



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF LOMA LINDA, CALIFORNIA

For the Fiscal Year Ended June 30, 2020

Prepared by:

**City Manager's Office
Finance Department**

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 For the year ended June 30, 2020

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City of Loma Linda

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February 9, 2021

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, 2020. 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.

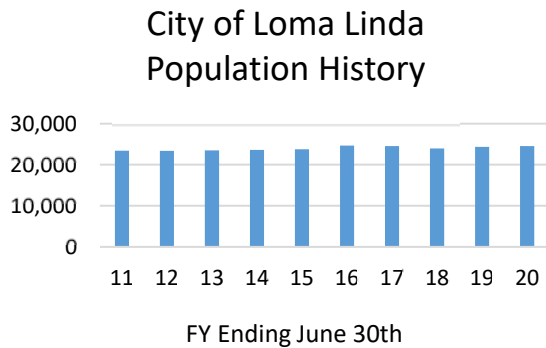
Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Loma Linda's financial statements for the year ended June 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

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 10,365 employees, one of the largest employers in the 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 24,535, as certified by the State Department of Finance, as of June 30, 2020. The City once ranked one of the largest growing cities in San Bernardino County has only increased by 200 residents, mainly due to the turn-over in student population and limited new residential units. Loma Linda's median income is \$53,371, which is 11.3% lower than the average for San Bernardino County.



As presented in the ten year population history chart, Loma Linda's population has somewhat plateau over the past 10 years. As of the 2010 Census which measured the population at 23,261, the State Department of Finance has estimated a growth of 1,274 to its current total of 24,535, with the increase of 200 from 2019 to 2020.

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 Position* 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 fiscal year 2019/2020 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

The Department's Planning Division includes planning and zoning activities that help enhance the general quality of life. During the period, the Division worked on the following projects:

Precise Plan of Design Applications:

- O'reilly Auto Parts – a 7,561 sq. ft. auto parts store located at 25630 Redlands Blvd.
- Lennar Homes – 224 single-family residential tract with two open park facilities, open-space paseo, and various amenities
- KB Home – 95 single-family residential tract with two open park facilities, open-space paseo, and various amenities

Conditional Use Permit Applications:

- Courtyard by Marriot Hotel on Richardson St.

Minor Modification to Approved Plan Applications:

- Loma Linda Arrival Sequence Gateway Sign Program; change to the Master Sign Program

Small Project Application:

- 830 sq. ft. room addition, a 448 sq. ft. attached two-car garage, a 441 sq. ft. two-garage for the back 2 units, located at 25406 Cole St.
- 990 sq. ft. 3-car garage within the rear portion of an existing residence to include Accessory Dwelling Unit on 2nd story above the new garage

Annexation:

- Annexation of 665 acres of the South hills preserves

Tentative Parcel Map Applications:

- Combined 2 parcels into 1 at Redlands Blvd. and Poplar St.

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

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

The Code Enforcement section was very active during the 2019/2020 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 utilizes the City of Redlands for shelter services.

Fire Department

During the fiscal year, City of Loma Linda Fire Department (Fire) continued to see an increase in medical aid calls as a percentage of total calls. Fire 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 and sales tax revenues that the community relies on to fund essential services. A large portion of the department's responses were for emergency medical incidents or traffic collisions to which the department deploys resources with rescue and Advanced Life Support capabilities. Fire participated in 7 mutual aid incidents for which the City was reimbursed.

Fire reorganized its management consolidation with the City of Colton Fire Department. The new agreement provides for more independence for each department while still recognizing enhancements through resource sharing. The independence allows each department to have a greater focus on the needs of the individual cities. Fire is currently researching data and department needs for a strategic plan, which may ultimately suggest further departmental enhancements.

Our Prevention division was instrumental in completing the Fire Engineering and Permitting elements of significant commercial developments in the City. Additional projects and facilities are in various stages of engineering or construction and will be welcomed additions to the community. The multi-year Loma Linda University Medical Center campus transformation project is also a focal point of our Prevention division efforts.

Information Systems Department

The City has completed the third phase of upgrades to the city wide CCTV system providing better security coverage. This included additional cameras in city parks and new cameras in high risk areas. Replacement computers are being rolled out as needed and data center infrastructure is being upgraded.

The City continues to prepare for the future of its Loma Linda Connected Community Program (LLCCP). The LLCCP, 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.

New home construction is driving expansion of the residential infrastructure. 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 Agency

On February 1, 2012, the Redevelopment Agency was dissolved per the State of California. On this date all assets, property contracts, and leases of the former redevelopment agency transferred to a Successor Agency. The City of 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 annual Recognized Enforceable Obligation Schedules (ROPS), maintain reserves, perform required enforceable obligations, enforce all rights for the benefit of taxing agencies and pursue the disposition of property based on the approved Long Range Property Management Plan (LRPMP). The annual ROPS for bi-annual operating periods of June – December and January – June must be approved by the Countywide 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 refinanced three outstanding bond issues 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, with final redemption on August 1, 2030. The Successor Agency has entered into negotiations with a private party for the disposition of the last remaining Successor Agency real property assets, namely, that property known as Special Planning Area "D" in the LRPMP. A purchase and sale agreement, as well as, the final sale is anticipated in the 2020-2021 fiscal year

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

As part of the redevelopment agencies dissolution, in February of 2012, 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 2019/2020, 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 49 single-family ownership units (26 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, which the Loma Linda Housing Authority has assumed). The Loma Linda Housing Authority actively manages the loans and/or the properties. During the 2019/2020 fiscal year one home financed by the Housing Authority was resold to an income-qualified buyer from the Authority's waiting list.

In addition, pursuant to the Affordable Housing Agreement and its amendments with Mary Erickson Community Housing ("MECH"), a non-profit affordable housing developer, 4 small lots on Juanita St. were transferred, subject to long term affordability covenants, and construction began on four (4) single-family homes to be sold to low income families. The houses will be completed and sold during the 2020-2021 fiscal year. The Housing Authority also began negotiating a second agreement with MECH to purchase an existing multifamily housing property, supported by funds loaned by the Housing Authority as well as proceeds from the sale by MECH of two small lots to be conveyed to MECH. MECH would be responsible for rehabilitation and operation of the multifamily (rental) units subject to long term covenants, assuring ongoing affordability.

Economic Development

A fourth national brand hotel, Courtyard by Marriot, is expected to start construction soon. Additionally, two car wash facilities, one on Redlands Blvd. and the other on Barton Rd. are complete and doing business. Two large homebuilders, KB Home and Lennar, have constructed 236 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 Blvd. corridor and California St. During the year staff processed entitlements for Park 212 Senior apartments, at the same time staff processed entitlement for 57 senior condominiums both to be located within The Groves area. The City continues to provide an accepting and supportive environment for its business community.

Capital Improvement Program (CIP) Projects:

Public Works

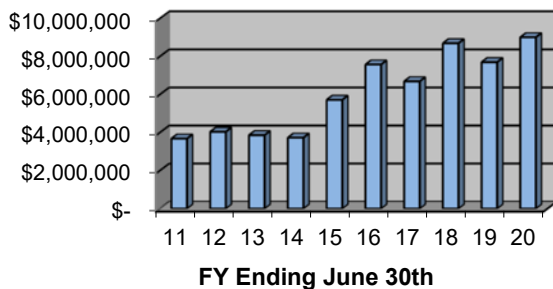
During the 2019/2020 fiscal year, the Public Works department completed or continued with the following projects: I-10/Mountain View Interchange ramp improvements; pavement rehabilitation on Shepardson Dr., Poplar St., Bellaire St., La Mar Rd., Taylor St., Barton Rd. from Campus St. to Benton St., Campus St. from Barton Rd. to University St.; waterline and street rehabilitation on Richardson St., Acacia St., Hillcrest St., Crestview Dr., and Richmond Rd.; retaining wall and sidewalk installation on the east side of Anderson St. west of Mound St.; repaired sidewalks as needed city wide; planted trees at various locations; various improvements to homes at Heritage Park historic properties; continued with the water meter replacement program; waterline replacements on Lawton Ave., Anderson Way, Bellaire St., Exeter St., and Mountain View Ave.; water treatment facilities continue to be monitored and adjusted for maximum efficiency; various Art in Public Places projects; continue fiber optic system enhancements to water well sites; storm drain extensions at San Lucas St. and San Marcos St.; project plan checking continues on an as needed basis; comply with required State and Federal regulation, including air quality, storm water, water conservation, and solid waste diversion.

LOCAL ECONOMY AND PROSPECTS FOR THE FUTURE

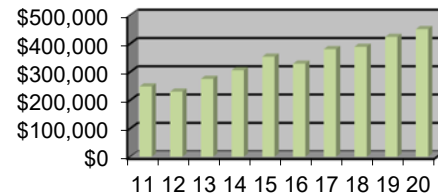
As presented in the Loma Linda General Plan (2009), Loma Linda is a unique community with strong ties to its religious, educational and healing arts roots. The Loma Linda University Medical Center (LLUMC), the Jerry L. Pettis Memorial Veterans Medical Center (VA Medical Center) and the VA Ambulatory Care Center provide much of the economic base of the community through the employment of a highly trained local labor force. The City has actively sought 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 expanding residential growth to provide an appropriate range of housing opportunities to accommodate the diverse work force needed by the economic base. 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.

In 2020, the median price of a home in Loma Linda was \$450,890, an increase of \$27,490 or 6.5%, from \$423,400 in 2019, according to Zillow.com. This is an overall decrease of 1.3% to the median price since peaking at \$457,200, in 2006. After several years of

**City of Loma Linda
 Sales Tax History**



**City of Loma Linda
 Median Housing Prices**



FY Ending June 30th

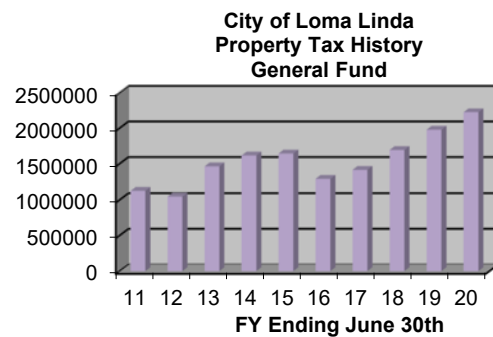
fluctuations in home values due to uncertain economic conditions, Loma Linda has seen a steady increase in home prices since 2016 thru 2020. The City of Loma Linda is expected to continue attracting skilled and educated residents

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, 2020. In 2020, the City received \$9,008,051 in sales tax revenues, an increase of 17% or \$1,307,203 from \$7,700,848.

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, 2020. 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.



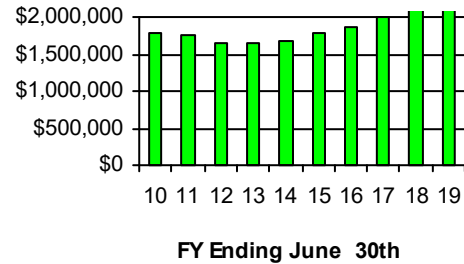
In 2016, net property taxes were less due to a reduced amount of Residual Balances (\$387,400 less) received through the RDA Successor Agency ROPS disbursement process. On June 30, 2020, property tax revenues were reported at \$2,224,739, a net increase of \$245,922 or 12.4% from fiscal year 2019 due 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 162-165.

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, 2020, the San Bernardino County’s Assessor reported an increase in city wide assessed property values of 6.12%, with Loma Linda showing a 5.80% increase.

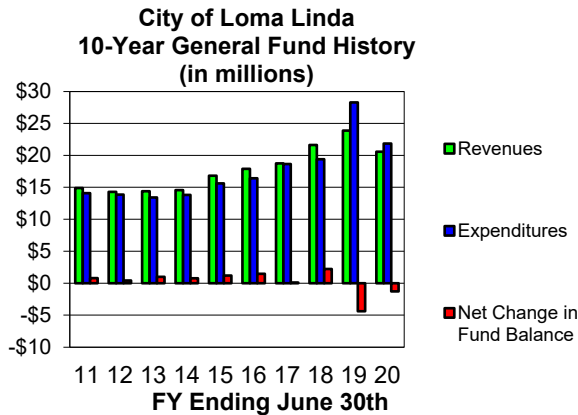
Overall property tax revenues are showing signs of growth as valuations increase and increase in demand for housing within the City is addressed. Growth has decreased in the sales of existing homes and it’s evident in the 70.4% increase in property transfer tax from \$65,828 in 2019 to \$112,203 in 2020. 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 2019/2020, the City collected \$2,433,722 in VLF revenue, an increase of \$140,024 or 6.1% due to an increase in property values within the City.

**City of Loma Linda
 Vehicle License Fee (VLF)
 Revenue History**



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, 2020. 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, 2020. The Net Change in Fund Balance figure in the chart includes operating revenues, operating expenditures,

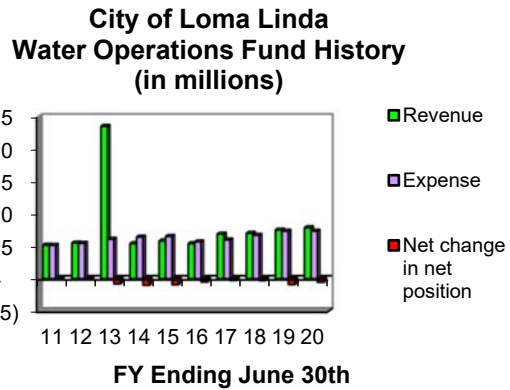
transfers to and from other funds and gain on sale of capital assets. The City Council approved \$6,593,000 in 2019 and \$2,000,000 in 2020 of general fund reserves to be used to pay down the pension unfunded actuarial liability (UAL) for miscellaneous and safety employees. For further detail and breakdown, please refer to the notes and 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 2019/2020, Enterprise Fund operating revenues for Water, Sewer and LLCCP combined, totaled \$13,430,493, an increase of 8.9% over fiscal year 2018/2019, while operating expenses decreased by \$279,482, or about 2.2%, over the same period. The City Council approved the use of fund reserves to pay down the pension unfunded actuarial liability (UAL) for miscellaneous employees in the Water fund (\$1,395,000 in 2019 and \$423,176 in 2020) and in the sewer fund (\$512,000 in 2019 and \$155,316 in 2020).

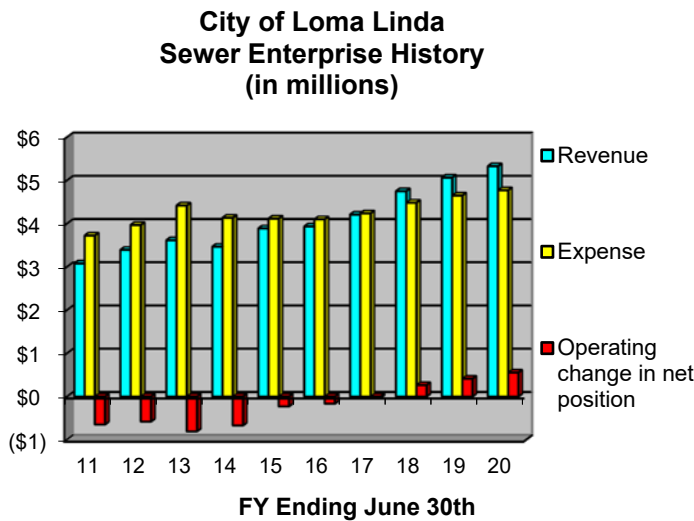
Water Operations

For Water Operations specifically, the Water fund operating expenses exceeded operating revenues by \$570,912 this year, mainly attributable to the increase in cost of services associated with the pension UAL payment. Last year the Water fund showed an operating deficit of \$905,386 for the year. Note that this chart does not include any “non-operating” revenues or expenses, such as gain on disposal of assets of \$2,730, loss on disposal of \$21,296, interest revenue of \$30,766, transfers in of \$1,247,975, interest expense of \$148,129 and transfer out of \$10,578. Interest expense in the Water Fund has decreased to \$148,129 from \$153,354 in 2019 which constitutes a 2.41% decrease due to interest amortizing on a lower principal balance. More information on the 2016 Water Revenue Refunding Bonds can be found on page 54 of the notes.



In efforts to reduce operational cost and increase water conservation, the City is in the seventh 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 conducted an updated five year rate study to address the ongoing operating needs of the water and sewer systems. New water rates were implemented in March of 2019 and will increase each January until 2024.

Sewer Operations



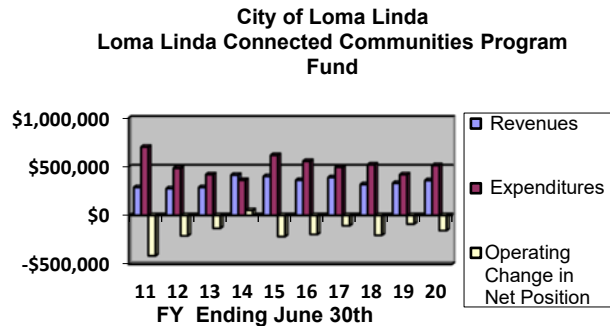
For the operating period ending June 30, 2020, the Sewer Fund ended the year with an operating change in net position of \$555,267. Sewer revenues increased by \$262,043, or 5.2%, and operating expenses increased by \$121,970 or 2.7%, including the \$155,316 pension UAL payment (see the MD&A for an explanation to this increase). The chart to the left shows the ten-year financial operating history of the Sewer Enterprise Fund. Note that this chart does not include “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. Increased treatment expenses relate to the contractual services agreement with the City of San Bernardino were off-set by rate increases for treatment services provided. Because the Sewer Fund has no bond outstanding debt, interest expense is minimal. As previously mentioned, in conjunction with the water rates, the City had conducted an updated five year rate study to address the ongoing operating needs of sewer system. New sewer rates

were implemented March of 2019, and will increase each January until 2024. The increases were deemed necessary in order to eliminate annual operating losses, repay cash loans and build an emergency reserve fund.

Loma Linda Connected Communities Program (LLCCP)

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. Fiscal Year 2019/2020 was the sixteenth full year of operations. For the operating period ending June 30, 2020, LLCCP ended the year with operating revenues of \$359,079 compared to \$331,494 in 2018/2019. Operating expenses of \$513,597 are \$94,402 or 22.5% more than expenses for fiscal year 2018/2019. 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 \$154,518. 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 adds to the outstanding loan balance. The chart to the right shows the ten-year financial operating history of the Loma Linda Connected Communities Program Fund. Note that this chart does not include “non-operating” revenues or expenses (i.e., interest revenue or interest expenses, etc.) and transfers.



PENSION FUNDING STATUS

The City provides its full-time and certain part-time employees’ retirement and disability benefits through four defined benefit pension plans; Classic Miscellaneous, Public Employees’ Pension Reform Act (PEPRA) Miscellaneous, Classic Safety and PEPRA Safety Fire groups. The plans are all part of the California Public Employees’ Retirement System (CalPERS). The City makes required employer contributions to the plans based on the amounts determined by CalPERS actuaries. All City employees pay their required employee contribution based on the employees’ group/individual retirement plan formulas. For this year, the City made \$4,556,920 in employer pension costs and contributions to PERS, of which \$2,758,492 was contributed in an effort to reduce the unfunded actuarial liability (UAL), owed by the Miscellaneous and Safety groups. The notes to the financial statements are based on the measurement date of the last actuarial which is June 30, 2019, therefore payments made to reduce the UAL are reclassified to Deferred Outflows of Resources in the government-wide statements. In fiscal year 2019/2020, the “City’s” share of retirement costs increased for Miscellaneous employees from 9.409% to 10.221%, for Miscellaneous PEPRA from 6.842% to 6.985%, for Safety plan from 18.677% to 20.073% and for Safety PEPRA from 12.141% to 13.034%. The reason for the changes in the City’s (employer) share of retirement costs is due to changes 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 7.00 percent over the following three years. Lowering the discount rate has resulted in plans seeing increases in both the normal costs and the unfunded actuarial liabilities. Also the PEPRA members have seen their contribution rate increase. This assumption change has increased public agency employer contribution costs in fiscal year 2019/2020. Please see Note 8 and 9 of the notes for further information.

DEBT ADMINISTRATION

As of June 30, 2020, the City and the Successor Agency had bond debt outstanding in the amount of \$32.4 million. In 2016/2017, the Successor Agency issued the 2016 Tax Allocation Refunding Bonds A in the amount of \$5,760,000 and the 2016 Tax Allocation Refunding Bonds series B in the amount of \$27,950,000. At June 30, 2020, the balance of each bond respectively is \$4,555,000 and \$22,905,000. Also in 2016/2017, the City issued the 2016 Water Revenue Refunding bonds in the amount of \$5,615,000; combined with the 1978 Water bonds (general obligation) of \$10,000 the City had a bond debt balance of \$4,945,000 at June 30, 2020. Additional information regarding long-term liabilities is presented in Note 6 for the City and Note 16 for the Successor Agency. Non-City obligations are discussed in Note 7 of the financial statements which are 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, 2020 by the certified public accounting firm of Rogers, Anderson, Malody & Scott, LLP. The auditor's report on the basic financial statements (government-wide financial statements and the fund financial statements), the notes to the basic financial statements and supplementary information is included in the Financial Section of the CAFR.

In general, the auditors concluded that the basic financial statements and supplementary information 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 Successor Agency to the Loma Linda Redevelopment Agency, as of June 30, 2020, and the results of its operations and cash flows of its proprietary fund types for the year then ended in accordance with accounting principles generally accepted in the United States of America. The professionalism and knowledge exhibited by Rogers, Anderson, Malody & 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 (CAFR) for the fiscal year ended June 30, 2019. This was the fifteenth 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 CAFR. 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,

A handwritten signature in blue ink, appearing to read "T. Jarb Thaipejr", written over a horizontal line.

T. Jarb Thaipejr
City Manager

A handwritten signature in blue ink, appearing to read "Diana De Anda", written over a horizontal line.

Diana De Anda
Finance Director/Treasurer

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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, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF LOMA LINDA
PRINCIPAL OFFICIALS

ELECTED OFFICIALS

Phill Dupper
Mayor

Ron Dailey
Mayor pro tempore

Rhodes Rigsby
Councilmember

John Lenart
Councilmember

Bhavin Jindal
Councilmember

APPOINTED OFFICIALS

Jarb Thaipejr
City Manager/Public Works Director

Richard Holdaway
City Attorney

Barbara Nicholson City Clerk

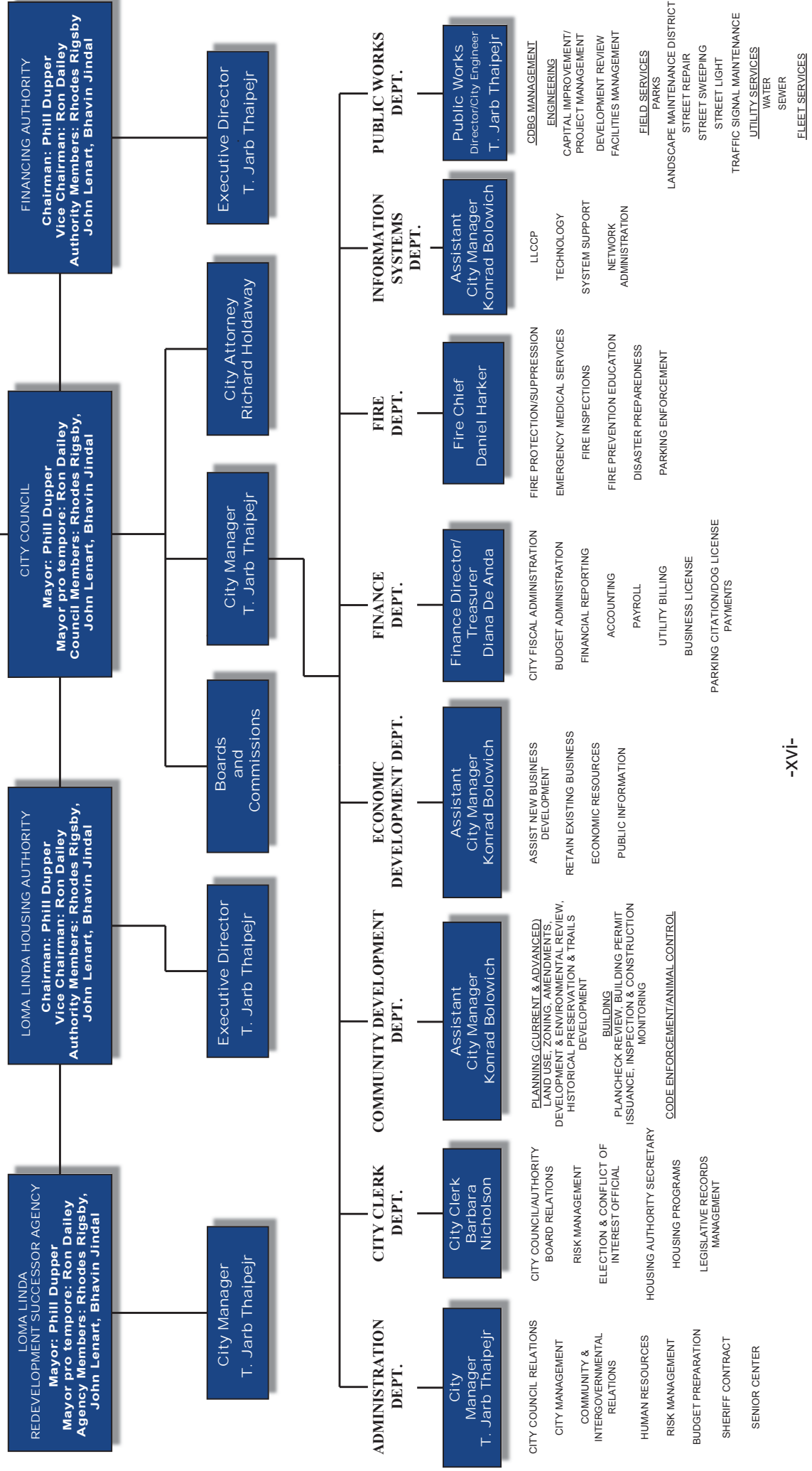
Konrad Bolowich Assistant City Manager

Diana De Anda Finance Director/Treasurer

Daniel Harker..... Fire Chief

CITY OF LOMA LINDA ORGANIZATION CHART

The People of Loma Linda



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

INDEPENDENT AUDITOR'S REPORT

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San Bernardino, CA 92408
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909 889 5361 F
ramscca.net

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

Report on the Financial Statements

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGERS / STAFF

Charles De Simoni, CPA
Gardenya Duran, CPA
Brianna Schultz, CPA
Jingjie Wu, CPA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Tara R. Thorp, CPA, MSA
Laura Arvizu, CPA
Louis Fernandez, CPA
Abigail Hernandez Conde, CPA, MSA
Zoe Xinlu Zhang, CPA, MSA
John Maldonado, CPA, MSA

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

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Certified Public Accountants

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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, 2020, 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.

