940</u>	<u>\$ 847,125</u>	<u>\$ 2,965,678</u>	<u>\$ 722,569</u>
\$ -	\$ -	\$ 264,415	\$ -	\$ 481,603	\$ -
-	-	1,686	-	-	-
-	-	1,022,040	-	54,643	-
-	-	21,041	-	-	-
-	-	291,067	-	-	-
-	-	3,769	-	-	-
<u>-</u>	<u>-</u>	<u>1,604,018</u>	<u>-</u>	<u>536,246</u>	<u>-</u>
-	-	726,082	-	-	-
-	-	5	-	-	-
-	-	-	-	-	-
-	-	13,368	-	-	722,569
1,660	-	7,247,404	-	2,429,432	-
-	-	-	847,125	-	-
-	-	-	-	-	-
-	-	27,763	-	-	-
-	-	-	-	-	-
-	200,562	200,562	-	-	-
-	-	(744,262)	-	-	-
<u>1,660</u>	<u>200,562</u>	<u>6,744,840</u>	<u>847,125</u>	<u>2,429,432</u>	<u>722,569</u>
<u>\$ 1,660</u>	<u>\$ 200,562</u>	<u>\$ 9,074,940</u>	<u>\$ 847,125</u>	<u>\$ 2,965,678</u>	<u>\$ 722,569</u>

**CITY OF LOMA LINDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Capital Projects Funds			
	General Facilities	Federal/State Construction	Public Meeting Facilities	Public Library Facilities
<b>ASSETS</b>				
Cash and investments	\$ 112,641	\$ 54,650	\$ 54,277	\$ 159,015
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	503	246	226	732
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 113,144</b>	<b>\$ 54,896</b>	<b>\$ 54,503</b>	<b>\$ 159,747</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 1,663	\$ 23,754
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>1,663</b>	<b>23,754</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	-	-
<b>Fund balance:</b>				
Non spendable:				
Prepaid items	-	-	-	-
Restricted for:				
Cultural and recreational	-	-	-	135,993
Public safety	-	-	-	-
Street improvements	-	54,896	-	-
Storm drains	-	-	-	-
Municipal facilities	113,144	-	52,840	-
Air quality management	-	-	-	-
Debt service	-	-	-	-
Low mod housing programs	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>113,144</b>	<b>54,896</b>	<b>52,840</b>	<b>135,993</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 113,144</b>	<b>\$ 54,896</b>	<b>\$ 54,503</b>	<b>\$ 159,747</b>

(Continued)

Capital Projects Funds		Total	Debt Service Fund
Art in Public Places	Capital Project Bond Proceeds	Capital Projects Funds	Water Bond Redemption Fund
\$ 238,249	\$ 3,824,271	\$ 4,443,103	\$ 35,506
-	-	-	-
-	-	-	-
1,067	22,495	25,269	160
-	1,043,161	1,043,161	-
-	-	-	-
-	-	-	-
<u>\$ 239,316</u>	<u>\$ 4,889,927</u>	<u>\$ 5,511,533</u>	<u>\$ 35,666</u>
\$ -	\$ 768,324	\$ 793,741	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>768,324</u>	<u>793,741</u>	<u>-</u>
-	-	-	-
-	-	-	-
239,316	-	375,309	-
-	-	-	-
-	4,121,603	4,176,499	-
-	-	-	-
-	-	165,984	-
-	-	-	-
-	-	-	35,666
-	-	-	-
-	-	-	-
<u>239,316</u>	<u>4,121,603</u>	<u>4,717,792</u>	<u>35,666</u>
<u>\$ 239,316</u>	<u>\$ 4,889,927</u>	<u>\$ 5,511,533</u>	<u>\$ 35,666</u>

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**CITY OF LOMA LINDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Debt Service Funds		Total Debt Service Funds	Total Nonmajor Governmental Funds
	Assessment District 72-1	Loma Linda Financing Authority		
<b>ASSETS</b>				
Cash and investments	\$ 64,106	\$ 38,767	\$ 138,379	\$ 16,961,906
Receivables:				
Accounts	-	-	-	2,082
Taxes	-	-	-	60,670
Interest	289	175	624	82,199
Due from other funds	-	-	-	1,043,161
Due from other governments	-	-	-	1,110,825
Prepaid items	-	-	-	5
<b>Total assets</b>	<u>\$ 64,395</u>	<u>\$ 38,942</u>	<u>\$ 139,003</u>	<u>\$ 19,260,848</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,539,759
Accrued liabilities	-	-	-	1,686
Due to other funds	-	-	-	1,076,683
Deposits payable	-	-	-	21,041
Unearned revenue	-	-	-	291,067
Advances from other funds	-	-	-	3,769
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,934,005</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	-	726,082
<b>Fund balance:</b>				
Non spendable:				
Prepaid items	-	-	-	5
Restricted for:				
Cultural and recreational	-	-	-	375,309
Public safety	-	-	-	735,937
Street improvements	-	-	-	13,853,335
Storm drains	-	-	-	847,125
Municipal facilities	-	-	-	165,984
Air quality management	-	-	-	27,763
Debt service	64,395	38,942	139,003	139,003
Low mod housing programs	-	-	-	200,562
Unassigned	-	-	-	(744,262)
<b>Total fund balances (deficit)</b>	<u>64,395</u>	<u>38,942</u>	<u>139,003</u>	<u>15,600,761</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 64,395</u>	<u>\$ 38,942</u>	<u>\$ 139,003</u>	<u>\$ 19,260,848</u>

**CITY OF LOMA LINDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2018**

	Special Revenue Funds			
	Traffic Safety	Gas Tax	CASp CERT & Training	Measure I
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 420,800
Intergovernmental	-	638,745	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	3,989
Fines and forfeitures	101,064	-	6,714	-
Miscellaneous	-	27,884	-	-
Developer fees	-	-	-	-
<b>Total revenues</b>	<u>101,064</u>	<u>666,629</u>	<u>6,714</u>	<u>424,789</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	-	-
Community development	-	-	671	-
Public works	-	-	-	-
Capital outlay	-	154,697	-	285,736
<b>Total expenditures</b>	<u>-</u>	<u>154,697</u>	<u>671</u>	<u>285,736</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>101,064</u>	<u>511,932</u>	<u>6,043</u>	<u>139,053</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(97,881)	(495,019)	-	-
<b>Total other financing sources (uses)</b>	<u>(97,881)</u>	<u>(495,019)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,183	16,913	6,043	139,053
<b>FUND BALANCE (Deficit):</b>				
Beginning of year, as restated	12,889	-	-	265,302
End of year	<u>\$ 16,072</u>	<u>\$ 16,913</u>	<u>\$ 6,043</u>	<u>\$ 404,355</u>



(Continued)

Special Revenue Funds					
Measure I MSART	Street Lighting District	Landscape Maintenance District	Air Quality Management District	Public Improvement Per MOU	Asset Forfeiture
\$ 265,111	\$ 343,645	\$ 393,443	\$ -	\$ -	\$ -
-	-	-	31,330	-	-
-	2,119	572	508	842	-
-	-	-	-	-	-
-	230	90	-	-	-
-	-	-	-	-	-
<u>265,111</u>	<u>345,994</u>	<u>394,105</u>	<u>31,838</u>	<u>842</u>	<u>-</u>
-	-	-	31,526	-	-
-	-	474,481	-	-	-
-	325,276	-	-	-	-
<u>988,518</u>	<u>284</u>	<u>280</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
<u>988,518</u>	<u>325,560</u>	<u>474,761</u>	<u>51,526</u>	<u>-</u>	<u>-</u>
<u>(723,407)</u>	<u>20,434</u>	<u>(80,656)</u>	<u>(19,688)</u>	<u>842</u>	<u>-</u>
-	-	55,000	-	-	-
-	(84)	(84)	-	-	-
-	<u>(84)</u>	<u>54,916</u>	<u>-</u>	<u>-</u>	<u>-</u>
(723,407)	20,350	(25,740)	(19,688)	842	-
-	151,840	67,029	47,451	61,098	2
<u>\$ (723,407)</u>	<u>\$ 172,190</u>	<u>\$ 41,289</u>	<u>\$ 27,763</u>	<u>\$ 61,940</u>	<u>\$ 2</u>

**CITY OF LOMA LINDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2018**

	Special Revenue Funds			
	Community Development	Grant Fund	Citizens Option for Public Safety Fund	Regional Traffic Development Impact Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	98,600	-	79,270	-
Charges for services	-	-	-	-
Use of money and property	689	-	4,295	90,717
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	52,481
Developer fees	-	-	-	177,875
<b>Total revenues</b>	<u>99,289</u>	<u>-</u>	<u>83,565</u>	<u>321,073</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	2,761	-
Community development	-	-	-	-
Public works	20,000	-	-	-
Capital outlay	-	-	-	349,111
<b>Total expenditures</b>	<u>20,000</u>	<u>-</u>	<u>2,761</u>	<u>349,111</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>79,289</u>	<u>-</u>	<u>80,804</u>	<u>(28,038)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(99,098)	-	(80,804)	-
<b>Total other financing sources (uses)</b>	<u>(99,098)</u>	<u>-</u>	<u>(80,804)</u>	<u>-</u>
Net change in fund balances	(19,809)	-	-	(28,038)
<b>FUND BALANCE (Deficit):</b>				
Beginning of year, as restated	(1,046)	13,366	-	6,554,985
End of year	<u>\$ (20,855)</u>	<u>\$ 13,366</u>	<u>\$ -</u>	<u>\$ 6,526,947</u>

(Continued)

Special Revenue Funds			Capital Projects Funds		
Traffic Congestion Relief Fund	Development Agreement Consideration	Total Special Revenue Funds	Storm Drain	Traffic Impact	Fire Facilities
\$ -	\$ -	\$ 1,422,999	\$ -	\$ -	\$ -
-	-	847,945	-	-	-
-	-	-	32,643	-	-
23	2,727	106,481	11,316	42,718	9,674
-	-	107,778	-	-	-
-	-	80,685	1,800	-	-
-	-	177,875	-	154,926	24,273
<u>23</u>	<u>2,727</u>	<u>2,743,763</u>	<u>45,759</u>	<u>197,644</u>	<u>33,947</u>
-	-	34,287	-	-	-
-	-	475,152	-	-	-
-	-	345,276	-	158,651	-
-	-	1,798,626	-	908,678	-
-	-	2,653,341	-	1,067,329	-
<u>23</u>	<u>2,727</u>	<u>90,422</u>	<u>45,759</u>	<u>(869,685)</u>	<u>33,947</u>
-	-	55,000	-	-	-
-	-	(772,970)	-	-	-
-	-	(717,970)	-	-	-
23	2,727	(627,548)	45,759	(869,685)	33,947
1,637	197,835	7,372,388	801,366	3,299,117	688,622
<u>\$ 1,660</u>	<u>\$ 200,562</u>	<u>\$ 6,744,840</u>	<u>\$ 847,125</u>	<u>\$ 2,429,432</u>	<u>\$ 722,569</u>

**CITY OF LOMA LINDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2018**

	Capital Projects Funds			
	General Facilities	Federal/State Construction	Public Meeting Facilities	Public Library Facilities
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	1,447	747	641	2,238
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Developer fees	14,549	-	30,519	-
<b>Total revenues</b>	<u>15,996</u>	<u>747</u>	<u>31,160</u>	<u>2,238</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	-	-
Community development	-	-	14,946	5,413
Public works	-	-	-	-
Capital outlay	-	-	-	23,754
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>14,946</u>	<u>29,167</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>15,996</u>	<u>747</u>	<u>16,214</u>	<u>(26,929)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	15,996	747	16,214	(26,929)
<b>FUND BALANCE (Deficit):</b>				
Beginning of year, as restated	97,148	54,149	36,626	162,922
End of year	<u>\$ 113,144</u>	<u>\$ 54,896</u>	<u>\$ 52,840</u>	<u>\$ 135,993</u>

(Continued)

Capital Projects Funds		Total Capital Projects Funds	Debt Service Fund	
Art in Public Places	Capital Project Bond Proceeds		Water Bond Redemption Fund	
\$ -	\$ -	\$ -	\$ -	
-	-	-	-	
-	-	-	-	
3,104	61,184	69,361	485	
-	-	-	-	
-	22,199	22,199	-	
28,206	-	73,274	-	
<u>31,310</u>	<u>83,383</u>	<u>164,834</u>	<u>485</u>	
-	-	-	-	
-	-	20,359	-	
-	-	-	-	
-	-	23,754	-	
<u>-</u>	<u>-</u>	<u>44,113</u>	<u>-</u>	
<u>31,310</u>	<u>83,383</u>	<u>120,721</u>	<u>485</u>	
-	-	-	-	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
31,310	83,383	120,721	485	
208,006	4,038,220	4,597,071	35,181	
<u>\$ 239,316</u>	<u>\$ 4,121,603</u>	<u>\$ 4,717,792</u>	<u>\$ 35,666</u>	

**CITY OF LOMA LINDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2018**

	Debt Service Funds		Total Debt Service Funds	Total Nonmajor Governmental Funds
	Assessment District 72-1	Loma Linda Financing Authority		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 1,422,999
Intergovernmental	-	-	-	847,945
Charges for services	-	-	-	32,643
Use of money and property	876	530	1,891	241,441
Fines and forfeitures	-	-	-	107,778
Miscellaneous	-	-	-	104,684
Developer fees	-	-	-	430,348
<b>Total revenues</b>	<u>876</u>	<u>530</u>	<u>1,891</u>	<u>3,187,838</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	-	34,287
Community development	-	-	-	495,511
Public works	-	-	-	503,927
Capital outlay	-	-	-	2,731,058
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,764,783</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>876</u>	<u>530</u>	<u>1,891</u>	<u>(576,945)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	55,000
Transfers out	-	-	-	(772,970)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(717,970)</u>
Net change in fund balances	876	530	1,891	(1,294,915)
<b>FUND BALANCE (Deficit):</b>				
Beginning of year, as restated	63,519	38,412	137,112	16,895,676
End of year	<u>\$ 64,395</u>	<u>\$ 38,942</u>	<u>\$ 139,003</u>	<u>\$ 15,600,761</u>

**NONMAJOR GOVERNMENTAL BUDGETARY  
COMPARISON SCHEDULES**

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**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Traffic Safety**  
**For the year ended June 30, 2018**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 110,000	\$ 110,000	\$ 101,064	\$ (8,936)
<b>Total revenues</b>	<u>110,000</u>	<u>110,000</u>	<u>101,064</u>	<u>(8,936)</u>
 <b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>110,000</u>	<u>110,000</u>	<u>101,064</u>	<u>(8,936)</u>
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(110,000)	(110,000)	(97,881)	12,119
<b>Total other financing sources (uses)</b>	<u>(110,000)</u>	<u>(110,000)</u>	<u>(97,881)</u>	<u>12,119</u>
 <b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>3,183</u>	<u>3,183</u>
 <b>FUND BALANCE</b>				
Beginning of year	12,889	12,889	12,889	-
End of year	<u>\$ 12,889</u>	<u>\$ 12,889</u>	<u>\$ 16,072</u>	<u>\$ 3,183</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Gas Tax**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 523,300	\$ 1,056,013	\$ 638,745	\$ (417,268)
Miscellaneous	-	27,900	27,884	(16)
<b>Total revenues</b>	<u>523,300</u>	<u>1,083,913</u>	<u>666,629</u>	<u>(417,284)</u>
<b>EXPENDITURES</b>				
Capital outlay	-	565,313	154,697	410,616
<b>Total expenditures</b>	<u>-</u>	<u>565,313</u>	<u>154,697</u>	<u>410,616</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>523,300</u>	<u>518,600</u>	<u>511,932</u>	<u>(6,668)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(523,300)	(518,600)	(495,019)	23,581
<b>Total other financing sources (uses)</b>	<u>(523,300)</u>	<u>(518,600)</u>	<u>(495,019)</u>	<u>23,581</u>
<b>Net change in fund balance</b>	-	-	16,913	16,913
<b>FUND BALANCE</b>				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,913</u>	<u>\$ 16,913</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**CASp CERT & Training**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ 6,000	\$ 6,714	\$ 714
<b>Total revenues</b>	<u>-</u>	<u>6,000</u>	<u>6,714</u>	<u>714</u>
<b>EXPENDITURES</b>				
Current:				
Community development	-	-	671	(671)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>671</u>	<u>(671)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>6,000</u>	<u>6,043</u>	<u>43</u>
<b>Net change in fund balance</b>	-	6,000	6,043	43
<b>FUND BALANCE</b>				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 6,043</u>	<u>\$ 43</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Measure I**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 388,200	\$ 388,200	\$ 420,800	\$ 32,600
Use of money and property	1,000	3,200	3,989	789
<b>Total revenues</b>	<u>389,200</u>	<u>391,400</u>	<u>424,789</u>	<u>33,389</u>
<b>EXPENDITURES</b>				
Capital outlay	490,000	490,000	285,736	204,264
<b>Total expenditures</b>	<u>490,000</u>	<u>490,000</u>	<u>285,736</u>	<u>204,264</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(100,800)</u>	<u>(98,600)</u>	<u>139,053</u>	<u>237,653</u>
<b>Net change in fund balance</b>	(100,800)	(98,600)	139,053	237,653
<b>FUND BALANCE</b>				
Beginning of year	265,302	265,302	265,302	-
End of year	<u>\$ 164,502</u>	<u>\$ 166,702</u>	<u>\$ 404,355</u>	<u>\$ 237,653</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Street Lighting District**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 353,000	\$ 354,000	\$ 343,645	\$ (10,355)
Use of money and property	500	1,000	2,119	1,119
Miscellaneous	-	-	230	230
<b>Total revenues</b>	<b>353,500</b>	<b>355,000</b>	<b>345,994</b>	<b>(9,006)</b>
<b>EXPENDITURES</b>				
Current:				
Public works	342,600	347,500	325,276	22,224
Capital outlay	300	500	284	216
<b>Total expenditures</b>	<b>342,900</b>	<b>348,000</b>	<b>325,560</b>	<b>22,440</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>10,600</b>	<b>7,000</b>	<b>20,434</b>	<b>13,434</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(84)	(84)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(84)</b>	<b>(84)</b>
<b>Net change in fund balance</b>	<b>10,600</b>	<b>7,000</b>	<b>20,350</b>	<b>13,350</b>
<b>FUND BALANCE</b>				
Beginning of year	151,840	151,840	151,840	-
End of year	<u>\$ 162,440</u>	<u>\$ 158,840</u>	<u>\$ 172,190</u>	<u>\$ 13,350</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Landscape Maintenance District**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 400,000	\$ 400,000	\$ 393,443	\$ (6,557)
Use of money and property	-	-	572	572
Miscellaneous	-	-	90	90
<b>Total revenues</b>	<u>400,000</u>	<u>400,000</u>	<u>394,105</u>	<u>(5,895)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	453,700	462,300	474,481	(12,181)
Capital outlay	300	500	280	220
<b>Total expenditures</b>	<u>454,000</u>	<u>462,800</u>	<u>474,761</u>	<u>(11,961)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(54,000)</u>	<u>(62,800)</u>	<u>(80,656)</u>	<u>(17,856)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	55,000	55,000	55,000	-
Transfers out	-	-	(84)	(84)
<b>Total other financing sources (uses)</b>	<u>55,000</u>	<u>55,000</u>	<u>54,916</u>	<u>(84)</u>
<b>Net change in fund balance</b>	1,000	(7,800)	(25,740)	(17,940)
<b>FUND BALANCE</b>				
Beginning of year	<u>67,029</u>	<u>67,029</u>	<u>67,029</u>	-
End of year	<u>\$ 68,029</u>	<u>\$ 59,229</u>	<u>\$ 41,289</u>	<u>\$ (17,940)</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Air Quality Management District**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 30,500	\$ 30,500	\$ 31,330	\$ 830
Use of money and property	300	300	508	208
<b>Total revenues</b>	<u>30,800</u>	<u>30,800</u>	<u>31,838</u>	<u>1,038</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	32,500	32,900	31,526	1,374
Capital outlay	-	20,000	20,000	-
<b>Total expenditures</b>	<u>32,500</u>	<u>52,900</u>	<u>51,526</u>	<u>1,374</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,700)</u>	<u>(22,100)</u>	<u>(19,688)</u>	<u>2,412</u>
<b>Net change in fund balance</b>	(1,700)	(22,100)	(19,688)	2,412
<b>FUND BALANCE</b>				
Beginning of year	<u>47,451</u>	<u>47,451</u>	<u>47,451</u>	<u>-</u>
End of year	<u>\$ 45,751</u>	<u>\$ 25,351</u>	<u>\$ 27,763</u>	<u>\$ 2,412</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Community Development**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 114,500	\$ 122,100	\$ 98,600	\$ (23,500)
Use of money and property	-	800	689	(111)
<b>Total revenues</b>	<u>114,500</u>	<u>122,900</u>	<u>99,289</u>	<u>(23,611)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	20,000	20,000	20,000	-
Capital outlay	94,500	102,100	-	102,100
<b>Total expenditures</b>	<u>114,500</u>	<u>122,100</u>	<u>20,000</u>	<u>102,100</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>800</u>	<u>79,289</u>	<u>78,489</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(99,098)	(99,098)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(99,098)</u>	<u>(99,098)</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>800</u>	<u>(19,809)</u>	<u>(20,609)</u>
<b>FUND BALANCE</b>				
Beginning of year	(1,046)	(1,046)	(1,046)	-
End of year	<u>\$ (1,046)</u>	<u>\$ (246)</u>	<u>\$ (20,855)</u>	<u>\$ (20,609)</u>



**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Citizen Option for Public Safety**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 85,700	\$ 85,700	\$ 79,270	\$ (6,430)
Use of money and property	1,200	1,200	4,295	3,095
<b>Total revenues</b>	<b>86,900</b>	<b>86,900</b>	<b>83,565</b>	<b>(3,335)</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	3,300	3,300	2,761	539
<b>Total expenditures</b>	<b>3,300</b>	<b>3,300</b>	<b>2,761</b>	<b>539</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>83,600</b>	<b>83,600</b>	<b>80,804</b>	<b>(2,796)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(82,900)	(82,900)	(80,804)	2,096
<b>Total other financing sources (uses)</b>	<b>(82,900)</b>	<b>(82,900)</b>	<b>(80,804)</b>	<b>2,096</b>
<b>Net change in fund balance</b>	<b>700</b>	<b>700</b>	<b>-</b>	<b>(700)</b>
<b>FUND BALANCE</b>				
Beginning of year	-	-	-	-
End of year	\$ 700	\$ 700	\$ -	\$ (700)