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 the plan's proportionate share of the plan's net pension liability and related ratios as of the measurement date, schedule of pension plan contributions, schedule of changes in the net OPEB liability and related ratios, schedule of OPEB 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 February 9, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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
February 9, 2021

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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, 2020. 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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$137,376,256 (net position); of this amount \$109,694,653 is from governmental activities and \$27,681,603 is from business-type activities, with \$16,553,951 positive and \$8,564,601 in negative unrestricted net position, respectively.
- In the Government-Wide – Statement of Activities: The City's net position increased 1.78% or \$2,396,535 from the \$134,979,721 at the beginning of the year, to \$137,376,256 at the end of the year. The increase is the net result of positive changes of \$2,126,730 in governmental activities and \$269,805 in business-type activities.
- In the Government-Wide – Statement of Activities: During the current year, Governmental activities program revenues decreased by \$2,025,118; due to a steady decrease in charges for services in all government functions of \$338,913, in addition, to a decrease of combined operating/capital contributions and grants of \$1,686,205. Business-type program revenues increased by a net \$1,166,454 due to an increase in charges for services in all enterprise funds.
- In the Governmental Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance: During the year, the General Fund reported a negative net change in fund balance of \$1,279,376, due to the \$1,944,047 expenditures over revenues combined with other financing sources of \$664,671, with the majority being a PERS Unfunded Actuarial Liability (UAL) payment of \$2 mil from reserves.
- In the Required Supplementary Information – Budgetary Comparison Schedule: For the General Fund, the actual revenues available for appropriation were less than the final budget by \$248,218, while actual expenditures were \$1,212,271 less than the final budget. Net actual other financing sources were \$41,329 less than the final budget, resulting in a positive \$922,724 net change in budgetary variance and an actual negative fund balance of \$1,279,376.
- In the 2020/2021 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 have a negative change in net position of \$563,000. Overall, the general fund maintains a solid financial position with committed funds of \$2,000,000 (emergency contingency) and assigned funds of \$1,250,000 (capital equipment replacement). In the adopted budget for fiscal year 2020/2021, committed fund balance represent 9.9% 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, deferred outflows of resources, deferred inflows of resources 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. General revenues, including property taxes, motor vehicle in lieu, sales taxes, and franchise fees, finance 64% 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 charges for services and developer contributions.
- Component units - The City's governmental activities include the Public Financing Authority (PFA) 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-two 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, regional traffic development impact fund, special projects construction fund, and the park development fund; which are considered to be *major* funds. The remaining twenty-seven *nonmajor* funds are combined and presented in the *nonmajor* governmental funds column. Individual fund detail for the *nonmajor* funds is presented in the *combining statements* located on pages 102-115 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, expenses 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 Former 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 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 34-84 of this report.

Required supplementary information - The *budget and budgetary accounting* and *postemployment benefit plans* information can be found on pages 85-93 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 1.98% from \$107,567,923 to \$109,694,653. The \$2,126,730 positive change in net position is the result of a negative \$15,932,052 in program operations, netted with \$18,049,477 in general revenues. In the business-type activities the increase was 0.98% or \$269,805, net position changed from a \$27,411,798 to \$27,681,603, the net result of a negative \$437,193 position change from operations and a positive \$716,303 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
as of June 30,

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 68,465,561	\$ 62,042,569	\$ 12,514,939	\$ 12,518,452	\$ 80,980,500	\$ 74,561,021
Capital assets	<u>52,137,531</u>	<u>53,439,556</u>	<u>40,545,324</u>	<u>40,395,686</u>	<u>92,682,855</u>	<u>93,835,242</u>
Total Assets	<u>120,603,092</u>	<u>115,482,125</u>	<u>53,060,263</u>	<u>52,914,138</u>	<u>173,663,355</u>	<u>168,396,263</u>
Deferred Outflow of Resources	<u>8,206,640</u>	<u>9,646,335</u>	<u>2,888,745</u>	<u>3,125,120</u>	<u>11,095,385</u>	<u>12,771,455</u>
Long-term liabilities	7,549,739	13,449,177	25,441,165	27,021,613	32,990,904	40,470,790
Other liabilities	<u>7,530,180</u>	<u>3,511,142</u>	<u>1,197,854</u>	<u>1,315,635</u>	<u>8,728,034</u>	<u>4,826,777</u>
Total Liabilities	<u>15,079,919</u>	<u>16,960,319</u>	<u>26,639,019</u>	<u>28,337,248</u>	<u>41,718,938</u>	<u>45,297,567</u>
Deferred Inflow of Resources	<u>4,035,160</u>	<u>600,218</u>	<u>1,628,386</u>	<u>290,212</u>	<u>5,663,546</u>	<u>890,430</u>
Net Position:						
Net Invested in Capital Assets	52,098,547	53,363,136	35,564,416	35,191,938	87,662,963	88,555,074
Restricted	41,042,155	40,255,257	681,788	396,401	41,723,943	40,651,658
Unrestricted	<u>16,553,951</u>	<u>13,949,530</u>	<u>(8,564,601)</u>	<u>(8,176,541)</u>	<u>7,989,350</u>	<u>5,772,989</u>
Total Net Position	<u>\$ 109,694,653</u>	<u>\$ 107,567,923</u>	<u>\$ 27,681,603</u>	<u>\$ 27,411,798</u>	<u>\$ 137,376,256</u>	<u>\$ 134,979,721</u>

As shown in Table 2, the change in net position is a positive \$2,126,730 for *governmental activities* and \$269,805 for *business-type activities*, with a combined total increase in net position of \$2,396,535 for the fiscal year ending June 30, 2020.

Table 2
City of Loma Linda's Changes in Net Position
For the years ended June 30,

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for services	\$ 10,522,228	\$ 10,861,141	\$ 12,903,903	\$ 11,737,449	\$ 23,426,131	\$ 22,598,590
Operating grants and contributions	664,307	2,552,498	-	-	664,307	2,552,498
Capital grants and contributions	1,510,791	1,308,805	-	-	1,510,791	1,308,805
General Revenues:						
Taxes	13,935,521	12,453,428	-	-	13,935,521	12,453,428
Motor Vehicle in lieu/Intergovernmental	2,433,722	2,293,699	-	-	2,433,722	2,293,699
Investment Revenue	1,472,804	1,290,647	208,279	271,702	1,681,083	1,562,349
Other	207,430	586,004	508,024	595,924	715,454	1,181,928
Total Revenues	30,746,803	31,346,222	13,620,206	12,605,075	44,367,009	43,951,297
Expenses:						
Governmental Activities:						
General government	4,655,547	6,425,416	-	-	4,655,547	6,425,416
Public safety	13,132,883	13,454,286	-	-	13,132,883	13,454,286
Community development	3,646,694	2,309,000	-	-	3,646,694	2,309,000
Public works	7,191,106	7,202,335	-	-	7,191,106	7,202,335
Interest on long-term debt	3,148	7,778	-	-	3,148	7,778
Business-Type Activities:						
Water acquisition	-	-	163,718	651,998	163,718	651,998
Water	-	-	7,321,257	7,334,056	7,321,257	7,334,056
Sewer	-	-	4,780,642	4,655,471	4,780,642	4,655,471
LL Connected Communities	-	-	1,075,479	981,077	1,075,479	981,077
Total Expenses	28,629,378	29,398,815	13,341,096	13,622,602	41,970,474	43,021,417
Changes in Net Position before						
Transfers	2,117,425	1,947,407	279,110	(1,017,527)	2,396,535	929,880
Transfers	9,305	4,799	(9,305)	(4,799)	-	-
Change in Net Position	2,126,730	1,952,206	269,805	(1,022,326)	2,396,535	929,880
Net Position at Beginning of Year	107,567,923	105,615,717	27,411,798	28,434,124	134,979,721	134,049,841
Net Position at End of Year	\$ 109,694,653	\$ 107,567,923	\$ 27,681,603	\$ 27,411,798	\$ 137,376,256	\$ 134,979,721

Governmental activity program revenues decreased over last year by \$2,025,118, and general revenues increased by \$1,425,699. Net decrease in operating contributions and grants of \$1,888,191 was a result of \$1,781,273 Measure I - Major Street Arterial (MSART) sub-program funding in fiscal year 2019, upon completion of the re-alignment of California Street and Redlands Boulevard. Charges for services decreases in General Government of \$290,180 were mainly due to decreased overhead as less capital projects were completed than the previous year. In Public Safety program revenues decreased by a net of \$531,450 due to a decrease in fire incidents being reimbursed, reduction in EMS response fees, as well as unearned revenue recognized for three public safety grants in fiscal year 2019. Community Development program revenues increased by \$349,872 as a result of construction activity related to three new housing projects. The City collected \$1,467,858 more in development impact fees over last year, however, the City approved an agreement with the developer to have a public park at Citrus Trail built in exchange for the park development fees and \$1,148,988 in fees was reclassified as a Due to Developer for payment upon project completion.

Public Works program revenues decreased by \$1,553,360, of this amount charges for services decreased \$37,615 as a result of engineering and plan checks related to new proposed building projects. The net decrease in program revenues for Public Works is due primarily to a \$1,717,731 decrease in capital and operating contributions to Public Works due to an MSART funded project completed in 2019 and offset by an increase in capital contributions to Public Works for the State Highway Operation and Protection Program (SHOPP) grant used to widen the Mt. View off ramps received by the end of the fiscal year and the portion accrued to be received in the next reporting period which together nets an increase of \$201,986 over last year's capital contributions and grants.

Overall general revenues increased by \$1,425,699, due to the following changes in all major tax categories: property taxes increase - \$299,046 (current secured - \$27,465, negotiated pass-through - \$21,111, residual balances from RDA Successor Agency - \$199,961, and property transfer tax - \$46,375), sales tax increase - \$1,307,203 (due to sales tax coming in higher in both point of sale transactions and the County-wide pools share, as well as, a prior year accounting recognition of MSART revenue of \$688,280 for street projects); franchise tax increase - \$28,838 (communications and service utilities), and other taxes decreased - \$152,994 (transient occupancy tax and abatement decrease - \$139,923, business license tax decrease - \$13,518) Motor Vehicle in Lieu – increased \$140,023 (due to increases in property valuations), Investment revenues increased a net of \$182,157 (due to a Housing loan that was reclassified from prior year for \$300,000 and investment revenue decreased \$117,843 as a result of decreased cash balances and a decline in interest rates due to world-wide pandemic COVID-19), Gain on sales of assets decreased by \$20,119 due to only one property sale during the year. Miscellaneous revenues decreased \$358,455 due to revenue recognition in prior year of deposits on abandoned projects that were not claimed by applicants on a timely basis (per City's Municipal code Chapter 1.24). And finally, net transfers in/out between governmental and business-type fund related to shared capital equipment purchases which were \$4,506 more in fiscal year 2020.

Business-type program revenues were up a net of \$1,166,454, when compared to last year. Primary increases were across the board related to service charges for water, sewer and water acquisition. The increase in water and sewer operations service charges were \$330,320 and \$306,099, respectively. Increases were due to annual rate increases and rising consumption levels resulting from the lifting of conservation restrictions, and new housing development connections within the City. Water acquisition increases of \$497,948 were from development impact fees of building activities. The increase of \$32,087 in Loma Linda Connected Communities fund was due to an increase in network infra. certification for new homes, and commercial and residential services. Net general revenues decreased by \$151,323 due to total decreases in miscellaneous and investment revenues of \$89,855 and \$63,423, respectively. Miscellaneous revenues decreased due to 2019 having declared revenue for deposits on abandoned projects that were not claimed by applicants on a timely basis (per City's Municipal code Chapter 1.24). The decrease in investment revenues is due to lower cash balances and decrease in the interest rate. The increase in gain on sale of assets of \$1,955 and decrease in net transfers in/out to governmental activities of \$4,506 is due to a decrease in the purchase of jointly purchased assets. The net result of all business type activities are shown in the *statement of activities*.

Governmental activities program expenses decreased by \$769,437. The result was the net of increases and decreases within specific programs during the fiscal year. A decrease of \$321,403 occurred in Public Safety due to a decrease in the pension expense associated with the unfunded liability. An \$11,229 decrease in Public Works is mainly attributed operations and savings on the pension expense associated with unfunded. Furthermore, there was a \$1,337,694 increase in Community Development is mainly due to building and plan check professional services coming in higher by \$221,354, a reclassification of water billing from prior years in the LMD fund of about \$76,000, the closing out of a housing development project of about \$380,000, and the allocation of the reduction of additional payment to the unfunded liability on retirement from prior year. Program decreases of \$1,769,869 that occurred in the General Government operations is primarily due to the change in classification of economic development programs incentives from an expense in 2019 to an abatement of revenue in 2020, and the netting of the additional payment of unfunded liabilities in the prior year.

The *business-type activities* expenses reflected a net decrease of \$281,506 in program expenses. The Water Enterprise fund had a decrease \$12,799 which is made up of an increase in pension obligation payment and decreases in operating expenses such as repairs and maintenance and overhead costs. The Water Acquisition fund also had a decrease of \$488,280 due to a decrease in the purchase of new 4G water meters for city-wide replacement of old and the associated decrease in overhead on expenses. Additionally, increases occurred in the Sewer fund related to the annual pension adjustment. And lastly, an increase in the Connected Communities fund of \$94,402 is also due to the annual pension adjustment.

In comparison to fiscal year 2019, the overall change in net position from operations for *governmental activities* was an increase of \$2,126,730 and *business-type activities* increased by \$269,805 resulting in an overall City net position increase of \$2,396,535 for fiscal year 2020.

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		
	2020	2019	Change	2020	2019	Change
Functions:						
General government	\$ 4,655,547	\$ 6,425,416	\$ (1,769,869)	\$ 1,708,331	\$ 3,188,020	\$ (1,479,689)
Public safety	13,132,883	13,454,286	(321,403)	10,708,035	10,497,988	210,047
Community development	3,646,694	2,309,000	1,337,694	178,821	(809,001)	987,822
Public works	7,191,106	7,202,335	(11,229)	3,333,717	1,791,586	1,542,131
Interest on long-term debt	3,148	7,778	(4,630)	3,148	7,778	(4,630)
Total Governmental Activities	\$ 28,629,378	\$ 29,398,815	\$ (769,437)	\$ 15,932,052	\$ 14,676,371	\$ 1,255,681

In looking at table 3, you will note the major changes both in total cost and net cost. In 2020, total costs decreased by \$769,437, a result of decreases in general government, public safety, public works, and interest in long term debt with decreases in community development. 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 \$48,390,196 a net decrease of \$1,041,757 in fund balance; included in this amount are decreases in fund balance for General Fund of \$1,279,376, the Housing Authority of \$360,190 (due to close out of a Housing developer project), the Park Fund of \$88,996, and the net of Non major Funds of \$536,961; combined with increased in the Regional Traffic Development Impact Fund of \$766,627 and the Special Projects Construction Fund of \$457,139. The General Fund had a net decrease in fund balance of \$1,279,376, resulting from net expenditures exceeding revenues by \$1,944,047, netted with total other financing sources of \$664,671. The significant change from prior year is mainly due to the additional payment of \$6,593,000 made by the general fund in the prior year to help reduce the City's pension unfunded actuarial liability. Whereas, in the current year, only a \$2,000,000 additional payment was made to the UAL. The increases that offset the large change in the General fund had to do with the increase in development impact fees for the Regional Traffic Development Impact fund with significant payments of developments impact fees from Citrus Trails by Lennar Homes, Citrus Glen by KB Home, two small 3-unit and 4-unit developments and one medical building as well as the repayment on the loan owed by the Successor Agency to the Special Projects Construction fund spent on debt service (with expenditures such as the down payment on an aerial fire truck and SCBA equipment still being lower than the repayment).

In the park fund a net decrease in fund balance of \$88,996 was due to assets such as shade structures done at Hulda Crooks and Leanord Bailey parks and improvements at the Heritage Park parking lot. In the *nonmajor* funds, the Federal State Construction fund had a significant increase in expenditures over last year due to the I-10 Freeway/Mt. View off-ramp improvements causing this fund to have a negative \$467,264 net change in fund balance.

In total the *Proprietary Funds* reported a positive change in net position of \$269,805, with the Water Enterprise and the Sewer Capital Funds showing a positive change and the Water Acquisition and Connected Communities Funds reporting a negative net change. The Water Enterprise ended with a positive change in net position of \$530,556, as a result of ongoing operating expenses exceeding operating revenues offset by transfers in for capital contributions. These transfers out of capital assets in the amount of \$1,242,694 contributed to the negative net position of \$106,353 for the Water Acquisition Fund. The Sewer Fund ended the year with a positive change of \$559,238, current revenues of \$5,327,972 are in excess of \$4,772,705 in operating expenses; 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 \$713,636 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 \$1,944,047 more than the actual revenues. The positive budget-to-actual variance of \$964,053 in appropriations was due to conservative spending city wide with saving in personnel cost, professional and contractual services, repairs and maintenance, and utilities, but the majority of the general government budget variance was in the classification of economic incentives as tax abatements per *GASB 77* (see Note 18). Of the unspent budget, actual revenues were \$248,218 less than anticipated compared to the final budget due to higher residual balance from the Successor Agency, engineering inspections, building permits, refunds and reimbursements and lease income; offset by shortfalls of sales taxes, expected grants (Federal and Miscellaneous) not received, transient occupancy tax, business license tax, fire permits, as well as, a decrease in projected overhead. Favorable 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 decreased by \$2,455,400, primarily for the anticipated sales tax and abatements losses due to projected COVID-19 stay at home orders implemented. While the expenditure appropriations budget was decreased in total by \$240,800, the major decrease was for the reduction in economic incentives as it was reclassified as a revenue reductions rather than expense, and netted against an increase in pension payment in general government to pay down the pension unfunded actuarial liability.

Although, the final adopted budget projected a \$2,202,100 negative change in fund balance, unfavorable results in revenues of \$248,218, favorable results in expenditures of \$1,212,271 and unfavorable results in other financing uses of \$41,329, resulted in the combined favorable results of \$922,724, as the actual negative net change in fund balance was only \$1,279,376 for the fiscal year ending June 30, 2020.

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	
	2020	2019	2020	2019	2020	2019
Asset Type:						
Land	\$ 14,651,396	\$ 14,651,396	\$ 1,387,764	\$ 1,387,764	\$ 16,039,160	\$ 16,039,160
Construction in progress	1,197,482	755,167	312,728	13,516	1,510,210	768,683
Structures, machinery & equipment	9,425,799	10,655,431	7,548,268	8,065,835	16,974,067	18,721,266
Infrastructure	<u>26,862,854</u>	<u>27,377,562</u>	<u>31,296,564</u>	<u>30,928,571</u>	<u>58,159,418</u>	<u>58,306,133</u>
Total	<u>\$ 52,137,531</u>	<u>\$ 53,439,556</u>	<u>\$ 40,545,324</u>	<u>\$ 40,395,686</u>	<u>\$ 92,682,855</u>	<u>\$ 93,835,242</u>

At the end of fiscal year 2020, the City had \$92,682,855 invested in a broad range of capital assets, a total decrease of \$1,152,387 (See Table 4 above). *Governmental activities* include 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. The total decrease in the City of Loma Linda investment in capital assets for fiscal year 2020 was 1.23% (a 2.44% decrease in *governmental activities* and 0.37% increase in *business-type activities*). For fiscal year 2020, Net decreases are the result of depreciation and deletions greater than new additions as well as the disposal of solar panels at City Hall. 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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Asset Type:						
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	455,365	13,050	308,528	13,516	763,893	26,566
Structures, machinery and equipment	334,634	622,604	179,671	435,346	514,305	1,057,950
Infrastructure	<u>391,112</u>	<u>1,660,455</u>	<u>1,458,298</u>	<u>1,239,295</u>	<u>1,849,410</u>	<u>2,899,750</u>
Total Additions	1,181,111	2,296,109	1,946,497	1,688,157	3,127,608	3,984,266
Less: Decreases and depreciation	<u>(2,483,136)</u>	<u>(2,614,274)</u>	<u>(1,796,859)</u>	<u>(1,767,907)</u>	<u>(4,279,995)</u>	<u>(4,382,181)</u>
Capital Asset Increase/(Decrease)	<u>\$ (1,302,025)</u>	<u>\$ (318,165)</u>	<u>\$ 149,638</u>	<u>\$ (79,750)</u>	<u>\$ (1,152,387)</u>	<u>\$ (397,915)</u>

As shown in Table 5, above, *capital assets* current year activity decreased \$1,302,025 (net of depreciation) for *governmental activities* and increased \$149,638 (net of depreciation) for *business-type activities* for a total decrease of \$1,152,387. In the *governmental activities* the decrease includes the disposal of damaged and outdated solar panels at the Civic Center as well as the disposal of several self-contained breathing apparatus that were replaced with eighteen (18) new SCBA systems (14 with thermal imaging technology). Other assets purchased included a commercial front lawnmower, two (2) work trucks, two (2) a/c units, and several shade structures at various parks and bus stops. Infrastructure additions included an addition to the storm drain at San Lucas and San Marcos and Parking lot improvements at Heritage Park. Some of the Sewer and Water enterprise asset additions included in machinery and equipment include the purchase two (2) super-cab trucks, two (2) a/c units for a couple well sites as well as chlorination systems for the same well sites and for the treatment plant. Infrastructure additions include fiber optic installation at well sites, and several waterline expansions at different locations. Additional information regarding capital assets activities can be found in Notes 11 and 5 of the financial statements.

Long-Term Liabilities

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 net position on page 16, with detailed information in Note 8 to the financial statements.

Governmental Activities - Governmental Activities - The City governmental funds have \$7,549,739 in outstanding long-term liabilities as of June 30, 2020; with the majority (\$6,554,995) related to post-employment related obligations (pensions and OPEB). Tables 6 below and Note 5 and 6 to the financial statements offer a more detailed view of governmental long-term liabilities.

Table 6
City of Loma Linda
Long-Term Liabilities at Year End

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Master Lease Purchase - Fire apparatus	\$ 38,984	\$ 76,420	\$ -	\$ -	\$ 38,984	\$ 76,420
1978 Water Bonds (General Obligation)	-	-	10,000	10,000	10,000	10,000
1995 Water Revenue Refunding Bonds	-	-	-	-	-	-
2016 Water Revenue Refunding Bonds	-	-	4,935,000	5,155,000	4,935,000	5,155,000
Compensated absences	728,661	633,766	307,369	301,424	1,036,030	935,190
Insurance Retrospective Deposit	16,137	161,081	85,321	105,803	101,458	266,884
OPEB liability	210,962	286,116	172,607	234,097	383,569	520,213
Net Pension liability	6,554,995	12,291,794	1,951,855	3,803,255	8,506,850	16,095,049
Add: Unamortized bond premium	-	-	45,908	48,748	45,908	48,748
Total	\$ 7,549,739	\$ 13,449,177	\$ 7,508,060	\$ 9,658,327	\$ 15,057,799	\$ 23,107,504

Business-type Activities - The enterprise funds have \$7,508,060 in outstanding long-term liabilities as of June 30, 2020. The water enterprise fund has bonded debt of \$4,945,000 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 OPEB and pension related obligations total \$2,124,462. Additional detailed information for business-type long-term liabilities is shown in Note 5 and 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) had a steady and strong growing economy. Job growth had been steady since 2012, and unemployment was at an all-time low of 3.9%. Wages in the Inland Empire have been steadily rising, from the first quarter of 2019 to the first quarter of 2020; wages grew 2.4%, well behind the 4.2% pace in California. Wage growth in the Inland Empire was strongest in San Bernardino County where they increase 3.5% while neighboring Riverside County grew only 1.2%. During the final months of Fiscal Year 2019-2020, the COVID-19 pandemic caused a widespread health crisis, which was quickly followed by a widespread financial crisis. States across the country imposed lockdown and stay-at-home orders to try to contain the spread of the virus, which contributed to rapid job losses. In the Inland Empire, the crisis brought the unemployment rate to 9.8%, just below the state's 11.4% rate. The largest losses have been concentrated in the Leisure and Hospitality sector, with 55,500 fewer workers than a year earlier.