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Regional Traffic Development Impact**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 38,000	\$ 74,000	\$ 90,717	\$ 16,717
Miscellaneous	-	-	52,481	52,481
Developer fees	888,100	317,700	177,875	(139,825)
<b>Total revenues</b>	<u>926,100</u>	<u>391,700</u>	<u>321,073</u>	<u>(70,627)</u>
<b>EXPENDITURES</b>				
Capital outlay	525,000	525,000	349,111	175,889
<b>Total expenditures</b>	<u>525,000</u>	<u>525,000</u>	<u>349,111</u>	<u>175,889</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>401,100</u>	<u>(133,300)</u>	<u>(28,038)</u>	<u>105,262</u>
<b>Net change in fund balance</b>	401,100	(133,300)	(28,038)	105,262
<b>FUND BALANCE</b>				
Beginning of year	6,554,985	6,554,985	6,554,985	-
End of year	<u>\$ 6,956,085</u>	<u>\$ 6,421,685</u>	<u>\$ 6,526,947</u>	<u>\$ 105,262</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Development Agreement Consideration**  
**For the year ended June 30, 2018**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 1,200	\$ 1,200	\$ 2,727	\$ 1,527
<b>Total revenues</b>	<u>1,200</u>	<u>1,200</u>	<u>2,727</u>	<u>1,527</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
<b>Total expenditures</b>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(18,800)</u>	<u>(18,800)</u>	<u>2,727</u>	<u>21,527</u>
<b>Net change in fund balance</b>	(18,800)	(18,800)	2,727	21,527
<b>FUND BALANCE</b>				
Beginning of year	<u>197,835</u>	<u>197,835</u>	<u>197,835</u>	<u>-</u>
End of year	<u>\$ 179,035</u>	<u>\$ 179,035</u>	<u>\$ 200,562</u>	<u>\$ 21,527</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Storm Drain**  
**For the year ended June 30, 2018**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 126,800	\$ 34,900	\$ 32,643	\$ (2,257)
Use of money and property	1,800	8,000	11,316	3,316
Miscellaneous	-	-	1,800	1,800
<b>Total revenues</b>	<u>128,600</u>	<u>42,900</u>	<u>45,759</u>	<u>2,859</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>128,600</u>	<u>42,900</u>	<u>45,759</u>	<u>2,859</u>
<b>Net change in fund balance</b>	128,600	42,900	45,759	2,859
<b>FUND BALANCE</b>				
Beginning of year	<u>801,366</u>	<u>801,366</u>	<u>801,366</u>	<u>-</u>
End of year	<u>\$ 929,966</u>	<u>\$ 844,266</u>	<u>\$ 847,125</u>	<u>\$ 2,859</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Traffic Impact**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	-	550,500	-	(550,500)
Use of money and property	\$ 21,000	\$ 36,000	\$ 42,718	\$ 6,718
Developer fees	391,500	126,800	154,926	28,126
<b>Total revenues</b>	<u>412,500</u>	<u>713,300</u>	<u>197,644</u>	<u>(515,656)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	78,000	351,000	158,651	192,349
Capital outlay	400,000	1,800,000	908,678	891,322
<b>Total expenditures</b>	<u>478,000</u>	<u>2,151,000</u>	<u>1,067,329</u>	<u>1,083,671</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(65,500)</u>	<u>(1,437,700)</u>	<u>(869,685)</u>	<u>568,015</u>
<b>Net change in fund balance</b>	(65,500)	(1,437,700)	(869,685)	568,015
<b>FUND BALANCE</b>				
Beginning of year	<u>3,299,117</u>	<u>3,299,117</u>	<u>3,299,117</u>	<u>-</u>
End of year	<u>\$ 3,233,617</u>	<u>\$ 1,861,417</u>	<u>\$ 2,429,432</u>	<u>\$ 568,015</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Fire Facilities**  
**For the year ended June 30, 2018**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 4,000	\$ 7,800	\$ 9,674	\$ 1,874
Developer fees	172,700	30,000	24,273	(5,727)
<b>Total revenues</b>	<u>176,700</u>	<u>37,800</u>	<u>33,947</u>	<u>(3,853)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>176,700</u>	<u>37,800</u>	<u>33,947</u>	<u>(3,853)</u>
<b>Net change in fund balance</b>	176,700	37,800	33,947	(3,853)
<b>FUND BALANCE</b>				
Beginning of year	<u>688,622</u>	<u>688,622</u>	<u>688,622</u>	<u>-</u>
End of year	<u>\$ 865,322</u>	<u>\$ 726,422</u>	<u>\$ 722,569</u>	<u>\$ (3,853)</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**General Facilities**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 600	\$ 1,000	\$ 1,447	\$ 447
Developer fees	109,500	38,700	14,549	(24,151)
<b>Total revenues</b>	<b>110,100</b>	<b>39,700</b>	<b>15,996</b>	<b>(23,704)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>110,100</b>	<b>39,700</b>	<b>15,996</b>	<b>(23,704)</b>
<b>Net change in fund balance</b>	<b>110,100</b>	<b>39,700</b>	<b>15,996</b>	<b>(23,704)</b>
<b>FUND BALANCE</b>				
Beginning of year	97,148	97,148	97,148	-
End of year	<u>\$ 207,248</u>	<u>\$ 136,848</u>	<u>\$ 113,144</u>	<u>\$ (23,704)</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Public Meeting Facilities**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 600	\$ 600	\$ 641	\$ 41
Developer fees	189,300	27,600	30,519	2,919
<b>Total revenues</b>	<b>189,900</b>	<b>28,200</b>	<b>31,160</b>	<b>2,960</b>
<b>EXPENDITURES</b>				
Current:				
Community development	-	-	14,946	(14,946)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>14,946</b>	<b>(14,946)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>189,900</b>	<b>28,200</b>	<b>16,214</b>	<b>(11,986)</b>
<b>Net change in fund balance</b>	<b>189,900</b>	<b>28,200</b>	<b>16,214</b>	<b>(11,986)</b>
<b>FUND BALANCE</b>				
Beginning of year	36,626	36,626	36,626	-
End of year	<u>\$ 226,526</u>	<u>\$ 64,826</u>	<u>\$ 52,840</u>	<u>\$ (11,986)</u>



**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Public Library Facilities**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 1,000	\$ 1,000	\$ 2,238	\$ 1,238
Developer fees	2,100	2,100	-	(2,100)
<b>Total revenues</b>	<b>3,100</b>	<b>3,100</b>	<b>2,238</b>	<b>(862)</b>
<b>EXPENDITURES</b>				
Current:				
Community development	11,700	11,700	5,413	6,287
Capital outlay	60,000	60,000	23,754	36,246
<b>Total expenditures</b>	<b>71,700</b>	<b>71,700</b>	<b>29,167</b>	<b>42,533</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(68,600)</b>	<b>(68,600)</b>	<b>(26,929)</b>	<b>41,671</b>
<b>Net change in fund balance</b>	<b>(68,600)</b>	<b>(68,600)</b>	<b>(26,929)</b>	<b>41,671</b>
<b>FUND BALANCE</b>				
Beginning of year	162,922	162,922	162,922	-
End of year	<u>\$ 94,322</u>	<u>\$ 94,322</u>	<u>\$ 135,993</u>	<u>\$ 41,671</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Art in Public Places**  
**For the year ended June 30, 2018**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 1,100	\$ 2,100	\$ 3,104	\$ 1,004
Developer fees	177,600	50,400	28,206	(22,194)
<b>Total revenues</b>	<u>178,700</u>	<u>52,500</u>	<u>31,310</u>	<u>(21,190)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>178,700</u>	<u>52,500</u>	<u>31,310</u>	<u>(21,190)</u>
<b>Net change in fund balance</b>	178,700	52,500	31,310	(21,190)
<b>FUND BALANCE</b>				
Beginning of year	<u>208,006</u>	<u>208,006</u>	<u>208,006</u>	<u>-</u>
End of year	<u>\$ 386,706</u>	<u>\$ 260,506</u>	<u>\$ 239,316</u>	<u>\$ (21,190)</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Capital Projects Bond Proceeds**  
**For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 20,000	\$ 45,300	\$ 61,184	\$ 15,884
Miscellaneous	-	2,700	22,199	19,499
<b>Total revenues</b>	<u>20,000</u>	<u>48,000</u>	<u>83,383</u>	<u>35,383</u>
<b>EXPENDITURES</b>				
Capital outlay	500,000	2,797,500	-	2,797,500
<b>Total expenditures</b>	<u>500,000</u>	<u>2,797,500</u>	<u>-</u>	<u>2,797,500</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(480,000)</u>	<u>(2,749,500)</u>	<u>83,383</u>	<u>2,832,883</u>
<b>Net change in fund balance</b>	(480,000)	(2,749,500)	83,383	2,832,883
<b>FUND BALANCE</b>				
Beginning of year	4,038,220	4,038,220	4,038,220	-
End of year	<u>\$ 3,558,220</u>	<u>\$ 1,288,720</u>	<u>\$ 4,121,603</u>	<u>\$ 2,832,883</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Water Bond Redemption**  
**For the year ended June 30, 2018**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 200	\$ 200	\$ 485	\$ 285
<b>Total revenues</b>	<u>200</u>	<u>200</u>	<u>485</u>	<u>285</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>200</u>	<u>200</u>	<u>485</u>	<u>285</u>
<b>Net change in fund balance</b>	200	200	485	285
<b>FUND BALANCE</b>				
Beginning of year	<u>35,181</u>	<u>35,181</u>	<u>35,181</u>	<u>-</u>
End of year	<u>\$ 35,381</u>	<u>\$ 35,381</u>	<u>\$ 35,666</u>	<u>\$ 285</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Assessment District 72-1**  
**For the year ended June 30, 2018**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 300	\$ 300	\$ 876	\$ 576
<b>Total revenues</b>	<u>300</u>	<u>300</u>	<u>876</u>	<u>576</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>300</u>	<u>300</u>	<u>876</u>	<u>576</u>
<b>Net change in fund balance</b>	300	300	876	576
<b>FUND BALANCE</b>				
Beginning of year	<u>63,519</u>	<u>63,519</u>	<u>63,519</u>	<u>-</u>
End of year	<u>\$ 63,819</u>	<u>\$ 63,819</u>	<u>\$ 64,395</u>	<u>\$ 576</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Loma Linda Financing Authority**  
**For the year ended June 30, 2018**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 400	\$ 530	\$ 130
<b>Total revenues</b>	-	400	530	130
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	400	530	130
<b>Net change in fund balance</b>	-	400	530	130
<b>FUND BALANCE</b>				
Beginning of year	38,412	38,412	38,412	-
End of year	\$ 38,412	\$ 38,812	\$ 38,942	\$ 130

**FIDUCIARY FUNDS  
AGENCY FUNDS COMBINING SCHEDULE**

**CITY OF LOMA LINDA**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2018**

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**Agency Funds** include Association Fire Equipment Fund and Customer Deposits Fund.

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<b><u>Association Fire Equipment Fund</u></b>				
<b>Assets</b>				
Cash and investments	\$ 3	\$ 7,216	\$ 4,802	\$ 2,417
<b>Total assets</b>	<b>\$ 3</b>	<b>\$ 7,216</b>	<b>\$ 4,802</b>	<b>\$ 2,417</b>
<b>Liabilities</b>				
Accounts payable	\$ 3	\$ 12,240	\$ 9,826	2,417
<b>Total liabilities</b>	<b>\$ 3</b>	<b>\$ 12,240</b>	<b>\$ 9,826</b>	<b>\$ 2,417</b>
<b><u>Customer Deposits Fund</u></b>				
<b>Assets</b>				
Cash and investments	\$ 87,792	\$ 54,540	\$ 53,437	\$ 88,895
<b>Total assets</b>	<b>\$ 87,792</b>	<b>\$ 54,540</b>	<b>\$ 53,437</b>	<b>\$ 88,895</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 600	\$ 600	\$ -
Deposits payable	87,792	54,580	53,477	88,895
<b>Total liabilities</b>	<b>\$ 87,792</b>	<b>\$ 55,180</b>	<b>\$ 54,077</b>	<b>\$ 88,895</b>
<b><u>Total - All Agency Funds</u></b>				
<b>Assets</b>				
Cash and investments	\$ 87,795	\$ 61,756	\$ 58,239	\$ 91,312
<b>Total assets</b>	<b>\$ 87,795</b>	<b>\$ 61,756</b>	<b>\$ 58,239</b>	<b>\$ 91,312</b>
<b>Liabilities</b>				
Accounts payable	\$ 3	\$ 12,840	\$ 10,426	\$ 2,417
Deposits payable	87,792	54,580	53,477	88,895
<b>Total liabilities</b>	<b>\$ 87,795</b>	<b>\$ 67,420</b>	<b>\$ 63,903</b>	<b>\$ 91,312</b>



## **STATISTICAL SECTION**

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# STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
<i>Financial Trends</i>	142
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	148
These schedules contain information to help the reader assess the city's most significant local revenue source, the sales tax and supplemented by property tax.	
<i>Debt Capacity</i>	161
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
<i>Demographic and Economic Information</i>	167
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	
<i>Operating Information</i>	170
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	

**CITY OF LOMA LINDA**  
**Net Position by Component**  
**Last Ten (10) Fiscal Years**  
**(accrual basis of accounting)**

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities				
Net investment in capital assets	\$ 16,968,226	\$ 18,709,538	\$ 18,369,944	\$ 49,487,378
Restricted	19,130,521	16,885,933	23,907,544	28,038,083
Unrestricted	25,652,784	26,978,589	20,904,231	4,777,504
Total governmental activities net position	<u>\$ 61,751,531</u>	<u>\$ 62,574,060</u>	<u>\$ 63,181,719</u>	<u>\$ 82,302,965</u>
Business-type activities				
Net investment in capital assets	\$ 24,955,400	\$ 23,804,734	\$ 23,350,947	\$ 23,001,645
Restricted	45,458	40,839	40,839	40,839
Unrestricted	378,488	988,991	389,888	(8,290,772)
Total business-type activities net position	<u>\$ 25,379,346</u>	<u>\$ 24,834,564</u>	<u>\$ 23,781,674</u>	<u>\$ 14,751,712</u>
Primary government				
Net investment in capital assets	\$ 41,923,626	\$ 42,514,272	\$ 41,720,891	\$ 72,489,023
Restricted	19,175,979	16,926,772	23,948,383	28,078,922
Unrestricted	26,031,272	27,967,580	21,294,119	(3,513,268)
Total primary government net position	<u>\$ 87,130,877</u>	<u>\$ 87,408,624</u>	<u>\$ 86,963,393</u>	<u>\$ 97,054,677</u>

Source: City of Loma Linda Finance Department

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 49,923,947	\$ 53,642,388	\$ 55,885,140	\$ 54,701,694	\$ 54,669,551	\$ 53,645,346
29,617,713	29,305,083	27,181,403	41,158,883	34,485,551	40,009,123
814,941	2,258,815	(6,245,613)	10,216,095	15,832,986	11,961,248
<u>\$ 80,356,601</u>	<u>\$ 85,206,286</u>	<u>\$ 76,820,930</u>	<u>\$ 106,076,672</u>	<u>\$ 104,988,088</u>	<u>\$ 105,615,717</u>
\$ 39,756,680	\$ 38,186,940	\$ 37,347,912	\$ 36,315,946	\$ 35,575,964	\$ 35,053,848
40,839	40,839	40,840	41,054	760,313	684,561
(9,127,686)	(9,816,996)	(13,846,636)	(6,145,456)	(7,140,329)	(7,304,285)
<u>\$ 30,669,833</u>	<u>\$ 28,410,783</u>	<u>\$ 23,542,116</u>	<u>\$ 30,211,544</u>	<u>\$ 29,195,948</u>	<u>\$ 28,434,124</u>
\$ 89,680,627	\$ 91,829,328	\$ 93,233,052	\$ 91,017,640	\$ 90,245,515	\$ 88,699,194
29,658,552	29,345,922	27,222,243	41,199,937	35,245,864	40,693,684
(8,312,745)	(7,558,181)	(20,092,249)	4,070,639	8,692,657	4,656,963
<u>\$ 111,026,434</u>	<u>\$ 113,617,069</u>	<u>\$ 100,363,046</u>	<u>\$ 136,288,216</u>	<u>\$ 134,184,036</u>	<u>\$ 134,049,841</u>

**CITY OF LOMA LINDA**  
**Changes in Net Position**  
**Last Ten (10) Fiscal Years**  
**(accrual basis of accounting)**

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 5,512,029	\$ 7,461,716	\$ 5,336,891	\$ 3,371,844
Public safety	8,591,174	8,440,270	8,541,168	9,042,727
Community development	3,544,732	1,742,926	3,762,903	2,007,651
Public works	5,979,986	5,255,534	5,743,794	4,156,836
Interest on long-term debt	3,135,872	3,985,993	3,905,417	1,474,252
Total governmental activities expenses	<u>26,763,793</u>	<u>26,886,439</u>	<u>27,290,173</u>	<u>20,053,310</u>
Business-type activities:				
Water acquisition	302,374	118,725	208,277	221,075
Water enterprise	5,530,470	4,924,009	4,984,606	5,474,845
Sewer capital	3,256,407	3,383,138	3,724,961	3,969,359
Loma Linda Connected Communities	1,515,573	1,358,470	1,263,763	1,046,444
Total business-type activities expenses	<u>10,604,824</u>	<u>9,784,342</u>	<u>10,181,607</u>	<u>10,711,723</u>
Total primary government expenses	<u>\$ 37,368,617</u>	<u>\$ 36,670,781</u>	<u>\$ 37,471,780</u>	<u>\$ 30,765,033</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General Government	\$ 2,342,942	\$ 2,121,447	\$ 2,286,843	\$ 2,181,892
Public Safety	854,242	814,147	739,729	611,087
Community development	1,692,862	1,428,685	767,424	571,252
Public works	3,163,162	2,474,807	2,798,225	2,146,378
Operating contributions and grants	2,893,550	1,359,023	249,880	287,260
Capital contributions and grants	2,271,371	1,714,499	2,649,689	855,530
Total governmental activities program revenues	<u>13,218,129</u>	<u>9,912,608</u>	<u>9,491,790</u>	<u>6,653,399</u>
Business-type activities:				
Charges for services:				
Water acquisition	258,956	357,588	-	27,254
Water enterprise	4,165,368	4,429,351	4,551,954	4,721,866
Sewer capital	2,899,140	2,995,452	3,071,818	3,388,248
Loma Linda Connected Communities	279,430	279,829	287,402	275,905
Capital Grants and Contributions	292,384	36,887	372,616	185,000
Total business-type activities program revenues	<u>7,895,278</u>	<u>8,099,107</u>	<u>8,283,790</u>	<u>8,598,273</u>
Total primary government revenues	<u>\$ 21,113,407</u>	<u>\$ 18,011,715</u>	<u>\$ 17,775,580</u>	<u>\$ 15,251,672</u>
Net (expense)/revenue				
Governmental activities	\$ (13,545,664)	\$ (16,973,831)	\$ (17,798,383)	\$ (13,399,911)
Business-type activities	(2,709,546)	(1,685,235)	(1,897,817)	(2,113,450)
Total primary government net (expense)/revenue	<u>\$ (16,255,210)</u>	<u>\$ (18,659,066)</u>	<u>\$ (19,696,200)</u>	<u>\$ (15,513,361)</u>

Source: City of Loma Linda Finance Department

	2013	2014	2015	2016	2017	2018
\$	1,770,611	\$ 1,818,573	\$ 3,387,169	\$ 3,671,993	\$ 4,183,558	\$ 3,446,226
	8,747,342	8,430,753	8,772,658	9,304,542	11,026,804	12,531,692
	1,944,724	1,948,836	2,278,470	1,841,405	2,390,338	2,530,022
	4,488,436	5,451,342	3,948,235	4,676,124	4,411,533	6,231,901
	246,905	180,289	128,956	(12,257)	6,053	-
	<u>17,198,018</u>	<u>17,829,793</u>	<u>18,515,488</u>	<u>19,481,807</u>	<u>22,018,286</u>	<u>24,739,841</u>
	152,932	-	32,458	47,594	231,003	142,488
	6,113,936	6,414,771	6,529,987	5,697,329	5,956,326	6,581,432
	4,420,067	4,135,446	4,128,121	4,100,045	4,237,844	4,484,711
	981,448	923,887	1,183,177	1,118,342	1,056,877	1,082,358
	<u>11,668,383</u>	<u>11,474,104</u>	<u>11,873,743</u>	<u>10,963,310</u>	<u>11,482,050</u>	<u>12,290,989</u>
\$	<u>28,866,401</u>	<u>29,303,897</u>	<u>30,389,231</u>	<u>30,445,117</u>	<u>33,500,336</u>	<u>37,030,830</u>
\$	2,265,114	\$ 2,017,576	\$ 2,230,122	\$ 1,914,239	\$ 2,411,391	\$ 2,601,912
	601,899	566,346	576,908	982,772	2,072,189	2,542,110
	1,538,226	2,598,727	1,247,138	7,689,602	703,820	1,311,497
	1,728,971	1,729,660	1,523,530	1,329,226	1,318,224	1,561,965
	244,822	238,064	227,592	675,510	918,093	772,551
	1,633,410	5,425,257	1,276,451	1,321,811	349,723	151,081
	<u>8,012,442</u>	<u>12,575,630</u>	<u>7,081,741</u>	<u>13,913,160</u>	<u>7,773,440</u>	<u>8,941,116</u>
	132,044	60,113	249,351	506,018	124,489	392,278
	4,734,114	4,813,653	4,970,004	4,570,660	4,910,137	5,620,078
	3,592,431	3,457,741	3,843,936	3,853,476	4,187,465	4,675,647
	287,944	414,429	399,978	362,285	389,793	317,575
	<u>18,249,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	26,996,131	8,745,936	9,463,269	9,292,439	9,611,884	11,005,578
\$	<u>35,008,573</u>	<u>21,321,566</u>	<u>16,545,010</u>	<u>23,205,599</u>	<u>17,385,324</u>	<u>19,946,694</u>
\$	(9,185,576)	\$ (5,254,163)	\$ (11,433,747)	\$ (5,568,647)	\$ (14,244,846)	\$ (15,798,725)
	15,327,748	(2,728,168)	(2,410,474)	(1,670,871)	(1,870,166)	(1,285,411)
\$	<u>6,142,172</u>	<u>(7,982,331)</u>	<u>(13,844,221)</u>	<u>(7,239,518)</u>	<u>(16,115,012)</u>	<u>(17,084,136)</u>