Other significant losses occurred in the service sectors, such as retail, hair and nails, manufacturing, and Government. Alternatively, amidst the pandemic, a surge in e-commerce purchases has helped the region's transportation, warehousing and utility sectors during the last few months. In response to the pandemic, federal stimulus packages for individual taxpayers, businesses, state and local governments were made available. Overall spending dropped rapidly by 30.8% in San Bernardino County at the start of COVID-19 pandemic, but by the end of June spending rebounded to an estimated 15% drop. This is a promising sign pointing to a recovery in consumer spending. The housing market in San Bernardino County, has surprisingly improved despite the pandemic. Median home values in San Bernardino County increased by 9.4% over last year based on the Los Angeles Almanac. While the negative economic consequences have not been as severe from a fiscal standpoint, as many local and state governments had predicted, the future economic outlook does present a large amount of uncertainty.

Prior to the pandemic, Loma Linda had been experiencing the impacts of economic growth. Over the last years, the City has seen new development activity increases 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 continues to see a need for temporary and permanent housing for patients receiving medical treatment and employees working at these institutions. In 2020, the City saw the completion of its third major hotel and the proposal for a fourth. The New Loma Linda University Medical Hospital is nearing completion and there are other housing and commercial development projects at various stages of development/construction currently under way. During the last couple of years Loma Linda has been able to restore 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. Despite the COVID-19 pandemic, the City for fiscal year 2019/2020 maintained economic growth, employment remained stable as medical facility, groceries store and certain services within the City were deemed essential services. Consumer spending shifted to ecommerce, property valuations increased and property sales continued, and ultimately leading to steady flows in City revenues (sales tax, property tax, franchise fees, transient occupancy tax, and business license) as reflected in the governmental activities tax and assessment revenues by source table in the statistical section (page 158). The challenges facing the City with the recent growth will be balancing the resources available to meet the increasing demands on city services (fire, police and general community services), the ongoing maintenance of new and existing infrastructure (parks, landscaping, streets, and utility services), rising pension obligations and contractual service costs that are outside the control of the City. Work continues with staff and designated committees to address the demands for services by implementing new policies, and working on economic development project proposals that will maintain solid economic growth for the community while preserving the necessary level of services. Although the City has seen growth in revenues, it continues to operate at a lean conservative capacity especially as the COVID-19 pandemic continues, new stay at home orders are imposed and vaccine hopes are uncertain.

On May 12, 2020, the City Council adopted the City of Loma Linda Operating and Capital Improvement Program (CIP) Budget for the Fiscal Year beginning July 1, 2020 and ending June 30, 2021. The General Fund operating budget totals \$20,228,700 and is funded by operating revenue of \$18,683,900, transfers in and other financing sources of \$681,900, with a \$563,000 coming out of unassigned fund balance. The fund balance in the General Fund is expected to decrease to \$5,665,814 with \$2,415,814 in unassigned and \$3,250,000 designated (committed or assigned) as budgetary reserves. The total City operating budget amounts to \$45,827,300, with total estimated resources available for budget purposes of \$44,452,000, for fiscal year 2020/2021. The approved CIP budget for fiscal year 2020/2021 totals \$10,480,519 with a five-year CIP investment plan estimated at \$24,374,519.

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.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF LOMA LINDA
Statement of Net Position
June 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 39,120,264	\$ 7,270,908	\$ 46,391,172
Receivables:			
Accounts	678,860	1,281,270	1,960,130
Taxes	2,893,741	-	2,893,741
Interest	129,143	24,182	153,325
Contracts and loans	16,747,566	-	16,747,566
Internal balances	2,481	(2,481)	-
Due from other governments	875,932	68,692	944,624
Inventories	20,290	280,991	301,281
Prepaid items	3,052	5,476	8,528
Loan receivable from the Successor Agency	5,287,270	2,904,113	8,191,383
Land held for resale	2,706,962	-	2,706,962
Restricted assets:			
Cash and investments with fiscal agents	-	681,788	681,788
Capital assets:			
Non-depreciable	15,848,878	1,700,492	17,549,370
Depreciable, net	36,288,653	38,844,832	75,133,485
Total capital assets	<u>52,137,531</u>	<u>40,545,324</u>	<u>92,682,855</u>
Total assets	<u>120,603,092</u>	<u>53,060,263</u>	<u>173,663,355</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	8,181,574	2,868,237	11,049,811
OPEB related items	25,066	20,508	45,574
Total deferred outflows of resources	<u>8,206,640</u>	<u>2,888,745</u>	<u>11,095,385</u>
LIABILITIES			
Accounts payable	2,417,073	809,899	3,226,972
Interest payable	3,148	75,484	78,632
Accrued liabilities	237,148	68,488	305,636
Due to other governments	1,873	-	1,873
Due to other Agency	2,976,139	-	2,976,139
Deposits payable	1,581,398	243,983	1,825,381
Unearned revenue	313,401	-	313,401
Noncurrent liabilities due in more than one year:			
Advances from the Loma Linda Successor Agency	-	17,510,432	17,510,432
Loan payable to General fund	-	422,673	422,673
Due within one year	395,584	353,355	748,939
Due in more than one year	388,198	5,030,243	5,418,441
Net pension liability	6,554,995	1,951,855	8,506,850
Net OPEB liability	210,962	172,607	383,569
Total liabilities	<u>15,079,919</u>	<u>26,639,019</u>	<u>41,718,938</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	3,975,644	1,579,691	5,555,335
OPEB related items	59,516	48,695	108,211
Total deferred inflows of resources	<u>4,035,160</u>	<u>1,628,386</u>	<u>5,663,546</u>
NET POSITION			
Net investment in capital assets	52,098,547	35,564,416	87,662,963
Restricted for:			
Public works project	21,082,684	-	21,082,684
Public safety	1,046,468	-	1,046,468
Community development	17,967,542	-	17,967,542
General government	800,532	-	800,532
Debt service	144,929	681,788	826,717
Unrestricted (deficit)	16,553,951	(8,564,601)	7,989,350
Total Net Position	<u>\$ 109,694,653</u>	<u>\$ 27,681,603</u>	<u>\$ 137,376,256</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, 2020

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Primary Government:					
Governmental activities:					
General government	\$ 4,655,547	\$ 2,947,216	\$ -	\$ -	\$ 2,947,216
Public safety	13,132,883	2,326,787	98,061	-	2,424,848
Community development	3,646,694	3,465,549	2,324	-	3,467,873
Public works	7,191,106	1,782,676	563,922	1,510,791	3,857,389
Interest on long-term debt	3,148	-	-	-	-
Total governmental activities	<u>28,629,378</u>	<u>10,522,228</u>	<u>664,307</u>	<u>1,510,791</u>	<u>12,697,326</u>
Business-type activities:					
Water acquisition	163,718	1,141,226	-	-	1,141,226
Water enterprise	7,321,257	6,076,134	-	-	6,076,134
Sewer capital	4,780,642	5,327,464	-	-	5,327,464
Loma Linda Connected Communities	1,075,479	359,079	-	-	359,079
Total business-type activities	<u>13,341,096</u>	<u>12,903,903</u>	<u>-</u>	<u>-</u>	<u>12,903,903</u>
Total primary government	<u>\$ 41,970,474</u>	<u>\$ 23,426,131</u>	<u>\$ 664,307</u>	<u>\$ 1,510,791</u>	<u>\$ 25,601,229</u>

General revenues:

Taxes:	
Property tax, levied for general purpose	
Sales tax	
Franchise tax	
Transient occupancy tax	
Business license tax	
Other taxes	
Motor Vehicle in Lieu	
Investment revenue	
Gain on sale of assets	
Miscellaneous	
Transfers in (out)	
Total general revenues and transfers	
Change in net position	
Net position, beginning of year	
Net position, end of year	

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

(Continued)

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,708,331)	\$ -	\$ (1,708,331)
(10,708,035)	-	(10,708,035)
(178,821)	-	(178,821)
(3,333,717)	-	(3,333,717)
(3,148)	-	(3,148)
<u>(15,932,052)</u>	<u>-</u>	<u>(15,932,052)</u>
-	977,508	977,508
-	(1,245,123)	(1,245,123)
-	546,822	546,822
-	(716,400)	(716,400)
<u>-</u>	<u>(437,193)</u>	<u>(437,193)</u>
<u>(15,932,052)</u>	<u>(437,193)</u>	<u>(16,369,245)</u>
3,086,116	-	3,086,116
9,008,051	-	9,008,051
990,531	-	990,531
530,943	-	530,943
308,457	-	308,457
11,423	-	11,423
2,433,722	-	2,433,722
1,472,804	208,279	1,681,083
10,725	-	10,725
196,705	508,024	704,729
9,305	(9,305)	-
<u>18,058,782</u>	<u>706,998</u>	<u>18,765,780</u>
2,126,730	269,805	2,396,535
<u>107,567,923</u>	<u>27,411,798</u>	<u>134,979,721</u>
<u>\$ 109,694,653</u>	<u>\$ 27,681,603</u>	<u>\$ 137,376,256</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.

Regional Traffic Development Grant – Special Revenue Fund accounts 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.

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, 2020

	General	Special Revenue Funds	
		Loma Linda Housing Authority	Regional Traffic Development Impact
ASSETS			
Cash and investments	\$ 13,638,429	\$ 1,652,028	\$ 7,859,001
Receivables:			
Accounts	678,189	-	-
Taxes	2,851,693	-	-
Interest	40,845	7,831	24,820
Contract and loans	432,332	16,293,716	-
Due from other funds	407,407	-	-
Due from other governments	133,807	-	-
Inventories	20,290	-	-
Prepaid items	2,816	236	-
Land held for resale	-	2,706,962	-
Advances to other funds	-	-	-
Loan receivable from Successor Agency	-	-	-
Total assets	\$ 18,205,808	\$ 20,660,773	\$ 7,883,821
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,133,075	\$ 5,293	\$ 37,370
Accrued liabilities	234,538	-	-
Due to other funds	-	-	-
Due to other governments	1,873	-	-
Due to other Agency	2,976,139	-	-
Deposits payable	397,741	26,169	-
Unearned revenue	-	-	-
Advances from other funds	-	-	-
Total liabilities	4,743,366	31,462	37,370
Deferred inflows of resources:			
Unavailable revenue	3,378,580	3,238,971	-
Fund balances (deficit):			
Non spendable:			
Inventories	20,290	-	-
Prepaid items	2,816	-	-
Restricted for:			
Cultural and recreational	-	-	-
State mandated	-	-	-
Public safety	-	-	-
Street improvements	-	-	7,846,451
Storm drains	-	-	-
Municipal facilities	-	-	-
Air quality management	-	-	-
Debt service	-	-	-
Low/mod housing programs	-	17,390,340	-
Committed for:			
Emergency contingency	2,000,000	-	-
Assigned for:			
Refuse services	135,495	-	-
Fire equipment replacement	282,099	-	-
Sewer loan	422,673	-	-
Capital equipment replacement	1,250,000	-	-
Unassigned	5,970,489	-	-
Total fund balances (deficit)	10,083,862	17,390,340	7,846,451
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,205,808	\$ 20,660,773	\$ 7,883,821

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
\$ 4,462,014	\$ 1,982,999	\$ 9,525,793	\$ 39,120,264
-	-	671	678,860
-	-	42,048	2,893,741
14,278	6,183	35,186	129,143
-	-	21,518	16,747,566
-	-	-	407,407
-	-	742,125	875,932
-	-	-	20,290
-	-	-	3,052
-	-	-	2,706,962
3,004,500	-	-	3,004,500
5,287,270	-	-	5,287,270
<u>\$ 12,768,062</u>	<u>\$ 1,989,182</u>	<u>\$ 10,367,341</u>	<u>\$ 71,874,987</u>
\$ 956	\$ 15,739	\$ 1,224,640	\$ 2,417,073
-	-	2,610	237,148
-	-	404,926	404,926
-	-	-	1,873
-	-	-	2,976,139
-	1,148,988	8,500	1,581,398
-	-	313,401	313,401
-	3,004,500	-	3,004,500
<u>956</u>	<u>4,169,227</u>	<u>1,954,077</u>	<u>10,936,458</u>
<u>5,287,270</u>	<u>-</u>	<u>643,522</u>	<u>12,548,343</u>
-	-	-	20,290
-	-	-	2,816
-	-	362,529	362,529
-	-	18,952	18,952
-	-	1,046,468	1,046,468
7,479,836	-	4,855,858	20,182,145
-	-	900,539	900,539
-	-	767,588	767,588
-	-	32,944	32,944
-	-	144,929	144,929
-	-	214,673	17,605,013
-	-	-	2,000,000
-	-	-	135,495
-	-	-	282,099
-	-	-	422,673
-	-	-	1,250,000
-	(2,180,045)	(574,738)	3,215,706
<u>7,479,836</u>	<u>(2,180,045)</u>	<u>7,769,742</u>	<u>48,390,186</u>
<u>\$ 12,768,062</u>	<u>\$ 1,989,182</u>	<u>\$ 10,367,341</u>	<u>\$ 71,874,987</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, 2020

Fund Balances - Total Governmental Funds	\$ 48,390,186
<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>	52,137,531
<p>Long-term liabilities are not due and payable in the current period. Therefore they are not reported in the governmental funds:</p>	
Other long term liabilities	(55,121)
Compensated absences	(728,661)
Net pension liability	(6,554,995)
Net OPEB liability	(210,962)
<p>Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds.</p>	
Interest payable	(3,148)
<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 and OPEB related items	8,206,640
Deferred inflows of resources - pension and OPEB related items	(4,035,160)
<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>	12,548,343
Net Position of Governmental Activities	<u>\$ 109,694,653</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, 2020

	General	Special Revenue Funds	
		Housing Authority	Regional Traffic Development Impact
REVENUES			
Taxes	\$ 11,793,065	\$ -	\$ -
Licenses and permits	858,993	-	-
Intergovernmental	25,547	-	-
Charges for services	3,738,192	1,438	-
Use of money and property	615,688	195,347	141,031
Fines and forfeitures	10,096	-	-
Miscellaneous	2,804,701	1,349	34,364
Developer fees	-	-	824,732
Total revenues	19,846,282	198,134	1,000,127
EXPENDITURES			
Current:			
General government	3,778,105	-	-
Public safety	13,269,177	-	-
Community development	1,978,684	558,176	-
Public works	2,709,442	-	-
Capital outlay	54,921	148	233,500
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	21,790,329	558,324	233,500
REVENUES OVER (UNDER) EXPENDITURES	(1,944,047)	(360,190)	766,627
OTHER FINANCING SOURCES (USES)			
Proceeds from disposal of assets	10,725	-	-
Transfers in	713,133	-	-
Transfers out	(59,187)	-	-
Total other financing sources (uses)	664,671	-	-
Net change in fund balances	(1,279,376)	(360,190)	766,627
FUND BALANCE (DEFICIT)			
Beginning of year	11,363,238	17,750,530	7,079,824
End of year	\$ 10,083,862	\$ 17,390,340	\$ 7,846,451

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		
\$ -	\$ -	\$ 1,250,027	\$ 13,043,092
-	-	-	858,993
-	-	1,607,286	1,632,833
-	-	267,061	4,006,691
1,145,253	29,907	195,445	2,322,671
-	-	69,801	79,897
-	-	29,075	2,869,489
-	631,626	1,020,343	2,476,701
<u>1,145,253</u>	<u>661,533</u>	<u>4,439,038</u>	<u>27,290,367</u>
-	-	-	3,778,105
-	-	25,747	13,294,924
-	125,088	511,695	3,173,643
105,664	-	571,505	3,386,611
545,448	625,441	3,218,829	4,678,287
37,436	-	-	37,436
3,148	-	-	3,148
<u>691,696</u>	<u>750,529</u>	<u>4,327,776</u>	<u>28,352,154</u>
<u>453,557</u>	<u>(88,996)</u>	<u>111,262</u>	<u>(1,061,787)</u>
-	-	-	10,725
3,582	-	55,000	771,715
-	-	(703,223)	(762,410)
<u>3,582</u>	<u>-</u>	<u>(648,223)</u>	<u>20,030</u>
457,139	(88,996)	(536,961)	(1,041,757)
<u>7,022,697</u>	<u>(2,091,049)</u>	<u>8,306,703</u>	<u>49,431,943</u>
<u>\$ 7,479,836</u>	<u>\$ (2,180,045)</u>	<u>\$ 7,769,742</u>	<u>\$ 48,390,186</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, 2020

Net change in Fund Balance - Total Governmental Funds \$ (1,041,757)

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.

Capital outlay capitalized, net of disposals	\$ 622,982	
Depreciation expense	<u>(1,925,007)</u>	(1,302,025)

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	37,436
------------------------------------	--------

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	911,664	
OPEB related net adjustments	25,652	
JPIA insurance rolling retro increase	<u>144,944</u>	1,082,260

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. (94,895)

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. 3,445,711

Change in Net Position of Governmental Activities \$ 2,126,730

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 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, 2020

	Enterprise Funds				
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 5,320,449	\$ 872,734	\$ 934,576	\$ 143,149	\$ 7,270,908
Receivables:					
Accounts	-	660,475	581,111	39,684	1,281,270
Interest	17,316	3,189	3,230	447	24,182
Inventories	-	280,400	591	-	280,991
Due from other governments	-	25,083	23,081	20,528	68,692
Prepaid items	-	5,476	-	-	5,476
Total current assets	<u>5,337,765</u>	<u>1,847,357</u>	<u>1,542,589</u>	<u>203,808</u>	<u>8,931,519</u>
Noncurrent assets:					
Advances to other funds	-	1,152,395	-	-	1,152,395
Loan receivable from Successor Agency	2,904,113	-	-	-	2,904,113
Restricted assets:					
Cash and investments with fiscal agents	-	681,788	-	-	681,788
Capital assets:					
Non-depreciable	-	1,700,492	-	-	1,700,492
Depreciable, net	-	31,341,118	3,286,857	4,216,857	38,844,832
Total capital assets	<u>-</u>	<u>33,041,610</u>	<u>3,286,857</u>	<u>4,216,857</u>	<u>40,545,324</u>
Total noncurrent assets	<u>2,904,113</u>	<u>34,875,793</u>	<u>3,286,857</u>	<u>4,216,857</u>	<u>45,283,620</u>
Total assets	<u>8,241,878</u>	<u>36,723,150</u>	<u>4,829,446</u>	<u>4,420,665</u>	<u>54,215,139</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	-	1,990,205	760,961	117,071	2,868,237
OPEB related items	-	12,305	5,947	2,256	20,508
Total deferred outflows of resources	<u>-</u>	<u>2,002,510</u>	<u>766,908</u>	<u>119,327</u>	<u>2,888,745</u>
LIABILITIES					
Current liabilities:					
Accounts payable	142,221	204,521	447,775	15,382	809,899
Interest payable - Bonds	-	75,484	-	-	75,484
Accrued liabilities	-	48,210	16,723	3,555	68,488
Deposits payable	-	56,846	174,719	12,418	243,983
Due to other funds	-	-	2,481	-	2,481
Long-term debt - due within one year	-	319,305	32,633	1,417	353,355
Total current liabilities	<u>142,221</u>	<u>704,366</u>	<u>674,331</u>	<u>32,772</u>	<u>1,553,690</u>
Noncurrent liabilities:					
Advances from other funds	-	-	1,152,395	-	1,152,395
Advances from Loma Linda Successor Agency	-	-	-	17,510,432	17,510,432
Loan payable to General fund	-	-	422,673	-	422,673
Long-term debt - due in more than one year	-	4,957,326	56,452	16,465	5,030,243
Net pension liability	-	1,354,348	517,839	79,668	1,951,855
Net OPEB liability	-	103,564	50,056	18,987	172,607
Total noncurrent liabilities	<u>-</u>	<u>6,415,238</u>	<u>2,199,415</u>	<u>17,625,552</u>	<u>26,240,205</u>
Total liabilities	<u>142,221</u>	<u>7,119,604</u>	<u>2,873,746</u>	<u>17,658,324</u>	<u>27,793,895</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related items	-	1,096,112	419,101	64,478	1,579,691
OPEB related items	-	29,217	14,122	5,356	48,695
Total deferred inflows of resources	<u>-</u>	<u>1,125,329</u>	<u>433,223</u>	<u>69,834</u>	<u>1,628,386</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	-	28,060,702	3,286,857	4,216,857	35,564,416
Restricted for debt service	-	681,788	-	-	681,788
Unrestricted	8,099,657	1,738,237	(997,472)	(17,405,023)	(8,564,601)
Total net position (deficit)	<u>\$ 8,099,657</u>	<u>\$ 30,480,727</u>	<u>\$ 2,289,385</u>	<u>\$ (13,188,166)</u>	<u>\$ 27,681,603</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, 2020

	Enterprise Funds				Total
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	
OPERATING REVENUES					
Charges for services	\$ 1,141,226	\$ 6,076,134	\$ 5,327,464	\$ 359,079	\$ 12,903,903
Miscellaneous	-	526,082	508	-	526,590
Total operating revenues	<u>1,141,226</u>	<u>6,602,216</u>	<u>5,327,972</u>	<u>359,079</u>	<u>13,430,493</u>
OPERATING EXPENSES					
Treatment	-	-	3,984,384	-	3,984,384
Cost of sales and services	163,718	3,826,079	-	272,753	4,262,550
Administration and general	-	1,883,470	615,797	110,700	2,609,967
Depreciation	-	1,463,579	172,524	130,144	1,766,247
Total operating expenses	<u>163,718</u>	<u>7,173,128</u>	<u>4,772,705</u>	<u>513,597</u>	<u>12,623,148</u>
Operating change in net position	<u>977,508</u>	<u>(570,912)</u>	<u>555,267</u>	<u>(154,518)</u>	<u>807,345</u>
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	158,833	30,766	15,916	2,764	208,279
Interest expense	-	(148,129)	(7,937)	(561,882)	(717,948)
Loss on disposal of assets, net	-	(18,566)	-	-	(18,566)
Net nonoperating revenues (expenses)	<u>158,833</u>	<u>(135,929)</u>	<u>7,979</u>	<u>(559,118)</u>	<u>(528,235)</u>
Change in net position (deficit) before transfers	<u>1,136,341</u>	<u>(706,841)</u>	<u>563,246</u>	<u>(713,636)</u>	<u>279,110</u>
TRANSFERS					
Transfer in	-	1,247,975	-	-	1,247,975
Transfer out	(1,242,694)	(10,578)	(4,008)	-	(1,257,280)
Total transfers	<u>(1,242,694)</u>	<u>1,237,397</u>	<u>(4,008)</u>	<u>-</u>	<u>(9,305)</u>
Change in net position	<u>(106,353)</u>	<u>530,556</u>	<u>559,238</u>	<u>(713,636)</u>	<u>269,805</u>
NET POSITION (DEFICIT)					
Beginning of year	<u>8,206,010</u>	<u>29,950,171</u>	<u>1,730,147</u>	<u>(12,474,530)</u>	<u>27,411,798</u>
End of year	<u>\$ 8,099,657</u>	<u>\$ 30,480,727</u>	<u>\$ 2,289,385</u>	<u>\$ (13,188,166)</u>	<u>\$ 27,681,603</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, 2020

	Enterprise Funds				Total
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users	\$ 1,141,226	\$ 6,580,257	\$ 5,331,684	\$ 348,384	\$ 13,401,551
Payments to suppliers for operations	(281,236)	(3,834,477)	(4,027,974)	(257,156)	(8,400,843)
Payments for general and administrative expenses	-	(2,101,487)	(701,216)	(123,780)	(2,926,483)
Net cash provided (used) by operating activities	859,990	644,293	602,494	(32,552)	2,074,225
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances to other funds	427,347	12,951	(42,234)	-	398,064
Advances from other funds	-	-	9,479	10,500	19,979
Transfer in	-	1,247,975	-	-	1,247,975
Transfer out	(1,242,694)	(10,578)	(4,008)	-	(1,257,280)
Net cash provided (used) by noncapital financing activities	(815,347)	1,250,348	(36,763)	10,500	408,738
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	-	(1,937,181)	-	-	(1,937,181)
Proceeds from sale of assets	-	2,728	-	-	2,728
Proceeds from note receivable	512,456	-	-	-	512,456
Payments on long-term debt	-	(233,735)	(5,670)	(1,077)	(240,482)
Interest paid on long-term debt	-	(153,581)	(7,937)	-	(161,518)
Net cash provided (used) by capital and related financing activities	512,456	(2,321,769)	(13,607)	(1,077)	(1,823,997)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	168,895	38,216	15,646	3,387	226,144
Net cash provided by investing activities	168,895	38,216	15,646	3,387	226,144
Net increase (decrease) in cash and equivalents	725,994	(388,912)	567,770	(19,742)	885,110
CASH AND CASH EQUIVALENTS					
Beginning of year	4,594,455	1,943,434	366,806	162,891	7,067,586
End of year	<u>\$ 5,320,449</u>	<u>\$ 1,554,522</u>	<u>\$ 934,576</u>	<u>\$ 143,149</u>	<u>\$ 7,952,696</u>
COMPRISED AS FOLLOWS					
Cash and cash equivalents	\$ 5,320,449	\$ 872,734	\$ 934,576	\$ 143,149	\$ 7,270,908
Cash and investments with fiscal agents	-	681,788	-	-	681,788
Total cash and investments	<u>\$ 5,320,449</u>	<u>\$ 1,554,522</u>	<u>\$ 934,576</u>	<u>\$ 143,149</u>	<u>\$ 7,952,696</u>

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, 2020

	Enterprise Funds				Total
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	
RECONCILIATION OF CHANGE IN OPERATING NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating change in net position	\$ 977,508	\$ (570,912)	\$ 555,267	\$ (154,518)	\$ 807,345
Adjustments to reconcile operating change in net position to net cash provided (used) by operating activities:					
Depreciation	-	1,463,579	172,524	130,144	1,766,247
(Increase) decrease in accounts receivable	-	(21,959)	3,712	(10,695)	(28,942)
(Increase) decrease in inventories	-	(24,144)	-	-	(24,144)
(Increase) decrease in prepaid items	-	1,282	-	-	1,282
(Increase) decrease in deferred outflows of resources	-	164,645	62,547	9,183	236,375
Increase (decrease) in accounts payable	(117,518)	25,406	(41,109)	14,418	(118,803)
Increase (decrease) in accrued liabilities	-	10,905	3,903	1,072	15,880
Increase (decrease) in deposits payable	-	(10,942)	(2,481)	1,179	(12,244)
Increase (decrease) in net OPEB obligation	-	(36,894)	(17,832)	(6,764)	(61,490)
Increase (decrease) in compensated absences	-	3,875	959	1,111	5,945
Increase (decrease) in net pension liability	-	(1,284,645)	(491,188)	(75,567)	(1,851,400)
Increase (decrease) in deferred inflows of resources	-	924,097	356,192	57,885	1,338,174
Total adjustments	(117,518)	1,215,205	47,227	121,966	1,266,880
Net cash provided (used) by operating activities	\$ 859,990	\$ 644,293	\$ 602,494	\$ (32,552)	\$ 2,074,225

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

Fiduciary Funds Financial Statements

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.