**CITY OF LOMA LINDA**  
**Changes in Net Position**  
**Last Ten (10) Fiscal Years**  
**(accrual basis of accounting)(Continued)**

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>General Revenues and Other Changes in Net Position</b>				
Government activities:				
Taxes				
Property taxes	\$ 11,020,163	\$ 10,037,882	\$ 9,461,659	\$ 5,774,870
Sales taxes	3,487,985	3,105,936	3,681,608	4,040,073
Franchise tax	730,413	648,690	664,672	756,527
Other taxes	592,561	590,867	941,937	641,707
Motor vehicle in lieu	1,914,908	1,780,141	1,762,104	1,648,468
Intergovernmental				
Transfers	661	-	161,951	-
Total taxes and transfers	17,746,691	16,163,516	16,673,931	12,861,645
Investment income	1,934,823	1,525,652	1,672,572	936,266
Capital Contribution				
Miscellaneous	173,657	107,192	59,539	652,079
Gain (Loss) on sale of capital assets	-	-	-	-
Gain (Loss) on Land Held for Resale	-	-	-	-
Total governmental activities	19,855,171	17,796,360	18,406,042	14,449,990
Business-type activities:				
Investment income	594,823	607,164	545,228	12,986
Capital Contribution				
Miscellaneous	800,450	533,289	461,650	602,448
Transfers	(661)	-	(161,951)	-
Gain (Loss) on sale of capital assets	-	-	-	-
Total business-type activities	1,394,612	1,140,453	844,927	615,434
Total primary government	\$ 21,249,783	\$ 18,936,813	\$ 19,250,969	\$ 15,065,424
<b>Extraordinary Item/Special Item (Disolution of Redevelopment Agency)</b>				
Disolution of Redevelopment Agency				
Governmental activities	\$ -	\$ -	\$ -	\$ 18,071,167
Business-type activities	-	-	-	(7,531,946)
Total primary government	\$ -	\$ -	\$ -	\$ 10,539,221
<b>Change in Net Position</b>				
Governmental activities	\$ 6,309,507	\$ 822,529	\$ 607,659	\$ 19,121,246
Business-type activities	(1,314,934)	(544,782)	(1,052,890)	(9,029,962)
Total primary government	\$ 4,994,573	\$ 277,747	\$ (445,231)	\$ 10,091,284

Source: City of Loma Linda Finance Department



	2013	2014	2015	2016	2017	2018
\$	2,205,347	\$ 2,391,993	\$ 2,424,066	\$ 2,119,528	\$ 2,193,323	\$ 2,489,895
	3,864,216	3,733,160	5,721,938	7,575,743	6,692,095	8,692,611
	778,424	811,238	848,712	852,859	886,502	960,660
	734,611	871,103	831,258	1,065,353	1,116,979	882,677
	1,661,319	1,688,439	-	-	-	-
	-	213,852	2,205,319	1,258,590	1,987,145	2,197,430
	-	-	-	-	(290,619)	(84,916)
	<u>9,243,917</u>	<u>9,709,785</u>	<u>12,031,293</u>	<u>12,872,073</u>	<u>12,585,425</u>	<u>15,138,357</u>
	208,226	227,033	503,598	610,671	487,762	970,488
		89,413	-	-	-	-
	60,069	139,192	36,389	26,759	8,523	210,983
	-	-	-	-	74,552	426,863
	-	-	-	-	-	-
	<u>9,512,212</u>	<u>10,165,423</u>	<u>12,571,280</u>	<u>13,509,503</u>	<u>13,156,262</u>	<u>16,746,691</u>
	11,789	8,608	7,932	128,012	86,522	167,515
		(89,413)	-	-	-	-
	578,584	589,923	650,590	680,341	477,429	458,106
	-	-	-	-	290,619	84,916
	-	-	-	-	-	20,062
	<u>590,373</u>	<u>509,118</u>	<u>658,522</u>	<u>808,353</u>	<u>854,570</u>	<u>730,599</u>
\$	<u>10,102,585</u>	<u>10,674,541</u>	<u>13,229,802</u>	<u>14,317,856</u>	<u>14,010,832</u>	<u>17,477,290</u>
\$	-	\$ -	\$ -	\$ 21,314,886	\$ -	\$ -
	-	-	-	7,531,946	-	-
\$	-	\$ -	\$ -	<u>28,846,832</u>	\$ -	\$ -
\$	326,636	\$ 4,911,260	\$ 1,137,533	\$ 29,255,742	\$ (1,088,584)	\$ 947,966
	15,918,121	(2,219,050)	(1,751,952)	6,669,428	(1,015,596)	(554,812)
\$	<u>16,244,757</u>	<u>2,692,210</u>	<u>(614,419)</u>	<u>35,925,170</u>	<u>(2,104,180)</u>	<u>393,154</u>

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**CITY OF LOMA LINDA**  
**Governmental Activities Tax and Assessments Revenues by Source**  
**Last Ten (10) Fiscal Years**  
**(modified accrual basis of accounting)**

Fiscal Year	Sales & Use Tax	Property Taxes	Franchise Fees	Transfer Tax	Transient Tax	Business License	Misc. Taxes	Assessments	Total
2009	\$ 3,773,847	\$ 10,327,373	\$ 730,413	\$ 79,266	\$ 69,879	\$ 287,370	\$ 8,280	\$ 805,642	\$ 16,082,070
2010	3,348,460	9,433,706	648,690	39,368	58,933	261,340	8,649	817,654	14,616,800
2011	3,988,042	9,043,574	664,672	37,615	57,274	298,108	9,469	747,374	14,846,128
2012	4,382,549	5,190,613	756,527	31,919	52,938	236,453	9,841	727,518	11,388,358
2013	4,203,905	1,420,706	778,424	42,622	33,676	349,911	11,335	742,019	7,582,598
2014	4,083,824	3,294,218	811,238	40,926	39,262	368,358	25,236	735,329	9,398,391
2015	6,097,691	3,432,704	848,712	47,546	49,442	390,291	25,449	732,770	11,624,605
2016	7,967,387	3,155,172	852,859	98,258	271,443	385,533	26,316	732,970	13,489,938
2017	7,105,414	3,390,512	886,501	39,340	347,981	345,257	21,463	739,575	12,876,043
2018	7,969,204	3,866,981	960,660	70,346	464,980	406,853	23,755	737,087	14,499,866

Includes General, Special Revenue, Debt Service and Capital Projects Funds.  
Source: City of Loma Linda Finance Department

**CITY OF LOMA LINDA**  
**Fund Balances of Governmental Funds**  
**Last Ten (10) Fiscal Years**  
**(modified accrual basis of accounting)**

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General fund				
Reserved	\$ 852,770	\$ 387,155	\$ -	\$ -
Unreserved	7,196,063	7,456,030	-	-
Non Spendable:				
Inventories	-	-	21,879	22,355
Prepaid items	-	-	328,518	432,648
Restricted for:				
State Mandated	-	-	-	-
Public Safety	-	-	-	-
General government	-	-	5,317	5,317
Committed for:				
Emergency contingency	-	-	3,500,000	3,500,000
Assigned for:				
Disaster recovery - Federal/State reimbursements	-	-	426,308	-
Refuse services	-	-	242,106	83,658
Fire equipment replacement	-	-	67,419	70,779
Capital equipment replacement	-	-	1,250,000	1,250,000
Unfunded liabilities	-	-	-	-
Unassigned	-	-	2,803,075	3,703,420
Total general fund	<u>\$ 8,048,833</u>	<u>\$ 7,843,185</u>	<u>\$ 8,644,622</u>	<u>\$ 9,068,177</u>
All other governmental funds				
Reserved	\$ 40,390,640	\$ 39,678,336	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	2,596,448	1,574,735	-	-
Debt service funds	(12,371,088)	(17,758,767)	-	-
Capital project funds	9,032,230	9,298,902	-	-
Undesignated	-	-	-	-
Non Spendable:				
Prepaid items	-	-	82,884	9,913
Sewer capacity rights	-	-	79,862	-
Restricted for:				
Cultural and recreational	-	-	669,281	362,256
Public safety	-	-	267,955	337,819
Street improvements	-	-	5,938,787	5,736,844
Storm drains	-	-	763,498	740,443
Municipal facilities	-	-	447,301	273,249
Public works projects	-	-	217,694	-
Landscape Maintenance District	-	-	43,328	-
Air quality management	-	-	55,169	66,244
Development projects	-	-	6,381,957	-
General government	-	-	4,626,779	1,563,163
Debt service	-	-	4,523,861	1,220,343
Low/mod hosing programs	-	-	30,804,510	17,873,700
Unassigned	-	-	(11,943,938)	(3,277,365)
Total all other governmental funds	<u>\$ 39,648,230</u>	<u>\$ 32,793,206</u>	<u>\$ 42,958,928</u>	<u>\$ 24,906,609</u>

Source: City of Loma Linda Finance Department

Note1: Implementation of GASB 54 changed the classifications of fund balance. Prior year audits were not reissued therefore comparative data is not available prior to fiscal year 2011

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
22,630	22,934	18,966	12,299	10,933	14,944
1,319	764	8,569	619,657	19,063	3,261
-	-	-	-	-	5,848
35,743	-	-	-	-	-
2,232	15,768	18,872	-	-	-
3,500,000	3,500,000	3,500,000	5,500,000	5,500,000	5,500,000
-	-	-	-	-	-
87,941	91,540	95,832	97,690	102,568	99,033
78,102	88,812	270,040	104,144	125,055	224,776
1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
-	-	-	-	-	2,000,000
5,071,179	5,836,876	6,827,235	5,868,335	6,539,419	6,664,717
<u>\$ 10,049,146</u>	<u>\$ 10,806,694</u>	<u>\$ 11,989,514</u>	<u>\$ 13,452,125</u>	<u>\$ 13,547,038</u>	<u>\$ 15,762,579</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20	-	40,672	1,259	1,036	20
-	-	-	-	-	-
284,673	304,711	332,436	345,310	370,928	375,309
369,068	442,199	452,514	672,745	701,990	735,937
5,561,625	5,156,456	4,295,300	15,919,327	14,596,849	19,814,982
749,230	757,919	771,018	792,052	801,366	847,125
336,519	271,092	195,306	204,971	133,774	165,984
-	-	-	-	-	-
-	-	-	-	-	-
73,431	80,988	86,456	63,454	47,451	27,763
1,207,017	1,205,057	137,614	136,148	137,112	139,003
17,856,279	17,956,592	17,810,779	17,933,640	17,695,044	17,903,020
<u>(4,693,591)</u>	<u>(5,475,010)</u>	<u>(6,363,912)</u>	<u>(2,635,280)</u>	<u>(2,935,592)</u>	<u>(3,534,374)</u>
<u>\$ 21,744,271</u>	<u>\$ 20,700,004</u>	<u>\$ 17,758,183</u>	<u>\$ 33,433,626</u>	<u>\$ 31,549,958</u>	<u>\$ 36,474,769</u>

**CITY OF LOMA LINDA**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten (10) Fiscal Years**  
**(modified accrual basis of accounting)**

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Revenues</b>				
Taxes	\$ 16,082,070	\$ 14,616,800	\$ 14,846,128	\$ 11,388,358
Licenses and permits	349,510	210,643	252,975	1,345,307
Intergovernmental revenues	5,371,461	3,263,909	6,833,823	1,680,953
Charges for services	2,966,451	2,549,378	2,780,285	5,344,456
Use of money and property	1,086,977	835,776	10,419,520	660,304
Fines, forfeitures, and penalties	577,392	478,763	281,957	980
Contributions	-	-	-	-
Miscellaneous	2,696,649	2,265,551	2,768,474	3,411,401
Developer fees	1,282,017	1,192,558	412,271	308,677
<b>Total Revenues</b>	<b>30,412,527</b>	<b>25,413,378</b>	<b>38,595,433</b>	<b>24,140,436</b>
<b>Expenditures</b>				
General government	5,141,936	7,041,600	5,083,333	2,756,072
Public safety	8,315,993	8,057,199	7,869,002	8,249,467
Community development	2,086,901	1,310,589	1,427,226	1,618,015
Public works	3,824,026	3,329,567	3,348,479	2,696,647
Capital outlay	15,340,849	7,407,909	4,811,468	1,521,014
Debt service				
Principal retirement	1,640,000	1,695,000	1,805,000	2,080,400
Interest and fiscal charges	3,144,540	3,684,121	3,798,820	2,571,604
Bond issuance costs	268,111	-	-	-
Refunding costs	-	-	-	-
<b>Total Expenditures</b>	<b>39,762,356</b>	<b>32,525,985</b>	<b>28,143,328</b>	<b>21,493,219</b>
Excess of revenues over (under) expenditures	(9,349,829)	(7,112,607)	10,452,105	2,647,217
<b>Other Financing Sources (Uses)</b>				
Capital leases	-	-	330,513	-
Bond proceeds	8,900,000	-	-	-
Premium on bonds	-	-	-	-
Discount on bonds	-	-	-	-
Gain on disposal of assets	-	51,935	22,590	315,539
Loss of disposal of assets	-	-	-	-
Transfers in	4,968,940	5,766,813	20,922,495	3,541,336
Transfers out	(4,968,279)	(5,766,813)	(20,760,544)	(3,541,336)
<b>Total Other Financing Sources (Uses)</b>	<b>8,900,661</b>	<b>51,935</b>	<b>515,054</b>	<b>315,539</b>
Net Change in Fund Balances Before Extraordinary Item	\$ (449,168)	\$ (7,060,672)	\$ 10,967,159	\$ 2,962,756
Extraordinary Item	-	-	-	(20,591,520)
Special Item				
Net Change in Fund Balances	<b>(\$449,168)</b>	<b>(\$7,060,672)</b>	<b>\$10,967,159</b>	<b>(\$17,628,764)</b>
Debt Service as a percentage of non-capital expenditures	18.9%	20.7%	21.2%	22.9%

\*\*Extraordinary item did not apply to prior years.  
Source: City of Loma Linda Finance Department

	2013	2014	2015	2016	2017	2018
\$	7,582,598	\$ 9,398,391	\$ 11,624,605	\$ 13,489,938	\$ 12,876,043	\$ 14,499,866
	318,636	532,046	629,954	478,522	398,756	463,878
	2,539,554	900,263	961,314	1,516,208	994,225	888,521
	1,653,891	1,921,614	1,789,325	1,848,851	3,153,168	3,563,490
	624,686	468,283	451,109	508,805	757,656	2,820,221
	179,157	166,014	154,642	142,437	129,123	115,205
	-	-	-	-	-	-
	3,479,196	6,976,393	2,811,345	2,625,326	2,353,757	2,848,072
	1,127,775	814,556	518,956	7,092,505	188,523	735,690
	<u>17,505,493</u>	<u>21,177,560</u>	<u>18,941,250</u>	<u>27,702,592</u>	<u>20,851,251</u>	<u>25,934,943</u>
	1,010,432	1,269,463	2,816,532	3,057,584	3,831,946	2,870,793
	8,333,007	8,372,894	8,494,523	9,522,944	11,005,886	12,153,050
	1,635,429	1,834,266	1,997,868	1,725,470	2,279,446	2,372,587
	2,225,653	2,338,243	2,235,090	2,789,413	2,659,712	2,821,934
	3,137,662	6,668,468	3,024,351	1,033,346	2,606,365	3,410,812
	883,220	914,378	1,905,590	31,853	33,165	34,532
	207,619	164,563	132,266	28,855	7,419	6,053
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>17,433,022</u>	<u>21,562,275</u>	<u>20,606,220</u>	<u>18,189,465</u>	<u>22,423,939</u>	<u>23,669,761</u>
	72,471	(384,715)	(1,664,970)	9,513,127	(1,572,688)	2,265,182
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	19,160	97,996	20,000	56,415	74,552	567,549
	-	-	(114,031)	-	-	-
	2,366,876	2,438,425	2,218,439	829,833	834,210	743,146
	(2,366,876)	(2,438,425)	(2,218,439)	(829,833)	(1,124,829)	(828,062)
	<u>19,160</u>	<u>97,996</u>	<u>(94,031)</u>	<u>56,415</u>	<u>(216,067)</u>	<u>482,633</u>
\$	91,631	\$ (286,719)	\$ (1,759,001)	\$ 9,569,542	\$ (1,788,755)	\$ 2,747,815
	-	-	-	7,568,512	-	-
	<u>\$91,631</u>	<u>(\$286,719)</u>	<u>(\$1,759,001)</u>	<u>\$ 17,138,054</u>	<u>\$ (1,788,755)</u>	<u>\$ 2,747,815</u>
	7.1%	6.4%	11.4%	0.4%	0.2%	0.2%

**CITY OF LOMA LINDA**  
**General Fund Tax Revenues by Source**  
**Last Ten (10) Fiscal Years**  
**(modified accrual basis of accounting)**

Fiscal Year	Sales & Use Tax	Property Taxes	Franchise Fees	Transfer Tax	Transient Tax	Business License	Misc. Taxes	Total
2009	\$ 3,487,985	\$ 1,342,091	\$ 730,413	\$ 79,266	\$ 69,879	\$ 287,370	\$ 8,280	\$ 6,005,284
2010	3,105,936	1,130,074	648,690	39,368	58,933	261,340	8,649	5,252,990
2011	3,681,608	1,089,990	664,672	37,615	57,274	298,108	9,469	5,838,736
2012	4,040,073	1,016,418	756,527	31,919	52,938	236,453	9,840	6,144,168
2013	3,864,216	1,420,706	778,424	42,622	33,676	349,911	11,335	6,500,890
2014	3,733,160	3,294,217	811,238	40,926	39,262	368,358	25,236	8,312,397
2015	5,721,938	3,432,704	848,712	47,546	49,442	390,291	25,450	10,516,083
2016	7,575,743	3,155,172	852,858	98,258	271,443	385,533	26,316	12,365,323
2017	6,692,094	3,390,512	886,501	39,340	347,981	345,257	21,463	11,723,148
2018	7,283,292	3,866,981	960,660	70,346	464,980	406,853	23,755	13,076,867

Source: City of Loma Linda Finance Department



**CITY OF LOMA LINDA  
Top 25 Sales Tax Producers  
As of June 30, 2018**

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**For Fiscal year 2017-2018**

<b><u>Business Name</u></b>	<b><u>Business Category</u></b>
ABI Document Support Services	Business Services
ACH Supply	Plumbing/Electrical Supplies
Anixter	Electrical Equipment
Arco AM PM	Service Stations
Bear Oil Union 76	Service Stations
Chervon	Service Stations
Clarks Nutritional Center	Food Storers Non Grocery
Hirsch Pipe & Supply	Plumbing/Electrical Supplies
Hometown Buffet	Casual Dining
Honda Lease Trust	Auto Lease
Hyundai Inland Empire	New Motor Vehicle Dealers
Hyundai Lease Titling Trust	Auto Lease
Loma Linda Foundation	Government/Social Org.
Loma Linda Mercantile	Medical/Biotech
Loma Linda Optical Department	Government/Social Org.
Loma Linda University Childrens Hospital	Medical/Biotech
Loma Linda University Medical Center	Medical/Biotech
Mansfield Oil	Petroleum Prod/Equipment
Mountain View Shell	Service Stations
Quaid Harley Davidson	Boats/Motorcycles
Rite Aid	Drug Stores
Spreen Honda	New Motor Vehicle Dealers
Spreen Mazda	New Motor Vehicle Dealers
Stater Bros	Grocery Stores
Walmart Neighborhood Market	Grocery Stores

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Percent of Fiscal Year Total Paid By Top 25 Accounts=92.12%

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HDL Companies

**CITY OF LOMA LINDA  
Top 25 Sales Tax Producers  
As of June 30, 2018**

**Continued**

**For Fiscal Year 2008-09**

<b><u>Business Name</u></b>	<b><u>Business Category</u></b>
ACH Supply	Plumbing/Electrical Supplies
Anixter	Electrical Equipment
Bakers Burgers	Quick Services Restaurants
Bear Oil Union 76	Services Stations
Carls Jr	Quick Services Restaurants
Chervon	Services Stations
Clarks Nutritional Center	Food Stores Non-Grocery
Crossroad Arco Station	Services Stations
Del Taco	Quick Services Restaurants
Ferguson Enterpriese	Plumbing/Electical Supplies
General Electric	Electrical Equipment
Hometown Buffet	Casual Dining
Honda Lease Trust	Auto Lease
Hyundai Inland Empire	New Motor Vehicle Dealers
KD Sales	Contractors
Loma Linda Foundation	Government/Social Org.
Loma Linda Mercantile	Medical/Biotech
Loma Linda Optical Department	Government/Social Org.
Loam Linda University Medical Center	Medical/Biotech
Montecito Memorial Park	Morticians And Undertakers
Party Rentals	Specialty Stores
Quaid Harley Davidson	Boats/Motorcycles
Rite Aid	Drug Store
Spreen Honda	New Motor Vehicle Dealers
Stater Bros	Grocery Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts=92.56%

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HDL Companies

**CITY OF LOMA LINDA**  
**Taxable Sales by Category**  
**Last Ten Calendar Years (in thousands of dollars)**  
**As of June 30, 2018**

<u>Fiscal Year</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Food Stores	\$ 11,094	\$11,150	\$10,957	\$11,224	\$11,969	\$12,244	\$14,974	\$17,761	\$17,761	\$18,002
Eating and Drinking Places	17,441	16,356	16,663	18,337	19,330	21,389	23,549	27,432	27,293	28,157
Services Stations	49,175	31,398	35,742	43,186	43,542	40,314	39,632	39,762	33,602	35,270
Other Retail Stores	97,471	90,826	104,626	115,202	123,476	122,587	130,118	145,767	157,878	168,095
All Other Outlets	176,835	175,191	170,678	196,916	190,000	178,095	352,116	403,993	396,493	425,633
<b>Total</b>	<b>\$352,016</b>	<b>\$324,921</b>	<b>\$338,666</b>	<b>\$384,865</b>	<b>\$388,317</b>	<b>\$374,629</b>	<b>\$560,389</b>	<b>\$634,715</b>	<b>\$633,027</b>	<b>\$675,157</b>

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HDL Companies.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