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CITY OF LOMA LINDA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Agency Funds	Private Purpose Trust Fund
ASSETS		
Cash and investments	\$ 126,118	\$ 4,139,328
Receivables:		
Interest	-	10,624
Contract and loans	-	79,862
Prepaid Items	-	168,263
Land held for resale	-	5,511,170
Advances to the City of Loma Linda	-	17,510,432
Restricted assets:		
Cash and investments with fiscal agents	-	20
Total assets	\$ 126,118	\$ 27,419,699
LIABILITIES		
Accounts payable	\$ 12,618	6,540
Interest payable	-	349,844
Due to other governments	-	190,943
Deposits payable	113,500	28,686
Long-term debt:		
Due within one year	-	3,872,701
Due beyond one year	-	31,763,615
Total liabilities	\$ 126,118	\$ 36,212,329
DEFERRED INFLOWS OF RESOURCES		
Gain on debt refunding		23,807
NET POSITION (DEFICIT)		
Deficiency in net position held in trust		\$ (8,816,437)

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, 2020

	Private Purpose Trust Fund
ADDITIONS	
Property taxes	\$ 3,849,756
Use of money and property	<u>607,782</u>
Total additions	<u>4,457,538</u>
DEDUCTIONS	
General and administrative	262,931
Debt service:	
Interest and fiscal charges	<u>1,031,338</u>
Total deductions	<u>1,294,269</u>
Change in net position	3,163,269
NET POSITION (DEFICIT):	
Beginning of year	<u>(11,979,706)</u>
End of year	<u><u>\$ (8,816,437)</u></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, 2020

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, 2020

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 a 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, 2020

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, 2020

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, 2020

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.

Regional Traffic Development Special Revenue Fund accounts for the portion of Transportation Projects identified by SANBAG (San Bernardino Associated Governments) that will serve the regional area.

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, 2020

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, 2020

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, 2020

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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, 2020

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, 2020

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.

Generally accepted accounting principles 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, 2018
Measurement Date (MD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

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

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

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, 2019
Measurement Date (MD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

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

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.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Fund Balance, Continued

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.

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, 2020

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.

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, 2020:

	Government-Wide Statements		Fiduciary Funds Statements		Totals
	Governmental Activities	Business-Type Activities	Agency Funds	Private Purpose Trust Fund	
Cash and investments	\$ 39,120,264	\$ 7,270,908	\$ 126,118	\$ 4,139,328	\$ 50,656,618
Restricted cash and investments	-	681,788	-	20	681,808
Total cash and investments	<u>\$ 39,120,264</u>	<u>\$ 7,952,696</u>	<u>\$ 126,118</u>	<u>\$ 4,139,348</u>	<u>\$ 51,338,426</u>

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 2: CASH AND INVESTMENTS, Continued

The City's cash and investments at June 30, 2020 in more detail were as follows:

Cash and cash equivalents	
Petty cash	\$ 1,350
Demand deposits	2,894,714
Total cash and cash equivalents	<u>2,896,064</u>
Investments	
Local Agency Investment Fund	<u>47,760,554</u>
Total cash and investments	<u>50,656,618</u>
Cash and Investments with Fiscal Agents	<u>681,808</u>
Total cash and investments	<u>\$ 51,338,426</u>

A. Deposits

The carrying amounts of the City's demand deposits were \$2,894,714 at June 30, 2020. Bank balances before reconciling items were \$3,520,812 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, 2020

Note 2: CASH AND INVESTMENTS, Continued

B. Investments, Continued

As of June 30, 2020, the City was a voluntary participant and had \$47,760,554 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 Investments 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, 2020 included 3.37% of the pooled funds invested in structured notes and asset-backed securities. This is an increase of 90.4% 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	\$ 47,760,554	\$ 47,760,554

Credit Risk – As of June 30, 2020, 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, 2020

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. \$3,270,812 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, \$681,808 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, 2020.

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, 2020, the City of Loma Linda did not maintain any investments subject to the fair value hierarchy. The City maintains a \$47,760,554 investment in the California State Investment Pool.

Note 3: CONTRACTS AND LOANS RECEIVABLE

Contracts and loans receivable consisted of the following at June 30, 2020:

	Balance June 30, 2019	Adjustment	Additions	Deletions	Balance June 30, 2020
Big Bear Valley Water Stock	\$ 1,075	\$ -	\$ -	\$ -	\$ 1,075
LL Chamber of Commerce Loan	8,584	-	-	-	8,584
Loan to Sewer fund	414,736	-	7,937	-	422,673
Deferred Housing Plan	42,118	-	-	(21,112)	21,006
Developers Loans	11,590,774	300,000	315,836	-	12,206,610
First Time Homebuyers	4,233,827	-	-	(146,209)	4,087,618
Total	\$ 16,291,114	\$ 300,000	\$ 323,773	\$ (167,321)	\$ 16,747,566

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 4: INTERFUND TRANSACTIONS

A. Fund Financial Statements

Due To/Due From Other Funds - At June 30, 2020, the City had the following due to/from other funds:

	<u>Due to Other Funds</u>		
	<u>Governmental Funds</u>	<u>Business-type Funds</u>	
	Nonmajor Governmental	Sewer Capital	Total
Due From Other Funds			
Governmental Funds:			
General Fund	\$ 404,926	\$ 2,481	\$ 407,407
Total	<u>\$ 404,926</u>	<u>\$ 2,481</u>	<u>\$ 407,407</u>

The Due from in the General Fund is made up of \$435 from the Community Development Block Grant Fund and the Federal and State Construction of \$404,491 to cover grant related expenditures that have not yet been reimbursed by the granting agencies. The due from the Sewer Capital fund in the amount of \$2,481 is for a deposit re-classification at year-end.

Advances To/From Other Funds - At June 30, 2020, the City had the following advances to/from other funds:

	<u>Advances From Other Funds</u>		
	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	
	Park Development	Sewer Capital	Total
Advances To Other Funds			
Governmental Funds:			
Special Projects Construction	\$ 3,004,500	\$ -	\$ 3,004,500
Enterprise Funds:			
Water Enterprise	-	1,152,395	1,152,395
Total	<u>\$ 3,004,500</u>	<u>\$ 1,152,395</u>	<u>\$ 4,156,895</u>

Advances from the Water Enterprise fund to the Sewer Capital Fund in the amount of \$1,152,395 was to help cover negative cash during operations. In the governmental funds, the advance to the Park Development fund from the Special Projects Construction fund were to assist 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, 2020

Note 4: INTERFUND TRANSACTIONS, Continued

A. Fund Financial Statements, Continued

Transfers - At June 30, 2020, 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	\$ 703,223
	Sewer Capital	2,914
	Water Enterprise	6,996
Special Projects Construction	Water Enterprise	3,582
Non Major Fund	General Fund	55,000
Water Enterprise	General Fund	4,187
	Water Acquisition	1,242,694
	Sewer Capital	<u>1,094</u>
	Total transfers	<u>\$ 2,019,690</u>

Certain Non-major Governmental funds made payments in the amount of \$703,223 to the General Fund for street maintenance and to cover operational cost. The General Fund transferred \$55,000 to a non-major fund to assist with Landscape Maintenance operations. Transfers of \$1,242,694 to Water Enterprise from Water Acquisition were noncash transfers of capital assets. The remaining transfers shown above were for the purchases of capital assets.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

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	\$ 14,651,396	\$ -	\$ -	\$ 14,651,396
Construction in progress	755,167	455,365	(13,050)	1,197,482
Total capital assets, not being depreciated	<u>15,406,563</u>	<u>455,365</u>	<u>(13,050)</u>	<u>15,848,878</u>
Capital assets, being depreciated:				
Structures and improvements	24,608,840	51,922	(1,054,150)	23,606,612
Machinery and equipment	7,983,116	282,712	(300,428)	7,965,400
Infrastructure	54,092,721	391,112	-	54,483,833
Total capital assets, being depreciated	<u>86,684,677</u>	<u>725,746</u>	<u>(1,354,578)</u>	<u>86,055,845</u>
Less accumulated depreciation/amortization for:				
Structures and improvements	(16,503,538)	(624,788)	548,158	(16,580,168)
Machinery and equipment	(5,432,987)	(394,399)	261,341	(5,566,045)
Infrastructure	(26,715,159)	(905,820)	-	(27,620,979)
Total accumulated depreciation	<u>(48,651,684)</u>	<u>(1,925,007)</u>	<u>809,499</u>	<u>(49,767,192)</u>
Total capital assets, being depreciated net	<u>38,032,993</u>	<u>(1,199,261)</u>	<u>(545,079)</u>	<u>36,288,653</u>
Governmental activities capital assets, net	<u>\$ 53,439,556</u>	<u>\$ (743,896)</u>	<u>\$ (558,129)</u>	<u>\$ 52,137,531</u>

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

Governmental activities:	
General government	\$ 421,682
Public safety	238,293
Community development	153,669
Public works	1,111,363
Total depreciation - governmental activities	<u>\$ 1,925,007</u>

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 5: CAPITAL ASSETS, Continued

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

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 1,387,764	\$ -	\$ -	\$ 1,387,764
Construction in progress	13,516	308,528	(9,316)	312,728
Total capital assets, not being depreciated	<u>1,401,280</u>	<u>308,528</u>	<u>(9,316)</u>	<u>1,700,492</u>
Capital assets, being depreciated:				
Structures and improvements	26,993,404	11,048	(35,493)	26,968,959
Machinery and equipment	6,356,608	168,623	(60,238)	6,464,993
Infrastructure	39,987,685	1,458,298	-	41,445,983
Total capital assets, being depreciated	<u>73,337,697</u>	<u>1,637,969</u>	<u>(95,731)</u>	<u>74,879,935</u>
Less accumulated depreciation for:				
Structures and improvements	(20,228,798)	(474,369)	14,197	(20,688,970)
Machinery and equipment	(5,055,379)	(201,573)	60,238	(5,196,714)
Infrastructure	(9,059,114)	(1,090,305)	-	(10,149,419)
Total accumulated depreciation	<u>(34,343,291)</u>	<u>(1,766,247)</u>	<u>74,435</u>	<u>(36,035,103)</u>
Total capital assets, being depreciated net	<u>38,994,406</u>	<u>(128,278)</u>	<u>(21,296)</u>	<u>38,844,832</u>
Business-type activities capital assets, net	<u>\$ 40,395,686</u>	<u>\$ 180,250</u>	<u>\$ (30,612)</u>	<u>\$ 40,545,324</u>

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

Business-type activities:	
Water Enterprise	\$ 1,463,579
Sewer Capital	172,524
Loma Linda Connected Communities	130,144
Total depreciation - business-type activities	<u>\$ 1,766,247</u>

Note 6: LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions for the fiscal year ended June 30, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
Governmental activities:					
Master Lease Purchase - fire apparatus	\$ 76,420	\$ -	\$ (37,436)	\$ 38,984	\$ 38,984
Insurance Retrospective Deposit	161,081	-	(144,944)	16,137	40,097
Compensated absences	633,766	699,166	(604,271)	728,661	316,503
Total governmental activities	<u>\$ 871,267</u>	<u>\$ 699,166</u>	<u>\$ (786,651)</u>	<u>\$ 783,782</u>	<u>\$ 395,584</u>

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 6: LONG-TERM LIABILITIES, Continued

Business-type activities:	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
Revenue Bonds:					
1978 Water Bonds (General Obligation)	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 10,000
2016 Water Revenue Refunding Bonds -					
Direct Borrowing	5,155,000	-	(220,000)	4,935,000	225,000
Unamortized bond premium	48,748	-	(2,840)	45,908	2,840
Insurance Retrospective Deposit	105,803	-	(20,482)	85,321	10,112
Compensated absences	301,424	239,800	(233,855)	307,369	105,403
Total business-type activities	\$ 5,620,975	\$ 239,800	\$ (477,177)	\$ 5,383,598	\$ 353,355

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 \$333,273. 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%. As collateral security for the secured obligations, the City grants to lessor a first priority security interest in any and all of the equipment and any and all proceeds thereof. The term secured obligation means the City's obligation to pay all rent payments and all other amounts due and payable under all present and future leases and to perform and observe all covenants, agreements and conditions of the City under all present and future leases.

In the event of default, the lessor may, at its option, exercise any one or more of the following remedies: (a) lessor may require the City to pay all amounts then currently due under all leases and all remaining rent payments due under all leases during the fiscal year in effect when the default occurs together with interest on such amounts at the highest lawful rate from the date of lessor's demand for such payment; (b) lessor may require to promptly return all equipment to lessor in the manner set forth in Section 21 of agreement; (c) lessor may sell, lease or otherwise dispose of equipment; (d) lessor may terminate, cancel or rescind any lease as to any and all equipment; (e) lessor may exercise any other right, remedy or privilege which may be available to lessor under applicable law; (f) lessor may require the City to pay all out of pocket cost and expenses incurred by lessor as a result of the event of default.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 6: LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Capital Lease, Continued

The principal balance at June 30, 2020 was \$38,984. The annual debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 38,984	\$ 1,606	\$ 40,590
Total	<u>\$ 38,984</u>	<u>\$ 1,606</u>	<u>\$ 40,590</u>

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

	<u>June 30, 2020</u>
Equipment	
Equipment under capitalized lease, at cost	\$ 333,273
Accumulated depreciation	(158,305)
Equipment under capitalized lease, net	<u>\$ 174,968</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 July 1, 2015 for the Workers' Compensation program. The City of Loma Linda's portion owed of \$16,137 is 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 \$728,661. 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.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 6: LONG-TERM DEBT, Continued

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, 2020 was \$10,000. Interest no longer accrues on these bonds.

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

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.

All net revenues of the Water Enterprise fund has been irrevocably pledged to secure the payment of the principal of and interest, and the premium, if any, on the 2016 Bonds in accordance with their terms and provision of the Indenture, and the revenues may not be used for any other purpose while the 2016 Bonds remain outstanding. In the event of default specified in the Indenture occurs and is continuing, the Trustee may, upon being indemnified to its reasonable satisfaction thereof, upon notice in writing to the City, declare the principal of all of the 2016 Bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. Nothing in the Indenture permits or requires the Trustee to accelerate payments due under the Indenture of the City is not in default of its obligation thereunder.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 6: LONG-TERM DEBT, Continued

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

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

The annual requirements to amortize the 2016 Water Revenue Refunding Bonds outstanding at June 30, 2020 were as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 225,000	\$ 150,969	\$ 375,969
2022	230,000	145,625	375,625
2023	235,000	140,143	375,143
2024	245,000	131,350	376,350
2025	255,000	122,163	377,163
2026-2030	1,400,000	470,250	1,870,250
2031-2035	1,625,000	254,913	1,879,913
2036-2037	720,000	32,550	752,550
Total	<u>\$ 4,935,000</u>	<u>\$ 1,447,962</u>	<u>\$ 6,382,962</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, the amount owed of \$85,321 is for the Worker's Compensation portion.

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 \$307,369 at June 30, 2020. 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.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

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.

Multifamily Housing Revenue Bonds Poplar Street Apartments	Original Amount	Outstanding at June 30, 2020
Series 2008 A	\$ 9,000,000	\$ 1,025,000
Multifamily Housing Revenue Bonds Loma Linda Commons Project	Original Amount	Outstanding at June 30, 2020
Series 2009 A	\$ 13,275,000	\$ 6,366,416

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.

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.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 8: EMPLOYEE RETIREMENT PLAN, Continued

A. General Information about the Pension Plan, Continued

Benefits Provided, Continued

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.

The Plan's provisions and benefits in effect during the year ended June 30, 2020 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	10.221%	6.985%
Annual lump sum payment toward unfunded liability	\$531,159	\$4,930
	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	20.073%	13.034%
Annual lump sum payment toward unfunded liability	\$603,181	\$1,151

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, 2020

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, 2020 were \$4,556,920. The actual employer payments of \$10,279,590 made to CalPERS by the City during the measurement period ended June 30, 2019 differed from the City's proportionate share of the employer's contributions of \$2,567,071 by \$7,712,520, 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, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 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, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvements 90% of scale MP 2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

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, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website at www.calpers.ca.gov.

Long-term Expected Rate of Return

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

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

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

Asset Class ¹	New Strategic Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

¹ In the System's CAFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 8: EMPLOYEE RETIREMENT PLAN, Continued

B. Net Pension Liability, Continued

Change of Assumptions

There were no changes in assumptions.

Discount Rate

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

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. 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, 2020

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	Plan Fiduciary Net Position	Plan Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2018 (VD)	\$ 63,913,054	\$ 47,818,005	\$ 16,095,049
Balance at: 6/30/2019 (MD)	68,722,396	60,215,546	8,506,850
Net Changes during 2018-19	\$ 4,809,342	\$ 12,397,541	\$ (7,588,199)

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, 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City's 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. The City's proportionate share of the net pension liability for the total Plan as of June 30, 2018 and 2019 was as follows:

Proportionate Share - June 30, 2018	0.16703%
Proportionate Share - June 30, 2019	0.08302%
Change - Increase (Decrease)	(0.08401%)

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%)
\$ 17,837,298	\$ 8,506,850	\$ 831,465

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

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 PERF C for the measurement period ending June 30, 2019 is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 140,593 (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, 2020

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, 2018), the City's net pension liability was \$16,095,049. For the measurement period ending June 30, 2019 (the measurement date), the City incurred a pension expense of \$3,327,902.

As of June 30, 2020, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 375,355	\$ (103,517)
Differences Between Expected and Actual Experience	572,004	(21,436)
Differences Between Projected and Actual Investment Earnings	-	(131,870)
Differences between Employer's Contributions and Proportionate Share of Contributions	5,453,195	-
Change in Employer's Proportion	92,337	(5,298,512)
Pension Contributions Made Subsequent to the Measurement Date	4,556,920	-
	<u>\$ 11,049,811</u>	<u>\$ (5,555,335)</u>

These amounts above are net of outflows and inflow recognized in the 2018-19 measurement period expense. Contributions subsequent to the measurement date of \$4,556,920 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:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$ 659,990
2022	50,719
2023	200,668
2024	26,179
2025	-
Thereafter	-

E. Payable to the Pension Plan

At June 30, 2020, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The City provides other postemployment benefits (OPEB) an agent multiple employee plan, 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 June 30, 2019 actuarial valuation (measurement date 6/30/2019), 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
Total	100

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

The City’s net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, 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 2014 CalPERS Mortality for Active Safety Employees
Pre-Retirement Turnover Healthcare Trend Rate (2)	2009 CalPERS Rates for Miscellaneous Employees 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, 2020

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:

Asset Class	Target Allocation	Real Return Years 1-10 ¹	Real Return Years 1-10 ²
Global Equities	59%	4.80%	5.98%
Fixed Income	25%	1.10%	2.62%
Treasury Inflation-Protected Securities	5%	3.20%	5.00%
Real Estate Investment Trusts	8%	0.25%	1.46%
Commodities	3%	1.50%	2.87%
Total	100%		

1 An expected inflation of 2.0% used for this period

2 An expected inflation of 2.92% used for this period

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, 2020

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>
Balance at June 30, 2019 (Valuation Date June 30, 2018)	\$ 897,879	\$ 377,666	\$ 520,213
Changes recognized for the measurement period:			
Service Cost	20,022	-	20,022
Interest	62,267	-	62,267
Expected investment income	-	28,324	(28,324)
Administrative expenses	-	(81)	81
Employer contributions to trust	-	54,000	(54,000)
Employer contributions as benefits payments	-	23,320	(23,320)
Actual benefit payments from employer	-	(23,320)	23,320
Expected minus actual benefit payments	(23,320)	-	(23,320)
Experience (gains)/losses	(13,410)	-	(13,410)
Investment gains/(losses)	(104,915)	(4,955)	(99,960)
Net Changes	<u>(59,356)</u>	<u>77,288</u>	<u>(136,644)</u>
Balance at June 30, 2020 (Measurement Date June 30, 2019)	<u>\$ 838,523</u>	<u>\$ 454,954</u>	<u>\$ 383,569</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, 2019:

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Net OPEB Liability	\$ 503,346	\$ 383,569	\$ 285,786

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

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, 2019:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability \$	284,371	\$ 383,569	\$ 500,661

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)

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

For the fiscal year ended June 30, 2020, the City recognized OPEB expense (income) of \$(74,008). As of June 30, 2020, 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>
Differences between expected and actual experience	\$ -	\$ (108,211)
Net difference between projected and actual earnings on OPEB plan investments	1,479	-
OPEB contributions subsequent to measurement date	44,095	-
Total	<u>\$ 45,574</u>	<u>\$ (108,211)</u>

The \$44,095 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 measurement date will be recognized as a reduction of the net OPEB liability during the upcoming fiscal year.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

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:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$ (9,951)
2022	(9,951)
2023	(9,951)
2024	(9,124)
2025	(10,114)
Thereafter:	(57,641)

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 exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

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, 2020

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. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Workers' Compensation

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

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

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

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 \$41,375,461. 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 "Non Participant". 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 2019-20.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

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, 2020, 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, 2020

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, 2020

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 2020, the City of Loma Linda's contribution totaled \$288,589. 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, 2020

Note 13: DEFICIT FUND BALANCES

At June 30, 2020, the following governmental funds had deficit fund balances:

Funds	Fund Type	Deficit
Major funds:		
Park Development	Capital Projects	\$ (2,180,045)
Nonmajor governmental funds:		
Community Development Block Grant	Special Revenue	(684)
Grant Fund	Special Revenue	(15,705)
Federal/State Construction	Capital Projects	(558,349)

Park Development – The Park Development has an accumulated deficit balance of \$2,180,045 as a result from the purchase of open space property in the City’s South Hills with advances from other funds.

Community Development Block Grants – The Community Development Block Grant fund has a deficit of \$684 which resulted from grant reimbursement not received prior to the end of the year, therefore declaring it and unearned revenue.

Grant Fund – The Grant fund has a deficit balance of \$15,705 which resulted from grant reimbursement not received prior to the end of the year, therefore declaring it and unearned revenue.

Federal/State Construction – The Federal/State Construction fund has a deficit of \$558,349 which resulted from grant reimbursement not received prior to end of year, therefore declaring it and unavailable revenue.

Note 14: 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, 2020 are as follows:

Significant Encumbrances as of June 30, 2020		
General Fund	\$	145,614
Special Projects Construction		991,519
Water Acquisition		123,197
Measure I		73,168
Art in Public Places		22,180

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 15: 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, 2020, 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.

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.

Covid-19 Considerations

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. As a result, the outbreak has caused uncertainty in the financial markets. Although the City's services are considered essential, the City's office was closed to the public, certain other services transitioned to online-only and because the City's major revenue sources are directly impacted by these events, it is possible that this matter will negatively impact the District. However, the ultimate financial impact and duration cannot be estimated at this time and no adjustments have been made to these financial statements as a result of this uncertainty.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 16: 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 Funds 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.

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

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 16: SUCCESSOR AGENCY, Continued

Successor Agency Long-Term Debt

The bonded debt of the Successor Agency as of June 30, 2020 is as follows:

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

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 2016 Bonds, and any additional Parity Debt, will be payable from Pledged Tax Revenues of the Successor Agency, and the pledge of Pledged Tax Revenues to the payment of the principal of and interest on the 2016 Bonds will, as applicable, be on a basis subordinate to payments required under Tax Sharing Agreements the payment for which have not been subordinated to the Bonds and the senior Statutory Pass-Through Amounts. If an event of default has occurred and is continuing, the Trustee, may and, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately. Upon declaration of acceleration by Trustee, all sums in the funds and accounts established and held by the Trustee shall be applied in the following order: first to the payment of the fees, cost and expenses associated with the declaration of such event and second to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 16: SUCCESSOR AGENCY, Continued

Successor Agency Long-Term Debt, Continued

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

The annual requirements for the 2016 Tax Allocation Refunding Bonds, Series A and B outstanding at June 30, 2020 were as follows:

2016 Successor Agency - Series A			
Year Ending June 30,	Principal	Interest	Total
2021	\$ 415,000	\$ 180,863	\$ 595,863
2022	425,000	171,375	596,375
2023	435,000	156,300	591,300
2024	455,000	138,500	593,500
2025	470,000	120,000	590,000
2026-2030	1,915,000	350,900	2,265,900
2031-2031	440,000	11,000	451,000
Total	<u>\$ 4,555,000</u>	<u>\$ 1,128,938</u>	<u>\$ 5,683,938</u>

2016 Successor Agency - Series B			
Year Ending June 30,	Principal	Interest	Total
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	1,930,000	513,306	2,443,306
2025	1,985,000	463,128	2,448,128
2026-2030	11,550,000	1,331,277	12,881,277
2031-2031	1,885,000	32,988	1,917,988
Total	<u>\$ 22,905,000</u>	<u>\$ 4,141,083</u>	<u>\$ 27,046,083</u>

Loan Payable to the City of Loma Linda – Direct Borrowing

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

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 16: SUCCESSOR AGENCY, Continued

Loan Payable to the City of Loma Linda – Direct Borrowing, continued

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 \$21,175,012, 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.

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, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
TAX ALLOCATION BONDS					
2016 Tax Allocation Refunding Bonds Series A	\$ 4,960,000	\$ -	\$ (405,000)	\$ 4,555,000	\$ 415,000
2016 Tax Allocation Refunding Bonds Series B	24,695,000	-	(1,790,000)	22,905,000	1,820,000
Unamortized bond premium	526,460	-	(46,113)	480,347	46,113
Unamortized bond discount	(542,973)	-	47,559	(495,414)	(47,560)
Loan payable to the City of Loma Linda - direct borrowings	9,657,568	172,963	(1,639,148)	8,191,383	1,639,148
Total	<u>\$ 39,296,055</u>	<u>\$ 172,963</u>	<u>\$ (3,832,702)</u>	<u>\$ 35,636,316</u>	<u>\$ 3,872,701</u>

The following amount was reported as deferred inflow of resources:

	Balance	Additions	Deletions	Balance	One Year
Deferred inflows of resources:					
Unamortized gain on refunding	<u>\$ 26,092</u>	<u>-</u>	<u>\$ (2,285)</u>	<u>\$ 23,807</u>	<u>\$ 2,285</u>

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 17: TAX ABATEMENTS

The City of Loma Linda (City) entered into an agreement with Loma Linda University Adventist Health Sciences Center dba Loma Linda University Health, hereinafter called "Medical Center". On June 21, 2016 the City approved Precise Plan of Design No. 15-128 for the construction of a new hospital building, with conditions of approval requiring that the Medical Center enter into a staffing support agreement to mitigate the additional needs for police and fire services created by the construction of the new hospital; and whereas, the Medical Center requires law enforcement and fire suppression services on an ongoing basis to encourage a safe environment for employees, patients and visitors. The City has the ability to provide such law enforcement services required by the Medical Center through the City's contract with the San Bernardino County Sheriff's Department and the City has the ability to provide such fire suppression services as required by the Medical Center through the City's Fire Department.

This agreement is binding and in effect upon full execution and delivery by the City and Medical Center. The initial term of this agreement shall be 5 years commencing July 1, 2016 "Commencement Date" for law enforcement services, and January 1, 2017 for fire suppression services. This agreement will automatically renew for additional 5 year terms until terminated by the parties, upon the same terms and conditions, except that the payments by the Medical Center as set forth herein shall be adjusted to reflect current needs and the cost of providing services.

The City's obligation is to provide the Medical Center with law enforcement services, including enhanced staffing through the City's contract with the San Bernardino County Sheriff's Department and provide the Medical Center with fire suppression services through the Loma Linda Fire Department, by enhancing current Fire Department staffing as reasonably appropriate to provide necessary fire suppression services. The City shall be responsible for all necessary equipment purchases.

The Medical Center's obligation is to support the law enforcement services in the City by paying \$923,285 each year for related expenses, with first payment due on July 15, 2016 and remaining payment due on the 5th of each month. Any changes in related expenses outlined in agreement will be billed quarterly.

The City shall credit the Medical Center, against any sums due under this agreement, for increases in the average of sales taxes generated by the Loma Linda Mercantile over and above the average taxes received by the City in calendar years 2013, 2014, and 2015. Such credits may be applied to the payments set forth herein or may be applied to augment the levels of services as agreed by the parties.

As of June 30, 2020, the City has accrued a liability due to the Medical Center in the amount of \$1,474,751, for the excess sales tax, part of the \$2.9 million shown as Due to other Agency on the General Fund.

CITY OF LOMA LINDA
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 18: NET POSITION

Net Investment in Capital Assets

Net position for governmental activities and business-type activities is classified as 1) net investments in capital assets, 2) restricted, or 3) unrestricted. Net position that was classified as net investment in capital assets as of June 30, 2020, was determined as follows:

	<u>Governmental Activities</u>
Capital assets, net of accumulated depreciation	\$ 52,137,531
Less capital related debt balance:	
Outstanding principal balance of Master Lease Purchase- Fire apparatus	<u>(38,984)</u>
Net investment in capital assets	<u><u>\$ 52,098,547</u></u>

	<u>Business-type Activities</u>			Total Enterprise Funds
	<u>Water Enterprise</u>	<u>Sewer Capital</u>	<u>Loma Linda Connected Communities</u>	
Capital assets, net of accumulated depreciation	\$33,041,610	\$3,286,857	\$ 4,216,857	\$ 40,545,324
Less capital related debt balance:				
Outstanding principal balance of 2016 Water Revenue Refunding Bond	(4,935,000)	-	-	(4,935,000)
Outstanding unamortized bond premium balance	<u>(45,908)</u>	<u>-</u>	<u>-</u>	<u>(45,908)</u>
Net investment in capital assets	<u><u>\$28,060,702</u></u>	<u><u>\$3,286,857</u></u>	<u><u>\$ 4,216,857</u></u>	<u><u>\$35,564,416</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF LOMA LINDA
Required Supplementary Information
For the year ended June 30, 2020

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 lapse.

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 Traffic Congestion Relief Grant Fund and Asset Forfeiture Fund.

CITY OF LOMA LINDA
Required Supplementary Information
For the year ended June 30, 2020

1. BUDGET AND BUDGETARY ACCOUNTING, Continued

C. Budgetary Comparison Schedule

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 14,702,400	\$ 11,695,400	\$ 11,793,065	\$ 97,665
Licenses and permits	429,500	660,000	858,993	198,993
Intergovernmental	19,000	128,600	25,547	(103,053)
Charges for services	3,449,100	3,541,900	3,738,192	196,292
Use of money and property	545,000	555,700	615,688	59,988
Fines and forfeitures	6,200	10,800	10,096	(704)
Miscellaneous	3,398,700	3,502,100	2,804,701	(697,399)
Total revenues	22,549,900	20,094,500	19,846,282	(248,218)
EXPENDITURES				
Current:				
General government	5,448,700	4,207,700	3,778,105	429,595
Public safety	13,234,600	13,601,600	13,269,177	332,423
Community development	1,762,500	1,555,500	1,978,684	176,816
Public works	2,780,600	2,966,600	2,709,442	257,158
Capital outlay	17,000	71,200	54,921	16,279
Total expenditures	23,243,400	23,002,600	21,790,329	1,212,271
REVENUES OVER (UNDER) EXPENDITURES	(693,500)	(2,908,100)	(1,944,047)	964,053
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of assets	-	10,700	10,725	25
Transfers in	772,900	750,300	713,133	(37,167)
Transfers out	(55,000)	(55,000)	(59,187)	(4,187)
Total other financing sources (uses)	717,900	706,000	664,671	(41,329)
Net change in fund balance	24,400	(2,202,100)	(1,279,376)	922,724
FUND BALANCE				
Beginning of year	11,363,238	11,363,238	11,363,238	-
End of year	<u>\$ 11,387,638</u>	<u>\$ 9,161,138</u>	<u>\$ 10,083,862</u>	<u>\$ 922,724</u>

CITY OF LOMA LINDA
Required Supplementary Information
For the year ended June 30, 2020

1. BUDGET AND BUDGETARY ACCOUNTING, Continued

C. Budgetary Comparison Schedule, Continued

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 1,400	\$ 1,400	\$ 1,438	\$ 38
Use of money and property	146,000	204,400	195,347	(9,053)
Miscellaneous	2,500	2,500	1,349	(1,151)
Total revenues	<u>149,900</u>	<u>208,300</u>	<u>198,134</u>	<u>(10,166)</u>
EXPENDITURES				
Current:				
Community development	113,900	581,900	558,176	23,724
Capital outlay	50,300	50,300	148	50,152
Total expenditures	<u>164,200</u>	<u>632,200</u>	<u>558,324</u>	<u>73,876</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(14,300)</u>	<u>(423,900)</u>	<u>(360,190)</u>	<u>63,710</u>
Net change in fund balance	(14,300)	(423,900)	(360,190)	63,710
FUND BALANCE				
Beginning of year	<u>17,750,530</u>	<u>17,750,530</u>	<u>17,750,530</u>	<u>-</u>
End of year	<u>\$ 17,736,230</u>	<u>\$ 17,326,630</u>	<u>\$ 17,390,340</u>	<u>\$ 63,710</u>

CITY OF LOMA LINDA
Required Supplementary Information
For the year ended June 30, 2020

1. BUDGET AND BUDGETARY ACCOUNTING, Continued

C. Budgetary Comparison Schedule, Continued

The following is the budgetary comparison schedule for the Regional Traffic Development Impact Fund.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 144,000	\$ 161,500	\$ 141,031	\$ (20,469)
Miscellaneous	-	34,400	34,364	(36)
Developer fees	461,800	1,088,800	824,732	(264,068)
Total revenues	605,800	1,284,700	1,000,127	(284,573)
EXPENDITURES				
Capital outlay	200,000	248,000	233,500	14,500
Total expenditures	200,000	248,000	233,500	14,500
REVENUES OVER (UNDER) EXPENDITURES	405,800	1,036,700	766,627	(270,073)
Net change in fund balance	405,800	1,036,700	766,627	(270,073)
FUND BALANCE				
Beginning of year	7,079,824	7,079,824	7,079,824	-
End of year	<u>\$ 7,485,624</u>	<u>\$ 8,116,524</u>	<u>\$ 7,846,451</u>	<u>\$ (270,073)</u>

CITY OF LOMA LINDA
Required Supplementary Information
For the year ended June 30, 2020

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

Measurement Period	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 18,964	\$ 19,486	\$ 20,022
Interest on the Total OPEB Liability	56,269	59,253	62,267
Expected minus actual benefit payments*	-	-	(23,320)
Investment gains/(losses)	-	-	(104,915)
Benefit payments	(31,110)	(35,165)	(13,410)
Net change in Total OPEB Liability	44,123	43,574	(59,356)
Total OPEB Liability - beginning	810,182	854,305	897,879
Total OPEB Liability - ending (a)	854,305	897,879	838,523
Plan Fiduciary Net Position			
Employer contributions as benefits payments	120,160	35,165	23,320
Expected investment income	29,955	24,458	28,324
Investment Gains/Losses	-	4,140	(4,955)
Actual benefit payments from employer	(31,110)	(35,165)	(23,320)
Administrative expense	(156)	(651)	(81)
Employer contributions to trust	-	-	54,000
Net change in Plan Fiduciary Net Position	118,849	27,947	77,288
Plan Fiduciary Net Position - beginning	230,870	349,719	377,666
Plan Fiduciary Net Position - ending (b)	349,719	377,666	454,954
Net OPEB Liability - ending (a) - (b)	\$ 504,586	\$ 520,213	\$ 383,569
Plan fiduciary net position as a percentage of the total OPEB liability	40.94%	42.06%	54.26%
Covered-employee payroll	\$ 6,941,630	\$ 7,820,628	\$ 8,153,692
Net OPEB liability as a percentage of covered-employee payroll	7.27%	6.65%	4.70%

Notes to schedule:

Contributions are fixed and not based on a measure of pay, therefore covered-employee payroll is used in this schedule.

*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, 2020

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

SCHEDULE OF CONTRIBUTIONS			
Fiscal Year Ended June 30	2018	2019	2020
Statutorily required contributions	\$ -	\$ 30,680	\$ 29,700
Contributions in relation to the statutorily required contributions	-	(54,000)	(44,095)
Contribution deficiency/(excess)	\$ -	\$ (23,320)	\$ (14,395)
Covered-employee payroll	\$ 7,820,628	\$ 8,153,692	\$ 8,102,242
Contribution as a percentage of covered-employee payroll	0.00%	0.66%	0.54%

Notes to schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported. Contributions are fixed and not based on a measure of pay, therefore covered-employee payroll is used in this schedule.

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, 2020

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 Liability¹</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 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%
6/30/2018	0.16703%	16,095,049	6,017,239	267.48%	74.82%
6/30/2019	0.08302%	8,506,850	6,356,698	133.82%	87.62%

¹ 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, 2020

5. SCHEDULE OF PENSION PLAN CONTRIBUTIONS
LAST 10 YEARS*

Fiscal Year	Contractually Determined Contributions	Contribution in Relation to the Contractually Determined Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
2018-19	1,779,590	(10,279,590)	(8,500,000)	6,356,698	28.00%
2019-20	1,711,873	(4,556,920)	(2,845,047)	6,562,966	26.08%

* 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: There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017; there were no changes in the discount rate. 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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 50,000	\$ 1,150,200	\$ 1,145,253	\$ (4,947)
Total revenues	<u>50,000</u>	<u>1,150,200</u>	<u>1,145,253</u>	<u>(4,947)</u>
EXPENDITURES				
Current:				
Public works	541,500	541,900	105,664	436,236
Capital outlay	2,776,700	2,779,200	545,448	2,233,752
Debt service:				
Principal retirement	36,000	36,000	37,436	(1,436)
Interest and fiscal charges	4,600	4,600	3,148	1,452
Total expenditures	<u>3,358,800</u>	<u>3,361,700</u>	<u>691,696</u>	<u>2,670,004</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,308,800)</u>	<u>(2,211,500)</u>	<u>453,557</u>	<u>2,665,057</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,582	3,582
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,582</u>	<u>3,582</u>
Net change in fund balance	<u>(3,308,800)</u>	<u>(2,211,500)</u>	<u>457,139</u>	<u>2,668,639</u>
FUND BALANCE				
Beginning of year	<u>7,022,697</u>	<u>7,022,697</u>	<u>7,022,697</u>	<u>-</u>
End of year	<u>\$ 3,713,897</u>	<u>\$ 4,811,197</u>	<u>\$ 7,479,836</u>	<u>\$ 2,668,639</u>

CITY OF LOMA LINDA
Park Development Capital Projects Fund
Major Governmental Fund Budgetary Comparison Schedule
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 10,000	\$ 25,600	\$ 29,907	\$ 4,307
Developer fees	863,100	2,464,600	631,626	(1,832,974)
Total revenues	<u>873,100</u>	<u>2,490,200</u>	<u>661,533</u>	<u>(1,828,667)</u>
EXPENDITURES				
Current:				
Community development	135,600	143,600	125,088	18,512
Capital outlay	678,200	718,200	625,441	92,759
Total expenditures	<u>813,800</u>	<u>861,800</u>	<u>750,529</u>	<u>111,271</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>59,300</u>	<u>1,628,400</u>	<u>(88,996)</u>	<u>(1,717,396)</u>
Net change in fund balance	59,300	1,628,400	(88,996)	(1,717,396)
FUND BALANCE (Deficit)				
Beginning of year	<u>(2,091,049)</u>	<u>(2,091,049)</u>	<u>(2,091,049)</u>	<u>-</u>
End of year	<u>\$ (2,031,749)</u>	<u>\$ (462,649)</u>	<u>\$ (2,180,045)</u>	<u>\$ (1,717,396)</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 of one-half of one percent of retail transactions 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 Loma Linda University.

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

Community Development Block Grant 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.

Nonmajor Governmental Funds

Special Revenue Funds, Continued

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

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 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 Funds, Continued

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 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, 2020

	Special Revenue Funds			
	Traffic Safety	Gas Tax	CASp Cert & Training	Measure I
ASSETS				
Cash and investments	\$ -	\$ 61,078	\$ 18,826	\$ 789,978
Receivables:				
Accounts	-	-	159	-
Taxes	-	30,347	-	-
Interest	-	-	-	2,399
Contract and loans	-	-	-	-
Due from other governments	2,824	-	-	87,560
Total assets	<u>\$ 2,824</u>	<u>\$ 91,425</u>	<u>\$ 18,985</u>	<u>\$ 879,937</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 33	\$ 650,603
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>33</u>	<u>650,603</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue	-	-	-	-
FUND BALANCE:				
Restricted for:				
Cultural and recreational	-	-	-	-
State mandated	-	-	18,952	-
Public safety	-	-	-	-
Street improvements	2,824	91,425	-	229,334
Storm drains	-	-	-	-
Municipal facilities	-	-	-	-
Air quality management	-	-	-	-
Debt service	-	-	-	-
Low mod housing programs	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>2,824</u>	<u>91,425</u>	<u>18,952</u>	<u>229,334</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,824</u>	<u>\$ 91,425</u>	<u>\$ 18,985</u>	<u>\$ 879,937</u>

(Continued)

Special Revenue Funds						
Measure I MSART	Street Lighting District	Landscape Maintenance District	Air Quality Management District	Public Improvement Per MOU	Asset Forfeiture	
\$ 201,135	\$ 232,412	\$ 86,166	\$ 27,134	\$ 64,376	\$ 2	
-	361	151	-	-	-	
-	6,280	5,421	-	-	-	
652	829	185	78	206	-	
-	-	-	-	-	-	
-	603	-	7,616	-	-	
<u>\$ 201,787</u>	<u>\$ 240,485</u>	<u>\$ 91,923</u>	<u>\$ 34,828</u>	<u>\$ 64,582</u>	<u>\$ 2</u>	
\$ 16,704	\$ 53,031	\$ 17,584	\$ 1,884	\$ -	\$ -	
-	1,588	1,022	-	-	-	
-	-	-	-	-	-	
-	4,250	4,250	-	-	-	
-	-	-	-	-	-	
<u>16,704</u>	<u>58,869</u>	<u>22,856</u>	<u>1,884</u>	<u>-</u>	<u>-</u>	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	2	
185,083	181,616	69,067	-	64,582	-	
-	-	-	-	-	-	
-	-	-	32,944	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>185,083</u>	<u>181,616</u>	<u>69,067</u>	<u>32,944</u>	<u>64,582</u>	<u>2</u>	
\$ 201,787	\$ 240,485	\$ 91,923	\$ 34,828	\$ 64,582	\$ 2	

CITY OF LOMA LINDA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds			
	Community Development Block Grant	Grant Fund	Citizens Option for Public Safety Fund	Traffic Congestion Relief Grant
ASSETS				
Cash and investments	\$ -	\$ 4,563	\$ 298,843	\$ 1,724
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	1,158	6
Contract and loans	-	-	-	-
Due from other governments	-	29,071	-	-
Total assets	<u>\$ -</u>	<u>\$ 33,634</u>	<u>\$ 300,001</u>	<u>\$ 1,730</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 249	\$ 6,868	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	435	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	13,400	300,001	-
Total liabilities	<u>684</u>	<u>20,268</u>	<u>300,001</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue	-	29,071	-	-
FUND BALANCE:				
Restricted for:				
Cultural and recreational	-	-	-	-
State mandated	-	-	-	-
Public safety	-	-	-	-
Street improvements	-	-	-	1,730
Storm drains	-	-	-	-
Municipal facilities	-	-	-	-
Air quality management	-	-	-	-
Debt service	-	-	-	-
Low mod housing programs	-	-	-	-
Unassigned	(684)	(15,705)	-	-
Total fund balances (deficit)	<u>(684)</u>	<u>(15,705)</u>	<u>-</u>	<u>1,730</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ -</u>	<u>\$ 33,634</u>	<u>\$ 300,001</u>	<u>\$ 1,730</u>

(Continued)

Special Revenue Funds		Capital Projects Funds		
Development Agreement Consideration	Total Special Revenue Funds	Storm Drain	Traffic Impact	Fire Facilities
\$ 192,538	\$ 1,978,775	\$ 952,682	\$ 1,648,198	\$ 1,043,221
-	671	-	-	-
-	42,048	-	-	-
617	6,130	3,175	5,156	3,245
21,518	21,518	-	-	-
-	127,674	-	-	-
<u>\$ 214,673</u>	<u>\$ 2,176,816</u>	<u>\$ 955,857</u>	<u>\$ 1,653,354</u>	<u>\$ 1,046,466</u>
\$ -	\$ 746,956	\$ 55,318	\$ 10,590	\$ -
-	2,610	-	-	-
-	435	-	-	-
-	8,500	-	-	-
-	313,401	-	-	-
<u>-</u>	<u>1,071,902</u>	<u>55,318</u>	<u>10,590</u>	<u>-</u>
-	29,071	-	-	-
-	-	-	-	-
-	18,952	-	-	-
-	2	-	-	1,046,466
-	825,661	-	1,642,764	-
-	-	900,539	-	-
-	-	-	-	-
-	32,944	-	-	-
-	-	-	-	-
214,673	214,673	-	-	-
-	(16,389)	-	-	-
<u>214,673</u>	<u>1,075,843</u>	<u>900,539</u>	<u>1,642,764</u>	<u>1,046,466</u>
<u>\$ 214,673</u>	<u>\$ 2,176,816</u>	<u>\$ 955,857</u>	<u>\$ 1,653,354</u>	<u>\$ 1,046,466</u>

CITY OF LOMA LINDA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Capital Projects Funds			
	General Facilities	Federal/State Construction	Public Meeting Facilities	Public Library Facilities
ASSETS				
Cash and investments	\$ 251,659	\$ -	\$ 513,640	\$ 30,885
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	773	-	1,516	204
Contract and loans	-	-	-	-
Due from other governments	-	614,451	-	-
Total assets	<u>\$ 252,432</u>	<u>\$ 614,451</u>	<u>\$ 515,156</u>	<u>\$ 31,089</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 153,858	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	404,491	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>558,349</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue	-	614,451	-	-
FUND BALANCE:				
Restricted for:				
Cultural and recreational	-	-	-	31,089
State mandated	-	-	-	-
Public safety	-	-	-	-
Street improvements	-	-	-	-
Storm drains	-	-	-	-
Municipal facilities	252,432	-	515,156	-
Air quality management	-	-	-	-
Debt service	-	-	-	-
Low mod housing programs	-	-	-	-
Unassigned	-	(558,349)	-	-
Total fund balances (deficit)	<u>252,432</u>	<u>(558,349)</u>	<u>515,156</u>	<u>31,089</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 252,432</u>	<u>\$ 614,451</u>	<u>\$ 515,156</u>	<u>\$ 31,089</u>