**CITY OF LOMA LINDA**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten (10) Fiscal Years**

Calendar Year Ended December 31	Real Property		Personal Property	Estimated Actual Taxable Value	Less: Tax Exempt Real Property	Total Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property						
2009	\$ 2,110,749,880	\$ 239,277,898	\$ 228,432,426	\$ 2,578,460,204	\$ 809,676,020	\$ 1,768,784,184	0.5459	100%
2010	2,098,046,340	262,992,114	215,052,700	2,576,091,154	928,430,644	1,647,660,510	0.5294	100%
2011	2,087,990,031	266,608,473	234,245,941	2,588,844,445	1,006,245,563	1,582,598,882	0.5185	100%
2012	2,105,355,263	267,171,958	235,765,375	2,608,292,596	1,023,319,642	1,584,972,954	0.5155	100%
2013	2,195,002,151	271,001,950	216,780,215	2,682,784,316	1,096,986,069	1,585,798,247	0.5192	100%
2014	2,064,942,248	276,960,178	222,628,537	2,564,530,963	950,702,460	1,613,828,503	0.1179	100%
2015	2,252,005,169	285,082,390	214,346,968	2,751,434,527	1,031,386,807	1,720,047,720	0.11792	100%
2016	2,284,323,332	301,381,457	201,361,852	2,787,066,641	992,101,567	1,794,965,074	0.11792	100%
2017	2,524,081,086	315,569,495	185,755,818	3,025,406,399	1,125,518,308	1,899,888,091	0.11792	100%
2018	2,508,932,634	472,423,651	175,451,570	3,156,807,855	1,045,584,674	2,111,223,181	0.11792	100%

Source: City of Loma Linda Finance Department

**CITY OF LOMA LINDA**  
**Direct and Overlapping Property Tax Rates**  
**(Rate per \$100 of Taxable Value)**  
**Last Ten (10) Fiscal Years**

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Fiscal Year	Basic Levy	San Bernardino Debt Service	Schools				Total Tax Rate	RDA Incremental Rate <sup>1</sup>	Total Direct Rate <sup>2</sup>
			Colton Unified	Redlands Unified	San Bernardino Community College	Water			
2009	1.0000	0.03810	0.06880	0.05190	0.03930	0.16500	1.36310	1.65000	0.54449
2010	1.0000	0.03550	0.09850	0.05410	0.02800	0.16500	1.38110	1.65000	0.52940
2011	1.0000	0.00000	0.13040	0.06170	0.04670	0.16500	1.40380	1.16500	0.51852
2012	1.0000	0.00000	0.14030	0.05820	0.03730	0.16500	1.40080	1.16500	0.51553
2013	1.0000	0.00000	0.14880	0.06410	0.04590	0.16250	1.42130	0.00000	0.51917
2014	1.0000	0.00000	0.11870	0.06290	0.04190	0.16250	1.38600	0.00000	0.11793
2015	1.0000	0.00000	0.09730	0.05940	0.03930	0.16250	1.35850	0.00000	0.11792
2016	1.0000	0.00000	0.11690	0.05670	0.04030	0.16250	1.37640	0.00000	0.11792
2017	1.0000	0.00000	0.14540	0.05240	0.03500	0.16250	1.39530	0.00000	0.11792
2018	1.0000	0.00000	0.09390	0.04940	0.03760	0.15250	1.33340	0.00000	0.11792

Sources: HdL Coren & Cone, San Bernardino County Assessor combined tax rolls.

Note: 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.

<sup>1</sup> RDA rate is based on the largest RDA tax rate area and includes only the rate(s) from indebtedness adopted prior to 1989 per California State Statute. RDA Direct and Overlapping rates are applied only to the incremental property values.

<sup>2</sup> Total Direct Rate is the weighted average of all individual direct rates.

**CITY OF LOMA LINDA**  
**Principal Property Taxpayers**  
**As of June 30, 2018**

Taxpayer	2018			2009		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Wi Loma Linda LLC	\$ 136,659,308	1	6.47%			
Timber Hills Associates LP <sup>2</sup>	55,272,632	2	2.62%	\$ 48,597,900	2	2.75%
DRC Industrial CBC	45,152,819	3	2.14%			
Loma Linda University/Medical center <sup>1</sup>	40,197,150	4	1.90%	52,655,221	1	2.98%
Loma Linda Heritage Associates	28,551,871	5	1.35%	25,227,518	4	1.43%
Sierra Vista Apartments LP	27,030,000	6	1.28%			
Oasis Townhomes LLC	26,480,618	7	1.25%	23,397,424	5	1.32%
Blossom Grove California LLC <sup>2</sup>	13,886,790	8	0.66%			
Chancellor Properties LLC	13,142,365	9	0.62%			
Spreen Investment Company	12,038,271	10	0.57%			
General American Life Insurance Company <sup>2</sup>				35,047,340	3	1.98%
Granite Lakes Apartments				22,475,000	6	1.27%
Loma Linda Gateway LLC				11,080,000	7	0.63%
Monterey Pines LLC				9,925,694	8	0.56%
Medical Properties of Loma Linda				9,764,811	9	0.55%
Emerikeyt Palms at Loma Linda <sup>2</sup>				9,741,890	10	0.55%
	<u>\$ 398,411,824</u>		<u>18.86%</u>	<u>\$ 247,912,798</u>		<u>14.02%</u>

Note: The amounts shown above includes assessed value data for both the City and the Redevelopment Agency.

<sup>1</sup> Loma Linda University is a learning institution; therefore, a large portion of their property is exempt.

<sup>2</sup> Pending Appeals on Parcels

Source: The HdL Companies, San Bernardino County Assessor Combined Tax Rolls

**CITY OF LOMA LINDA**  
**Property Tax Levies and Collections**  
**Last Ten (10) Calendar Years**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Current Tax Collections	Percent of Current Taxes Collected		Amount	Percentage of Levy
2009	\$ 1,043,893	\$ 976,077	93.5%	\$ 13,644	\$ 989,721	94.8%
2010	980,792	933,687	95.2%	10,180	943,867	96.2%
2011	963,843	927,289	96.2%	11,888	939,177	97.4%
2012	983,808	941,122	95.7%	37,281	978,403	99.5%
2013	989,037	944,831	95.5%	42,614	987,445	99.8%
2014	1,015,851	987,067	97.2%	53,522	1,040,589	102.4%
2015	1,038,813	1,012,206	97.4%	36,546	1,048,752	101.0%
2016	1,082,685	1,054,765	97.4%	20,027	1,074,792	99.3%
2017	1,139,995	1,114,742	97.8%	10,075	1,124,817	98.7%
2018	1,176,099	1,155,795	98.3%	-	1,155,795	98.3%

Source: San Bernardino County Auditor-Controller Property Tax Division

Note: In FY 2012, penalties started to be excluded from amounts collected in subsequent years.

**CITY OF LOMA LINDA**  
**Ratios of Outstanding Debt By Type**  
**Last Ten (10) Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita <sup>1</sup>
	Capital Leases	Loans Payable	Tax Allocation Bonds	Revenue Bonds	General Obligation Bonds	Capital Leases	Water Bonds			
2009	\$ -	\$ -	\$ 43,045,000	\$ 6,005,000	\$ 20,000	\$ -	\$ 7,540,000	\$ 56,610,000	\$ 0	\$ 2,503
2010	-	-	42,120,000	5,235,000	20,000	-	7,245,000	54,620,000	7.05%	2,400
2011	330,513	-	41,110,000	4,440,000	20,000	-	6,935,000	52,835,513	N/A	2,258
2012	300,113	-	-	3,615,000	20,000	-	6,605,000	10,540,113	N/A	451
2013	271,894	-	-	2,760,000	10,000	-	6,255,000	9,296,894	1%	396
2014	242,515	-	-	1,875,000	10,000	-	5,885,000	8,012,515	1%	339
2015	211,922	-	-	-	10,000	-	5,490,000	5,711,922	1%	240
2016	180,072	-	-	-	10,000	-	5,075,000	5,265,072	1%	214
2017	146,907	-	-	-	10,000	-	5,615,000	5,771,907	1%	235
2018	112,375	-	-	-	10,000	-	5,370,000	5,492,375	1%	229

**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements. As a result of the dissolution of the redevelopment agency in 2012, the outstanding \$39,885,000 indebtedness of the former redevelopment agency was transferred to the successor agency and refinanced in November, 2016.

<sup>1</sup> See the Schedule of Demographic and Economic Statistics on page 167 for personal income and population.

Source: City of Loma Linda Finance Department



**CITY OF LOMA LINDA**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten (10) Fiscal Years**

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Fiscal Year	General Obligation Bonds	Less: amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property <sup>1</sup>	Per Capita <sup>2</sup>
2009	\$ 20,000	-	\$ 20,000	0.001%	88%
2010	20,000	-	20,000	0.001%	88%
2011	20,000	-	20,000	0.001%	85%
2012	20,000	-	20,000	0.001%	86%
2013	10,000	-	10,000	0.000%	43%
2014	10,000	-	10,000	0.000%	42%
2015	10,000	-	10,000	0.000%	42%
2016	10,000	-	10,000	0.000%	41%
2017	10,000	-	10,000	0.000%	41%
2018	10,000	-	10,000	0.000%	42%

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

<sup>1</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 157 for the property value data.

<sup>2</sup> Population data can be found in the schedule of Demographic and Economic Statistics on page 167.

Source: City of Loma Linda Finance Department

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**CITY OF LOMA LINDA**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2018**

2017-2018 Assessed Valuation \$ 2,111,223,181

	Total Debt	Percent	
	6/30/18	Applicable (1)	Debt 6/30/18
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
San Bernardino Valley Joint Community College District	\$ 440,458,530	3.205%	\$ 14,116,696
Colton Joint Unified School District	193,577,465	0.884%	1,711,225
Colton Joint Unified School District Community Facilities District No.2	3,940,000	25.190%	992,486
Redlands Unified School District	77,808,830	12.536%	9,754,115
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 26,574,522</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>			
San Bernardino County General Fund Obligations	\$ 368,015,000	1.018%	\$ 3,746,393
San Bernardino County Pension Obligations	336,106,248	1.018%	3,421,562
San Bernardino County Flood Control District General Fund Obligations	68,325,000	1.018%	695,549
Colton Joint Unified School District Certificates of Participation	1,758,652	0.884%	15,546
Redlands Unified School District Certificates of Participation	5,000,000	12.536%	626,800
<b>City of Loma Linda Certificates of Participation</b>	<b>0</b>	<b>100.000%</b>	<b>0</b>
<b>City of Loma Linda Capital Lease</b>	<b>0</b>	<b>100.000%</b>	<b>112,375</b>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>			<b>\$ 8,618,225</b>
<b>OVERLAPPING TAX INCREMENT DEBT:</b>	<b>\$ 271,680,000</b>	<b>3.921-100%</b>	<b>\$ 41,215,303</b>
<b>TOTAL DIRECT DEBT</b>			<b>112,375</b>
<b>TOTAL OVERLAPPING OBLIGATION DEBT</b>			<b>76,295,675</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$ 76,408,050</b>

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2017-18 Assessed Valuation:

Total Overlapping Debt (excluding tax increment).....	1.26%
<b>Total Direct Debt (\$112,375).....</b>	<b>0.01%</b>
Combined Total Debt (excluding tax increment).....	3.62%

Ratios to Redevelopment Incremental Valuation (\$1,132,597,893):

Total Overlapping Tax Increment Debt.....	3.64%
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Source: California Municipal Statistics and City of Loma Linda Finance Department

**CITY OF LOMA LINDA**  
**Computation of Legal Debt Margin**  
**Last Ten (10) Fiscal Years**

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<u>Fiscal Year</u>	<sup>1</sup>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit		\$ 66,983,735	\$ 62,443,494	\$ 59,998,424	\$ 60,087,454
Total net debt applicable to limit		<u>36,236,452</u>	<u>35,465,342</u>	<u>34,152,880</u>	<u>33,799,049</u>
Legal debt margin		<u>\$ 30,747,283</u>	<u>\$ 26,978,152</u>	<u>\$ 25,845,544</u>	<u>\$ 26,288,405</u>
Total net debt applicable to the limit as a percentage of debt limit		54.10%	56.80%	56.92%	56.25%

Source: California Municipal Statistics, San Bernardino County Auditor-Controller Property Tax Division

Note:

California Government Code, Section 43605 sets the debt limit at 15%. The code section was enacted when assessed values were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 3.75% (one-fourth the limit of 15%).