(Continued)

Capital Projects Funds		Total Capital Projects Funds	Debt Service Fund	
Art in Public Places	Capital Project Bond Proceeds		Water Bond Redemption Fund	
\$ 345,459	\$ 2,616,806	\$ 7,402,550	\$ 37,068	
-	-	-	-	
-	-	-	-	
1,106	13,420	28,595	118	
-	-	-	-	
-	-	614,451	-	
<u>\$ 346,565</u>	<u>\$ 2,630,226</u>	<u>\$ 8,045,596</u>	<u>\$ 37,186</u>	
\$ 15,125	\$ 242,793	\$ 477,684	\$ -	
-	-	-	-	
-	-	404,491	-	
-	-	-	-	
-	-	-	-	
<u>15,125</u>	<u>242,793</u>	<u>882,175</u>	<u>-</u>	
-	-	614,451	-	
331,440	-	362,529	-	
-	-	-	-	
-	-	1,046,466	-	
-	2,387,433	4,030,197	-	
-	-	900,539	-	
-	-	767,588	-	
-	-	-	-	
-	-	-	37,186	
-	-	-	-	
-	-	(558,349)	-	
<u>331,440</u>	<u>2,387,433</u>	<u>6,548,970</u>	<u>37,186</u>	
<u>\$ 346,565</u>	<u>\$ 2,630,226</u>	<u>\$ 8,045,596</u>	<u>\$ 37,186</u>	

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CITY OF LOMA LINDA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Debt Service Funds		Total Debt Service Funds	Total Nonmajor Governmental Funds
	Assessment District 72-1	Loma Linda Financing Authority		
ASSETS				
Cash and investments	\$ 66,927	\$ 40,473	\$ 144,468	\$ 9,525,793
Receivables:				
Accounts	-	-	-	671
Taxes	-	-	-	42,048
Interest	214	129	461	35,186
Contract and loans	-	-	-	21,518
Due from other governments	-	-	-	742,125
Total assets	<u>\$ 67,141</u>	<u>\$ 40,602</u>	<u>\$ 144,929</u>	<u>\$ 10,367,341</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,224,640
Accrued liabilities	-	-	-	2,610
Due to other funds	-	-	-	404,926
Deposits payable	-	-	-	8,500
Unearned revenue	-	-	-	313,401
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,954,077</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue	-	-	-	643,522
FUND BALANCE:				
Restricted for:				
Cultural and recreational	-	-	-	362,529
State mandated	-	-	-	18,952
Public safety	-	-	-	1,046,468
Street improvements	-	-	-	4,855,858
Storm drains	-	-	-	900,539
Municipal facilities	-	-	-	767,588
Air quality management	-	-	-	32,944
Debt service	67,141	40,602	144,929	144,929
Low mod housing programs	-	-	-	214,673
Unassigned	-	-	-	(574,738)
Total fund balances (deficit)	<u>67,141</u>	<u>40,602</u>	<u>144,929</u>	<u>7,769,742</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 67,141</u>	<u>\$ 40,602</u>	<u>\$ 144,929</u>	<u>\$ 10,367,341</u>

CITY OF LOMA LINDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the year ended June 30, 2020

	Special Revenue Funds			
	Traffic Safety	Gas Tax	CASp CERT & Training	Measure I
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 489,431
Intergovernmental	-	957,876	-	-
Charges for services	-	-	6,845	-
Use of money and property	-	-	-	11,241
Fines and forfeitures	69,801	-	-	-
Miscellaneous	-	27,358	-	-
Developer fees	-	-	-	-
Total revenues	<u>69,801</u>	<u>985,234</u>	<u>6,845</u>	<u>500,672</u>
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Community development	-	-	723	-
Public works	-	-	-	-
Capital outlay	-	374,097	-	728,190
Total expenditures	<u>-</u>	<u>374,097</u>	<u>723</u>	<u>728,190</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>69,801</u>	<u>611,137</u>	<u>6,122</u>	<u>(227,518)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(74,811)	(533,209)	-	-
Total other financing sources (uses)	<u>(74,811)</u>	<u>(533,209)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(5,010)	77,928	6,122	(227,518)
FUND BALANCE (DEFICIT)				
Beginning of year	7,834	13,497	12,830	456,852
End of year	<u>\$ 2,824</u>	<u>\$ 91,425</u>	<u>\$ 18,952</u>	<u>\$ 229,334</u>

(Continued)

Measure I MSART	Special Revenue Funds				
	Street Lighting District	Landscape Maintenance District	Air Quality Management District	Public Improvement Per MOU	Asset Forfeiture
\$ -	\$ 358,476	\$ 402,120	\$ -	\$ -	\$ -
-	-	-	30,713	-	-
-	-	-	-	-	-
4,332	3,632	185	421	1,214	-
-	-	-	-	-	-
-	1,717	-	-	-	-
-	-	-	-	-	-
<u>4,332</u>	<u>363,825</u>	<u>402,305</u>	<u>31,134</u>	<u>1,214</u>	<u>-</u>
-	-	-	24,142	-	-
-	-	435,596	-	-	-
-	376,447	-	-	-	-
60,531	162	147	-	-	-
<u>60,531</u>	<u>376,609</u>	<u>435,743</u>	<u>24,142</u>	<u>-</u>	<u>-</u>
<u>(56,199)</u>	<u>(12,784)</u>	<u>(33,438)</u>	<u>6,992</u>	<u>1,214</u>	<u>-</u>
-	-	55,000	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>55,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(56,199)</u>	<u>(12,784)</u>	<u>21,562</u>	<u>6,992</u>	<u>1,214</u>	<u>-</u>
241,282	194,400	47,505	25,952	63,368	2
<u>\$ 185,083</u>	<u>\$ 181,616</u>	<u>\$ 69,067</u>	<u>\$ 32,944</u>	<u>\$ 64,582</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, 2020

	Special Revenue Funds			
	Community Development Block Grant	Grant Fund	Citizens Option for Public Safety Fund	Traffic Congestion Relief Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	134,885	-	90,628	-
Charges for services	-	-	-	-
Use of money and property	8	-	6,180	33
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Developer fees	-	-	-	-
Total revenues	134,893	-	96,808	33
EXPENDITURES				
Current:				
Public safety	-	-	1,605	-
Community development	20,000	-	-	-
Public works	-	-	-	-
Capital outlay	111,159	29,071	-	-
Total expenditures	131,159	29,071	1,605	-
REVENUES OVER (UNDER) EXPENDITURES	3,734	(29,071)	95,203	33
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(95,203)	-
Total other financing sources (uses)	-	-	(95,203)	-
Net change in fund balances	3,734	(29,071)	-	33
FUND BALANCE (DEFICIT)				
Beginning of year	(4,418)	13,366	-	1,697
End of year	<u>\$ (684)</u>	<u>\$ (15,705)</u>	<u>\$ -</u>	<u>\$ 1,730</u>

(Continued)

Special Revenue Funds		Capital Projects Funds		
Development Agreement Consideration	Total Special Revenue Funds	Storm Drain	Traffic Impact	Fire Facilities
\$ -	\$ 1,250,027	\$ -	\$ -	\$ -
-	1,214,102	-	-	-
-	6,845	260,216	-	-
4,589	31,835	17,222	27,674	17,221
-	69,801	-	-	-
-	29,075	-	-	-
-	-	-	331,136	224,593
<u>4,589</u>	<u>2,601,685</u>	<u>277,438</u>	<u>358,810</u>	<u>241,814</u>
-	25,747	-	-	-
-	456,319	-	-	-
-	376,447	28,461	7,483	-
-	1,303,357	145,955	38,376	-
<u>-</u>	<u>2,161,870</u>	<u>174,416</u>	<u>45,859</u>	<u>-</u>
4,589	439,815	103,022	312,951	241,814
-	55,000	-	-	-
-	(703,223)	-	-	-
-	(648,223)	-	-	-
4,589	(208,408)	103,022	312,951	241,814
210,084	1,284,251	797,517	1,329,813	804,652
<u>\$ 214,673</u>	<u>\$ 1,075,843</u>	<u>\$ 900,539</u>	<u>\$ 1,642,764</u>	<u>\$ 1,046,466</u>

CITY OF LOMA LINDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the year ended June 30, 2020

	Capital Projects Funds			
	General Facilities	Federal/State Construction	Public Meeting Facilities	Public Library Facilities
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	393,184	-	-
Charges for services	-	-	-	-
Use of money and property	3,904	-	6,488	2,059
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Developer fees	77,555	-	300,825	-
Total revenues	81,459	393,184	307,313	2,059
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	55,376
Public works	-	-	-	-
Capital outlay	-	860,448	-	54,723
Total expenditures	-	860,448	-	110,099
REVENUES OVER (UNDER) EXPENDITURES	81,459	(467,264)	307,313	(108,040)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	81,459	(467,264)	307,313	(108,040)
FUND BALANCE (DEFICIT)				
Beginning of year	170,973	(91,085)	207,843	139,129
End of year	\$ 252,432	\$ (558,349)	\$ 515,156	\$ 31,089

(Continued)

Capital Projects Funds		Total	Debt Service Fund
Art in	Capital	Capital	Water Bond
Public	Project Bond	Projects	Redemption
Places	Proceeds	Funds	Fund
\$ -	\$ -	\$ -	\$ -
-	-	393,184	-
-	-	260,216	-
6,347	79,972	160,887	698
-	-	-	-
-	-	-	-
86,234	-	1,020,343	-
<u>92,581</u>	<u>79,972</u>	<u>1,834,630</u>	<u>698</u>
-	-	-	-
-	-	55,376	-
11,351	147,763	195,058	-
58,213	757,757	1,915,472	-
<u>69,564</u>	<u>905,520</u>	<u>2,165,906</u>	<u>-</u>
<u>23,017</u>	<u>(825,548)</u>	<u>(331,276)</u>	<u>698</u>
-	-	-	-
-	-	-	-
-	-	-	-
23,017	(825,548)	(331,276)	698
308,423	3,212,981	6,880,246	36,488
<u>\$ 331,440</u>	<u>\$ 2,387,433</u>	<u>\$ 6,548,970</u>	<u>\$ 37,186</u>

CITY OF LOMA LINDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the year ended June 30, 2020

	Debt Service Funds		Total Debt Service Funds	Total Nonmajor Governmental Funds
	Assessment District 72-1	Loma Linda Financing Authority		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 1,250,027
Intergovernmental	-	-	-	1,607,286
Charges for services	-	-	-	267,061
Use of money and property	1,262	763	2,723	195,445
Fines and forfeitures	-	-	-	69,801
Miscellaneous	-	-	-	29,075
Developer fees	-	-	-	1,020,343
Total revenues	1,262	763	2,723	4,439,038
EXPENDITURES				
Current:				
Public safety	-	-	-	25,747
Community development	-	-	-	511,695
Public works	-	-	-	571,505
Capital outlay	-	-	-	3,218,829
Total expenditures	-	-	-	4,327,776
REVENUES OVER (UNDER) EXPENDITURES	1,262	763	2,723	111,262
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	55,000
Transfers out	-	-	-	(703,223)
Total other financing sources (uses)	-	-	-	(648,223)
Net change in fund balances	1,262	763	2,723	(536,961)
FUND BALANCE (DEFICIT)				
Beginning of year	65,879	39,839	142,206	8,306,703
End of year	\$ 67,141	\$ 40,602	\$ 144,929	\$ 7,769,742

**NONMAJOR GOVERNMENTAL BUDGETARY
COMPARISON SCHEDULES**

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CITY OF LOMA LINDA
Budgetary Comparison Schedule
Traffic Safety
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 73,800	\$ 61,200	\$ 69,801	\$ 8,601
Total revenues	<u>73,800</u>	<u>61,200</u>	<u>69,801</u>	<u>8,601</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>73,800</u>	<u>61,200</u>	<u>69,801</u>	<u>8,601</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(73,800)</u>	<u>(61,200)</u>	<u>(74,811)</u>	<u>(13,611)</u>
Total other financing sources (uses)	<u>(73,800)</u>	<u>(61,200)</u>	<u>(74,811)</u>	<u>(13,611)</u>
Net change in fund balance	-	-	(5,010)	(5,010)
FUND BALANCE				
Beginning of year	<u>7,834</u>	<u>7,834</u>	<u>7,834</u>	<u>-</u>
End of year	<u>\$ 7,834</u>	<u>\$ 7,834</u>	<u>\$ 2,824</u>	<u>\$ (5,010)</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Gas Tax
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,027,400	\$ 1,042,400	\$ 957,876	\$ (84,524)
Miscellaneous	-	27,400	27,358	(42)
Total revenues	<u>1,027,400</u>	<u>1,069,800</u>	<u>985,234</u>	<u>(84,566)</u>
EXPENDITURES				
Capital outlay	<u>399,000</u>	<u>399,000</u>	<u>374,097</u>	<u>24,903</u>
Total expenditures	<u>399,000</u>	<u>399,000</u>	<u>374,097</u>	<u>24,903</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>628,400</u>	<u>670,800</u>	<u>611,137</u>	<u>(59,663)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(604,100)</u>	<u>(594,100)</u>	<u>(533,209)</u>	<u>60,891</u>
Total other financing sources (uses)	<u>(604,100)</u>	<u>(594,100)</u>	<u>(533,209)</u>	<u>60,891</u>
Net change in fund balance	24,300	76,700	77,928	1,228
FUND BALANCE				
Beginning of year	<u>13,497</u>	<u>13,497</u>	<u>13,497</u>	<u>-</u>
End of year	<u>\$ 37,797</u>	<u>\$ 90,197</u>	<u>\$ 91,425</u>	<u>\$ 1,228</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
CASp CERT & Training
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 8,000	\$ 8,000	\$ 6,845	\$ (1,155)
Use of money and property	200	200	-	(200)
Total revenues	8,200	8,200	6,845	(1,355)
EXPENDITURES				
Current:				
Community development	-	-	723	(723)
Total expenditures	-	-	723	(723)
REVENUES OVER (UNDER) EXPENDITURES	8,200	8,200	6,122	(2,078)
Net change in fund balance	8,200	8,200	6,122	(2,078)
FUND BALANCE				
Beginning of year	6,043	6,043	12,830	6,787
End of year	<u>\$ 14,243</u>	<u>\$ 14,243</u>	<u>\$ 18,952</u>	<u>\$ 4,709</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Measure I
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 409,800	\$ 409,800	\$ 489,431	\$ 79,631
Use of money and property	8,000	10,700	11,241	541
Total revenues	<u>417,800</u>	<u>420,500</u>	<u>500,672</u>	<u>80,172</u>
EXPENDITURES				
Capital outlay	<u>800,000</u>	<u>800,000</u>	<u>728,190</u>	<u>71,810</u>
Total expenditures	<u>800,000</u>	<u>800,000</u>	<u>728,190</u>	<u>71,810</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(382,200)</u>	<u>(379,500)</u>	<u>(227,518)</u>	<u>151,982</u>
Net change in fund balance	(382,200)	(379,500)	(227,518)	151,982
FUND BALANCE				
Beginning of year	<u>456,852</u>	<u>456,852</u>	<u>456,852</u>	<u>-</u>
End of year	<u>\$ 74,652</u>	<u>\$ 77,352</u>	<u>\$ 229,334</u>	<u>\$ 151,982</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Measure I MSART
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 612,000	\$ -	\$ (612,000)
Use of money and property	-	4,500	4,332	(168)
Total revenues	<u>-</u>	<u>616,500</u>	<u>4,332</u>	<u>(612,168)</u>
EXPENDITURES				
Capital outlay	-	59,600	60,531	(931)
Total expenditures	<u>-</u>	<u>59,600</u>	<u>60,531</u>	<u>(931)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>556,900</u>	<u>(56,199)</u>	<u>(613,099)</u>
Net change in fund balance	-	556,900	(56,199)	(613,099)
FUND BALANCE				
Beginning of year	<u>241,282</u>	<u>241,282</u>	<u>241,282</u>	<u>-</u>
End of year	<u>\$ 241,282</u>	<u>\$ 798,182</u>	<u>\$ 185,083</u>	<u>\$ (613,099)</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Street Lighting District
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 352,500	\$ 352,500	\$ 358,476	\$ 5,976
Use of money and property	2,400	3,600	3,632	32
Miscellaneous	-	1,700	1,717	17
Total revenues	354,900	357,800	363,825	6,025
EXPENDITURES				
Current:				
Public works	346,000	374,700	376,447	(1,747)
Capital outlay	300	300	162	138
Total expenditures	346,300	375,000	376,609	(1,609)
REVENUES OVER (UNDER) EXPENDITURES	8,600	(17,200)	(12,784)	4,416
Net change in fund balance	8,600	(17,200)	(12,784)	4,416
FUND BALANCE				
Beginning of year	194,400	194,400	194,400	-
End of year	\$ 203,000	\$ 177,200	\$ 181,616	\$ 4,416

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Landscape Maintenance District
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 401,400	\$ 401,400	\$ 402,120	\$ 720
Use of money and property	-	-	185	185
Total revenues	<u>401,400</u>	<u>401,400</u>	<u>402,305</u>	<u>905</u>
EXPENDITURES				
Current:				
Community development	470,500	499,200	435,596	63,604
Capital outlay	300	300	147	153
Total expenditures	<u>470,800</u>	<u>499,500</u>	<u>435,743</u>	<u>63,757</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(69,400)</u>	<u>(98,100)</u>	<u>(33,438)</u>	<u>64,662</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	55,000	55,000	55,000	-
Total other financing sources (uses)	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Net change in fund balance	<u>(14,400)</u>	<u>(43,100)</u>	<u>21,562</u>	<u>64,662</u>
FUND BALANCE				
Beginning of year	<u>47,505</u>	<u>47,505</u>	<u>47,505</u>	<u>-</u>
End of year	<u>\$ 33,105</u>	<u>\$ 4,405</u>	<u>\$ 69,067</u>	<u>\$ 64,662</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Air Quality Management District
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 30,713	\$ 713
Use of money and property	400	400	421	21
Total revenues	<u>30,400</u>	<u>30,400</u>	<u>31,134</u>	<u>734</u>
EXPENDITURES				
Current:				
Public safety	<u>33,000</u>	<u>33,000</u>	<u>24,142</u>	<u>8,858</u>
Total expenditures	<u>33,000</u>	<u>33,000</u>	<u>24,142</u>	<u>8,858</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,600)</u>	<u>(2,600)</u>	<u>6,992</u>	<u>9,592</u>
Net change in fund balance	(2,600)	(2,600)	6,992	9,592
FUND BALANCE				
Beginning of year	<u>25,952</u>	<u>25,952</u>	<u>25,952</u>	<u>-</u>
End of year	<u>\$ 23,352</u>	<u>\$ 23,352</u>	<u>\$ 32,944</u>	<u>\$ 9,592</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Public Improvements Per Mou
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 1,200	\$ 1,200	\$ 1,214	\$ 14
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>1,214</u>	<u>14</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,200</u>	<u>1,200</u>	<u>1,214</u>	<u>14</u>
Net change in fund balance	1,200	1,200	1,214	14
FUND BALANCE				
Beginning of year	<u>63,368</u>	<u>63,368</u>	<u>63,368</u>	<u>-</u>
End of year	<u>\$ 64,568</u>	<u>\$ 64,568</u>	<u>\$ 64,582</u>	<u>\$ 14</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Community Development Block Grant
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 131,200	\$ 231,400	\$ 134,885	\$ (96,515)
Use of money and property	-	-	8	8
Total revenues	<u>131,200</u>	<u>231,400</u>	<u>134,893</u>	<u>(96,507)</u>
EXPENDITURES				
Current:				
Community development	20,000	120,200	20,000	100,200
Capital outlay	111,200	111,200	111,159	41
Total expenditures	<u>131,200</u>	<u>231,400</u>	<u>131,159</u>	<u>100,241</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>3,734</u>	<u>3,734</u>
Net change in fund balance	-	-	3,734	3,734
FUND BALANCE (DEFICIT)				
Beginning of year	<u>(4,418)</u>	<u>(4,418)</u>	<u>(4,418)</u>	<u>-</u>
End of year	<u>\$ (4,418)</u>	<u>\$ (4,418)</u>	<u>\$ (684)</u>	<u>\$ 3,734</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Grant Fund
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 197,500	\$ -	\$ (197,500)
Total revenues	<u>-</u>	<u>197,500</u>	<u>-</u>	<u>(197,500)</u>
EXPENDITURES				
Current:				
Public safety	-	160,000	-	160,000
Capital outlay	-	37,500	29,071	8,429
Total expenditures	<u>-</u>	<u>197,500</u>	<u>29,071</u>	<u>168,429</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(29,071)</u>	<u>(29,071)</u>
Net change in fund balance	-	-	(29,071)	(29,071)
FUND BALANCE (DEFICIT)				
Beginning of year	\$ 13,366	\$ 13,366	\$ 13,366	\$ -
End of year	<u>\$ 13,366</u>	<u>\$ 13,366</u>	<u>\$ (15,705)</u>	<u>\$ (29,071)</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Citizens Option for Public Safety
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 93,300	\$ 94,300	\$ 90,628	\$ (3,672)
Use of money and property	3,000	5,000	6,180	1,180
Total revenues	<u>96,300</u>	<u>99,300</u>	<u>96,808</u>	<u>(2,492)</u>
EXPENDITURES				
Current:				
Public safety	<u>4,300</u>	<u>4,300</u>	<u>1,605</u>	<u>2,695</u>
Total expenditures	<u>4,300</u>	<u>4,300</u>	<u>1,605</u>	<u>2,695</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>92,000</u>	<u>95,000</u>	<u>95,203</u>	<u>203</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(95,000)</u>	<u>(95,000)</u>	<u>(95,203)</u>	<u>(203)</u>
Total other financing sources (uses)	<u>(95,000)</u>	<u>(95,000)</u>	<u>(95,203)</u>	<u>(203)</u>
Net change in fund balance	(3,000)	-	-	-
FUND BALANCE (DEFICIT)				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ (3,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Development Agreement Consideration
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 4,000	\$ 4,000	\$ 4,589	\$ 589
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>4,589</u>	<u>589</u>
EXPENDITURES				
Capital outlay	20,000	20,000	-	20,000
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(16,000)</u>	<u>(16,000)</u>	<u>4,589</u>	<u>20,589</u>
Net change in fund balance	(16,000)	(16,000)	4,589	20,589
FUND BALANCE				
Beginning of year	210,084	210,084	210,084	-
End of year	<u>\$ 194,084</u>	<u>\$ 194,084</u>	<u>\$ 214,673</u>	<u>\$ 20,589</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Storm Drain
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 93,900	\$ 269,300	\$ 260,216	\$ (9,084)
Use of money and property	15,000	18,400	17,222	(1,178)
Total revenues	108,900	287,700	277,438	(10,262)
EXPENDITURES				
Current:				
Public works	39,000	39,000	28,461	10,539
Capital outlay	200,000	200,000	145,955	54,045
Total expenditures	239,000	239,000	174,416	64,584
REVENUES OVER (UNDER) EXPENDITURES	(130,100)	48,700	103,022	54,322
Net change in fund balance	(130,100)	48,700	103,022	54,322
FUND BALANCE				
Beginning of year	797,517	797,517	797,517	-
End of year	\$ 667,417	\$ 846,217	\$ 900,539	\$ 54,322

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Traffic Impact
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 30,000	\$ 30,000	\$ 27,674	\$ (2,326)
Developer fees	191,500	560,200	331,136	(229,064)
Total revenues	<u>221,500</u>	<u>590,200</u>	<u>358,810</u>	<u>(231,390)</u>
EXPENDITURES				
Current:				
Public works	-	7,000	7,483	(483)
Capital outlay	-	37,800	38,376	(576)
Total expenditures	<u>-</u>	<u>44,800</u>	<u>45,859</u>	<u>(1,059)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>221,500</u>	<u>545,400</u>	<u>312,951</u>	<u>(232,449)</u>
Net change in fund balance	221,500	545,400	312,951	(232,449)
FUND BALANCE				
Beginning of year	<u>1,329,813</u>	<u>1,329,813</u>	<u>1,329,813</u>	<u>-</u>
End of year	<u>\$ 1,551,313</u>	<u>\$ 1,875,213</u>	<u>\$ 1,642,764</u>	<u>\$ (232,449)</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Fire Facilities
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 17,300	\$ 18,800	\$ 17,221	\$ (1,579)
Developer fees	79,600	235,200	224,593	(10,607)
Total revenues	<u>96,900</u>	<u>254,000</u>	<u>241,814</u>	<u>(12,186)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>96,900</u>	<u>254,000</u>	<u>241,814</u>	<u>(12,186)</u>
Net change in fund balance	96,900	254,000	241,814	(12,186)
FUND BALANCE				
Beginning of year	<u>804,652</u>	<u>804,652</u>	<u>804,652</u>	<u>-</u>
End of year	<u>\$ 901,552</u>	<u>\$ 1,058,652</u>	<u>\$ 1,046,466</u>	<u>\$ (12,186)</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
General Facilities
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 3,900	\$ 3,900	\$ 3,904	\$ 4
Developer fees	33,000	84,700	77,555	(7,145)
Total revenues	<u>36,900</u>	<u>88,600</u>	<u>81,459</u>	<u>(7,141)</u>
EXPENDITURES				
Current:				
Public works	-	9,800	-	9,800
Capital outlay	-	50,000	-	50,000
Total expenditures	<u>-</u>	<u>59,800</u>	<u>-</u>	<u>59,800</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>36,900</u>	<u>28,800</u>	<u>81,459</u>	<u>52,659</u>
Net change in fund balance	36,900	28,800	81,459	52,659
FUND BALANCE				
Beginning of year	<u>170,973</u>	<u>170,973</u>	<u>170,973</u>	<u>-</u>
End of year	<u>\$ 207,873</u>	<u>\$ 199,773</u>	<u>\$ 252,432</u>	<u>\$ 52,659</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Federal/State Construction
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 393,184	\$ (606,816)
Use of money and property	1,000	-	-	-
Total revenues	<u>1,001,000</u>	<u>1,000,000</u>	<u>393,184</u>	<u>(606,816)</u>
EXPENDITURES				
Capital outlay	<u>1,000,000</u>	<u>1,000,000</u>	<u>860,448</u>	<u>139,552</u>
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>860,448</u>	<u>139,552</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,000</u>	<u>-</u>	<u>(467,264)</u>	<u>(467,264)</u>
Net change in fund balance	1,000	-	(467,264)	(467,264)
FUND BALANCE (DEFICIT)				
Beginning of year	<u>(91,085)</u>	<u>(91,085)</u>	<u>(91,085)</u>	<u>-</u>
End of year	<u>\$ (90,085)</u>	<u>\$ (91,085)</u>	<u>\$ (558,349)</u>	<u>\$ (467,264)</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Public Meeting Facilities
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 5,000	\$ 6,100	\$ 6,488	\$ 388
Developer fees	98,200	295,400	300,825	5,425
Total revenues	<u>103,200</u>	<u>301,500</u>	<u>307,313</u>	<u>5,813</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>103,200</u>	<u>301,500</u>	<u>307,313</u>	<u>5,813</u>
Net change in fund balance	103,200	301,500	307,313	5,813
FUND BALANCE				
Beginning of year	<u>207,843</u>	<u>207,843</u>	<u>207,843</u>	<u>-</u>
End of year	<u>\$ 311,043</u>	<u>\$ 509,343</u>	<u>\$ 515,156</u>	<u>\$ 5,813</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Public Library Facilities
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 2,500	\$ 2,500	\$ 2,059	\$ (441)
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>2,059</u>	<u>(441)</u>
EXPENDITURES				
Current:				
Community development	8,800	56,600	55,376	1,224
Capital outlay	<u>45,000</u>	<u>60,300</u>	<u>54,723</u>	<u>5,577</u>
Total expenditures	<u>53,800</u>	<u>116,900</u>	<u>110,099</u>	<u>6,801</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(51,300)</u>	<u>(114,400)</u>	<u>(108,040)</u>	<u>6,360</u>
Net change in fund balance	(51,300)	(114,400)	(108,040)	6,360
FUND BALANCE				
Beginning of year	<u>139,129</u>	<u>139,129</u>	<u>139,129</u>	<u>-</u>
End of year	<u>\$ 87,829</u>	<u>\$ 24,729</u>	<u>\$ 31,089</u>	<u>\$ 6,360</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Art in Public Places
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 6,000	\$ 6,000	\$ 6,347	\$ 347
Developer fees	52,300	108,600	86,234	(22,366)
Total revenues	58,300	114,600	92,581	(22,019)
EXPENDITURES				
Current:				
Public works	35,100	35,100	11,351	23,749
Capital outlay	180,000	180,000	58,213	121,787
Total expenditures	215,100	215,100	69,564	145,536
REVENUES OVER (UNDER) EXPENDITURES	(156,800)	(100,500)	23,017	123,517
Net change in fund balance	(156,800)	(100,500)	23,017	123,517
FUND BALANCE				
Beginning of year	308,423	308,423	308,423	-
End of year	<u>\$ 151,623</u>	<u>\$ 207,923</u>	<u>\$ 331,440</u>	<u>\$ 123,517</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Capital Projects Bond Proceeds
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 12,000	\$ 72,200	\$ 79,972	\$ 7,772
Total revenues	<u>12,000</u>	<u>72,200</u>	<u>79,972</u>	<u>7,772</u>
EXPENDITURES				
Current:				
Public works	452,000	253,500	147,763	105,737
Capital outlay	<u>2,318,000</u>	<u>1,300,000</u>	<u>757,757</u>	<u>542,243</u>
Total expenditures	<u>2,770,000</u>	<u>1,553,500</u>	<u>905,520</u>	<u>647,980</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,758,000)</u>	<u>(1,481,300)</u>	<u>(825,548)</u>	<u>655,752</u>
Net change in fund balance	(2,758,000)	(1,481,300)	(825,548)	655,752
FUND BALANCE				
Beginning of year	<u>3,212,981</u>	<u>3,212,981</u>	<u>3,212,981</u>	<u>-</u>
End of year	<u>\$ 454,981</u>	<u>\$ 1,731,681</u>	<u>\$ 2,387,433</u>	<u>\$ 655,752</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Water Bond Redemption
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 700	\$ 700	\$ 698	\$ (2)
Total revenues	<u>700</u>	<u>700</u>	<u>698</u>	<u>(2)</u>
Net change in fund balance	700	700	698	(2)
FUND BALANCE				
Beginning of year	<u>36,488</u>	<u>36,488</u>	<u>36,488</u>	<u>-</u>
End of year	<u>\$ 37,188</u>	<u>\$ 37,188</u>	<u>\$ 37,186</u>	<u>\$ (2)</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Assessment District 72-1
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 1,300	\$ 1,300	\$ 1,262	\$ (38)
Total revenues	<u>1,300</u>	<u>1,300</u>	<u>1,262</u>	<u>(38)</u>
Net change in fund balance	1,300	1,300	1,262	(38)
FUND BALANCE				
Beginning of year	<u>65,879</u>	<u>65,879</u>	<u>65,879</u>	<u>-</u>
End of year	<u>\$ 67,179</u>	<u>\$ 67,179</u>	<u>\$ 67,141</u>	<u>\$ (38)</u>

CITY OF LOMA LINDA
Budgetary Comparison Schedule
Loma Linda Financing Authority
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 700	\$ 700	\$ 763	\$ 63
Total revenues	<u>700</u>	<u>700</u>	<u>763</u>	<u>63</u>
Net change in fund balance	700	700	763	63
FUND BALANCE				
Beginning of year	<u>39,839</u>	<u>39,839</u>	<u>39,839</u>	<u>-</u>
End of year	<u>\$ 40,539</u>	<u>\$ 40,539</u>	<u>\$ 40,602</u>	<u>\$ 63</u>

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**FIDUCIARY FUNDS
AGENCY FUNDS COMBINING SCHEDULE**

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CITY OF LOMA LINDA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2020

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

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>Association Fire Equipment Fund</u>				
Assets				
Cash and investments	\$ 2,195	\$ 13,478	\$ 3,055	\$ 12,618
Due from other governments	105	-	105	-
Total assets	\$ 2,300	\$ 13,478	\$ 3,160	\$ 12,618
Liabilities				
Accounts payable	\$ 2,300	\$ 19,693	\$ 9,375	12,618
Total liabilities	\$ 2,300	\$ 19,693	\$ 9,375	\$ 12,618
<u>Customer Deposits Fund</u>				
Assets				
Cash and investments	\$ 99,386	\$ 87,150	\$ 73,036	\$ 113,500
Total assets	\$ 99,386	\$ 87,150	\$ 73,036	\$ 113,500
Liabilities				
Accounts payable	\$ -	\$ 1,300	\$ 1,300	\$ -
Deposits payable	99,386	87,150	73,036	113,500
Total liabilities	\$ 99,386	\$ 88,450	\$ 74,336	\$ 113,500
<u>Total - All Agency Funds</u>				
Assets				
Cash and investments	\$ 101,581	\$ 100,628	\$ 76,091	\$ 126,118
Due from other governments	105	-	105	-
Total assets	\$ 101,686	\$ 100,628	\$ 76,196	\$ 126,118
Liabilities				
Accounts payable	\$ 2,300	\$ 20,993	\$ 10,675	\$ 12,618
Deposits payable	99,386	87,150	73,036	113,500
Total liabilities	\$ 101,686	\$ 108,143	\$ 83,711	\$ 126,118

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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.

Contents	<u>Page</u>
<i>Financial Trends</i>	145
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>	151
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	164
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>	170
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>	173
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)

Fiscal Year	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 18,369,944	\$ 49,487,378	\$ 49,923,947	\$ 53,642,388
Restricted	23,907,544	28,038,083	29,617,713	29,305,083
Unrestricted	20,904,231	4,777,504	814,941	2,258,815
Total governmental activities net position	<u>\$ 63,181,719</u>	<u>\$ 82,302,965</u>	<u>\$ 80,356,601</u>	<u>\$ 85,206,286</u>
Business-type activities				
Net investment in capital assets	\$ 23,350,947	\$ 23,001,645	\$ 39,756,680	\$ 38,186,940
Restricted	40,839	40,839	40,839	40,839
Unrestricted	389,888	(8,290,772)	(9,127,686)	(9,816,996)
Total business-type activities net position	<u>\$ 23,781,674</u>	<u>\$ 14,751,712</u>	<u>\$ 30,669,833</u>	<u>\$ 28,410,783</u>
Primary government				
Net investment in capital assets	\$ 41,720,891	\$ 72,489,023	\$ 89,680,627	\$ 91,829,328
Restricted	23,948,383	28,078,922	29,658,552	29,345,922
Unrestricted	21,294,119	(3,513,268)	(8,312,745)	(7,558,181)
Total primary government net position	<u>\$ 86,963,393</u>	<u>\$ 97,054,677</u>	<u>\$ 111,026,434</u>	<u>\$ 113,617,069</u>

Source: City of Loma Linda Finance Department

2015	2016	2017	2018	2019	2020
\$ 55,885,140	\$ 54,701,694	\$ 54,669,551	\$ 53,645,346	\$ 53,363,136	\$ 52,098,547
27,181,403	41,158,883	34,485,340	40,009,123	40,255,257	41,042,155
(6,245,613)	10,216,095	15,833,197	11,961,248	13,949,530	16,553,951
<u>\$ 76,820,930</u>	<u>\$ 106,076,672</u>	<u>\$ 104,988,088</u>	<u>\$ 105,615,717</u>	<u>\$ 107,567,923</u>	<u>\$ 109,694,653</u>
\$ 37,347,912	\$ 36,315,946	\$ 35,575,964	\$ 35,053,848	\$ 35,191,938	\$ 35,564,416
40,840	41,054	760,313	684,561	396,401	681,788
(13,846,636)	(6,145,456)	(7,140,329)	(7,304,285)	(8,176,541)	(8,564,601)
<u>\$ 23,542,116</u>	<u>\$ 30,211,544</u>	<u>\$ 29,195,948</u>	<u>\$ 28,434,124</u>	<u>\$ 27,411,798</u>	<u>\$ 27,681,603</u>
\$ 93,233,052	\$ 91,017,640	\$ 90,245,515	\$ 88,699,194	\$ 88,555,074	\$ 87,662,963
27,222,243	41,199,937	35,245,653	40,693,684	40,651,658	41,723,943
(20,092,249)	4,070,639	8,692,868	4,656,963	5,772,989	7,989,350
<u>\$ 100,363,046</u>	<u>\$ 136,288,216</u>	<u>\$ 134,184,036</u>	<u>\$ 134,049,841</u>	<u>\$ 134,979,721</u>	<u>\$ 137,376,256</u>

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

Fiscal Year	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 5,336,891	\$ 3,371,844	\$ 1,770,611	\$ 1,818,573
Public safety	8,541,168	9,042,727	8,747,342	8,430,753
Community development	3,762,903	2,007,651	1,944,724	1,948,836
Public works	5,743,794	4,156,836	4,488,436	5,451,342
Interest on long-term debt	3,905,417	1,474,252	246,905	180,289
Total governmental activities expenses	<u>\$ 27,290,173</u>	<u>\$ 20,053,310</u>	<u>\$ 17,198,018</u>	<u>\$ 17,829,793</u>
Business-type activities:				
Water acquisition	208,277	221,075	152,932	-
Water enterprise	4,984,606	5,474,845	6,113,936	6,414,771
Sewer capital	3,724,961	3,969,359	4,420,067	4,135,446
Loma Linda Connected Communities	1,263,763	1,046,444	981,448	923,887
Total business-type activities expenses	<u>10,181,607</u>	<u>10,711,723</u>	<u>11,668,383</u>	<u>11,474,104</u>
Total primary government expenses	<u>\$ 37,471,780</u>	<u>\$ 30,765,033</u>	<u>\$ 28,866,401</u>	<u>\$ 29,303,897</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	\$ 2,286,843	\$ 2,181,892	\$ 2,265,114	\$ 2,017,576
Public Safety	739,729	611,087	601,899	566,346
Community development	767,424	571,252	1,538,226	2,598,727
Public works	2,798,225	2,146,378	1,728,971	1,729,660
Operating contributions and grants	249,880	287,260	244,822	238,064
Capital contributions and grants	2,649,689	855,530	1,633,410	5,425,257
Total governmental activities program revenues	<u>9,491,790</u>	<u>6,653,399</u>	<u>8,012,442</u>	<u>12,575,630</u>
Business-type activities:				
Charges for services:				
Water acquisition	-	27,254	132,044	60,113
Water enterprise	4,551,954	4,721,866	4,734,114	4,813,653
Sewer capital	3,071,818	3,388,248	3,592,431	3,457,741
Loma Linda Connected Communities	287,402	275,905	287,944	414,429
Capital Grants and Contributions	372,616	185,000	18,249,598	-
Total business-type activities program revenues	<u>8,283,790</u>	<u>8,598,273</u>	<u>26,996,131</u>	<u>8,745,936</u>
Total primary government revenues	<u>\$ 17,775,580</u>	<u>\$ 15,251,672</u>	<u>\$ 35,008,573</u>	<u>\$ 21,321,566</u>
Net (expense)/revenue				
Governmental activities	\$ (17,798,383)	\$ (13,399,911)	\$ (9,185,576)	\$ (5,254,163)
Business-type activities	(1,897,817)	(2,113,450)	15,327,748	(2,728,168)
Total primary government net (expense)/revenue	<u>\$ (19,696,200)</u>	<u>\$ (15,513,361)</u>	<u>\$ 6,142,172</u>	<u>\$ (7,982,331)</u>

Source: City of Loma Linda Finance Department

	2015	2016	2017	2018	2019	2020
\$	3,387,169	\$ 3,671,993	\$ 4,183,558	\$ 3,446,226	\$ 6,425,416	\$ 4,655,547
	8,772,658	9,304,542	11,026,804	12,531,692	13,454,286	13,132,883
	2,278,470	1,841,405	2,390,338	2,530,022	2,309,000	3,646,694
	3,948,235	4,676,124	4,411,533	6,231,901	7,202,335	7,191,106
	128,956	(12,257)	6,053	-	7,778	3,148
\$	<u>18,515,488</u>	<u>\$ 19,481,807</u>	<u>\$ 22,018,286</u>	<u>\$ 24,739,841</u>	<u>\$ 29,398,815</u>	<u>\$ 28,629,378</u>
	32,458	47,594	231,003	142,488	651,998	163,718
	6,529,987	5,697,329	5,956,326	6,581,432	7,334,056	7,321,257
	4,128,121	4,100,045	4,237,844	4,484,711	4,655,471	4,780,642
	1,183,177	1,118,342	1,056,877	1,082,358	981,077	1,075,479
	<u>11,873,743</u>	<u>10,963,310</u>	<u>11,482,050</u>	<u>12,290,989</u>	<u>13,622,602</u>	<u>13,341,096</u>
\$	<u>30,389,231</u>	<u>\$ 30,445,117</u>	<u>\$ 33,500,336</u>	<u>\$ 37,030,830</u>	<u>\$ 43,021,417</u>	<u>\$ 41,970,474</u>
\$	2,230,122	\$ 1,914,239	\$ 2,411,391	\$ 2,601,912	\$ 3,237,396	\$ 2,947,216
	576,908	982,772	2,072,189	2,542,110	2,701,403	2,326,787
	1,247,138	7,689,602	703,820	1,311,497	3,102,051	3,465,549
	1,523,530	1,329,226	1,318,224	1,561,965	1,820,291	1,782,676
	227,592	675,510	918,093	772,551	2,552,498	664,307
	1,276,451	1,321,811	349,723	151,081	1,308,805	1,510,791
	<u>7,081,741</u>	<u>13,913,160</u>	<u>7,773,440</u>	<u>8,941,116</u>	<u>14,722,444</u>	<u>12,697,326</u>
	249,351	506,018	124,489	392,278	643,278	1,141,226
	4,970,004	4,570,660	4,910,137	5,620,078	5,745,814	6,076,134
	3,843,936	3,853,476	4,187,465	4,675,647	5,021,365	5,327,464
	399,978	362,285	389,793	317,575	326,992	359,079
	-	-	-	-	-	-
	<u>9,463,269</u>	<u>9,292,439</u>	<u>9,611,884</u>	<u>11,005,578</u>	<u>11,737,449</u>	<u>12,903,903</u>
\$	<u>16,545,010</u>	<u>\$ 23,205,599</u>	<u>\$ 17,385,324</u>	<u>\$ 19,946,694</u>	<u>\$ 26,459,893</u>	<u>\$ 25,601,229</u>
\$	(11,433,747)	\$ (5,568,647)	\$ (14,244,846)	\$ (15,798,725)	\$ (14,676,371)	\$ (15,932,052)
	(2,410,474)	(1,670,871)	(1,870,166)	(1,285,411)	(1,885,153)	(437,193)
\$	<u>(13,844,221)</u>	<u>\$ (7,239,518)</u>	<u>\$ (16,115,012)</u>	<u>\$ (17,084,136)</u>	<u>\$ (16,561,524)</u>	<u>\$ (16,369,245)</u>

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

Fiscal Year	2011	2012	2013	2014
General Revenues and Other Changes in Net Position				
Government activities:				
Taxes				
Property taxes	\$ 9,461,659	\$ 5,774,870	\$ 2,205,347	\$ 2,391,993
Sales taxes	3,681,608	4,040,073	3,864,216	3,733,160
Franchise tax	664,672	756,527	778,424	811,238
Other taxes	941,937	641,707	734,611	871,103
Motor vehicle in lieu	1,762,104	1,648,468	1,661,319	1,688,439
Intergovernmental	-	-	-	213,852
Transfers	161,951	-	-	-
Total taxes and transfers	<u>16,673,931</u>	<u>12,861,645</u>	<u>9,243,917</u>	<u>9,709,785</u>
Investment income	1,672,572	936,266	208,226	227,033
Capital contribution	-	-	-	89,413
Miscellaneous	59,539	652,079	60,069	139,192
Gain (Loss) on sale of capital assets	-	-	-	-
Gain (Loss) on land held for resale	-	-	-	-
Total governmental activities	<u>18,406,042</u>	<u>14,449,990</u>	<u>9,512,212</u>	<u>10,165,423</u>
Business-type activities:				
Investment income	545,228	12,986	11,789	8,608
Capital contribution	-	-	-	(89,413)
Miscellaneous	461,650	602,448	578,584	589,923
Transfers	(161,951)	-	-	-
Gain (Loss) on sale of capital assets	-	-	-	-
Total business-type activities	<u>844,927</u>	<u>615,434</u>	<u>590,373</u>	<u>509,118</u>
Total primary government	<u>\$ 19,250,969</u>	<u>\$ 15,065,424</u>	<u>\$ 10,102,585</u>	<u>\$ 10,674,541</u>
Extraordinary Item (Dissolution of Redevelopment Agency)				
Governmental activities	\$ -	\$ 18,071,167	\$ -	\$ -
Business-type activities	-	(7,531,946)	-	-
Total primary government	<u>\$ -</u>	<u>\$ 10,539,221</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Position				
Governmental activities	\$ 607,659	\$ 19,121,246	\$ 326,636	\$ 4,911,260
Business-type activities	(1,052,890)	(9,029,962)	15,918,121	(2,219,050)
Total primary government	<u>\$ (445,231)</u>	<u>\$ 10,091,284</u>	<u>\$ 16,244,757</u>	<u>\$ 2,692,210</u>

Source: City of Loma Linda Finance Department

	2015	2016	2017	2018	2019	2020
\$	2,424,066	\$ 2,119,528	\$ 2,193,323	\$ 2,489,895	\$ 2,787,070	\$ 3,086,116
	5,721,938	7,575,743	6,692,095	8,692,611	7,700,848	9,008,051
	848,712	852,859	886,502	960,660	961,693	990,531
	831,258	1,065,353	1,116,979	882,677	1,003,817	850,823
	-	-	-	-	2,293,699	2,433,722
	2,205,319	1,258,590	1,987,145	2,197,430	-	-
	-	-	(290,619)	(84,916)	4,799	9,305
	<u>12,031,293</u>	<u>12,872,073</u>	<u>12,585,425</u>	<u>15,138,357</u>	<u>14,751,926</u>	<u>16,378,548</u>
	503,598	610,671	487,762	970,488	1,290,647	1,472,804
	-	-	-	-	-	-
	36,389	26,759	8,523	210,983	555,160	196,705
	-	-	74,552	426,863	30,844	10,725
	-	-	-	-	-	-
	<u>12,571,280</u>	<u>13,509,503</u>	<u>13,156,262</u>	<u>16,746,691</u>	<u>16,628,577</u>	<u>18,058,782</u>
	7,932	128,012	86,522	167,515	271,702	208,279
	-	-	-	-	-	-
	650,590	680,341	477,429	458,106	595,149	508,024
	-	-	290,619	84,916	(4,799)	(9,305)
	-	-	-	20,062	775	-
	<u>658,522</u>	<u>808,353</u>	<u>854,570</u>	<u>730,599</u>	<u>862,827</u>	<u>706,998</u>
\$	<u>13,229,802</u>	<u>\$ 14,317,856</u>	<u>\$ 14,010,832</u>	<u>\$ 17,477,290</u>	<u>\$ 17,491,404</u>	<u>\$ 18,765,780</u>
\$	-	\$ 21,314,886	\$ -	\$ -	\$ -	\$ -
	-	7,531,946	-	-	-	-
\$	<u>-</u>	<u>\$ 28,846,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	1,137,533	\$ 29,255,742	\$ (1,088,584)	\$ 947,966	\$ 1,952,206	\$ 2,126,730
	(1,751,952)	6,669,428	(1,015,596)	(554,812)	(1,022,326)	269,805
\$	<u>(614,419)</u>	<u>\$ 35,925,170</u>	<u>\$ (2,104,180)</u>	<u>\$ 393,154</u>	<u>\$ 929,880</u>	<u>\$ 2,396,535</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	Property Taxes	Sales & Use Tax	Franchise Fees	Transfer Tax	Transient Tax	Business License	Misc. Taxes	Assessments	Total
2011	\$ 9,043,574	\$ 3,988,042	\$ 664,672	\$ 37,615	\$ 57,274	\$ 298,108	\$ 9,469	\$ 747,374	\$ 14,846,128
2012	5,190,613	4,382,549	756,527	31,919	52,938	236,453	9,841	727,518	11,388,358
2013	1,420,706	4,203,905	778,424	42,622	33,676	349,911	11,335	742,019	7,582,598
2014	3,294,218	4,083,824	811,238	40,926	39,262	368,358	25,236	735,329	9,398,391
2015	3,432,704	6,097,691	848,712	47,546	49,442	390,291	25,449	732,770	11,624,605
2016	3,155,172	7,967,387	852,859	98,258	271,443	385,533	26,316	732,970	13,489,938
2017	3,390,512	7,105,414	886,501	39,340	347,981	345,257	21,463	739,575	12,876,043
2018	3,866,981	7,969,204	960,660	70,346	464,980	406,853	23,755	737,087	14,499,866
2019	1,978,818	8,389,129	961,693	65,828	670,867	321,975	2,293,698 *	753,400	15,435,408
2020	2,224,740	5,681,899	990,532	112,203	530,943	308,457	2,433,722	760,596	13,043,092

Includes General, Special Revenue, Debt Service and Capital Projects Funds.