**Continued**

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 60,098,744	\$ 61,135,079	\$ 65,100,609	\$ 67,899,250	\$ 71,833,863	\$ 79,766,211
<u>89,011,770</u>	<u>87,512,815</u>	<u>84,255,561</u>	<u>80,940,806</u>	<u>79,042,798</u>	<u>76,408,050</u>
<u>\$ (28,913,026)</u>	<u>\$ (26,377,736)</u>	<u>\$ (19,154,952)</u>	<u>\$ (13,041,556)</u>	<u>\$ (7,208,935)</u>	<u>\$ 3,358,161</u>
148.11%	143.15%	129.42%	119.21%	110.04%	95.79%
					Net Assessed Value 2,111,223,181
					Plus Exempt Property 15,875,779
					<u>Total Assessed Value \$ 2,127,098,960</u>
					Debt Limit: 3.75 percent of Total Assessed Value 79,766,211
					Debt applicable to Limitation: Net Combined applicable to Limitation 76,408,050
					Total Debt applicable to Limitation 76,408,050
					Legal Debt Margin <u>\$ 3,358,161</u>

**CITY OF LOMA LINDA**  
**Pledged Revenue Coverage**  
**Last Ten (10) Fiscal Years**

Fiscal Year	Water Revenue Bonds						Tax Allocation Bonds				
	Gross Revenues	Operating Expenses Less Depreciation	Net Revenue Available for Debt Service	Debt Service Requirements	Coverage	Tax Increment	Debt Service		Coverage		
							Principal	Interest			
2009	\$ 5,406,102	\$ 4,476,532	\$ 929,570	\$ 733,200	127%	\$ 8,369,076	\$ 895,000	\$ 1,704,240	3.22		
2010	5,042,031	3,898,139	1,143,892	733,200	156%	7,628,983	925,000	1,773,160	2.83		
2011	5,014,970	4,018,175	996,795	733,200	136%	7,325,280	1,010,000	2,387,538	2.16		
2012	5,327,611	4,530,412	797,199	345,130	231%	N/A *	N/A *	N/A *	N/A *		
2013	5,295,335	4,638,354	656,981	361,610	182%	N/A *	N/A *	N/A *	N/A *		
2014	5,398,735	4,636,285	762,450	377,350	202%	N/A *	N/A *	N/A *	N/A *		
2015	5,577,533	5,106,716	470,817	399,439	118%	N/A *	N/A *	N/A *	N/A *		
2016	5,174,327	4,292,900	881,427	423,447	208%	N/A *	N/A *	N/A *	N/A *		
2017	5,375,596	4,383,707	991,889	- **	#DIV/0!	** N/A *	N/A *	N/A *	N/A *		
2018	6,184,047	5,018,743	1,165,304	376,856 **	309%	** N/A *	N/A *	N/A *	N/A *		

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation

\* As a result of the dissolution of the redevelopment agency in 2012, the outstanding \$39,885,000 indebtedness of the former redevelopment agency was transferred to the successor agency and refinanced in November, 2016.

\*\* Bond was refinanced in FY 2017, no principal payment due until 7/1/2017

Source: City of Loma Linda Finance Department

**CITY OF LOMA LINDA**  
**Demographic and Economic Statistics**  
**Last Ten (10) Fiscal Years**

Fiscal Year	Population <sup>1</sup>	Personal Income <sup>2</sup>	Per Capita Personal Income <sup>3</sup>	Loma Linda Academy (Private) Enrollment <sup>4</sup>	Bryn Mawr Elementary Enrollment <sup>5</sup>	Mission Elementary Enrollment <sup>5</sup>	Redlands School District Enrollment <sup>5</sup>	Unemployment Rate (percentage) <sup>7</sup>
2009	22,619	\$ 776,633,000	\$ 33,388	1,469	921	0	21,142	13.3
2010	22,760	774,946,263	34,048	1,348	951	0	21,293	14.4
2011	23,395	805,449,502 *	34,428	1,400	988	0	21,398	8.7
2012	23,389	n/a	n/a	1,306	776	217	21,408	8.0
2013	23,476	721,065,000	30,715	1,312	730	509	21,379	5.8
2014	23,614	728,563,000	30,853	1,242	666	550	21,233	5.0
2015	23,751	717,247,000	30,406	1,255	681	538	21,326	4.6
2016	24,649	738,747,000 **	29,970 **	1,289	658	561	21,264	3.7
2017	24,528	721,317,000 **	29,407 **	1,246	691	551	21,395	3.2
2018	23,946	690,762,000 **	28,162 **	1,247	665	561	21,261	2.9

Sources: <sup>1</sup> State of California, Department of Finance <sup>2</sup> Calculation based on the 2000 Census: Loma Linda's personal income is 1.3% of the total County of San Bernardino's income; therefore, the City used the constant 1.3 percentage of the County's income to determine the City's personal income amount. \* Per Bureau of Economic Analysis: Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2000-2011 reflect county population estimates available as of April 2012. <sup>3</sup> Per Capita personal income is calculated by dividing personal income by population <sup>4</sup> Loma Linda Academy's registrar's office (except in 2011 the City used [www.trulia.com](http://www.trulia.com)) <sup>5</sup> California Department of Education <sup>7</sup> US Department of Labor, Bureau of Labor Statistics \*\* As of FY 2016 Data provided by HdL Companies

**CITY OF LOMA LINDA**  
**Principal Employers**  
**Current Fiscal Year**

<u>Employer</u>	<b>2018</b>			<b>2008</b> *		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total City Employment</u>
Loma Linda University Medical Center	7,544	1	36.97%	7,363	1	46.43%
Loma Linda University	3,133	2	15.35%	3,336	2	21.04%
Jerry L. Pettis VA Med. Ctr.	3,336	3	16.35%	1,252	3	7.90%
University Health Care	1,307	4	6.41%	577	4	3.64%
Total	<u>15,320</u>		<u>75.07%</u>	<u>12,528</u>		<u>79.00%</u>

Veterans Affairs Personnel Department

Total number of jobs within City limits provided by Employment Development Department, Labor Market Information Division

\*Principal employer information available for FY 2008, as required by GASB-S44:33



**CITY OF LOMA LINDA**  
**Full-Time Equivalent City Government Employees by Function**  
**Last Ten (10) Fiscal Years**

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function										
General government	39	36	34	29	29.5	30.5	31.5	32.5	33	34.5
Public safety										
* Sheriff										
Officers	14.5	14.5	13.5	12.77	12.77	12.77	12.77	15.26	19.02	19.36
Civilians	4.5	4.74	4.24	5.03	5.03	5.03	5.03	5.81	7.1	7.1
Fire										
Firefighters and officers	29	29	29	29	23	23	23	26	26	24
Civilians	2	3	3.5	4	4	5	5	5	5	4
Highways and streets										
Maintenance	6	6	6	4	4	4	4	4	4	3
LL Connected Communities	4.5	3.5	3.5	3.5	3.5	3.5	2.5	2	2	2
Sewer	2	2	2	2	2	2	2	2	2	2
Water	10	11	11	11	11	12	11	11	11	11
Total:	112	110	107	100.3	94.8	97.8	96.8	103.6	109.1	107

\* Sheriff services are contracted through the County of San Bernardino Sheriff's Dept.

Source: City of Loma Linda Human Resources

**CITY OF LOMA LINDA**  
**Operating Indicators by Function**  
**Last Ten (10) Fiscal Years**

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function										
Sheriff										
Calls for service	22,916	21,072	20,626	18,084	20,846	21,673	22,759	42,044	27,588	26,662
Citations issued by Deputies	1,455	2,164	2,922	1,703	1,653	5,988	1,034	1,161	2,373	2,068
Red light camera citations	5,720	3,243	1,084	0	0	0	0	0	0	0
Physical arrests	560	557	722	1,078	790	730	669	828	863	729
Fire										
Total number of calls answered	3,185	3,090	3,309	3,230	3,213	3,797	4,005	4,404	5,343	4,996
% of calls for medical aid	67.3	73.8	63.7	64.7	63	65.3	63.8	57.45	53.9	59.53
Highways and streets										
Street resurfacing (miles)	3.55	4.5	7.88	3.85	5.1	1.95	1.15	3.7	1.6	6.1
Potholes repaired	221	31	7	12	11	7	18	15	21	59
Water										
New connections	229	346	32	0	3	1	0	8	5	23
Water main breaks	56	15	34	24	10	21	8	14	10	19
Average daily consumption (acre foot)	14.21	11.78	12.96	13.54	13.73	13.75	13.00	11.10	11.18	12.7
Wastewater										
Average daily sewage treatment (million gallons)	5.5	4.1	3.9	4.0	4.1	4.0	4.0	3.5	3	4

Note: Sheriff services are contracted through the County of San Bernardino Sheriff's Dept.  
Potholes repaired are reported in tons prior to 2009.  
Sewer treatment is contracted through the City of San Bernardino

Sources: City of Loma Linda Public Works and Fire Departments, and San Bernardino Sheriff's Department

**CITY OF LOMA LINDA**  
**Capital Assets Statistics by Function**  
**Last Ten (10) Fiscal Years**

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
* Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	9.5	10.5	10.5	10.5	10.5	11.77	11.77	11.77	11	11
Fire Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	15	15	15	15	17	16	15	15	17	17
Highways and streets										
Streets (miles)	63	63	63.8	63.89	64.64	64.64	64.64	64.64	65	65.7
Streetlights	1,458	1,458	1,456	1,470	1,470	1,472	1,483	1,024	1532	1551
Culture and recreation										
Parks	13	13	13	13	13	13	13	13	13	13
Park acreage	90.33	90.33	90.33	90.33	90.33	90.33	90.33	90.3	90.33	90.33
Tennis courts	4	4	4	4	4	4	4	4	4	4
Senior center	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	77	77	77	77	77	77	77	77.2	111.45	112.98
Fire hydrants	892	892	956	957	964	997	917	939	950	991
Maximum daily capacity (gallons per minute)	8,375	10,875	13,300	12,982	11,305	12,220	12,220	13,800	13,200	13,320
Sewer										
Sanitary sewers (miles)	64.9	65.6	67.1	67.5	67.5	67.5	67.5	61.3	65	66.43
Storm sewers (miles)	22.5	22.5	18.3	20.5	20.8	20.8	20.8	18.58	21	21

\* Sheriff services are contracted through the County of San Bernardino Sheriff's Dept.

Sources: City of Loma Linda Public Works and Fire Departments, San Bernardino  
County Sheriff's Department

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BRUCE HERWIG  
PHOTOGRAPHER *Bruce*



## FINANCE DEPARTMENT

25441 BARTON ROAD

LOMA LINDA, CA 92354