*Includes Vehicle License Fee-In Excess and VLF-Property Taxes In Lieu

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)

Fiscal year	2011	2012	2013	2014
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Non Spendable:				
Inventories	21,879	22,355	22,630	22,934
Prepaid items	328,518	432,648	1,319	764
Restricted for:				
State Mandated	-	-	-	-
Public Safety	-	-	35,743	-
General government	5,317	5,317	2,232	15,768
Committed for:				
Emergency contingency	3,500,000	3,500,000	3,500,000	3,500,000
Assigned for:				
Disaster recovery - federal/state reimbursements	426,308	-	-	-
Refuse services	242,106	83,658	87,941	91,540
Fire equipment replacement	67,419	70,779	78,102	88,812
Sewer loan	-	-	-	-
Capital equipment replacement	1,250,000	1,250,000	1,250,000	1,250,000
Unfunded liabilities	-	-	-	-
Unassigned	2,803,075	3,703,420	5,071,179	5,836,876
Total general fund	\$ 8,644,622	\$ 9,068,177	\$ 10,049,146	\$ 10,806,694
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital project funds	-	-	-	-
Undesignated	-	-	-	-
Non Spendable:				
Prepaid items	82,884	9,913	20	-
Sewer capacity rights	79,862	-	-	-
Restricted for:				
Cultural and recreational	669,281	362,256	284,673	304,711
State mandated	-	-	-	-
Public safety	267,955	337,819	369,068	442,199
Street improvements	5,938,787	5,736,844	5,561,625	5,156,456
Storm drains	763,498	740,443	749,230	757,919
Municipal facilities	447,301	273,249	336,519	271,092
Public works projects	217,694	-	-	-
Landscape Maintenance District	43,328	-	-	-
Air quality management	55,169	66,244	73,431	80,988
Development projects	6,381,957	-	-	-
General government	4,626,779	1,563,163	-	-
Debt service	4,523,861	1,220,343	1,207,017	1,205,057
Low/mod hosing programs	30,804,510	17,873,700	17,856,279	17,956,592
Unassigned	(11,943,938)	(3,277,365)	(4,693,591)	(5,475,010)
Total all other governmental funds	\$ 42,958,928	\$ 24,906,609	\$ 21,744,271	\$ 20,700,004

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

2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
18,966	12,299	10,933	14,944	9,298	20,290
8,569	619,657	19,063	3,261	1,577	2,816
-	-	-	5,848	6,399	-
-	-	-	-	-	-
18,872	-	-	-	-	-
3,500,000	5,500,000	5,500,000	5,500,000	2,000,000	2,000,000
-	-	-	-	-	-
95,832	97,690	91,540	99,033	103,035	135,495
270,040	104,144	88,812	224,776	272,593	282,099
-	-	-	-	-	422,673
1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
-	-	-	2,000,000	-	-
6,827,235	5,868,335	5,836,876	6,664,717	7,720,336	5,970,489
<u>\$ 11,989,514</u>	<u>\$ 13,452,125</u>	<u>\$ 12,797,224</u>	<u>\$ 15,762,579</u>	<u>\$ 11,363,238</u>	<u>\$ 10,083,862</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
40,672	1,259	1,036	20	-	-
-	-	-	-	-	-
332,436	345,310	370,928	375,309	447,552	362,529
-	-	-	-	-	18,952
452,514	672,745	701,990	735,937	818,020	1,046,468
4,295,300	15,919,327	14,596,849	19,814,982	19,684,580	20,182,145
771,018	792,052	801,366	847,125	797,517	900,539
195,306	204,971	133,774	165,984	378,816	767,588
-	-	-	-	-	-
-	-	-	-	-	-
86,456	63,454	47,451	27,763	25,952	32,944
-	-	-	-	-	-
-	-	-	-	-	-
137,614	136,148	137,112	139,030	142,206	144,929
17,810,779	17,933,640	17,695,044	17,903,020	17,960,614	17,605,013
(6,363,912)	(2,635,280)	(2,935,592)	(3,534,374)	(2,186,552)	(2,754,783)
<u>\$ 17,758,183</u>	<u>\$ 33,433,626</u>	<u>\$ 31,549,958</u>	<u>\$ 36,474,796</u>	<u>\$ 38,068,705</u>	<u>\$ 38,306,324</u>

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

Fiscal Year	2011	2012	2013	2014
Revenues				
Taxes	\$ 14,846,128	\$ 11,388,358	\$ 7,582,598	\$ 9,398,391
Licenses and permits	252,975	1,345,307	318,636	532,046
Intergovernmental revenues	6,833,823	1,680,953	2,539,554	900,263
Charges for services	2,780,285	5,344,456	1,653,891	1,921,614
Use of money and property	10,419,520	660,304	624,686	468,283
Fines, forfeitures, and penalties	281,957	980	179,157	166,014
Contributions	-	-	-	-
Miscellaneous	2,768,474	3,411,401	3,479,196	6,976,393
Developer fees	412,271	308,677	1,127,775	814,556
Total Revenues	38,595,433	24,140,436	17,505,493	21,177,560
Expenditures				
General government	5,083,333	2,756,072	1,010,432	1,269,463
Public safety	7,869,002	8,249,467	8,333,007	8,372,894
Community development	1,427,226	1,618,015	1,635,429	1,834,266
Public works	3,348,479	2,696,647	2,225,653	2,338,243
Capital outlay	4,811,468	1,521,014	3,137,662	6,668,468
Debt service				
Principal retirement	1,805,000	2,080,400	883,220	914,378
Interest and fiscal charges	3,798,820	2,571,604	207,619	164,563
Bond issuance costs	-	-	-	-
Refunding costs	-	-	-	-
Total Expenditures	28,143,328	21,493,219	17,433,022	21,562,275
Excess of revenues over (under) expenditures	10,452,105	2,647,217	72,471	(384,715)
Other Financing Sources (Uses)				
Capital leases	330,513	-	-	-
Bond proceeds	-	-	-	-
Premium on bonds	-	-	-	-
Discount on bonds	-	-	-	-
Gain on disposal of assets	22,590	315,539	19,160	97,996
Loss of disposal of assets	-	-	-	-
Transfers in	20,922,495	3,541,336	2,366,876	2,438,425
Transfers out	(20,760,544)	(3,541,336)	(2,366,876)	(2,438,425)
Total Other Financing Sources (Uses)	515,054	315,539	19,160	97,996
Net Change in Fund Balances Before Extraordinary Item	\$ 10,967,159	\$ 2,962,756	\$ 91,631	\$ (286,719)
Extraordinary Item*	-	(20,591,520)	-	-
Net Change in Fund Balances	\$ 10,967,159	\$ (17,628,764)	\$ 91,631	\$ (286,719)
Debt Service as a percentage of non-capital expenditures	21.2%	22.9%	7.1%	6.4%

*Extraordinary item did not apply to prior years.
Source: City of Loma Linda Finance Department

2015	2016	2017	2018	2019	2020
\$ 11,624,605	\$ 13,489,938	\$ 12,876,043	\$ 14,499,866	\$ 15,435,408	\$ 13,043,092
629,954	478,522	398,756	463,878	495,979	858,993
961,314	1,516,208	994,225	888,521	3,669,009	1,632,833
1,789,325	1,848,851	3,153,168	3,563,490	4,053,022	4,006,691
451,109	508,805	757,656	2,820,221	2,412,446	2,322,671
154,642	142,437	129,123	115,205	472,114	79,897
-	-	-	-	-	-
2,811,345	2,625,326	2,353,757	2,848,072	3,681,395	2,869,489
518,956	7,092,505	188,523	735,690	2,182,962	2,476,701
18,941,250	27,702,592	20,851,251	25,934,943	32,402,335	27,290,367
2,816,532	3,057,584	3,831,946	2,870,793	6,595,193	3,778,105
8,494,523	9,522,944	11,005,886	12,153,050	17,476,968	13,294,924
1,997,868	1,725,470	2,279,446	2,372,587	2,411,105	3,173,643
2,235,090	2,789,413	2,659,712	2,821,934	3,233,008	3,386,611
3,024,351	1,033,346	2,606,365	3,410,812	5,486,524	4,678,287
1,905,590	31,853	33,165	34,532	35,955	37,436
132,266	28,855	7,419	6,053	4,630	3,148
-	-	-	-	-	-
-	-	-	-	-	-
20,606,220	18,189,465	22,423,939	23,669,761	35,243,383	28,352,154
(1,664,970)	9,513,127	(1,572,688)	2,265,182	(2,841,048)	(1,061,787)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,000	56,415	74,552	567,549	30,844	10,725
(114,031)	-	-	-	-	-
2,218,439	829,833	834,210	743,146	771,153	771,715
(2,218,439)	(829,833)	(1,124,829)	(828,062)	(766,354)	(762,410)
(94,031)	56,415	(216,067)	482,633	35,643	20,030
\$ (1,759,001)	\$ 9,569,542	\$ (1,788,755)	\$ 2,747,815	\$ (2,805,405)	\$ (1,041,757)
-	7,568,512	-	-	-	-
\$ (1,759,001)	\$ 17,138,054	\$ (1,788,755)	\$ 2,747,815	\$ (2,805,405)	\$ (1,041,757)
11.4%	0.4%	0.2%	0.2%	0.1%	0.2%

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**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
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
2019	7,972,459	1,978,818	961,693	65,828	670,867	321,975	2,293,698	14,265,338
2020	5,192,468	2,224,740	990,532	112,203	530,943	308,457	2,433,722	11,793,065

Source: City of Loma Linda Finance Department

**CITY OF LOMA LINDA
 Top 25 Sales Tax Producers
 As of June 30, 2020**

For Fiscal year 2019-2020

<u>Business Name</u>	<u>Business Category</u>
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
Chevron	Service Stations
Clarks Nutritional Center	Food Store Non-Grocery
Genesis of Loma Linda	New Motor Vehicle Dealers
Hirsch Pipe & Supply	Plumbing/Electrical Supplies
Honda Lease Trust	Auto Lease
Hyundai Lease Titling Trust	Auto Lease
Isec Incorporated	Contractors
Loma Linda Foundation	Government/Social Org.
Loma Linda Mercantile	Medical/Biotech
Loma Linda Optical Department	Government/Social Org.
Loma Linda University Medical Center	Medical/Biotech
Mansfield Oil	Petroleum Prod/Equipment
McDonalds	Quick-Service Restaurant
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

Percent of Fiscal Year Total Paid By Top 25 Accounts=94.65%

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, 2020**

Continued

For Fiscal Year 2010-11	
<u>Business Name</u>	<u>Business Category</u>
ACH Supply	Plumbing/ Electrical Supplies
Anixter	Electrical Equipment
Arco AM PM	Services Stations
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
Del Taco	Quick Services Restaurants
Farmers Boys	Quick Services Restaurants
Genesis of Loma Linda	New Motor Vehicle Dealers
Hometown Buffet	Casual Dining
Honda Lease Trust	Auto Lease
KD Sales Plumbing Supplies	Plumbing/Electrical Supplies
KFC	Quick-Service Restaurant
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
Party Rentals	Specialty Stores
Quaid Harley Davidson	Boats/Motorcycles
Rite Aid	Drug Store
Spreen Honda	New Motor Vehicle Dealers
Stater Bros	Grocery Stores
Tech Edge Learning	Electronics/Appliance Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts=94.84%

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, 2020

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Food Stores	\$10,957	\$11,224	\$11,969	\$12,244	\$14,974	\$17,761	\$17,761	\$18,002	\$17,834	\$17,663
Eating and Drinking Places	16,663	18,337	19,330	21,389	23,549	27,432	27,293	28,157	27,420	29,056
Services Stations	35,742	43,186	43,542	40,314	39,632	39,762	33,602	35,270	-	-
Other Retail Stores	104,626	115,202	123,476	122,587	130,118	145,767	157,878	168,095	212,611	196,642
All Other Outlets	170,678	196,916	190,000	178,095	352,116	403,993	396,493	425,633	610,057	677,886
Total	\$338,666	\$384,865	\$388,317	\$374,629	\$560,389	\$634,715	\$633,027	\$675,157	\$867,922	\$921,247

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						
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%
2019	2,589,707,118	532,970,508	179,267,027	3,301,944,653	1,089,669,098	2,212,275,555	0.11805	100%
2020	3,425,695,384	562,919,839	165,495,439	4,154,110,662	1,813,629,588	2,340,481,074	0.11805	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

Fiscal Year	Basic Levy	San Bernardino Debt Service	Schools				Total Tax Rate	RDA Incremental Rate ¹	Total Direct Rate ²
			Colton Unified	Redlands Unified	San Bernardino Community College	Water			
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
2019	1.0000	0.00000	0.11160	0.03240	0.04070	0.15250	1.33720	0.00000	0.11805
2020	1.0000	0.00000	0.10160	0.03390	0.05620	0.14250	1.33420	0.00000	0.11805

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.

¹ 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.

² Total Direct Rate is the weighted average of all individual direct rates.

CITY OF LOMA LINDA
Principal Property Taxpayers
As of June 30, 2020

Taxpayer	2020			2011		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Wi Loma Linda LLC	\$ 135,037,384	1	5.77%			
Timber Hills Associates LP2	57,508,194	2	2.46%	\$ 49,452,377	1	3.12%
Loma Linda University/Medical Center ¹	48,784,872	3	2.08%	42,674,339	2	2.70%
Loma Linda Heritage Associates	29,705,368	4	1.27%	25,671,083	4	1.62%
Sierra Vista Apartments SPE	28,122,012	5	1.20%			
Oasis Townhomes LLC	27,550,436	6	1.18%	23,808,811	5	1.50%
DRC Industrial CBC	23,655,952	7	1.01%			
Chancellor Properties LLC2	21,507,295	8	0.92%			
Blossom Grove California LLC	14,447,817	9	0.62%			
Huntington Technology Finance Inc	12,149,357	10	0.52%			
General American Life Insurance Company				35,659,472	3	2.25%
Granite Lakes Apartments LP				22,870,169	6	1.45%
Health Care Reit INC				12,017,863	7	0.76%
Emerikeyt Palms at Loma Linda ²				9,584,610	10	0.61%
Monterey Pines LLC				10,063,615	8	0.64%
Loma of California Health Center LLC				9,697,989	9	0.61%
	<u>\$ 398,468,687</u>		<u>17.03%</u>	<u>\$ 241,500,328</u>		<u>15.26%</u>

Note: The amounts shown above includes assessed value data for both the City and the Redevelopment Agency.

¹ Loma Linda University is a learning institution; therefore, a large portion of their property is exempt.

² 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
2011	\$ 963,843	\$ 927,289	96.2%	\$ 11,818	\$ 939,107	97.4%
2012	983,808	941,122	95.7%	37,639	978,761	99.5%
2013	989,037	944,831	95.5%	43,406	988,237	99.9%
2014	1,015,851	987,067	97.2%	54,072	1,041,138	102.5%
2015	1,038,813	1,012,206	97.4%	37,627	1,049,833	101.1%
2016	1,082,685	1,054,765	97.4%	23,844	1,078,609	99.6%
2017	1,139,995	1,114,742	97.8%	34,711	1,149,453	100.8%
2018	1,176,099	1,155,795	98.3%	29,809	1,185,604	100.8%
2019	1,244,859	1,218,949	97.9%	8,227	1,227,176	98.6%
2020	1,274,242	1,246,785	97.8%	-	1,246,785	97.8%

Source: San Bernardino County Auditor-Controller Property Tax Division

Note: In FY 2012, penalties started to be excluded from amounts collected in subsequent years. Collection in subsequent years may include delinquent tax payments from multiple prior years which are not identified separately by the County of San Bernardino. Limitations exist within the County's tax system which impede the ability to identify prior tax year delinquent payments by assessment year.

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 ¹
	Capital Leases	Loans Payable	Tax Allocation Bonds	Revenue Bonds	General Obligation Bonds	Capital Leases	Water Bonds				
2011	\$ 330,513	\$ -	\$ 41,139,692	\$ 4,336,873	\$ 20,000	\$ -	\$ 6,935,000	\$ 52,762,078	N/A	\$ 2,255	
2012	300,113	-	-	3,547,617	20,000	-	6,605,000	10,472,730	N/A	448	
2013	271,894	-	-	2,728,360	10,000	-	6,255,000	9,265,254	1.28%	395	
2014	242,515	-	-	1,879,100	10,000	-	5,885,000	8,016,615	1.10%	339	
2015	211,922	-	-	2,052	10,000	-	5,490,000	5,713,974	0.80%	241	
2016	180,072	-	-	-	10,000	-	5,075,000	5,265,072	0.71%	214	
2017	146,907	-	-	-	10,000	-	5,669,428	5,826,335	0.81%	238	
2018	112,375	-	-	-	10,000	-	5,421,588	5,543,963	0.80%	232	
2019	76,420	-	-	-	10,000	-	5,203,748	5,290,168	0.76%	217	
2020	38,984	-	-	-	10,000	-	4,980,908	5,029,892	1%	205	

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.

¹ See the Schedule of Demographic and Economic Statistics on page 172 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

Fiscal Year	General Obligation Bonds	Less: amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property ¹	Per Capita ²
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%
2019	10,000	-	10,000	0.000%	41%
2020	10,000	-	10,000	0.000%	41%

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

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 162 for the property value data.

² Population data can be found in the schedule of Demographic and Economic Statistics on page 172.

Source: City of Loma Linda Finance Department

CITY OF LOMA LINDA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

2019-2020 Assessed Valuation \$ 2,340,481,074

	Total Debt	Percent	
	6/30/20	Applicable (1)	Debt 6/30/20
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
San Bernardino Valley Joint Community College District	\$ 738,367,480	3.093%	\$ 22,837,706
Colton Joint Unified School District	182,403,765	0.841%	1,534,016
Colton Joint Unified School District Community Facilities District No.2	3,665,000	25.190%	923,214
Redlands Unified School District	67,818,512	12.273%	8,323,366
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 33,618,302
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
San Bernardino County General Fund Obligations	\$ 239,140,000	0.987%	\$ 2,360,312
San Bernardino County Pension Obligations	237,212,638	0.987%	2,341,289
San Bernardino County Flood Control District General Fund Obligations	57,155,000	0.987%	564,120
Colton Joint Unified School District Certificates of Participation	602,300	0.841%	5,065
Redlands Unified School District Certificates of Participation	5,000,000	12.273%	613,650
City of Loma Linda Capital Lease	0	100.000%	38,984
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 5,923,420
 OVERLAPPING TAX INCREMENT DEBT:	 \$ 257,970,000	 3.862-100%	 \$ 36,362,296
 TOTAL DIRECT DEBT			 38,984
TOTAL OVERLAPPING OBLIGATION DEBT			<u>75,865,034</u>
 COMBINED TOTAL DEBT			 <u>\$ 75,904,018</u>

(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 2019-20 Assessed Valuation:

Total Overlapping Debt (excluding tax increment).....	1.44%
Total Direct Debt (\$76,420).....	0.00%
Combined Total Debt (excluding tax increment).....	3.24%

Ratios to Redevelopment Incremental Valuation (\$1,299,120,312):

Total Overlapping Tax Increment Debt.....	2.80%
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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

Fiscal Year	2011	2012	2013	2014
Debt Limit	\$ 59,998,424	\$ 60,087,454	\$ 60,098,744	\$ 61,135,079
Total net debt applicable to limit	34,152,880	33,799,049	89,011,770	87,512,815
Legal debt margin	\$ 25,845,544	\$ 26,288,405	\$ (28,913,026)	\$ (26,377,736)
Total net debt applicable to the limit as a percentage of debt limit	56.92%	56.25%	148.11%	143.15%

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%).

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 67,899,250	\$ 71,833,863	\$ 79,766,211	\$ 83,537,933	\$ 88,334,356
<u>80,940,806</u>	<u>79,042,798</u>	<u>76,408,050</u>	<u>70,956,788</u>	<u>75,904,018</u>
<u>\$ (13,041,556)</u>	<u>\$ (7,208,935)</u>	<u>\$ 3,358,161</u>	<u>\$ 12,581,145</u>	<u>\$ 12,430,338</u>

119.21%

95.79%

84.94%

85.93%

Net Assessed Value	\$ 2,340,481,074
Plus Exempt Property	<u>15,101,740</u>
Total Assessed Value	<u>2,355,582,814</u>

Debt Limit: 3.75 percent of Total Assessed Value	88,334,356
--	------------

Debt applicable to Limitation: Net Combined applicable to Limitation	75,904,018
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Total Debt applicable to Limitation	<u>75,904,018</u>
Legal Debt Margin	<u>\$ 12,430,338</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 Principal	Debt Service Interest	Coverage
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	-	100%	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
2019	6,335,700	5,756,149	579,551	375,493	154%	N/A	N/A	N/A	N/A
2020	6,632,982	5,709,549	923,433	376,194	245%	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 ¹	Personal Income ²	Per Capita Personal Income ³	Loma Linda		Bryn Mawr		Redlands		Unemployment Rate (percentage) ⁶
				Academy (Private) Enrollment ⁴	Elementary Enrollment ⁵	Elementary Enrollment ⁵	School District Enrollment ⁵			
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		
2019	24,335	698,833,000 **	28,717 **	1,246	675	579	21,240	2.4		
2020	24,535	680,521,000	27,736	1,239	684	550	21,062	2.4		

Sources: ¹ State of California, Department of Finance ² 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 2012.³ Per Capita personal income is calculated by dividing personal income by population ⁴ Loma Linda Academy's registrar's office (except in 2011 the City used www.trulia.com) ⁵ California Department of Education ⁶ 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>	2020			2010 *		
	<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	7,621	1	35.42%	7,519	1	47.19%
Jerry L. Pettis VA Med. Ctr.	3,531	2	16.41%	3,247	3	20.38%
Loma Linda University	2,744	3	12.75%	3,478	2	21.83%
University Health Care	1,390	4	6.46%	1,330	4	8.35%
Total	<u>15,286</u>		<u>71.04%</u>	<u>15,574</u>		<u>97.75%</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 2009, as required by GASB-S44:33

Source: City of Loma Linda Finance Department

CITY OF LOMA LINDA
Full-Time Equivalent City Government Employees by Function
Last Ten (10) Fiscal Years

<u>Fiscal Year</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function										
General government	34	29	29.5	30.5	31.5	32.5	33	34.5	35.5	34.5
Public safety										
* Sheriff										
Officers	13.5	12.8	12.77	12.77	12.77	15.26	19.02	19.36	19.36	19.36
Civilians	4.24	5.03	5.03	5.03	5.03	5.81	7.1	7.1	7.1	7.2
Fire										
Firefighters and officers	29	29	23	23	23	26	26	24	28	28
Civilians	3.5	4	4	5	5	5	5	4	4	3
Highways and streets										
Maintenance	6	4	4	4	4	4	4	3	6	5
LL Connected Communities	3.5	3.5	3.5	3.5	2.5	2	2	2	2	2
Sewer	2	2	2	2	2	2	2	2	2	2
Water	11	11	11	12	11	11	11	11	11	11
Total:	107	100	94.8	97.8	96.8	103.6	109.12	106.96	114.96	112.1

* 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function										
Sheriff										
Calls for service	20,626	18,084	20,846	21,673	22,759	42,044	27,588	26,662	26,580	28,845
Citations issued by Deputies	2,922	1,703	1,653	5,988	1,034	1,161	2,373	2,068	1,061	1,548
Red light camera citations	1,084	0	0	0	0	0	0	0	0	0
Physical arrests	722	1,078	790	730	669	828	863	729	878	638
Fire										
Total number of calls answered	3,309	3,230	3,213	3,797	4,005	4,404	5,343	4,996	4,654	4,371
% of calls for medical aid	63.7	64.7	63	65.3	63.8	57.45	53.9	59.53	60	61.3
Highways and streets										
Street resurfacing (miles)	7.88	3.85	5.1	1.95	1.15	3.7	1.6	6.1	3.7	4.9
Potholes repaired	7	12	11	7	18	15	21	59	19	30
Water										
New connections	32	0	3	1	0	8	5	23	43	52
Water main breaks	34	24	10	21	8	14	10	19	6	23
Average daily consumption (acre foot)	12.96	13.54	13.73	13.75	13.00	11.10	11.18	12.7	11.81	11.87
Wastewater										
Average daily sewage treatment (million gallons)	3.9	4.0	4.1	4.0	4.0	3.5	3	4	4	4

Note: Sheriff services are contracted through the County of San Bernardino Sheriff's Dept.
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

<u>Fiscal Year</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function										
Public safety										
* Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	10.5	10.5	10.5	11.77	11.77	11.77	11	11	11	11
Fire Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	15	15	17	16	15	15	17	17	15	16
Highways and streets										
Streets (miles)	63.8	63.89	64.64	64.64	64.64	64.64	65	65.7	66.23	68.86
Streetlights	1,456	1,470	1,470	1,472	1,483	1,024	1,532	1,551	1,607	1,758
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	90.3	90.33	90.33	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	77.2	111.45	112.98	112.98	118.37
Fire hydrants	956	957	964	997	917	939	950	991	995	1002
Maximum daily capacity (gallons per minute)	13,300	12,982	11,305	12,220	12,220	13,800	13,200	13,320	13,320	13,200
Sewer										
Sanitary sewers (miles)	67.1	67.5	67.5	67.5	67.5	61.3	65	66.43	66.43	70.33
Storm sewers (miles)	18.3	20.5	20.8	20.8	20.8	18.58	21	21	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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